



**THE MANAGEMENT BOARD'S REPORT ON
THE ACTIVITIES OF KGHM POLSKA MIEDŹ S.A.
AND OF THE KGHM POLSKA MIEDŹ S.A.
GROUP IN 2024**

Lubin, March 2025

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1 KGHM POLSKA MIEDŹ S.A. GROUP

1.1 KGHM POLSKA MIEDŹ S.A. - AN OVERVIEW

1.1.1 Significant events in 2024 and up to the date of signing of this report

Date	Event	Section
Change in macroeconomic conditions		
2024	An increase in average annual copper prices by 8% and an increase in silver prices by 21%	2.2
2024	A decrease in average annual USD/PLN exchange rate by 5%	2.2
KGHM Polska Miedź S.A. on the Warsaw Stock Exchange		
2024	A decrease in the share price of KGHM Polska Miedź S.A. by 3% from PLN 122.70 to PLN 115.00	1.6.1
Changes in the composition of the KGHM Polska Miedź S.A. bodies		
9 January 2024	Information on the resignation of Marek Świder from his position of Vice President of the Management Board (Production) of the Company	3.3
13 February 2024	Information on changes in the composition of the Supervisory Board and the Management Board of the Company	3.3
6 March 2024	Information on the resignation of Zbigniew Bryja from his position in the Supervisory Board and on changes in the composition of the Management Board of KGHM Polska Miedź S.A.	3.3
29 March 2024	Information on the resignation of Mirosław Kidoń from his position in the Management Board of KGHM Polska Miedź S.A.	3.3
6 August 2024	Information on the appointment as of 1 September 2024 of Iga Dorota Lis to the Management Board of KGHM Polska Miedź S.A. for the position of Vice President of the Management Board (International Assets)	3.3
8 January 2025	Information on changes in the composition of the Supervisory Board and the Management Board of the Company	3.3
Impairment of assets		
10 January 2024	Identification of indications of the possibility of impairment, or indications that the impairment loss recognised in prior periods may be reduced, in terms of the Polish and international assets of the KGHM Polska Miedź S.A. Group	2.3, 2.5
22 March 2024	Information on the results of the conducted tests for impairment	2.3, 2.5
5 February 2025	Identification of indications to verify the recoverable amount of Polish and international assets of the KGHM Polska Miedź S.A. Group.	2.3, 2.5
4 March 2025	Information on the results of the conducted tests for impairment of Polish and international assets of the KGHM Polska Miedź S.A. Group	2.3, 2.5
Allocation of profit		
8 May 2024	Management Board proposal on covering the loss for 2023 and recommendation of the dividend payout in the amount of PLN 300 million	1.6.1
7 June 2024	Resolution of the Ordinary General Meeting of KGHM Polska Miedź S.A. regarding the coverage of the loss for 2023 and dividend payout in 2024, as recommended by the Management Board	1.6.1
16 July 2024	Payout of the dividend in the amount of PLN 300 million (PLN 1.50 per share)	1.6.1
Bond issuance program		
29 May 2024	Consent of the Management Board to establish a bond issuance program up to the amount of PLN 4 billion and conclusion of a bond issuance agreement	1.6.2
14 June 2024	Decision of the Management Board of the Company on the issuance of series C bearer bonds of the company KGHM POLSKA MIEDŹ S.A. with a nominal value of PLN 1 billion and detailed terms of the issuance	1.6.1
26 June 2024	Issuance of series C bearer bonds of the company KGHM POLSKA MIEDŹ S.A.	1.6.1
22 August 2024	Introduction of series C bearer bonds of the company KGHM POLSKA MIEDŹ S.A. to the alternative trading system on Catalyst	1.6.1
16 September 2024	First listing of series C bonds on the Catalyst market	1.6.1

Date	Event	Section
Significant agreements		
7 February 2024	Consent of the Management Board to sign a unsecured, revolving credit agreement with Bank Gospodarstwa Krajowego in the amount of USD 450 million	1.6.2
23 February 2024	Unsecured revolving credit agreement with Bank Gospodarstwa Krajowego	1.6.2
11 September 2024	Consent to issue a corporate guarantee to Sierra Gorda S.C.M.	1.6.2
16 September 2024	Agreement for the corporate guarantee to secure Sierra Gorda S.C.M.'s obligations	1.6.2
16 September 2024	Sierra Gorda S.C.M. revolving credit agreement with a syndicate of banks	1.6.2
Changes in the structure of the Group		
29 February 2024	Acquisition of 100% of shares in the following companies: INVEST PV 40 Sp. z o.o., INVEST PV 58 Sp. z o.o. and INVEST PV 59 Sp. z o.o.,	1.2.1
20 May 2024	Declaration of bankruptcy of NANO CARBON Sp. z o.o. in liquidation	1.2.1
30 September 2024 ¹	Merger of KGHM Cuprum sp. z o.o. – CBR with Centrum Analityki sp. z o.o.	1.2.1
2 December 2024 ²	Merger of Polska Grupa Uzdrowisk sp. z o.o. with Fundusz Hotele 01 Sp. z o.o. and Fundusz Hotele 01 Sp. z o.o. S.K.A.	1.2.1
Other		
18 December 2024	Approval by the Supervisory Board of the Budget of KGHM Polska Miedź S.A. and of the Budget of the KGHM Group for 2025	1.4.4
13 March 2025	Statement on the Company's compliance with the corporate governance principles contained in Best Practice of GPW Listed Companies 2021	3.1

¹ Registration in the National Court Register

² Registration in the National Court Register

1.1.2 The Company and the Group in the years 2017-2024 - synthetic overview

Basic items of the consolidated financial statements

		2024	2023	2022	2021	2020	2019	2018	2017
Revenues from contracts with customers	PLN mn	35 320	33 467	33 847	29 803	23 632	22 723	20 526	20 358
Profit/(loss) for the period	PLN mn	2 870	(3 691)	4 774	6 155	1 797	1 421	1 658	1 525
Adjusted EBITDA ³	PLN mn	8 457	5 362	8 865	10 327	6 623	5 229	4 972	5 753
Total assets	PLN mn	53 892	51 383	53 444	48 027	42 780	39 409	37 237	34 122
Liabilities	PLN mn	22 834	22 753	21 298	20 889	21 699	19 207	18 012	16 337
Earnings per share (EPS) ⁴	PLN	14.34	(18.49)	23.86	30.78	9.00	7.11	8.29	7.84
Share price of the Company at the end of the period	PLN	115.00	122.70	126.75	139.40	183.00	95.58	88.88	111.20
Net debt/EBITDA ⁵		0.8	1.0	0.8	0.6	0.9	1.5	1.6	1.3
Payable copper production ⁶	kt	729.7	710.9	733.1	753.7	709.1	701.6	633.9	656.4
Payable silver production ⁷	t	1 341	1 428	1 327	1 366	1 353	1 417	1 205	1 234
C1 payable copper production cost ⁸	USD/lb	2.67	2.87	2.20	1.96	1.59	1.70	1.81	1.59
Cash expenditures on property, plant and equipment and intangible assets	PLN mn	5 855	4 776	4 118	3 890	3 457	3 232	2 875	2 796

Basic items of the separate financial statements

		2024	2023	2022	2021	2020	2019	2018	2017
Revenues from contracts with customers	PLN mn	29 894	29 084	28 429	24 618	19 326	17 683	15 757	16 024
Profit/(loss) for the period	PLN mn	2 788	(1 153)	3 533	5 169	1 779	1 264	2 025	1 323
Adjusted EBITDA	PLN mn	4 463	3 563	5 400	5 474	4 458	3 619	3 416	4 160
Total assets	PLN mn	50 405	48 896	47 995	43 458	39 342	35 989	34 250	30 947
Liabilities	PLN mn	19 251	20 078	18 320	17 618	18 616	16 100	15 205	13 691
Earnings per share (EPS) ⁹	PLN	13.94	(5.77)	17.67	25.85	8.90	6.32	10.13	6.62
Electrolytic copper production	kt	588.7	592.4	586.0	577.6	560.4	565.6	501.8	522.0
Metallic silver production	t	1 316	1 403	1 298	1 332	1 323	1 400	1 189	1 218
C1 payable copper production cost	USD/lb	3.07	2.98	2.38	2.26	1.62	1.74	1.85	1.52
Cash expenditures on property, plant and equipment and intangible assets	PLN mn	3 635	3 074	2 731	2 407	2 422	2 366	1 907	1 991

Macroeconomic data (average annual)

		2024	2023	2022	2021	2020	2019	2018	2017
Copper prices per the LME	USD/t	9 147	8 478	8 797	9 317	6 181	6 000	6 523	6 166
Silver prices per the LBMA	USD/oz t	28.27	23.35	21.73	25.14	20.54	16.21	15.71	17.05
Exchange rate	USD/PLN	3.98	4.20	4.46	3.86	3.90	3.84	3.61	3.78

³ Comprises Sierra Gorda S.C.M. proportionally to the interest held (55%)

⁴ Attributable to shareholders of the Parent Entity.

⁵ Adjusted EBITDA for the year, excluding EBITDA of the joint venture Sierra Gorda S.C.M.

⁶ Comprises Sierra Gorda S.C.M. proportionally to the interest held (55%)

⁷ As above

⁸ As above

⁹ Attributable to shareholders of the Parent Entity.




1.2 BASIC PRINCIPLES OF THE COMPANY AND THE GROUP MANAGEMENT

1.2.1 Organisational structure of the Group and the Company and changes in the organisational structure in 2024

Organisational structure of the Company KGHM Polska Miedź S.A.

In 2024, the multi-divisional organisational structure of the Company operating under the name of KGHM Polska Miedź S.A. consisted of the Head Office of the Company and 10 Divisions.

Diagram 1. Organisational structure of KGHM Polska Miedź S.A.

		
<p>Mining</p> <ul style="list-style-type: none">– Lubin Mine Division– Polkowice-Sieroszowice Mine Division– Rudna Mine Division– Concentrators Division– Tailings Division	<p>Metallurgy</p> <ul style="list-style-type: none">– Głogów Copper Smelter and Refinery– Legnica Copper Smelter and Refinery– Cedynia Wire Rod Plant	<p>Other</p> <ul style="list-style-type: none">– Head Office– Mine-Smelter Emergency Rescue Division– Data Center Division

Entities subject to consolidation

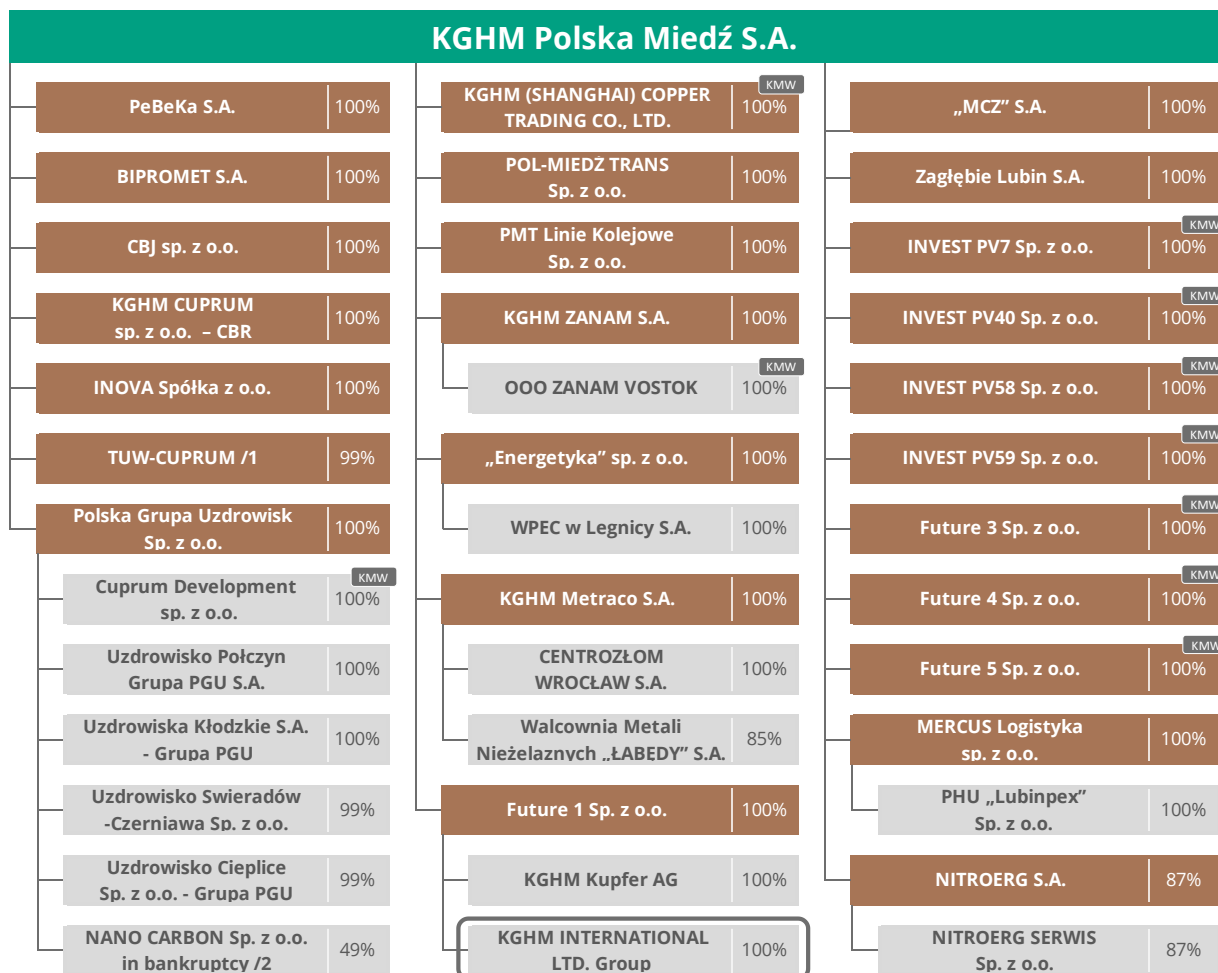
At the end of 2024, the Group consisted of the Parent Entity KGHM Polska Miedź S.A., 36 direct and indirect subsidiaries consolidated using the simultaneous method, and the KGHM INTERNATIONAL LTD. Group consolidated by including its consolidated financial statements in the statements at the highest level of the Group's consolidation. A total of 64 entities are subject to consolidation (including KGHM Polska Miedź S.A.).

At the end of 2024, two jointly controlled entities are measured using the equity method in the consolidated financial statements: Sierra Gorda S.C.M. and NANO CARBON Sp. z o.o. in bankruptcy.

Towarzystwo Ubezpieczeń Wzajemnych "CUPRUM" whose assets, revenues and profit or loss do not have a material impact on the data presented in the consolidated statement of financial position and the consolidated statement of comprehensive income is excluded from consolidation.

The detailed structure of the KGHM Polska Miedź S.A. Group and the KGHM INTERNATIONAL LTD. Group as at 31 December 2024 is presented in the diagrams below.

Diagram 2. KGHM Polska Miedź S.A. Group structure as at 31 December 2024¹⁰



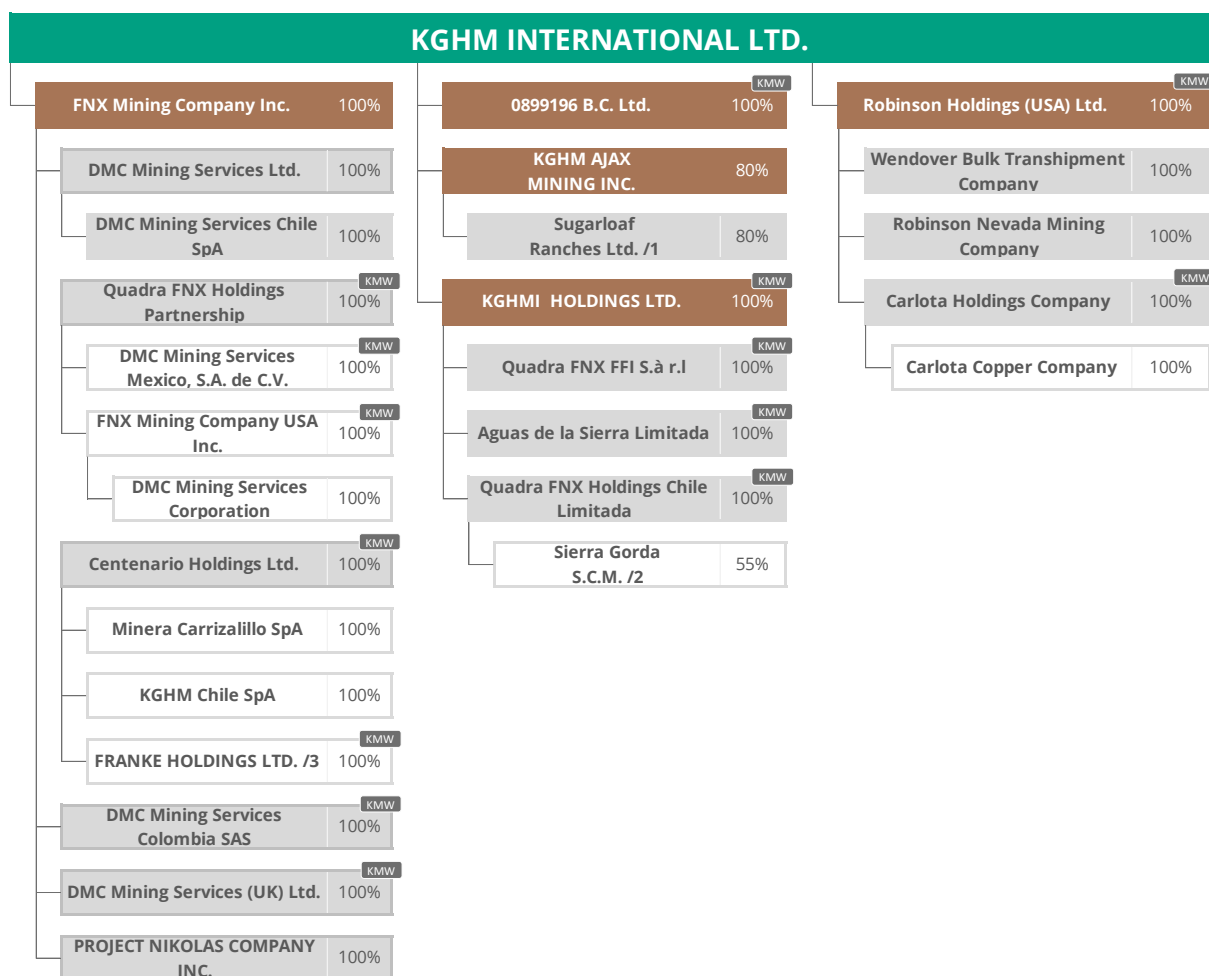
1/ joint venture accounted for using the equity method
2/ unconsolidated subsidiary

Group structure presented in a separate diagram

KMW Subsidiaries consolidated using the indicator method

¹⁰ Percentages represent the total share of the Group

Diagram 3. KGHM INTERNATIONAL LTD. Group Structure as at 31 December 2024¹¹



1/ joint venture accounted for using the equity method

2/ shares in the company FRANKE HOLDINGS LTD. are held by: Centenario Holdings Ltd. 66.2%, KGHM International Ltd. 30.3% and FNX Mining Company Inc. 3.5%

3/ real share of the Group 80%

^{KMW} Subsidiaries consolidated using the indicator method

¹¹ Percentages represent the total share of the Group

Polish companies

In 2024, the group of Polish companies has increased by 3 special purpose companies, which are operators of photovoltaic farms, i.e.: INVEST PV40 Sp. z o.o., INVEST PV58 Sp. z o.o., INVEST PV59 Sp. z o.o., however, the size of the group of Polish companies did not change as three of them were acquired by other group companies as a result of merger processes within the group.

Other equity investments in the group of domestic companies completed in 2024 included the acquisitions of newly-issued shares in the increased share capital of several direct and indirect subsidiaries.

Detailed information is provided in the tables below.

Table 1. Equity investments of KGHM Polska Miedź S.A.

Acquisition of newly-issued shares of PMT Linie Kolejowe Sp. z o.o.	<p>On 19 January 2024 the Extraordinary Shareholders Meeting adopted a resolution to increase the company's share capital by PLN 70.2 million. All of the newly-issued shares in the increased share capital were acquired by KGHM Polska Miedź S.A. and fully paid for in cash on 31 January 2024. The share capital of the Company following the increase amounts to PLN 104.7 million. The increase was registered in the National Court Register on 12 April 2024. The funds raised due to the increase in share capital will be used to advance the investment project called "Modernisation of the Railway Infrastructure". This is the second of four tranches of funds to be contributed by KGHM Polska Miedź S.A. to the company as part of the increases in the share capital for the purpose of acquiring non-current assets in order to realise the above-mentioned investment project. The first tranche in the amount of PLN 17.2 million was contributed in July 2023.</p> <p>KGHM Polska Miedź S.A. owns 100% of the shares of the company.</p>
Acquisition of 100% of shares in the companies: – INVEST PV40 Sp. z o.o. – INVEST PV58 Sp. z o.o. INVEST PV59 Sp. z o.o.	<p>On 29 February 2024, KGHM Polska Miedź S.A. acquired shares in three further special purpose companies, i.e. INVEST PV 40 Sp. z o.o., INVEST PV 58 Sp. z o.o. and INVEST PV 59 Sp. z o.o., which are operators of photovoltaic farms, respectively - PV Głogów 1, PV Głogów 2 with the total capacity of 10 MW, located in the Głogów municipality, Lower Silesia Voivodeship, PV Gniewino 1, PV Gniewino 2 with the total capacity of 14 MW, located in the Gniewino municipality, Pomeranian Voivodeship, and PV Koryta I, PV Koryta II, PV Koryta III with the total capacity of 17.9 MW, located in the Daszyna municipality, Łódź Voivodeship.</p> <p>The transaction price amounted to PLN 215 million (PLN 141 million paid in 2023, PLN 74 million paid in the current reporting period), of which PLN 41 million was the payment for the acquisition of shares, while PLN 174 million was related to subrogation of liabilities (owner loans). As at the end of the reporting period, the final purchase price of the shares was determined to amount to PLN 31 million. The transaction price includes the companies' working capital of PLN 19 million. The total value of the shares (enterprise value) of the aforementioned three companies amounted to PLN 186 million.</p> <p>In 2023, KGHM Polska Miedź S.A. acquired 100% of the shares in the first special purpose company INVEST PV7 sp. z o.o., the operator of the PV Żuki photovoltaic farm with the capacity of 5.2 MW located in the Turek municipality, Greater Poland Voivodeship.</p>
Acquisition of shares of Zagłębie Lubin S.A.	<p>On 22 October 2024 the Extraordinary General Meeting of the company adopted a resolution on increasing the company's share capital by PLN 25 million. All of the newly-issued shares in the increased share capital were acquired by KGHM Polska Miedź S.A. and fully paid for in cash on 31 October 2024. The share capital of the Company following the increase amounts to PLN 216.7 million. Allocation of funds from the increase in the share capital – supplementation of working capital. The increase was registered in the National Court Register on 8 November 2024.</p> <p>KGHM Polska Miedź S.A. owns 100% of the shares of the company.</p>

Table 2. Mergers of companies within the KGHM Polska Miedź S.A. Group.

Merger of KGHM Cuprum sp. z o.o. - CBR with Centrum Analityki sp. z o.o.	<p>On 18 September 2024, the Extraordinary Shareholders' Meetings of the companies: KGHM Cuprum sp. z o.o. - CBR (the acquiring company) and KGHM Centrum Analityki sp. z o.o. (the acquired company), adopted the resolutions on consent for the merger (merger by acquisition) of the above-mentioned companies, through the transfer to the acquiring company of all assets of the acquired company in exchange for 1 187 newly-issued shares in the share capital of the acquiring company, created as a result of an increase in the share capital of the acquiring company by PLN 0.6 million, which the acquiring company granted to the sole shareholder of the acquired company, i.e. the Company KGHM Polska Miedź S.A. As a result of the foregoing, the share capital of KGHM CUPRUM sp. z o.o. - CBR was increased from PLN 17.3 million to the amount of PLN 17.9 million. On 30 September 2024, the merger of the aforementioned companies was registered in the National Court Register.</p>
Merger of Polska Grupa Uzdrowisk sp. z o.o. with Fundusz Hotele 01 Sp. z o.o. and Fundusz Hotele 01 Sp. z o.o. S.K.A.	<p>On 30 October 2024, the Extraordinary Shareholders' Meetings of the companies: Polska Grupa Uzdrowisk sp. z o.o. (the acquiring company) and Fundusz Hotele 01 Sp. z o.o. and Fundusz Hotele 01 Spółka z o.o. S.K.A. (the acquired companies), adopted resolutions on consent to the merger (merger by acquisition) of the above-mentioned companies, through the transfer of all assets of the acquired companies to the acquiring company. The acquired companies are non-operating subsidiaries of the acquiring company. Due to the 100% share in the acquired companies by the acquiring company, the merger took place without increasing the share capital of the acquiring company. On 2 December 2024, the merger of the aforementioned companies was registered in the National Court Register.</p>

Amongst the group of Polish indirect subsidiaries, Polska Grupa Uzdrowisk sp. z o.o. (hereinafter: PGU), in which KGHM Polska Miedź S.A. holds 100% of the shares, acquired shares in the increased share capital of the subsidiaries - companies from the spa industry, allocating the funds for the realisation of investments. The funds contributed by KGHM Polska Miedź S.A. to the share capital of PGU in 2022 provided the source of funding for increases in share capitals.

Table 3. Equity investments of an indirect subsidiary - Polska Grupa Uzdrowisk sp. z o.o.

Acquisition of newly-issued shares of Uzdrowisko Świeradów-Czerniawa Sp. z o.o. – Grupa PGU	On 25 January and 22 March 2024, in total PGU acquired 303 newly-issued shares in the increased share capital of the company, for the total amount of PLN 0.6 million. The increase in share capital was made in December 2023, through the issuance of 307 shares with the total nominal value of PLN 0.2 million. The increase in share capital was registered in the National Court Register on 18 April 2024. After the increase, the company's share capital amounts to PLN 7.8 million. As a result of the foregoing, the share of PGU in the company decreased from 99.48% to 99.46%. The slight decrease in the shareholding results from the acquisition of shares by minority shareholders, that is former and current employees of the company.
Acquisition of newly-issued shares of Uzdrowisko Cieplice Sp z o.o. – Grupa PGU	On 25 January and on 4 March 2024, in total PGU acquired 53 758 newly-issued shares in the increased share capital of the company, for the total amount of PLN 8.9 million. The increase in share capital was made in December 2023, through the issuance of 53 799 shares with the total nominal value of PLN 2.7 million. The increase in share capital was registered in the National Court Register on 17 April 2024. After the increase, the company's share capital amounts to PLN 10.6 million. As a result of the foregoing, the share of PGU in the company increased from 98.85% to 99.12%.
Acquisition of newly-issued shares of Uzdrowisko Połczyn Grupa PGU S.A.	On 16 February 2024 the Extraordinary General Meeting of the company adopted a resolution on increasing the company's share capital by PLN 6.9 million. All newly-issued shares in the increased share capital were acquired by Polska Grupa Uzdrowisk sp. z o.o. and paid for in cash on 8 March 2024 in the amount equal to the value of the issuance, i.e. PLN 12 million. The share capital of the company following the increase amounts to PLN 25.7 million. The increase was registered in the court on 26 March 2024. Polska Grupa Uzdrowisk sp. z o.o. is the sole shareholder of the company.
Acquisition of newly-issued shares of Uzdrowiska Kłodzkie S.A. – Grupa PGU	On 16 February 2024 the Extraordinary General Meeting of the company adopted a resolution on increasing the company's share capital by PLN 8.2 million. All of the newly-issued shares in the increased share capital were acquired by PGU and paid for in cash in the amount equal to the value of the issuance, i.e. PLN 17.6 million. The share capital of the company following the increase amounts to PLN 55.9 million. The increase of the share capital was registered in the National Court Register on 20 March 2024. Polska Grupa Uzdrowisk sp. z o.o. is the sole shareholder of the company.

Other changes

Pursuant to the court decision of 20 May 2024, NANO CARBON Sp. z o.o. in liquidation (a jointly-controlled entity in which a subsidiary, Polska Grupa Uzdrowisk sp. z o.o., holds a direct share of 49%) was declared bankrupt.

International companies

In 2024, a new special purpose company "Project Nikolas Company Inc." was established within the group of international companies for the purpose of disposal of a part of KGHM's assets in the Sudbury Basin, to which the following divested Sudbury assets were transferred from the Canadian company FNX Mining Company Inc.: the McCreedy West, Levack (with Morrison deposit), Podolsky mines and the following exploration concessions: Kirkwood, Falconbridge, NW Foy, Rand and North Range. Pursuant to the Share Purchase Agreement signed on 11 September 2024, the sales transaction of the company Project Nikolas Company Inc. was finalised on 28 February 2025. The new owner of the special purpose company, and therefore of the disposed assets of the Sudbury Basin, is the company Magna Mining Inc.

In 2024, the process of liquidation of one entity was started. The liquidation of KGHM Kupfer AG., whose current name is KGHM Kupfer AG i.L., has been in progress since 1 May 2024.

Table 4. Equity investments in international assets

Acquisition of shares of KGHM Ajax Mining Inc. with its registered office in Canada	On 13 February 2024, KGHM INTERNATIONAL LTD. and Abacus Mining & Exploration Corporation (joint venture partner), increased the share capital of the company KGHM Ajax Mining Inc. by the amount of CAD 1 400 000.00, proportionally to their share in the share capital of the Company (i.e. KGHM INTERNATIONAL LTD. 80%; Abacus Mining & Exploration Corporation 20%), acquiring in exchange newly-issued shares – KGHM INTERNATIONAL LTD. 112 shares and Abacus Mining & Exploration Corporation 28 shares, i.e. the total of 140 newly-issued shares in the share capital of KGHM Ajax Mining Inc.). On 6 December 2024, KGHM INTERNATIONAL LTD. and Abacus Mining & Exploration Corporation (joint venture partner), increased the share capital of the company KGHM Ajax Mining Inc. by the amount of CAD 3 000 000.00, proportionally to their share in the share capital of the Company (i.e. KGHM INTERNATIONAL LTD. 80%; Abacus Mining & Exploration Corporation 20%), acquiring in exchange newly-issued shares – KGHM INTERNATIONAL LTD. 240 shares and Abacus Mining & Exploration Corporation 60 shares, i.e. the total of 300 newly-issued shares in the share capital of KGHM Ajax Mining Inc.). KGHM Ajax Mining Inc. is developing an open pit copper and gold mine in Canada (the Ajax project). The project is currently suspended (care & maintenance). In accordance with the agreement between the partners on financing of the Ajax project, the amount of the Abacus Mining & Exploration Corporation's share in the increase in share capital was financed by KGHM INTERNATIONAL LTD. in the form of a loan granted to Abacus Mining & Exploration Corporation.
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Table 5. Loans granted to international companies

Granting of a loan to the subsidiary KGHM INTERNATIONAL LTD.	<p>On 12 February 2024, KGHM Polska Miedź S.A. granted a loan to its subsidiary, KGHM INTERNATIONAL LTD. in the amount of USD 30.6 million (PLN 122.9 million, at the exchange rate of USD/PLN 4.0189 as at 15 February 2024), for the repayment of the loan granted to Robinson Holdings (USA) Ltd. and further distribution of funds in the form of a loan repayment to Robinson Nevada Mining Company, to finance the purchase of mining machinery in the first half of 2024. The interest rate of the loan is under arm's length conditions. The agreement is in force until 31 August 2029.</p> <p>On 22 May 2024, KGHM Polska Miedź S.A. granted a loan to its subsidiary, KGHM INTERNATIONAL LTD. in the amount of USD 17.5 million (PLN 68.7 million, at the exchange rate of USD/PLN 3.9243 as at 22 May 2024), for the repayment of the loan granted to Robinson Holdings (USA) Ltd. and further distribution of funds in the form of a loan repayment to the Robinson Nevada Mining Company, to finance the purchase of machines to perform independent work on the Tailings Storage Facility of the Robinson mine. The interest rate of the loan is under arm's length conditions. The agreement is in force until 30 September 2029.</p>
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1.2.2 Changes in the basic principles of managing the Group

In 2024, there were no changes in the principles of managing the group in domestic or international companies.

1.2.3 Reporting segments

The Group's main entities, which are engaged in the mining sector, comprise three primary reporting segments which are independently evaluated by management bodies. These are: KGHM Polska Miedź S.A., KGHM INTERNATIONAL LTD. and Sierra Gorda S.C.M. Other companies, excluding Future 1 Sp. z o.o., Future 3 Sp. z o.o., Future 4 Sp. z o.o., Future 5 Sp. z o.o. are part of the segment called Other segments.

The following diagram presents the significant production assets and projects underway within the reporting segments: KGHM Polska Miedź S.A., KGHM INTERNATIONAL LTD., Sierra Gorda S.C.M. and Other segments.

Diagram 4. Reporting segments of the KGHM Polska Miedź S.A. Group

	KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Sierra Gorda S.C.M.	Other segments
Activities	Mined and metallurgical production of metals - Cu, Ag, Au	Mined production of metals - Cu, Ni, Au, Pt, Pd, Ag	Mined production of metals - Cu, Mo, Au, Ag	- Companies supporting the core business of KGHM Polska Miedź S.A.
Main production assets	Underground mines - Lubin mine - Polkowice-Sieroszowice mine - Rudna mine Metallurgical plants - Legnica Copper Smelter and Refinery - Głogów Copper Smelter and Refinery Cedynia Wire Rod Plant	Robinson mine in the USA (open pit)	Sierra Gorda mine in Chile (open pit)	- Companies comprising the so-called Polska Grupa Uzdrowisk - Companies playing an important role in advancing CSR policy, - Other companies, including special-purpose companies in the holding structure
Most important development projects	- Głogów Głęboki-Przemysłowy (Deep Głogów) - Pre-production projects and exploration projects in south-west Poland	- Victoria project in the Sudbury Basin in Canada - construction of an underground copper and nickel mine	- Sierra Gorda Oxide project in Chile	

The following companies were not included in any of the aforementioned segments:

- Future 1 Sp. z o.o., which acts as a holding company with respect to the KGHM INTERNATIONAL LTD. Group,
- Future 3 Sp. z o.o., Future 4 Sp. z o.o., Future 5 Sp. z o.o. (which operate in the structure related to the establishment of a Tax Group).

These companies do not conduct operating activities which could impact the results achieved by individual segments, as a result of which their inclusion could disrupt the data presented in the consolidated financial statements due to the significant internal settlements with the other entities from the Group.

The segments KGHM Polska Miedź S.A., KGHM INTERNATIONAL LTD. and Sierra Gorda S.C.M. have separate Management Boards, which report their operational results to the Management Board of the Parent Entity.

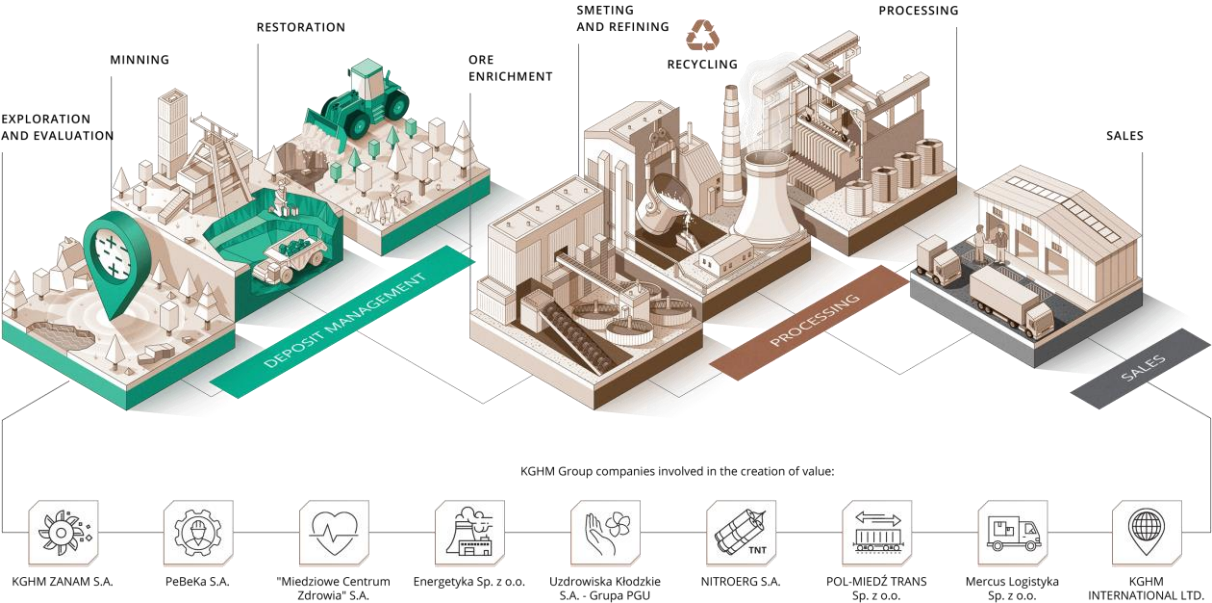
The segment KGHM Polska Miedź S.A. only includes the Parent Entity, while the segment Sierra Gorda S.C.M. only includes the joint venture Sierra Gorda. The above diagram presents the other companies of the KGHM Polska Miedź S.A. Group with a breakdown by segment: KGHM INTERNATIONAL LTD. and Other segments.

1.3 CHARACTERISTICS OF THE COMPANY AND THE GROUP

1.3.1 Business model of KGHM Polska Miedź S.A.

The KGHM Polska Miedź S.A. Group is one of ten largest producers of mining copper worldwide and the second largest producer of silver¹². It has over 35 thousand employees in more than 60 companies on four continents - Europe, North America, South America and Asia. The activity of the KGHM Group is based on seven key segments that form a complete value creation chain. They include areas such as exploration of raw materials, their mining, production, transport, delivery of products to customers and stakeholders, as well as responsible waste management, in order to mitigate the adverse impact on the environment.

Diagram 5. Business model of the KGHM Polska Miedź S.A. Group



The KGHM Group's business model also includes complementary subsidiaries, extending the core production business in areas such as manufacturing of mining machinery, explosives and metal recycling, among others. Production in the KGHM Group is a fully integrated technological process in which the end product of one phase becomes a semi-finished product used in the next phase. This structure allows for efficient use of raw materials and cost optimisation.

¹² Source: CRU, December 2024 and World Silver Survey, April 2024, based on production volumes in 2023.

Table 6. Description of the business model of the KGHM Polska Miedź S.A. Group

Segment	What does it involve?	Why is it important?
Exploration and evaluation	The stage of geological work associated with the evaluation of new areas of potential mineralisation, known as exploration. This stage aims to document new, economically viable deposits and ends with the preparation of geological documentation for the particular concession area.	Safeguarding the perspective of continued mining of documented ore resources is one of the cornerstones of KGHM's development and the growth of the Company's value.
Ore mining	Mining of deposits is performed with the use of the open-pit method or - as in the case of the Parent Entity - the underground method using blasting technology and self-propelled mining machinery.	Ore mining is the basic element of KGHM's business which enables the production of metals and sales on the market.
Ore enrichment	Copper ore enrichment is the mechanical processing resulting in the production of a concentrate with copper content enabling its metallurgical processing.	The enrichment process is necessary as the copper ore deposits mined by KGHM in Poland have an average copper content of approximately 1.5%. The technology used allows for the effective, up to 90%, recovery of copper, silver and other elements from the mined ore.
Smelting and refining	Production in smelters of KGHM Polska Miedź S.A. is based mainly on the processing of own copper concentrates, but it also uses purchased raw materials. Among other things, electrolytic copper as well as silver and gold bars are produced at this stage.	Due to the production capacity of Polish copper smelters, the KGHM Group is one of the world leaders in the metallurgical industry.
Processing	Copper cathodes produced in KGHM's smelters are processed into copper wire rod, oxygen-free wire and low-alloy wire (Cedynia Wire Rod Division).	Processed products of a consistent high quality respond to market needs and find buyers worldwide.
Sales and trading	Sales are carried out while ensuring the safety of trading, taking into account the principles contained in the sales, credit risk management and market risk policies. One of the solutions aimed at providing the security of trading is the appropriate diversification of sales - both product and geographic - or diversification of customers.	Ensuring the sale of manufactured products guarantees a sustainable and stable income. Trade is based on the Fair Trade principles.
Restoration	Safe and environmentally-friendly closure of mines, sand pits and other industrial facilities.	The element of KGHM's environmental policy and the basis for responsible business conduct.
CE/recycling	Product lifecycle based on the circular economy - the Circular Economy approach at every stage of the value chain.	The responsibility whose fulfilment builds trust and credibility.
+ complementary value chain:		
Stakeholders	Customers, consumers and partners as a determinant of the KGHM Group's responsible business standards.	
Activities supporting the Core Production Business	R&D activities, provision of energy and heat, including from RES, production of explosives, production and servicing of mining machinery, transport services, sales and recycling services	
Other	Sponsoring and CSR activities, among others through the KGHM Foundation, as well as healthcare and spa activities	

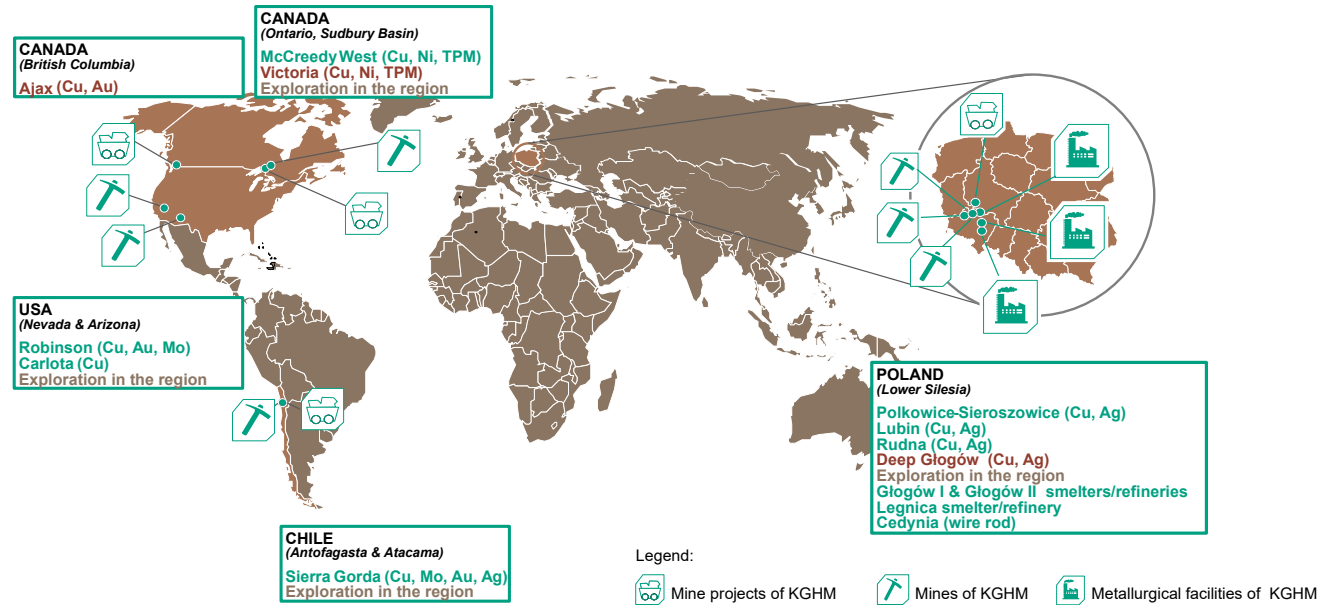
Table 7. Value-creating capitals of the KGHM Polska Miedź S.A. Group

Type of capital	Accumulation	Development	Security
<p>Financial capital</p> <p>Financial resources required for the implementation of investment in mining, technology development and recycling.</p>	<p>Funds raised through sales of products and services, bond issuances and cost optimisation.</p>	<p>Investment in new technologies, development of deposit mining and recycling initiatives.</p>	<p>Long-term financial planning, risk management and diversification of revenue sources. Bond issuance program.</p>
<p>Productive capital</p> <p>The basic raw materials for production include copper ore, silver and gold. These materials are mined in KGHM's mines and enriched in smelting and processing operations.</p>	<p>Mining of raw materials such as copper, silver and gold, which are the foundation of the activity. Scrap processing. Manufacture of equipment and machinery.</p>	<p>Technological components and equipment support the production operations. Development through technological innovation in raw material processing and optimisation of smelting processes.</p>	<p>Modernisation of the infrastructure, investing in technological equipment and implementing processes to increase production efficiency.</p>
<p>Natural capital</p> <p>Natural resources, such as raw materials, energy and water, are managed while taking into consideration their limited availability.</p>	<p>Use of natural resources such as energy, water and mineral resources.</p>	<p>Implementing solutions based on circular economy, waste minimisation and scrap recycling.</p>	<p>Rational and efficient management of natural resources and reduction of emissions and environmental impacts.</p>
<p>Intellectual capital</p> <p>Technological expertise and innovative processes developed by specialised R&D teams. Investment in solutions reducing carbon footprint.</p>	<p>Accumulation of knowledge and expertise through research, collaboration with universities and technology development.</p>	<p>Investment in innovative processes to reduce carbon footprint and develop new industrial technologies.</p>	<p>Maintaining specialised R&D teams and protecting intellectual property.</p>
<p>Human capital</p> <p>Qualified employees providing the foundation of the business. Competence development and occupational safety.</p>	<p>Attracting and engaging qualified employees. Programmes addressed to young people (e.g. "Competent in the industry").</p>	<p>Training programmes, certifications and activities supporting occupational safety and competence development.</p>	<p>Creating a stable working environment, care for employees' well-being, motivation and adapting their skills to new technological requirements.</p>
<p>Social and relational capital</p> <p>Partnerships with local communities and relationships with stakeholders enabling stable operation in different regions.</p>	<p>Cooperation with local communities, indigenous people and building relationships with stakeholders.</p>	<p>Supporting local initiatives and implementing ESG and CSR compliant practice of collaboration. Establishment of a substantive unit dedicated to cooperation with local government units.</p>	<p>Building long-term partnerships and ensuring compliance with regulations and social expectations.</p>

1.3.2 Our assets

The KGHM Polska Miedź S.A. Group holds geographically diversified mining assets (copper ore mines with associated minerals, such as silver, molybdenum, nickel, gold and other metals) located in Poland, the USA, Chile and Canada as well as copper smelters in Poland. The key international asset – the Sierra Gorda mine, which is a joint venture of KGHM INTERNATIONAL LTD. and South32 – is located in Chile. In addition, the KGHM Polska Miedź S.A. Group has a mine project which is at the pre-operational phase (Victoria), as well as other exploration projects.

Diagram 6. Location of the production assets of the KGHM Polska Miedź S.A. Group



Poland

Polkowice-Sieroszowice mine

Location	Lower Silesia, Poland
Ownership	KGHM Polska Miedź S.A. Division
Type of mine	underground
Main ore type	copper ore
Associated metals	silver, lead, rock salt, gold
Type of orebody	stratiform
End product	copper ore
Copper in extracted ore in 2024	200.2 kt

The Polkowice-Sieroszowice mine is located in Lower Silesia, to the west of the town of Polkowice. Currently, it conducts mining works in four mining areas: Polkowice, Radwanice Wschodnie, Sieroszowice and in a part of the Głogów Głęboki – Przemysłowy (Deep Głogów) area.

Within the Sieroszowice mining area, there are also rich deposits of rock salt above the copper-bearing horizon.

Mining of the deposit is conducted using room-and-pillar methods with natural roof settlement, using blasting technology. The Polkowice-Sieroszowice mine's current production capacity is around 12.2 million tonnes of ore per year.

Rudna mine

Location	Lower Silesia, Poland
Ownership	KGHM Polska Miedź S.A. Division
Type of mine	underground
Main ore type	copper ore
Associated metals	silver, lead, gold
Type of orebody	stratiform
End product	copper ore
Copper in extracted ore in 2024	180.4 kt

The Rudna mine is located in Lower Silesia, to the north of the town of Polkowice. It mines the copper ore deposit in the Rudna mining area as well as in parts of the mining areas of Sieroszowice, Lubin-Małomice and Głogów Głęboki-Przemysłowy (Deep Głogów).

The deposit is currently mined at a depth from 844 meters to 1 300 meters. Mining is conducted using room-and-pillar methods with natural roof settlement with hydraulic backfill, using blasting technology. The current average production capacity is approx. 11.8 million tonnes of ore per year.

Lubin mine

Location	Lower Silesia, Poland
Ownership	KGHM Polska Miedź S.A. Division
Type of mine	underground
Main ore type	copper ore
Associated metals	silver, lead, gold
Type of orebody	stratiform
End product	copper ore
Copper in extracted ore in 2024	70.9 kt

The Lubin mine is located in Lower Silesia, Poland, to the north-west of the town of Lubin. It mines the copper ore deposit in the mining area Lubin-Małomice at a depth from 550 meters to 1006 meters.

Mining is conducted using room-and-pillar methods with natural roof settlement with hydraulic backfill, in the vicinity of the support pillar of the town of Lubin, using blasting technology.

The current capacity of the mine is approximately 8.4 million tonnes of ore per year.

Głogów Copper Smelter and Refinery

Location	Lower Silesia, Poland
Ownership	KGHM Polska Miedź S.A. Division
Type of metallurgical plant	smelter/refinery
End product	electrolytic copper
Electrolytic copper production in 2024	466.1 kt

A complex of metallurgical plants located in Głogów comprising two copper concentrate smelting lines based on the one-stage smelting of concentrate in a flash furnace directly into blister copper. Apart from electrolytic copper, the Głogów Copper Smelter and Refinery produces crude lead (around 30 thousand tonnes annually), silver (around 1400 tonnes), gold (around 3 tonnes), sulphuric acid (over 550 thousand tonnes), technical selenium and nickel sulphate.

Legnica Copper Smelter and Refinery

Location	Lower Silesia, Poland
Ownership	KGHM Polska Miedź S.A. Division
Type of metallurgical plant	smelter/refinery
End product	electrolytic copper
Electrolytic copper production in 2024	122.6 kt

The copper smelter and refinery located in Legnica with a current production capacity of 123 thousand tonnes of electrolytic copper. In operation since the 1950s based on shaft furnace technology. Apart from electrolytic copper, the plant also annually produces around 30 thousand tonnes of refined lead and also around 100 thousand tonnes of sulphuric acid, as well as copper sulphate and nickel sulphate.

Cedynia Wire Rod Plant

Location	Lower Silesia, Poland
Ownership	KGHM Polska Miedź S.A. Division
Type of metallurgical plant	processing
End product	copper wire rod and Cu-OFE rod
Production in 2024	271.0 kt of copper wire and 16.2 kt of Cu-OFE rod

Production at the Cedynia Wire Rod Plant, located in the vicinity of Orsk, is based on the use of copper cathodes from the Głogów Copper Smelter and Refinery and from the Legnica Copper Smelter and Refinery. The basic product of the Cedynia Wire Rod Plant is copper wire rod produced in a Contirod line amounting to around 270 thousand tonnes annually and around 18 thousand tonnes annually of oxygen-free copper wire rod produced in an UPCAST line, including oxygen-free, silver-bearing copper wire rod.

United States

Robinson mine

Location	Nevada, USA	The mine is located in White Pine county, Nevada, USA, around 11 km west of Ely (approx. 400 km north of Las Vegas), in the Egan range, at an average altitude of 2 130 meters a.s.l., near highway no. 50. The mine is comprised of 3 large pits: Liberty, Tripp-Veteran and Ruth. The Ruth pit is currently in operation and, from the third quarter of 2024, the Liberty pit. The sulphide ore is extracted by conventional methods, and is then enriched through flotation. The end product is copper and gold concentrate, and separately molybdenum concentrate.
Ownership	100% KGHM INTERNATIONAL LTD.	
Type of mine	open pit	
Main ore type	copper ore	
Associated metals	gold and molybdenum	
Type of orebody	porphyry/skarn	
End product	copper and gold concentrate, molybdenum concentrate	
Payable copper production in 2024	55.9 kt	
Life of mine	12 years	

Carlota mine

Location	Arizona, USA	The Carlota mine is located in the western part of the United States, in the Miami-Globe mining region, in the state of Arizona at an altitude of 1 300 meters a.s.l. Surrounding the mine is mountainous, desert terrain. Copper ore extraction by the Carlota mine is by conventional methods typical for open-pit metals mines, i.e. the ore is mined by blasting and then is transported by haulage trucks.
Ownership	100% KGHM INTERNATIONAL LTD.	
Type of mine	open pit	
Main ore type	copper ore	
Type of orebody	porphyry	
End product	copper cathodes	
Payable copper production in 2024	2.6 kt	
Life of mine	4 years	

In 2023, access work was commenced while in the fourth quarter of 2024, ore was mined from the Cactus open pit - Phase III, allowing the mine life to be extended to 2028. Due to the nature of the oxide ore, it is processed using the heap leach, solvent-extraction and electrowinning method. The end product is electrolytic copper in the form of cathodes.

Canada

Sudbury Basin

Location	Sudbury, Ontario, Canada	The Sudbury Basin is located in central Ontario in Canada, approx. 400 km north of Toronto. In this region, KGHM INTERNATIONAL LTD. owns a variety of assets, though since April 2019 mining has only been conducted in the underground McCreedy West mine, due to the fact that the Morrison/Levack mine has been placed into <i>care & maintenance</i> . Extraction is performed through mining methods which are dependent on the geometry of the deposit – mainly a mechanised method of selective extraction using undercutting of successive levels from bottom to top and the separation of sub-levels.
Ownership	100% KGHM INTERNATIONAL LTD.	
Type of mine	underground	
Main ore type	copper, nickel, platinum, palladium and gold ore	
Type of orebody	footwall/contact Ni	
End product	copper and nickel ore with precious metals	
Payable copper production in 2024	2.0 kt	
Life of mine	5 years	

All of the ore extracted from the mine, containing copper, nickel and precious metals, is processed in the Clarabelle plant in Sudbury, owned by Vale.

In 2024, the disposal process of part of KGHM's assets in the Sudbury Basin was continued, resulting in signing of the Sale Purchase Agreement in a special purpose company to Magna Mining Inc. on 11 September 2024. The finalisation of the divestment process and the closure of the transaction, resulting in the transfer of operational control of the disposal assets and thus updating KGHM's asset portfolio, is expected in the first quarter of 2025.

Victoria project

Location	Sudbury Basin, Ontario, Canada	This project is located in the province of Ontario, around 35 km west of the town of Sudbury. In 2002, rights were acquired to the mineral deposit in the Victoria area and a campaign of exploration in this region commenced. The current development scenario for the project calls for the sinking of two shafts to access the deposit (a production shaft and a ventilation shaft). Based on analytical work performed in 2017, the current base scenario assumes the Victoria project will be developed in two stages, comprised of the sinking of a first shaft along with additional exploration, followed by a second shaft for production.
Ownership	100% KGHM INTERNATIONAL LTD.	
Type of mine	underground	
Main ore type	copper-nickel ore	
Associated metals	gold, platinum and palladium	
End product	copper, nickel and precious metals ore	
Forecast annual production	15 kt of nickel, 18 kt of copper	
Life of mine	15 years	

In 2024, work on the project site comprising the development of surface infrastructure and the sinking of the exploration shaft continued.

As at the end of 2024, the shaft excavation was at a level of approximately 760 meters below the shaft headframe. Underground stations at the 300L and 600L level were also constructed. Moreover, in 2024, surface work was also continued, including the construction of the mine site drainage system, mine water reservoir, waste drainage system, construction of the workshop and the warehouse, site preparation work for the second waste rock dump. Engineering work also continued, as well as actions related to cooperation with key stakeholders in the project.

Ajax project

Location	Kamloops, British Columbia, Canada	The Ajax project is located in British Columbia in Canada, 400 km north-east of Vancouver near the town of Kamloops.
Ownership	KGHM INTERNATIONAL LTD. 80%, Abacus Mining and Exploration Inc. 20%	
Type of mine	open pit	The project assumes the construction of an open-pit copper and gold mine and an ore processing plant, with associated infrastructure. Up to 2016 work had been carried out on a Feasibility Study for the project, setting out the preliminary economic conditions for the venture.
Main ore type	copper ore	
Associated metals	precious metals (gold and silver)	
End product	copper concentrate	In compliance with Canadian law, the Ajax project underwent the Environmental Assessment process.
Forecast annual production	53 kt of copper, 114 thousand troy ounces of gold	
Life of mine	19 years	

In 2017, the Ministers of Environment and of Energy, Mines and Petroleum Resources of British Columbia (provincial authorities) decided against the granting of an Environmental Assessment Certificate (EA Certificate) for the project.

In 2018, the Government of Canada, through the Governor-in-Council (federal authorities), issued a negative decision regarding the realisation of the Ajax project.

As a result of the decision to not grant an Environmental Assessment Certificate, in 2024 work continued which was mainly related to monitoring and securing of the project terrain in accordance with the regulatory requirements.

Chile

Sierra Gorda mine and Sierra Gorda Oxide project

Location	Region II, Chile	The Sierra Gorda mine is located in the Atacama desert, in the Sierra Gorda administrative area in the Antofagasta region, in northern Chile, approx. 60 km south-west of the city of Calama. The mine is situated at an altitude of 1 700 meters a.s.l. and 4 km from the town of Sierra Gorda.
Ownership¹³	55% KGHM INTERNATIONAL LTD., 45% South32	
Type of mine	open pit	On 1 July 2015, the Sierra Gorda mine commenced commercial production (since then it has prepared statements of profit or loss). The ore extraction comprises its extraction using explosives, loading and hauling away in trucks to the processing plant, where it is subsequently crushed and milled.
Main ore type	copper ore	
Associated metals	molybdenum, gold	The end product of Sierra Gorda's processing plant is copper concentrate and molybdenum concentrate.
End product	copper concentrate, molybdenum concentrate	
Payable production in 2024	146.4 kt of copper in concentrate, 6.0 million pounds of molybdenum in concentrate – on a 100% basis, share of KGHM Polska Miedź S.A. is 55%	Since January 2023, the Sierra Gorda mine has been using 100% electricity from renewable sources - green energy is one of Sierra Gorda's strategic objectives.
Life of mine	23 years for the current deposit based on phase 1 of the investment. In addition, a possibility exists of extending the operation to include new deposits.	

In 2024, design studies were continued on the project involving the construction of the 4th production line of the processing plant, and they are on the advanced stage of preparing the feasibility study. The expected, potential increase in ore processing (on a 100% basis) is approx. 18% up to 57-58 million tonnes per year.

The Sierra Gorda Oxide project involves the leaching of the copper oxide ore of Sierra Gorda on a permanent heap and the production of high-quality copper cathodes in a solvent extraction and electrowinning (SX-EW) installation, with production capacity of approximately 30 thousand tonnes/year. At present most of the oxide ore planned for processing has already been excavated and is currently stored near the site of the future plant.

Other assets

Over the last few years, there have been no significant changes in the structure of the main assets in the group of Polish companies. In terms of assuring the operations of the core business of KGHM Polska Miedź S.A. the Polish companies operating mainly on its behalf are significant, including among others:

- PeBeKa S.A. - mining work contractor,
- KGHM ZANAM S.A. – a supplier and service provider for mining machinery, also providing production maintenance services in selected areas and participating in advancement of investment tasks;
- KGHM Metraco S.A. - a supplier of copper scrap,
- “Energetyka” sp. z o.o. – the company securing part of the energy needs of KGHM Polska Miedź S.A.,
- POL-MIEDŹ TRANS sp. z o.o. - a company providing rail freight services.

In terms of other entities - *non-core* companies - a significant portion of assets are investments in the area of broadly defined healthcare, including Polska Grupa Uzdrowisk sp z o.o. and companies realising the corporate social responsibility policy, such as “Miedziowe Centrum Zdrowia” S.A.

Moreover, amongst the international companies the following group of companies operates under the DMC Mining Services brand: DMC Mining Services Ltd. Companies operates, FNX Mining Company Inc., DMC Mining Services Mexico, S.A. de C.V., DMC Mining Services Corporation, DMC Mining Services Colombia S.A.S., DMC Mining Services (UK) Ltd. and DMC Mining Services Chile SpA, which provide services in shaft sinking, preparatory work, construction of above-ground and underground mine facilities, mine drilling, underground excavation and development of mine infrastructure, tunnel drilling for general construction purposes and engineering services.

¹³ On 22 February 2022 the transaction of sale of 45% of the shares in Sierra Gorda S.C.M. by Sumitomo Metal Mining Co., Ltd. and Sumitomo Corporation to South32, an Australian mining group with its registered head office in Perth, was completed. The transaction was conducted on the basis of sales agreements entered into on 14 October 2021.

1.3.3 Description of the production process

Production process of KGHM Polska Miedź S.A.

Production in KGHM Polska Miedź S.A. is a fully integrated production process, in which the end product of one technological phase is the starting material (half-finished product) used in the next phase. The mining part of KGHM Polska Miedź S.A. comprises three mining divisions: Lubin mine, Rudna mine and Polkowice-Sieroszowice mine. In the next phase, the Ore Enrichment Plant Division prepares concentrate for smelters and the Hydrotechnical Plant Division is responsible for storing and managing the waste generated in the copper ore enrichment process. There are two smelting divisions within KGHM's organisational structure: Legnica Copper Smelter and Refinery and Głogów Copper Smelter and Refinery as well as Cedynia Wire Rod Plant.

Mining

The technology of mining the copper ore in all three mines is based on the room-and-pillar system with the use of blasting technology for ore extraction. It includes access and preparatory works, comprised of the excavation of a drift network on all sides of the site to be mined, cutting of the unmined rock mass with rooms and drifts separating a number of technological pillars, as well as extraction of the ore followed by the transport of the ore to underground dumping stations, where the large rocks (oversized) are crushed and sifted through a grate, and then the crushed muck is transported to the storage areas near the shafts, from which it is transported to the surface by skip hoisting shafts.

Copper ore mining operations are fully mechanized, carried out in a 4-shift system, with the use of motorised mining rigs, most of which are equipped with air-conditioned cabins and operator support systems. Mining work is conducted in the following cycle: drilling the blasting holes with the support of motorised drilling rigs, loading blasting material into drilled holes by motorised blasting rigs, group blasting in mining areas, followed by a time of waiting (without the presence of mining crews) for the possible occurrence of seismic tremors caused by the blasting works and the ventilation of the areas blasted. The next stage involves the loading of the muck using motorised loaders into haulage vehicles and its transport to dumping stations. The shielded face is protected by roof anchor bolts using bolting rigs. The crushed ore is transported by conveyors belts or mine rail trolleys to the storage sites near the shafts and then transported to the surface. After the ore is unloaded at the shaft top, it is transported by conveyors belts or railway to the Ore Enrichment Plant Division Areas located at each of the three mines.

The operations and processes applied in all three concentrators are the same. However, due to the variation in the lithological and mineralogical composition of the ores from the different mines, the technological diagrams of each plant differ. The processing technologies used include the following unit operations: screening and crushing, grinding and grading, flotation and concentrate dewatering.

The flotation process results in concentrate with an average copper content of approx. 22-23%, and flotation waste. Concentrate with the highest copper content of 25.9% is produced in the Rudna Concentrator, while the concentrate with the lowest copper content of 13.7% is produced in the Lubin Concentrator. The Polkowice Concentrator produces concentrate of 24.8% copper content.

The dried concentrate of approx. 8.7% moisture content is transported by rail to the following smelters/refineries: the Legnica Copper Smelter and Refinery located in Legnica, the Głogów I Copper Smelter and Refinery and the Głogów II Copper Smelter and Refinery, located in Głogów.

The flotation waste, in the form of slimes, is transported through pipelines to the Żelazny Most Tailings Storage Facility, where the sedimentation of the solid particles takes place and the clarified water is collected and redirected to the concentrators. The storage site also serves as a retention-dosage reservoir for excess mine and process water in circulation. Excess water is hydrotechnically discharged (periodically) to the Odra River. This method was developed and implemented in partnership with research institutions, and it has been officially approved for use under the provisions of the Water Law. Research shows that the discharge of mine process waters into the Odra River cannot cause changes that would prevent the proper functioning of aquatic ecosystems and would make the waters unable to meet the quality requirements specified for them.

Metallurgy

The copper smelters/refineries produce electrolytic copper from own concentrates as well as from purchased metal-bearing material (copper concentrates, copper scrap).

The Legnica Copper Smelter and Refinery uses a multi-stage process whose main steps include: the preparation of the charge for smelting, its reductive melting in a shaft furnace to form matte copper, conversion to the form of blister copper with the copper content of approx. 98.5%. The next steps include fire refining in anode furnaces to produce anodes of 99.2% copper content and electrorefining. The Legnica Copper Smelter and Refinery operates a melting process for high-grade copper scrap and its refining in the Revolving Casting-Refining (RCR) furnace. The final product is electrolytic copper cathodes with 99.99% copper content.

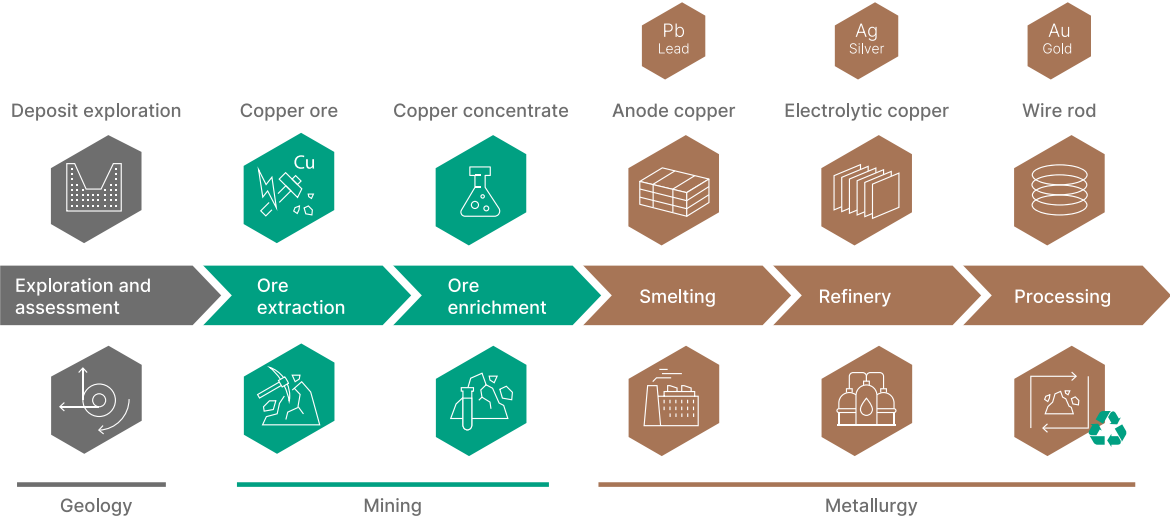
The Głogów Copper Smelter and Refinery applies one-stage flash furnace technology, based on a license of the Finnish company Outokumpu. The concentrate dried to a moisture content of 0.3% H₂O, is smelted in a flash furnace into blister copper with approx. 98.6% copper content, which is subject to fire refining in anode furnaces. On the other hand, slurry slag containing approx. 12%-14% copper is sent for de-coppering in an electric furnace, and the resulting CuPbFe alloy is sent to converters, from which copper at purity level of 98.5% copper is also sent for refining in anode furnaces. The anodes obtained in the fire refining process undergo electrorefining, the final product of which is electrolytic copper in the form of cathodes with 99.99% copper content.

Approx. 49% of the electrolytic copper produced by KGHM Polska Miedź S.A.'s smelters and refineries are further processed in the Cedynia Copper Wire Rod Division, where copper wire rod is produced by a continuous smelting, casting and rolling process as well as oxygen-free copper rod and oxygen-free, low-alloy, silver-bearing copper rod using the UPCAST technology are produced.

The anode slime produced during the electrorefining process at KGHM's smelters and refineries contains precious metals, and is the raw material used by the Precious Metals Plant at the Głogów Copper Smelter and Refinery to produce the following products: refined silver, gold, platinum-palladium concentrate and selenium. The electrolyte in the Tank Hall, once the copper is removed, is used to produce crude nickel sulphate.

The lead-bearing dust and slimes collected as a result of the removal of dust from technological exhaust gases at the smelters and refineries are smelted, together with decopperised convertor slag from the flash furnace production line, in Dörschel furnaces at the Lead Section of the Głogów Copper Smelter and Refinery into crude lead containing 99.3% lead. Crude lead undergoes a refining process at Legnica Copper Smelter and Refinery, which results in a final product in the form of refined lead with 99.85% lead content.

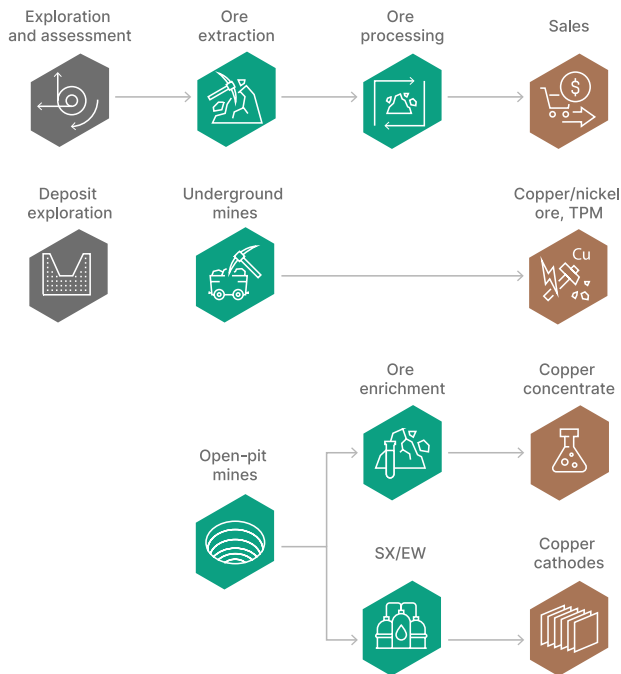
Diagram 7. Integrated geological, mining and metallurgical activities in KGHM Polska Miedź S.A.



Production process of KGHM INTERNATIONAL LTD.

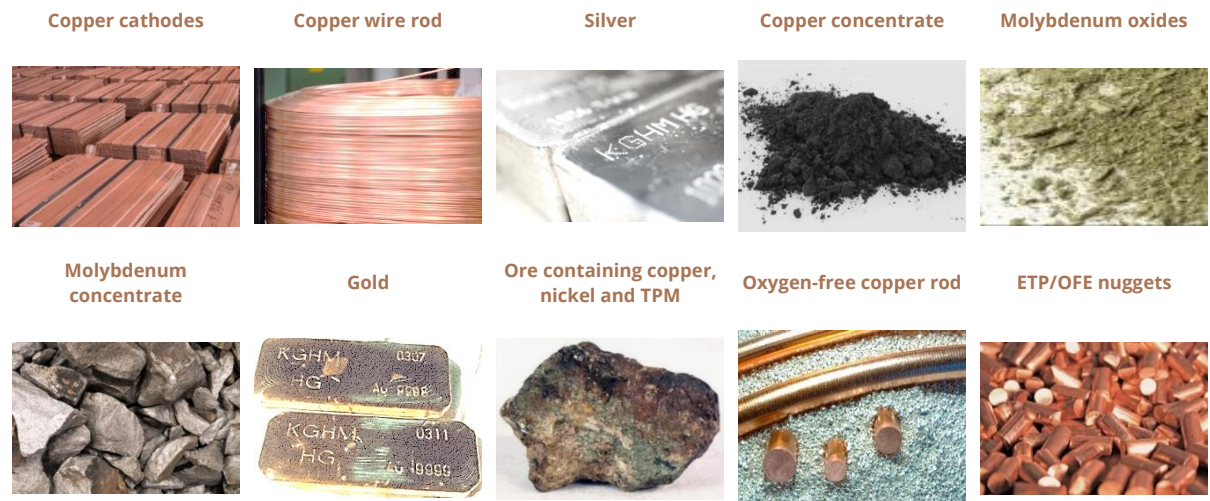
The core business of the companies of KGHM INTERNATIONAL LTD. Group is the mined production of metals, such as copper, nickel, gold, platinum and palladium, from both open-pit and underground mines, as well as advancement of mining and exploration projects. The following drawing shows a simplified flowchart of the core business of the KGHM INTERNATIONAL LTD. Group.

Diagram 8. Simplified flowchart of the core business of the KGHM INTERNATIONAL LTD. Group



The detailed description of the production process in KGHM Polska Miedź S.A. and in international assets can be found on the corporate website under the tab [Production processes](#).

1.3.4 Basic products and description of the industry



A detailed description of the product groups offered, markets and customers serviced can be found in [section 4.1.1 \[SBM-1 Strategy, business model and value chain\]](#).

The primary products of the KGHM Group, i.e. copper concentrates, cathodes, copper wire rod and silver in the form of bars and grains, are traded on the highly-competitive global market as well as in reference to the commodity markets. Markets for the individual products offered by KGHM have varied rules and customs concerning trading and standard prices. Their incomparability is also due to the characteristics of products, which impacts their usage and the diversity of market participants.

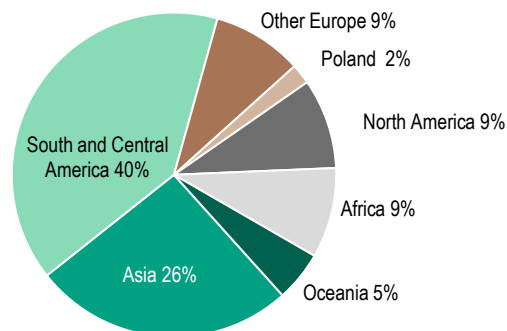
Copper

The primary products offered by the companies of the KGHM Group are concentrates, cathodes and copper wire rod. They are the result of various stages of processing copper ore and recycling of copper scrap. For all of these products, the price benchmark (i.e. the global benchmark of copper prices for physical sales contracts of copper-bearing materials and products) is stock market quotations, with the *cash settlement* of the London Metal Exchange (LME) being most commonly used. Less commonly used are alternative quotations of copper on the stock exchanges in New York (COMEX) and the Shanghai (Shanghai Futures Exchange -SHFE). Grade "A" type refined copper cathodes, with a copper content of at least 99.99%, are quoted on the LME (under the standard BS:EN 1978:1998 - Cu-CATH-1). In order to be able to apply stock exchange prices to purchase/sale transactions of the products to which this quality standard is not applied (i.e. all types of copper-bearing materials such as copper concentrates, copper scrap or more processed products like copper wire rod), market participants have developed a premium and discount system, which adjusts stock quotations. This allows the setting of a market price for a product which takes into account its processing stage, its physical state and chemical makeup, as well as costs of transport and insurance to an agreed delivery destination and the current availability of the metal in a given location.

Copper concentrate

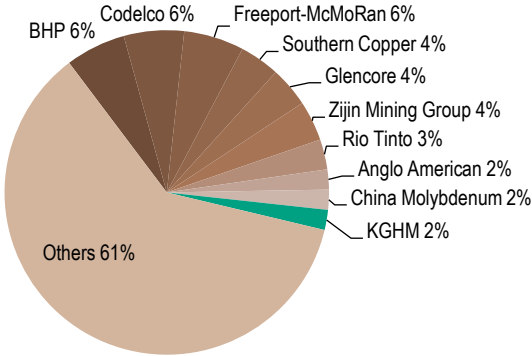
Copper concentrate is a product made by processing/enriching copper ore, which usually has a relatively low metal content and is not suitable for direct metallurgical processing. The copper content in concentrate, depending on the copper ore from which the concentrate is produced, varies from a dozen or so to approx. 50-55%, which enables further processing in copper smelters and refineries. The cost of transporting products with a lower copper content (for example copper ore) basically eliminates them from trade in the global market (with certain exceptions), therefore it may be assumed that copper concentrate is the first product of processing copper ore that may be generally traded. As a result of metallurgical processes copper is produced as well as the by-products of processing (mainly precious metals, sulphuric acid, lead etc.). The main participants of the concentrate markets are mines supplying the product on the market and smelters and refineries, for which the concentrates are materials for production. Trading companies also play a role in the international trading, intermediating in the purchase/sale transactions and offering additional services expected by the parties. In 2024, the total global production of copper in copper concentrate is estimated at 18.4 million tonnes (according to CRU).

Chart 1. Geographical breakdown of global copper concentrates production in 2024
(source: CRU, KGHM Polska Miedź S.A.)



The KGHM Group belongs to the world's top 10 largest producers of mined copper. For years, this group has invariably been dominated by huge and often highly diversified groups in terms of product and geographical location, such as BHP, Freeport McMoRan and the Chilean tycoon Codelco. Over the recent years, the expansion of Chinese entities has been noticeable, dominating the production of refined copper but have also gained a significant share in the mined production of copper.

Chart 2. Structure of copper mined production by global producers in 2024
(Source: Wood Mackenzie)



Copper concentrates require processing into refined copper, which involves incurring processing costs and incomplete metal recovery at individual stages of production. Therefore, the transaction price should include a number of discounts from the quotations set by the commodity exchange for refined copper. The benchmark of discounts on the market (for smelter treatment and refining charges TC/RC) is determined during negotiations by the main producers of concentrates and their customers (mainly Chinese and Japanese smelters and refineries). However, some copper producers have withdrawn from the benchmark system and rely on formulas relating to the current spot market.

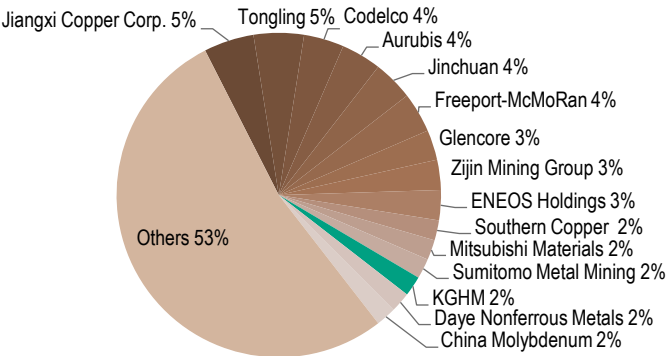
KGHM Group companies participate in the copper concentrate market mainly through the sale of the concentrate from Sierra Gorda in Chile and from the Robinson in the USA. At the same time, the Company purchases copper concentrates from the market with characteristics suitable for more efficient utilisation of the production capabilities of the smelters and refineries in Poland.

Copper cathodes

Primary commodities exchanges (including the LME and SHFE) enable cathodes to be registered (Grade A type, with a copper content of at least 99.99% under the BS:EN 1978:1998 – Cu-CATH-1 standard), and therefore their trading on exchanges and through LME-approved warehouses. The copper cathodes produced by KGHM are registered on the LME, SHFE and INE (Shanghai International Energy Exchange) under the brands HML, HMG-B and HMG-S. Unregistered cathodes are also traded on the physical market (for example those that do not meet quality parameters or the minimal yearly production conditions required by exchanges). One example of unregistered cathodes produced by KGHM is the Carlota brand. The main participants in the cathodes market are mining and smelting companies producing copper in the form of cathodes and wire rod plants and other companies engaged in copper processing, which use cathodes to produce wire rod, other rods, flat bars, pipes, sheets and tapes. Similarly as in the case of copper concentrates, trading companies and financial institutions intermediating in the cathodes trade also participate in the market. In 2024, CRU estimated total global production of refined copper at 26.6 million tonnes.

In terms of refined copper, the KGHM Group ranks among 15 largest electrolytic copper producers worldwide. Chinese entities play a major role in this group (three Chinese companies are in the top five, rounded off by Codelco and Aurubis)

Chart 3. Structure of refined copper production by global producers in 2024
(Source: Wood Mackenzie)



It is a standard practice on the Grade “A” copper cathodes market to add a producer’s premium to the prices set by global exchanges. Its level allows the producer to cover the cost of transport and insurance to the agreed delivery destination, and it also includes the premium for quality (of a given cathodes brand) and supply-demand situation on a given market.

The companies of the KGHM Group participate on the cathodes market mainly by selling cathodes from the Group’s Polish assets. The Głogów Copper Smelter and Refinery produces cathodes of the HMG-S and HMG-B brands, while the Legnica Copper Smelter and Refinery produces cathodes of the HML brand, registered on the exchanges in London (LME) and in

Shanghai (SHFE and INE). Moreover, the KGHM Group offers cathodes produced through the leaching and electrowinning (SX/EW) process in the Carlota mine in the United States. Production of refined copper by companies of the KGHM Group amounted to 599.3 thousand tonnes in 2024, which represents 2.2% of global production.

Chart 4. Geographical breakdown of refined copper production in 2024
(source: CRU, KGHM Polska Miedź S.A.)

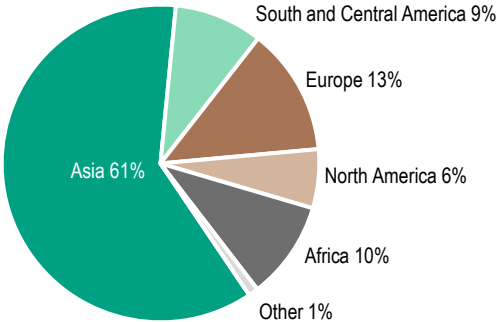
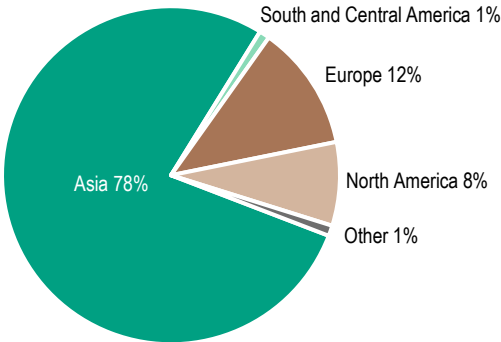


Chart 5. Geographical breakdown of global refined copper consumption in 2024
(source: CRU, KGHM Polska Miedź S.A.)



Copper wire rod

Copper wire rod is manufactured in the continuous process of melting, casting and drawing in plants processing refined copper. The material used in this production cycle is mainly copper in the form of cathodes, although higher-grade copper scrap may also be used. Wire rod is a half-finished product used in the production of single wires and strands used to produce conducting cores in cables and electric wires (for example: enamelled cable, car cables, power cords etc.) Similarly as for copper cathodes, trading companies are also involved in trading of half-finished products, apart from companies with production facilities (wire rod plants and companies processing wire rod into cables and bundled wires). The wire rod market, due to the quality characteristics of the product, is more of a local market, which also means that it is highly competitive and demanding. In 2024, total global production of copper in the form of wire rod is estimated by CRU at 21 million tonnes.

Chart 6. Geographical breakdown of global copper wire rod production in 2024
(source: CRU, KGHM Polska Miedź S.A.)

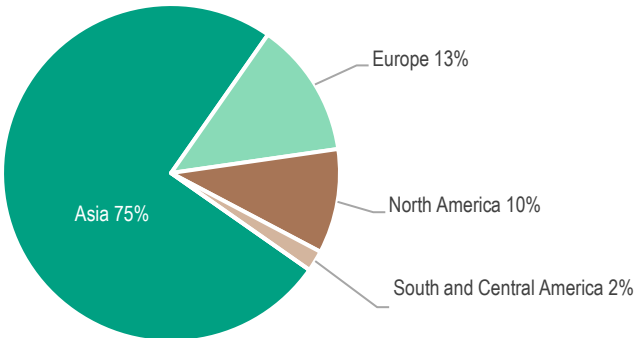
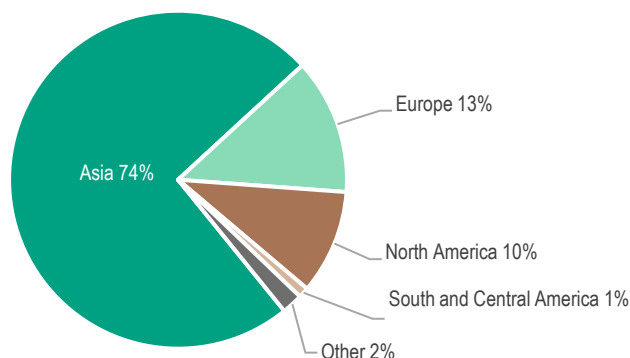


Chart 7. Geographical breakdown of global wire rod consumption in 2024
(source: CRU, KGHM Polska Miedź S.A.)



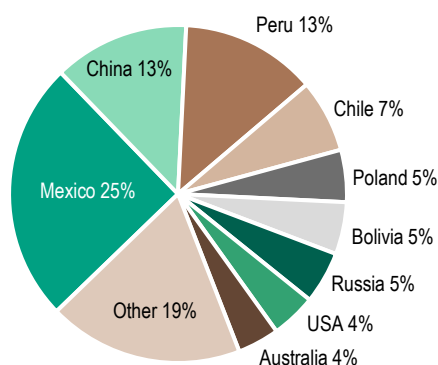
The wire rod price structure, apart from the copper quotations on the London Metal Exchange, also includes a producer's premium (added to the price of cathodes) and the refining charges due to the costs of processing of cathodes into wire rod. KGHM Polska Miedź S.A. offers wire rod which is produced in the Cedynia Wire Rod Plant in Orsk.

Copper wire rod and wires are utilised in numerous sectors of the modern economy, while the products created from them (cables and bundled wires) account for approximately 60% of world copper consumption (source: CRU). The vast majority of wire rod and wire (estimated at more than 10 million tonnes per year; source: CRU) is used in the construction and infrastructure sectors. Distribution of electricity, building wiring and transmission as well as distribution networks are the most dominant subsectors. Amongst the most popular products manufactured from wire rod and wires are power lines, cables in the electrical installations in buildings and winding wires (together approximately 70%; source: CRU). In 2024, production of wire rod and wire by KGHM Polska Miedź S.A. reached 287.2 thousand tonnes.

Silver

Approximately 72% of global metallic silver production is a by-product of mining ores of other metals (source: Metal Focus - Silver Five-Year Forecasting Quarterly). Silver, due to its unique physical characteristics, is used in the jewellery, electronics and electrotechnical industries, as well as in medicine, optics, the energy industry and many others. It is also applied in the latest technological solutions, among others in infrastructure, the automotive industry and photovoltaics. In total, industry utilises approximately 58% of global silver production (source: Metal Focus - Silver Five-Year Forecasting Quarterly). It is also a valued investment precious metal. According to Metals Focus preliminary estimates, in 2024 global production of mined silver amounted to approx. 26 thousand tonnes.

Chart 8. Chart 13. Geographical breakdown of global mined silver production in 2024
(source: Metal Focus – preliminary data, KGHM Polska Miedź S.A.)



The participants in the silver market typically rely on quotes from the London Bullion Market Association, which, when adjusted for current market conditions, represent the price of silver in physical transactions.

KGHM sells silver in the form of bars and grains (production takes place at the Głogów Copper Smelter and Refinery) and is one of the largest producers of metallic silver worldwide. In 2024, KGHM Polska Miedź S.A.'s silver production reached 1 316 tonnes, which places the Company among the world's top silver producers. This metal in the form of bars is registered under the brand KGHM HG and has a registered certificate on the COMEX (New York Mercantile Exchange) as well as Good Delivery certificates issued by the London Bullion Market Association. Silver is supplied in the form of grains to the jewellery and metals industries, which produce alloys containing silver. A significant part of silver in the form of bars (ingots) is purchased by financial institutions.

1.3.5 Competitive advantages

The KGHM Group is distinguished for its strong position in the global metals market, being one of the largest producers of copper, silver and other precious and rare metals. Its competitive advantages include its extensive own raw material base, comprising both Polish and foreign deposits, which provides geographical diversification and operational stability.

Due to its vertical integration and extensive infrastructure, the KGHM Group can efficiently manage the entire value chain: from mining to processing and the sale of its products and services. Moreover, a strong focus on innovation, sustainability and advanced production technologies allows the company to optimise costs and adapt to market expectations, including meeting the growing environmental and stakeholder demands.

Diagram 9. Competitive advantages of the KGHM Polska Miedź S.A. Group



Diversified portfolio of assets, global scope of operations and access to rich deposits

KGHM Polska Miedź S.A. is a global mining and processing entity carrying out mining projects on three continents. For over a decade, KGHM Polska Miedź S.A. has owned mining assets not only in Poland but also in Canada, the USA and Chile, being part of the elite group of companies which can claim to have a full value chain, including exploration, mining, smelting/refining and processing as well as sales.

The copper ore deposits controlled by KGHM guarantee an important position in the global mining sector. The heart of KGHM is the Europe's largest, and one of the world's largest, copper ore deposits, located in south-western Poland, which is also rich in associated metals, mainly silver.

At the same time, the Company continues its exploration and evaluation work in many locations in Poland and worldwide. A broad range of exploration work is conducted, i.e. greenfield exploration and geological appraisal (exploring new deposits), brownfield exploration areas (exploration of deposits which have been partially documented) as well as in-mine and near-mine exploration works (exploration of areas adjacent to the currently worked assets in order to extend their mine life).

Integrated production process

A unique competitive advantage is the fact that the KGHM Group has a full, integrated process - from deposit exploration, mining, ore enrichment, smelting, refining, processing to the sale of finished products. Fully integrated subsidiaries, providing complementary services and extending the core business in areas such as mining machinery production, explosives or metal recycling, also add value. KGHM Polska Miedź S.A. is dynamically developing elements related to the implementation of the circular economy concept as part of its activities, developing recycling and striving to make even better use of post-production waste as so-called secondary raw material sources in the production process.

Unique know-how and rich experience

In its over 60-years' history, KGHM Polska Miedź S.A. developed interdisciplinary human capital, experience, knowledge and skills that will remain one of the fundamental assets for creating a competitive edge in the industry and for building a strong international position of Poland as an industrial centre. KGHM is uniquely qualified to carry out work at great depths, extracting copper ores and other precious metals in underground mines ("Lubin", "Rudna" and "Polkowice-Sieroszowice"). The deepest mining area in Poland (owned by KGHM) – the GG-1 shaft in Kwielice – is at a depth of 1 348 meters. Consequently, it is the deepest underground project in the non-ferrous metals industry in Europe.

The extraction of copper ore, its processing and production of a finished product that is fit for sale is a difficult and complex process. Therefore, the Company's unique, long-standing experience and know-how in this field is desired by experts worldwide and attracts scientific and business interest.

Partnership with companies and institutions

KGHM builds permanent partnerships with renowned Polish and international companies and institutions. The Company is a member of numerous Polish and international organisations, including employer organisations, economic associations, sector societies, foundations and other entities representing the European mining industry. It engages in ongoing dialogue with, among others, technological experts, universities, suppliers, governments, social groups, industry leaders and citizen social organisations at all stages of the lifecycles of its projects.

Financial stability

One of the pillars of growth of the KGHM Group is to ensure its financial stability and implement systemic solutions aimed at increasing its value. As part of enhancing its competitive advantage in this respect, KGHM strives to base its financing structure on long-term instruments, shorten the cash conversion cycle and manage the KGHM Group's market and credit risk effectively. These actions improve the liquidity of the Company and the KGHM Group and affect the availability of funds for the growth, realisation of strategic tasks and increase profits by reducing costs of financing. This allows a number of significant long-term investment projects to be planned and advanced.

A responsible employer appreciating commitment and cultural diversity

The KGHM Polska Miedź Group employs around 34 thousand people. The employees are the foundation due to which the Group may continuously build its business potential. KGHM Polska Miedź S.A. is a stable and responsible employer, focused on the health and safety of employees, their professional development and continuous improvement of working conditions. Therefore, the Company undertakes extensive efforts to create safe and engaging workplaces.

Due to the rich experience, commitment, continuous improvement of competence and synergy resulting from the cultural diversity of the employees, the KGHM Group has built a unique culture of cooperation and reached a high position on the international arena.

Extension of the value chain

KGHM Polska Miedź S.A. is consistently extending the value chain, both upstream and downstream, to increase its competitiveness and efficiency. In the upstream area, it invests in the development of its own raw material deposits, such as exploration projects in Poland, Sierra Gorda in Chile or the acquisition of copper-bearing scrap to ensure a stable supply of raw materials. Downstream, KGHM is developing its processing operations, producing high-quality copper, silver, gold and other metals with a high additional value that are provided to demanding industries such as electronics, power industry and automotive sector. This approach allows the full potential of the raw materials to be used and the profitability of the business to be increased.

Integrity and sustainable development within the KGHM Group

The integrity of the KGHM Group means the coherence and synergy of activities in different areas of operation, such as mining, processing, environmental management and social relations.

The Group consists of entities with unique and significant expertise, both in the field of broadly-defined operational assurance of the core production line – directly related to the core production line – as well as ensuring future development prospects, continuity of electricity supply or dealing with technology development. In addition, KGHM Polska Miedź S.A. has a number of subsidiaries engaged in complementary activities, including comprehensive research and development services, advanced data analysis work, as well as laboratory testing and analysis services.

Due to vertical integration, the company controls the entire value chain from the acquisition of raw materials to the production of finished products and their sale, ensuring higher efficiency, stability of supplies and high product quality. Integrity also includes the commitment to climate and environmental action and adherence to ethics, transparency and social responsibility, building trust with customers, investors and partners. The comprehensive approach allows KGHM to distinguish from its competitors as a stable, innovative and sustainable growth-oriented organisation, as evidenced by the numerous awards and distinctions received by the Company, among others, for its activities related to its presence on the capital market, communication with investors and CSR initiatives.

Innovation

KGHM heavily invests in innovation and research to increase the efficiency and safety of its operations, its competitiveness and the impact of its operations on sustainable development. The Company is developing modern technologies in the area of mining and processing, such as process automation, digitisation of mines and the use of artificial intelligence to optimise production. Examples include the testing of battery-powered mining machines, the robotisation of production and auxiliary processes, and broadband data transmission in underground mining areas. KGHM also carries out research projects related to the recovery of rare metals and the mitigation of environmental impact which is in line with the trends of the circular economy.

While cooperating with scientific centres and research institutions, as well as appreciating the creative potential and ingenuity of its own staff, the Company strengthens its position as a leader in the technology and raw material industries. Innovation and advanced technology enable KGHM to operate in accordance with the highest technical standards of occupational safety.

A rich portfolio of products and mined minerals

The KGHM's portfolio of products primarily comprises electrolytic copper, metallic silver, molybdenum, gold and other platinum-group metals or rare metals such as rhenium and lead. These products are used in a wide range of industries, including: electronics, energy, automotive and jewellery. The Company is the only European producer of rhenium from its own resources - a valuable and very rare metal used mainly in the aviation and petrochemical industries. Other products are also derived from the processing of copper ore, including crude and refined lead, sulphuric acid, nickel sulphate and selenium.

KGHM also acquires rock salt as a by-product of mining of its own copper deposits in Poland. The extraction of rock salt is possible through integration of mining operations, which allows for the efficient mining of all the raw materials in the deposits.

KGHM is committed to the quality of its products, as confirmed by numerous certificates such as the LME London Metal Exchange certificate for copper and silver and ISO 9001 certificates, which recognise high quality management standards. The Company's metallurgical Divisions (Głogów Copper Smelter and Refinery, Legnica Copper Smelter and Refinery and Cedynia Wire Rod Plant) also hold the prestigious Copper Mark certificate, confirming responsible practices in copper production in line with global sustainability principles, thereby contributing to building trust among partners and customers.

1.4 STRATEGY, PLANS AND OBJECTIVES

1.4.1 Mission, Vision and Strategy and the development plans of the Group

In the current reporting period, the Company continued the implementation of the “Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040”, adopted on 14 January 2022 by the Supervisory Board of the Company, based on the development directions: Elasticity/flexibility, Efficiency, Ecology, E-industry and Energy. A special place in the Strategy is occupied by the green transformation based on renewable energy and modern technologies. The mission and vision remained unchanged, in the following wording - mission: *To always have the copper*, and vision: *To use our resources efficiently to become the leader in sustainable development*. The implementation of the Strategy is supported by KGHM's values: zero harm, teamwork, results driven, accountability and courage.

Diagram 10. Mission, Vision and Development Directions of the Strategy of KGHM Polska Miedź S.A.



The Strategy of the KGHM Polska Miedź S.A. Group is comprised of five pillars (1. Core business, 2. New activities, 3. Supporting activities, 4. Health and 5. Prosociality), based on five development directions.

Diagram 11. Five Pillars based on five development directions in the Strategy of the KGHM Polska Miedź S.A. Group

Development directions		Elasticity /flexibility	Efficiency	Ecology	E-industry	Energy
	1 Core business	Advanced technologies and R&D forming an intelligent production chain	Optimization of mining production in Poland and abroad ensuring long-term business continuity	Leader in the development of low-emission mining capacity for new metal and mineral deposits in Poland	Expansion along the value chain through the development of new products from copper and other metals (including establishing cooperation with partners in Poland and abroad)	Development of metallurgy with the use of effective processing based on Circular Economy principles
	2 New activities	One of the leading producers of environmentally friendly electricity, supporting Poland's energy transformation				
	3 Supporting activities	A significant provider of Smart Mining solutions in the area of products and services sold in Poland and globally		Ensuring the financial stability of the KGHM Group and implementing systemic solutions aimed at increasing the Group's value		
	4 Health	Development of pro-health activities and health resorts as a contribution to extending the length and quality of life of citizens				
	5 Prosociality	Growth based on sustainability and safety				

The Group's Strategy also identifies climate objectives related to the reduction of emissions by KGHM, which are consistent with the “Climate Policy of KGHM Polska Miedź S.A.”, a document complementary to the Strategy and its climate targets set for 2030 and 2050.

At the same time, in 2024, the Management Board of the Company carried out work to review and update the Strategy, adapting it to changing industry conditions, current challenges and the Group's operational situation.

1.4.2 Advancement of the Strategy - key achievements in individual strategic development directions

The key achievements in advancing the strategic activities in individual strategic directions of development in 2024 are presented below:

Table 8. Key achievements in individual strategic development directions

Efficiency	<ul style="list-style-type: none"> – The Deposit Access Programme was continued - 43.1 km of tunnelling were excavated in the Rudna and Polkowice-Sieroszowice mines. All of the work carried out under the Mine Projects Group enables the successive opening of new mining areas. – The development of the Żelazny Most Tailings Storage Facility was continued, in particular of the Southern Quarter and the Tailings Segregation and Compacting Station. – R&D activities were carried out, aimed at seeking innovative solutions mainly for the Core Production Business of the Company. – The KGHM Invention Exchange was held (12-29 November 2024). – Work was carried out in the scope of measures reducing the level of water hazards – the project to construct the anti-filtration barrier was continued in order to limit the inflow of mine water to mining areas of the Polkowice-Sieroszowice mine and to increase the capacity to pump-out the mine water. – Use of external sources to finance R&D projects continued. In 2024, the Company received, among others, a grant in the amount of PLN 1.5 million under the EU programmes EIT KIC Raw Materials and Horizon Europe for the implementation of 6 R&D projects, and a grant of PLN 14 million under the programme “Aid for energy-intensive sectors related to sudden increases in natural gas and electricity prices” from the National Fund for Environmental Protection and Water Management.
Elasticity/Flexibility	<ul style="list-style-type: none"> – Modernisation work was carried out at the Legnica Copper Smelter and Refinery in the scope of electro-refining process. – The maintenance shutdown at Głogów Copper Smelter and Refinery has been completed. The renovation and investment work comprised key core business equipment and a number of investment tasks that will increase the efficiency of the plant. – Activities to extend the Company's value chain continued, including those related to the commissioning of design work for the construction of the Upcast II production line together with the Conform installation in Cedynia Wire Rod Plant, among others, to make the Company's product lineup more flexible. – Exploration projects continued in Poland for copper deposit exploration and evaluation (Retków-Ścinawa, Głogów, Synklina Grodziecka, Radwanice, Kulów-Luboszyce) and other (Non-Copper) concessions for exploration and evaluation (Nowe Miasteczko hydrocarbon deposit and Miosroszyno potassium-magnesium salt deposit in the vicinity of Puck). – Development projects in international assets continued, including the sinking of the exploration shaft as part of the Advanced Exploration phase of the Victoria project in Canada, which aims to specify the grade of the mineral resources. Sierra Gorda's mine operations continued to operate solely on the basis of electricity from RES. – In February 2024, an unsecured, revolving credit agreement with Bank Gospodarstwa Krajowego in the amount of USD 450 million for a financing period of up to 60 months, with an option to extend it by a subsequent 24 months was concluded. – On 26 June 2024, the Company issued C series bonds on the Catalyst market, a segment of debt instruments trading on the Warsaw Stock Exchange, with the total nominal value of PLN 1 billion and the bond redemption date of 26 June 2031. – In September 2024, Sierra Gorda SCM Joint Venture concluded revolving credit facility agreement with a syndicate of banks in the amount of USD 500 million for the period of 36-month, with an option to extend it by a subsequent 24 months. The purpose of the financing secured by corporate guarantees of KGHM Polska Miedź S.A. and South32, was refinancing debt and other general corporate purposes.
Ecology, Safety and Sustainable Development	<ul style="list-style-type: none"> – A balance of Scope 1, 2 and 3 greenhouse gas emissions for 2023 for the KGHM Group was performed. – Annual reports on CO₂ emission for 2023 have been prepared to meet the needs of the system for the trading of greenhouse gas emissions allowances. Applications were submitted for the allocation of emission allowances under the system for the trading of greenhouse gas emissions allowances. – Work on the Transformation Plan for KGHM Polska Miedź S.A. for climate change mitigation continued. – Actions were continued related to managing water and reducing the salt content of water discharged to the Odra river, aimed at increasing care for the environment. – Work has started on the BREF reference document for metal mining (MIN BREF) as part of the Seville process, in accordance with the Industrial Emissions Directive. – The preparation of EPD environmental declarations in accordance with EN 15804+A2 for wire rod and wire has begun. – The analysis has been launched with a view to developing a feasibility study for the capture and storage of carbon dioxide (CO₂). – Głogów Copper Smelter and Refinery and Legnica Copper Smelter and Refinery have once again been awarded the Copper Mark certificate confirming that copper production is efficient and compliant with the highest standards. – The audit and external supervision resulted in gaining a positive recommendation on maintaining a certified Integrated Management System including, among others, ISO 14001 (Environmental Management System). – Implementation of the Occupational Health and Safety Improvement Programme continued. The Company was recognised for its efforts to promote occupational health and safety by, among others, Safe Work Leaders Forum of the Central Institute for Labour Protection in Warsaw.

E-industry	<ul style="list-style-type: none"> – Projects aimed at automation of production lines of the Company's Mining Divisions continued, including the implementation of initiatives related to testing of battery-powered electric mining machines, as well as the testing of the electric rock crusher and the preparation of a prototype of bolting rig with an automated bolting turret to begin functional testing. – The system for locating and identifying machinery and people in the underground mines was integrated and extended. – Tests of the new flotation technology - Reflux Flotation Cell in the Concentrator Divisions continued, which is expected to enable improved process hydrodynamics and production parameters in the scope of recovery and concentrate quality. – Functional testing of a specialised robot capable of high-temperature operation in the Głogów II Copper Smelter and Refinery continued and internal consultations related to the possibility of building similar robots in the Głogów I Copper Smelter and Refinery have commenced. – Activities in the scope of digital transformation and ICT security continued, a dedicated cyber security team was established.
Energy	<p>Projects were developed to increase electricity generation from own sources, including renewable energy sources such as photovoltaic (PV) farms and wind farms (WF):</p> <p><u>RES projects on own land:</u></p> <ul style="list-style-type: none"> – Implementation stage: for the Głogów Copper Smelter and Refinery I-III Photovoltaic Power Plant (7.5 MW), the public procurement process is in progress for the selection of the General Contractor and the Oversight Inspector for each of the designed PV installations. – Preparatory stage: for the PV projects "Piaskownia Obora" (max. of 50 MW), PV "Wartowice I" (88 MW) and PV "Kalinówka" (2 MW), grid connection consent was obtained with the originally assumed capacities. Positive environmental decisions have been obtained for the PV "Tarnówek", PV "Kalinówka" and PV "Polkowice" projects (approx. 10 MW in total). For the PV "Kalinówka" project, the process of obtaining a building permit decision has started. The decision on construction conditions has been obtained for the PV "HM Cedynia" project (1.5 MW). With regard to the PV "Kopalnia Lubin Zachodni" project (5 MW), the Rural Municipality of Lubin proceeded to develop an amendment to the local spatial development plan for the Szklary Górne cadastral area. For the PV "Wartowice I" project, preparations are in progress for a spatial and programme concept. The "Radwanice-Żukowice" WF project (20 MW) located partly on the Company's own land near the Głogów Copper Smelter and Refinery is under consideration. A concept for power output to the Głogów Copper Smelter and Refinery was prepared for the wind project. – Work continued on making use of the potential of own land for RES projects. <p><u>Acquisition RES projects:</u></p> <ul style="list-style-type: none"> – On 29 February 2024, shares in three special purpose companies with photovoltaic farm projects with the total capacity of 42 MW were acquired, consequently, taking into account previous project purchases, the Company owns 8 photovoltaic farms with the total capacity of 47 MW located in the Lower Silesia, Łódź, Pomerania and Greater Poland Voivodeships. – Monitoring of the commercialisation progress of small modular nuclear reactor (SMR) technology continued, a pre-feasibility study on the construction of a nuclear power plant using SMR technology for the Company was completed and analysis of conclusions is in progress.

Table 9. Status of progress on realisation of strategic success ratios - level in 2024

Strategic success ratio (Strategic KPI)	Base ratio value in 2020	2030 targets	Value of the ratio in 2024
Domestic production of electrolytic copper	~560 kt	~600 kt (including based on increased processing of purchased copper-bearing materials and recycled copper).	588.7 kt
	Electrolytic copper production in domestic assets represents 98% of the production target adopted in the Strategy (600 kt in 2030) and a 3% above the 2024 budget target.		
International production of payable copper	~150 kt	Higher production by the international assets of KGHM by extending the life-of-mine (LOM) of active mines, developing assets in the mine projects portfolio held and increasing the resource base thanks to advancement of the International Exploration Strategy.	141 kt

Payable copper production in international assets amounted to: Sierra Gorda 80.5 kt (55%); Robinson 55.9 kt; Carlota 2.6 kt; Sudbury Basin 2.0 kt. Copper production (segments: KGHM INTERNATIONAL LTD. and Sierra Gorda S.C.M. - 55% share) was 19% higher than in 2023, as a result of improved production parameters at the Robinson Mine, which continued mining in areas of low copper content throughout most of 2023.

Silver production¹⁴	~1 320 t (in the top three)	Maintaining the position as one of the top three silver producers in the world (approx. 1 200 t).	1 340.7 t
	In 2024, the Group's silver production ensured the Company's top position in the list of "the largest silver mines in the world" (World Silver Survey 2024 ranking) and second place in the global ranking of "the largest silver producers".		
Energy produced	22% of consumption	Minimum 50% of consumption (approx. 1.5 TWh)	656.9 GWh (21.04% of consumption)
	In 2024, an increase in the volume of energy generated from own generation sources was recorded compared to 2023 (2023 - 578 GWh / 2024 - 656.9 GWh). In 2024, there was an increase in the share of electricity produced in own generation assets relative to the volume of electricity consumed by the KGHM Group's core production line (2023 - 18.36% / 2024 - 21.04%).		
Reduction in estimated CO₂ emission from electricity consumption¹⁵	~1.6 million tonnes of eCO₂	1.0 million tonnes of eCO₂	~1.42 million tonnes of eCO₂
	In 2024, greenhouse house emissions resulting from electricity consumption amounted to approx. 1.42 million tonnes of eCO ₂ , a decrease of approx. 0.34 million t eCO ₂ compared to 2023. The reduction in emission compared to the previous year resulted from the reduction in electricity consumption and a lower emission ratio for electricity. Achieving climate neutrality by 2050 is the overarching goal of the Climate Policy of KGHM Polska Miedź S.A., compliant with the objectives of the Strategy.		
Diversification of the trade offer of metals	2%	10%	2.23%
	The ratio relates to the share of sales of half-finished copper products, excluding wire rod and ETP grains in total revenues from sales of products. In 2024, production in this assortment group amounted to 16.8 thousand tonnes (in 2020 - 14.3 thousand tonnes).		
Scrap recycling	~124 kt of copper scrap	~350 kt of copper scrap	159 kt of copper scrap (dry weight)
	The Company is systematically increasing the amount of copper scrap processed in the copper smelters. The highest result was achieved in 2024 compared to the base year (2020).		
Revenues from sales in external markets of selected Companies of the Group	Base 2020 Base year = 100% The amount of revenues from sales in external markets in the base year 2020.	147% to the base year for the following companies: ZANAM, NITROERG, PeBeKa	114%¹⁶ to the base period for the following companies: ZANAM, NITROERG, PeBeKa
		163% to the base year for the DMC company	202%¹⁷ to the base period for DMC
	Support activities were carried out in order to ensure the financial stability of the KGHM Group and to implement the systemic solutions targeted at increasing the Group's value. The volume of revenues from sales in external markets of selected companies of the Group, which is one of the key ratios for the KGHM Group's Strategy:		
	<ul style="list-style-type: none"> – the DMC company exceeded the target for 2030, – for three domestic companies, the ratio higher than the base ratio results from higher sales revenues generated by the companies NITROERG S.A. and KGHM ZANAM S.A. 		
LTIFR¹⁸ and TRIR¹⁹	LTIFR 7.31	Target: 0 accidents	6.64
	TRIR 0.52	Target: 0 accidents	0.30
	The Company is continuously pursuing its strategic ambition to achieve the lowest possible accident rate.		

¹⁴ For KGHM Polska Miedź S.A. Group

¹⁵ For KGHM Polska Miedź S.A., location-based methodology.

¹⁶ Calculated as: 2024 to 2020. Data as at 12 March 2025.

¹⁷ Calculated as: 2024 to 2020.

¹⁸ LTIFR (Lost Time Injury Frequency Rate) - the total number of accidents at work standardised to 1 million hours worked, as defined by the Act of 30 October 2002 on social insurance due to workplace accidents and occupational illnesses (Journal of Laws of 2025, item 257 with subsequent amendments). The ratio is calculated for the Company KGHM Polska Miedź S.A.

¹⁹ TRIR (Total Recordable Incident Rate) - the ratio of accidents at work that meet the conditions for registration as defined by the ICMM (International Council on Mining & Metals) standard. The ratio is calculated for international assets.

Level of support to the Health Area implemented by the KGHM Polska Miedź Foundation	~PLN 11.5 million²⁰	~PLN 7 million	PLN 8.07 million (total for institutions and natural persons)
The level of support for the Health Area implemented by the KGHM Polska Miedź Foundation was higher than the level adopted as the strategic goal for 2030.			
Number of volunteer projects advanced	25 volunteer campaigns	30 volunteer campaigns	137 volunteer campaigns (including 38 campaigns in KGHM Group)
The "Copper Heart" employee volunteer programme, launched in KGHM in 2014, was consistently implemented.			
Level of support provided for culture, sport and healthcare	~PLN 38.5 million	~PLN 48 million	PLN 48.15 million
The level of support provided for culture, sport and healthcare was close to the strategic target adopted for 2030.			

1.4.3 Development directions of the KGHM Polska Miedź S.A. Group

In the short-term perspective, the existing policy aimed at adapting the functioning of the Group to the business model and the market environment as well as at cooperation between the Group's entities will be continued. The realisation of investments aimed at ensuring cost effectiveness and development scenarios for the individual international assets in the Company's portfolio will be an equally important task. The Group will continue the exploratory work, the strategic objective of which is to develop the resource base and, as a consequence, to maintain optimal production levels and maximise the value of the Company's assets in the long term.

As part of the implementation of the climate policy and the energy transition, an increase is expected in the scope of investment in renewable energy sources, in energy efficiency improvement projects and in projects aimed at protecting the environment and adapting to increasing regulatory requirements in this regard.

The aforementioned objectives will be realised by continuing commenced or bringing into operation new investments, including key investments, such as:

- outfitting the mines along with the construction of conveyor belts,
- replacement of mining machinery,
- construction of mine de-watering systems,
- construction of air cooling systems,
- development of the Żelazny Most Tailings Storage Facility above a the dam's crown height of 195 m a.s.l.
- construction of the Tailings Segregation and Compacting Station at the Żelazny Most Tailings Storage Facility,
- Hybrid Legnica Smelter and Refinery,
- modernisation of electrorefining at the Legnica Copper Smelter and Refinery by converting to permanent starter sheet technology,
- intensification of oxygen-free copper production at the Cedynia Wire Rod Plant by building new production lines,
- the Deposit Access Program (Deep Głogów along with access and development tunnels),
- searching for and exploring deposits in areas under exploration concessions,
- construction of installations and acquisitions in terms of photovoltaic energy.

Moreover, work will continue on new intelligent technology and production management systems based on online communication between elements of the production process and advanced data analysis.

The KGHM Group has solid foundations for further growth and strengthening of the Company's position on the global commodity market. However, the Group's functioning is determined by its ability to adapt to changing market conditions, use of innovative technologies and effective management of geopolitical and regulatory risks. Adapting to global trends related to ESG and energy transition is also of key importance.

²⁰ Due to the epidemic conditions, the area of activity of the KGHM Polska Miedź Foundation - "Health and Safety" was the particular priority in 2020, thus the significantly higher financing in this area in the base year.

Table 10. Factors fostering the development of the KGHM Group

Internal Factors:	
Stable resource base	KGHM has one of the largest monogenic copper deposits, which offers the company competitive advantage and the ability to plan its mining operations in the long term.
Geographical diversification	The presence of the operations in Poland, Chile, Canada and the USA enables KGHM to benefit from a diverse range of markets and reduces the risks associated with local regulatory or political constraints.
Social responsibility and respect for ESG issues	KGHM's initiatives related to decarbonisation of production, energy efficiency and sustainable development strengthen its image and adapt the company to the requirements of stakeholders and global investors.
Human capital	Availability of qualified staff, including investment in employee development and the use of long-standing and unique experience in mining, metallurgy or processing.
Applied corporate governance principles	Effectiveness of the established corporate governance framework, particularly in terms of the efficiency of the governance structure and decision-making processes in the organisation.
Rational investment policy	Rational investment policy in the medium to long term ensuring adequate resources and taking into account the specific nature of the industry and the regulatory environment.
Experience in terms of the hedging policy	The effects of the implemented hedging policy,
Financing	The economic potential and KGHM's brand increase financial security – the KGHM Group has access to stable and effective sources of external financing.
External Factors	
Technological progress and investment in innovation and efficiency	Continuous modernisation of mining and smelting processes, including automation and digitalisation projects allows KGHM to increase productivity, reduce operating costs and limit its environmental impact.
Increased demand for copper and silver	The global energy transition and increasing investment in green technologies or decarbonisation initiatives, including the development of the RES sector, electromobility and technological infrastructure, are increasing the demand for copper components as a strategic raw material, thereby ensuring KGHM's stable market position. Silver, as the key component in the production of photovoltaic cells and electronics, additionally supports the development potential.
Volatility on the currency market	Volatility in the USD/PLN exchange rate may be a significant limitation as well as a factor contributing to the development of KGHM Polska Miedź S.A.

Table 11. Development constraints for the KGHM Group

Internal Factors	
Hampered access to copper ore deposits in Poland	The mining of deeper ore deposits is associated with higher costs, more difficult geological conditions and increased risk for employees, which imposes the development and implementation of advanced technological solutions, while the costs of investing in innovative solutions are a challenge for the Company's finances.
External Factors	
Regulatory environment, including stricter environmental regulations	An increase in the number and level of restrictiveness of regulatory solutions affecting the operations of the Company and the Group, particularly in the context of technological risk associated with the transition to low-carbon economy or environmental risks and forces KGHM to implement additional capital-intensive investments in environmentally friendly technologies. KGHM is required to pay a special minerals extraction tax, on copper and silver, which was introduced in Poland in 2012. This tax is one of the highest in the world in the mining sector and its burden depends on the amount of raw material extracted and their market prices, which means that an increase in the price of copper and silver on the global markets increases the level of the tax. On an annual basis, this tax accounts for a significant part of the company's operating costs, affecting its financial results, including operating profitability and debt levels, and therefore impacting the level of investment capacity and competitiveness in the international market.
Rising energy costs and an increase in the demand for RES energy	As one of the most energy-intensive companies in Poland, KGHM, which relies on conventional energy sources, incurs significant costs due to rising electricity prices and CO ₂ certificates, increasing the cost of mining and processing of raw material, which additionally affects the company's competitiveness in the global market. The growing demand for energy from RES forces the KGHM Group to diversify its energy supply and invest in its own low- and zero-emission energy sources.
Geopolitical uncertainty	The geopolitical situation, e.g. in face of the conflict in Ukraine and conflicts in the Middle East, has a significant impact on KGHM's operating risk. International conflicts, economic sanctions and trade tensions may destabilise the supply chains of commodities and the availability of materials and components, fuels

	and energy on international markets. International projects, particularly those advanced in Chile, are exposed to political risks, changing tax regulations and local social protests, which may affect the stability of the Company's operations.
Dependence on global copper and silver prices	Significant sensitivity to fluctuations in international commodity prices may affect the company's financial stability, especially under the conditions of economic downturns or demand volatility. KGHM must effectively manage financial risk and hedge prices with futures contracts, which requires detailed market analysis and a flexible management strategy.
Competition and alternative technologies	The increased importance of copper recycling and the development of substitutes by the technology sector may limit the growth rate of demand for primary copper, which will affect KGHM's long-term results.
Volatility in crude oil prices	Volatility in crude oil prices related to fluctuations in the supply due to the extension of restrictions on crude oil production by some OPEC countries, alongside an increase in production by non-OPEC countries and as a result of sanctions imposed by the USA against major Russian oil companies and the energy sector,
Requirements in scope of ESG	Increasing stakeholder expectations in terms of ESG requirements, which may, among others, translate into funding terms.
Volatility on the currency market	Volatility in the USD/PLN exchange rate may be a significant limitation as well as a factor contributing to the development of KGHM Polska Miedź S.A.

1.4.4 Main assumptions of Budget 2025, realisation of the assumptions of Budget 2024

Table 12. Main assumptions of Budget 2025, realisation of the assumptions of Budget 2024

	Unit	2024	Budget 2024	Realisation (%)	Budget 2025	Change (%)
KGHM Polska Miedź S.A.						
Production of copper in concentrate	kt	400.1	391.0	102.3	392.3	(1.9)
Production of silver in concentrate	t	1 318	1 281	102.9	1 278	(3.0)
Electrolytic copper production, including:	kt	588.7	569.2	103.4	567.1	(3.7)
- from own concentrate	kt	383.7	370.4	103.6	375.4	(2.2)
Metallic silver production	t	1 316	1 239	106.2	1 260	(4.3)
Copper products sales volume	kt	589.6	593.2	99.4	572.9	(2.8)
Silver products sales volume	t	1 347	1 292	104.3	1 261	(6.4)
Total unit cost of electrolytic copper production from own concentrate ²¹	PLN/t	31 641	35 950	88.0	35 375	+11.8
Capital expenditures on property, plant and equipment ²²	PLN mn	3 573	4 100	87.1	3 800	+6.4
Other investments, including loans ²³	PLN mn	391	1 488	26.3	679	+73.7
KGHM INTERNATIONAL LTD.						
Payable copper production	kt	60.5	58.3	103.8	52.1	(13.9)
TPM production	koz t	53.5	48.7	109.9	36.2	(32.3)
Sierra Gorda (55%)						
Payable copper production	kt	80.5	87.5	92.0	87.2	+8.3
Molybdenum production	mn lb	3.3	5.7	57.9	4.1	+24.2

Achievement of Budget targets in 2024

In 2024, the Company recorded higher production of electrolytic copper by 19.5 thousand tonnes (+3%) than assumed in the Budget for 2024, with production from own concentrate amounting to 13.3 thousand tonnes. In the case of silver, production was higher by 77 tonnes (+6%). The increase in production contributed to silver sales exceeding the planned volume by 55 tonnes, while copper sales were realised at a level lower by 3.6 thousand tonnes as a result of keeping some of the copper products in inventories.

The production of payable copper and TPM in KGHM INTERNATIONAL LTD. was higher than assumed in the Budget by 2.2 thousand tonnes (+4%) and 4.8 thousand troy ounces (+10%), respectively, mainly due to mining in the area with larger amounts of metal than assumed in the budget.

Production of payable copper and molybdenum in Sierra Gorda was at a level 7.0 thousand tonnes (-8%) and 2.4 million pounds (-57%) lower, respectively, than the budget targets, mainly due to lower recovery and metal content in ore.

²¹ The sum of costs of mining, flotation, smelter processing per cathode and support functions, together with cathode selling costs, adjusted by the value of inventories of half-finished products and work in progress, less value of anode slimes and divided by the volume of electrolytic copper production from own concentrate.

²² Excluding costs of borrowing, leases per IFRS 16 unrelated to an investment project, expenditures on the purchase of CO₂ emission allowances as well as expenditures on development work – uncompleted.

²³ Acquisition of shares and investment certificates together with loans.

Total unit cost of electrolytic copper production from own concentrate (in PLN) compared to the budget is 12% lower. This is affected by lower prices of gas, energy, materials and external services as well as higher relief by anode slimes (increased production from own concentrate and increased silver and gold prices).

Capital expenditures on property, plant and equipment were realised at the level of PLN 3 573 million, or 13% lower than assumed in the Budget. Other investments however, including increases in share capital of subsidiaries and other equity investments, amounted to PLN 391 million versus the target of PLN 1 488 million. The failure to meet the budget targets mainly concerns lower than planned financing of KGHM INTERNATIONAL LTD., rescheduling or cancellation of certain projects and reclassification from share acquisitions (budget) to CAPEX (execution).

Budget targets for 2025

Production – lower copper production by the Group in 2025 by 23.3 thousand tonnes (-3%) compared to the amount recorded in 2024:

- KGHM Polska Miedź S.A. -21.6 thousand tonnes (-4%) with lower production from own concentrate by 8.3 thousand tonnes (-2%), which is mainly due to the build-up of inventories of anodes to be consumed in the second quarter of 2026 during the maintenance shutdown of Głogów II Copper Smelter and Refinery,
- KGHM INTERNATIONAL LTD. -8.4 thousand tonnes (-14%) decrease mainly due to the mineralogical composition of the ore scheduled for mining at the Robinson mine (decrease in copper content),
- Sierra Gorda +6.7 thousand tonnes (+8%) – an increase mainly due to the planned processing of ore with higher copper content than in 2024.

As a result of lower production, the assumed level of copper sales by KGHM Polska Miedź S.A. is lower by 16.7 thousand tonnes (-3%).

The total unit cost of electrolytic copper production from own concentrate (KGHM Polska Miedź S.A.) increased by 12%, mainly due to a rise in the costs of energy-related factors, materials, external services and labour costs, as well as lower production from own concentrate resulting in lower valuation of anode slimes due to the planned decrease in volume of silver.

Capital expenditures on property, plant and equipment (excluding costs of borrowing, leases per IFRS 16 unrelated to an investment project and expenditures on uncompleted development work) – an assumed increase by 6% as compared to the amount achieved in 2024 due to the greater scope of work and the expected price increases.

The 73% increase in capital expenditures assumed in the Budget for 2025 relates primarily to the financing of investments in renewable energy sources.

1.5 RISK MANAGEMENT

The KGHM Polska Miedź S.A. Group defines risk **as the impact of uncertainty, being an integral part of the activities conducted and having the potential to result in both opportunities and threats to achievement of the business goals.**

The **current and future, actual and potential impact of risk** on the KGHM Polska Miedź S.A. Group's activities is assessed. Based on this assessment, management practices are reviewed and adjusted in terms of responses to risk.

- Under the implemented **Corporate Risk Management Policy and Procedure** and **the Rules of the Corporate Risk and Compliance Committee** in force, the process of corporate risk management in the KGHM Polska Miedź S.A. Group is consistently performed.
- KGHM Polska Miedź S.A. oversees the process of managing corporate risk in the KGHM Polska Miedź S.A. Group, while in the companies of the KGHM Polska Miedź S.A. Group, documents regulating the management of this area are consistent with those of the Parent Entity.
- The realisation of the aforementioned Policy and Procedure and approval of their updating is made at the level of the Management Board of KGHM Polska Miedź S.A. following recommendations by the Corporate Risk and Compliance Committee.
- The system of managing risk and the system of managing compliance are subjected to an efficiency audit compliant with the guidelines of "Best Practice for GPW Listed Companies 2021" on an annual basis.
- Risk factors in various areas of the KGHM Polska Miedź S.A. Group's operations are continuously identified, assessed and analysed in terms of their possible limitation.
- Key risk factors in the KGHM Polska Miedź S.A. Group undergo **in-depth analysis in order to develop a Risk Response Plan and Corrective Actions**. Other risk factors undergo monitoring by the Department of Corporate Risk Management and Compliance, and in terms of financial risk by the division of the Executive Director for Financial Management.
- The reporting of key types of corporate risk of the KGHM Polska Miedź S.A. Group is performed cyclically to the Management Board of KGHM Polska Miedź S.A. and to the Audit Committee of the Supervisory Board of KGHM Polska Miedź S.A.

The Company publishes key documents concerning risk and risk management on its website in section [Risk management](#), while those of only an internal nature are published through internal IT systems available to employees. Publicly-available documents on the subject of corporate risk management may also be addressed to various external stakeholder groups as part of establishing business relationships. Operational documents developed at individual stages of the risk management process are addressed to those persons who are directly engaged in carrying out this process within the KGHM Polska Miedź S.A. Group.

In order to unify the approach to the systematic identification, evaluation and analysis of the risk of a loss of compliance, defined as adherence to the requirements arising from existing regulations (external and internal) or from voluntarily-assumed legal obligations and standards (including ethical standards), since 2020 a **Compliance Management Policy for the KGHM Polska Miedź S.A. Group together with a Procedure and Methodology for managing compliance in KGHM Polska Miedź S.A.** as adopted by the Management Board of KGHM Polska Miedź S.A. has been in force. The process of managing compliance, which is connected with the process of managing corporate risk within the KGHM Group, is an important business tool for the prevention of events which could lead to the imposition of sanctions.

The Company keeps registers containing the applicable requirements resulting from identified external regulations determining the Company's regulatory situation within various aspects of its business, as well as ongoing monitoring of draft requirements at various levels of the legislative process in areas of key importance to the Company. The identified external regulations are accompanied by the register of related regulations for the Company's internal legal system. The Company's approach enables systematic identification, assessment and analysis of the risk of loss of compliance or possible non-compliance with generally applicable law, internal corporate regulations and voluntarily adopted legal obligations and standards, including ethical norms, to ensure that the process produces a design and an implementation of measures ensuring compliance.

The foregoing is to ensure that the Company has current information on non-compliance, compliance risk and their impact on the organisation which ensures the creation and protection of shareholder value by establishing a consistent approach to ensuring compliance and avoiding non-compliance or non-compliance risk, as well as supports the achievement of business objectives by implementing tools to mitigate the risk of sanctions.

The compliance management process is also a valuable tool within the Company's broader management activities carried out **in the area of sustainable development**. The identification of external requirements creating obligations for the Company to maintain a sound approach to sustainability issues, including those related to sustainability reporting standards, allows for understanding and adaptation of the Company's operations to the dynamic regulatory environment in this area.

The identification of the requirements related to the individual areas that make up the concept of ESG, i.e. environment, social responsibility and corporate governance, as well as the proper management of data acquired during various stages of the compliance management process, such as information on incidents, compliance risks or non-compliance, are part of the Company's due diligence approach in conducting its business in accordance with the principles of sustainable development.

In 2024, the process continued of implementing a comprehensive business continuity management system, which also enables a detailed breakdown of the scope of actions undertaken as regards managing corporate risk in terms of the risk of a catastrophic impact and the limited probability of occurrence. Consequently, in November 2024, KGHM Polska Miedź S.A. completed the first ISO 22301-compliant Business Continuity Management System Audit (BCMS). The BCMS audit covered the Divisions of KGHM Polska Miedź S.A. where the production processes comprising the core business and the Head Office are carried out. The documentation mandatory as part of the BCMS sets forth the principles and requirements to build the resilience of KGHM Polska Miedź S.A. as regards catastrophic events by sorting out and unifying the current approach to management of the risk of loss of operational continuity of the core production business and preparing for unforeseen events.

The corporate risk management process adopted in the KGHM Polska Miedź S.A. Group is inspired by the solutions adopted by the ISO 31000 standard, best practice in risk management and the specific nature of the Group, and is comprised of the following steps:

Diagram 12. Corporate risk management process in the KGHM Polska Miedź S.A. Group



<p>STEP 1 Defining the Context</p>	<p>The first step in the process is comprised of three actions: defining the external context, the internal context and the risk management context.</p> <p>The external context is the environment in which the KGHM Polska Miedź S.A. Group advances its Strategy. Here the definition needs to update the understanding of the social, political, legal, regulatory, financial, economic and technological aspects of the environment which affect its activities. During this step also assessed, based on the results of scenario analysis, are the most important factors for transitioning to a low-emission economy and the paths of climate change and weather models, which are processed in subsequent steps of the process.</p> <p>During the process of defining the internal context, goals are analysed (strategic/business), changes in the organisational structure are planned and performed, new areas of activities, projects, etc.</p> <p>The last part of this step is to define the risk management context, which comprises the setting or updating of goals, the scope, responsibilities and procedures and methodologies applied in the risk management process.</p>
<p>STEP 2 Identification and Evaluation</p>	<p>In this step of the process risks which could impact the achievement of goals at the level of the KGHM Polska Miedź S.A. Group are identified and evaluated. The main task in this step is to prepare a complete list of threats which could facilitate, impede, accelerate or delay the achievement of goals. Each identified risk is assigned to a category and a sub-category in the form of a Risk Model, which provides the KGHM Polska Miedź S.A. Group with a consistent risk taxonomy.</p> <p>The following input parameters, data sources and assumptions are used as part of the identification and evaluation:</p> <ul style="list-style-type: none"> - results of the Context analysis; - Risk Model - a key tool in the context of ensuring that the list of risks is complete; - the results of audits and other control tasks identifying potential new risks in operational areas; - incidents that occurred in the past in connection with the identified risks, non-standard events that caused the risk to materialise and had an actual (loss or gain) or potentially positive or negative impact on the achievement of objectives; - events that may result from the materialisation of risks and their potential consequences; - ESG risk factors, - the approach of the most likely loss or gain rather than the greatest possible loss or gain when assessing risk. <p>When identified, each corporate risk is subjected to assessment using the Risk Assessment Matrix, which provides scaled assessment ranges for the scale of impact, vulnerability and probability. A risk may have various effects, and therefore in order to ensure the broadest possible recognition of potential impact and the limitation of subjective evaluation, the following Impact evaluation measures have been defined:</p> <ul style="list-style-type: none"> - finance – impact of the effects of a given risk in its financial aspect by applying value ranges, - strategy – evaluation of the risk's impact on the ability to achieve strategic goals, - reputation and stakeholders – impact of the risk on the Company's reputation, trust in the brand, investor relations, relations with stakeholders, also including the context of the effectiveness of actions related to building a responsible business and sustainable development, - health and safety – direct impact on health and safety and human life, - natural environment – impact of the materialisation of risk on the natural environment, the functioning of the ecosystem and the time required to restore the disturbed balance,

-
- **regulations and laws** – evaluation of the compliance of events with existing laws, with the need to participate in proceedings before bodies of public administration of a supervisory and regulatory nature as well as potential sanctions as a result of such proceedings,
 - **operational continuity** – evaluation of the impact of risk on interruptions to activities resulting in significant/irreversible effects and loss of access to information important from the point of view of conducted activities.

The results of the identification and evaluation of risk are presented in a graphic form, i.e. Risk Maps. These provide a profile of the given risk and support the process of identifying the key risk.

STEP 3

Analysis and Response

The goal of this step is to deepen knowledge and to understand the specific nature of the types of key risks identified in the previous step. Cause and effect analyses and a more substantive description of the means of dealing with risk are aimed at facilitating decision making on whether to maintain or eventually change current actions.

The following input parameters, data sources and assumptions are used as part of this step for the purpose of determining the risk management methods:

- results of the previous stages of the process, including the identified ESG risk factors,
- a comprehensive approach that takes into account points of contact with other areas, outside the Risk Owner's area of competence, where the effects of risk materialisation may still be significant or even greater than in the Risk Owner's area,
- an overview of the current approach to risk,
- an analysis to identify potential gaps in the way risks are managed in order to determine the necessary Adaptation Measures.

A directional decision is called a Response to risk. A change in the approach requires specification of Corrective Actions, i.e. organisational, process, systemic and other changes aimed at reducing the level of key risks. As a consequence of decisions regarding the acceptance of actions identified in response to risks, the necessary financial, human or investment resources are provided as required.

During this step KRIs – *Key Risk Indicators* – are also defined, i.e. a set of business process parameters or environmental parameters which reflect changes to a given risk profile.

STEP 4

Monitoring and Communication

The goal of this step is to ensure that the adopted Risk Response Plan is effective (ad hoc and periodic reports), new risk categories are identified (updating of the Risk Registry), changes in the internal and external environments and their impact on activities are identified, and appropriate actions are taken in response to incidents (updating of information on Incidents).

Effective, well-planned and properly executed risk monitoring enables flexible and quick reactions to the changes occurring in the external and internal environments (e.g. risk escalation, changes in the measures related to risk response, or risk assessment parameters, etc.).

Realisation of this step guarantees that risk management in the KGHM Polska Miedź S.A. Group fulfils the expectations of the Management Board of KGHM Polska Miedź S.A., the Audit Committee of the Supervisory Board of KGHM Polska Miedź S.A. and other stakeholders by supplying reliable information about risk, continuous improvement and adaptation of the quality and effectiveness of Risk Response to the demands of the external and internal context.

Diagram 13. Organisational structure of risk management in KGHM Polska Miedź S.A.

Supervisory Board (Audit Committee)				
Performs annual assessment of the effectiveness of the risk management process and monitors the level of risk and ways to address it.				
Management Board				
Has ultimate responsibility for the risk management system and supervision of its individual elements.				
1st line of defence	2nd line of defence			3rd line of defence
Management	Risk Committees			Audit
Managers are responsible for identifying, assessing and analysing risk and for the implementation, within their daily duties, of responses to risk. Managers are tasked with ongoing supervision over the application of appropriate responses to risk within the realised tasks, to ensure the expected level of risk is not exceeded.	Support the effectiveness of the risk management process.			The Internal Audit Plan is based on assessing risk and subordinated to business goals, the current level of risk and the degree of efficiency of its management is assessed.
	Corporate Risk and Compliance Committee	Market Risk Committee	Credit Risk Committee	Financial Liquidity Committee
	Manages corporate risk and continuously monitors key risk	Manages risk of changes in metals prices (e.g.: copper and silver), other merchandise (including energy), as well as exchange and interest rates	Manages risk of failure of customers to meet their obligations	Manages risk of loss of liquidity, understood as the ability to pay current liabilities on time and to carry out necessary purchases as well as the ability to rapidly obtain financing for operations
	Corporate Risk Management Policy Compliance Management Policy Operational Continuity Management Policy	Market Risk Management Policy	Credit Risk Management Policy	Financial Liquidity Management Policy
	Director of the Corporate Risk Management and Compliance Department	Executive Director for Financial Management		Executive Director for Internal Audit
	Reports to the Management Board	Reports to the Vice President of the Management Board (Finance)		

1.5.1 Corporate risk – key risks and risk factors and mitigation

A comprehensive approach to risk management is consistent across the KGHM Polska Miedź S.A. Group and it was designed in such a way as to support the building of a resistant corporate structure.







Our comprehensive approach in this area is also reflected in the actions taken by KGHM in the reporting period regarding **risks associated with the ESG area**, i.e. environmental, social and corporate governance issues. The approach to the ESG risk management is further described in [section 4.1.2 IRO -1 Description of the process of identification and assessment of significant impact, risks and opportunities](#) and [SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model](#).

KGHM Polska Miedź S.A., as part of its risk management, **takes into account issues related to climate change** in accordance with best practices and standards and distinguishes a category of climate risk, the significance of which is equivalent for the Company to the other categories of risk. In [section 4.1.1 GOV-5 Risk management and internal controls over sustainability reporting](#) we describe in more detail our climate risk management strategy, which is one of the elements of the Company's commitment to operational excellence and its mission to act in accordance with sustainable business principles.

The **Risk Model** is a tool used to identify risk in the KGHM Polska Miedź S.A. Group. Its structure is based on the sources of risks and is divided into the following six categories: Technological, Value Chain, Market, External, Internal and Climate. Several dozen sub-categories have been identified and defined for each of these categories, covering particular areas of the operations or management. The KGHM Polska Miedź S.A. Group applies due diligence when undertaking actions aimed at minimising exposure to risk by lowering vulnerability to individual risk factors and reducing the probability of the materialisation of events which such factors could induce.

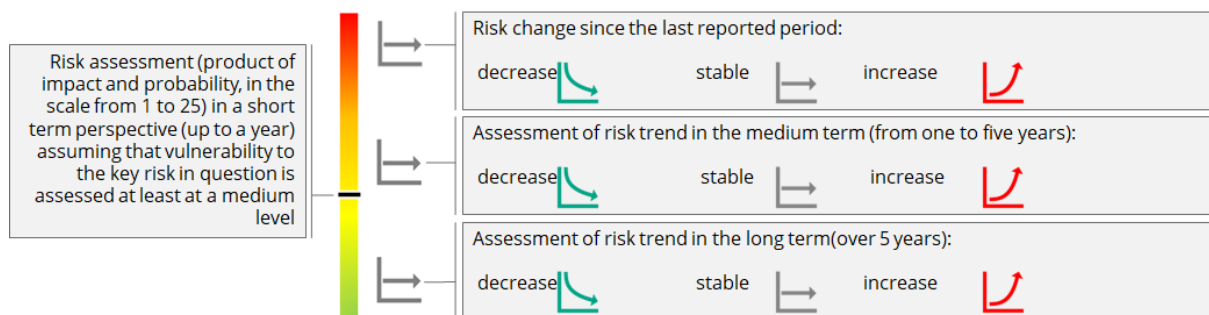
The KGHM Polska Miedź S.A. Group, as part of the improvement of the corporate risk management process, applies a **two-track approach** consisting not only of limitation of the risk and minimisation its negative effects, but also in optimisation of the ability to take risks and the effectiveness of the tools used and their profitability. The two-track approach is also **reflected in the assessment of dual materiality performed as part of the ESG risk analysis**, where both the materiality of KGHM's impact on humans and the environment, but also financial materiality, understood as the impact of climate change and sustainable development issues on KGHM, are assessed.

Diagram 14. Risk categories in the Risk Model of KGHM Polska Miedź S.A. and their definitions

	<p>Technology</p> <p>This category is associated with changes in competitiveness resulting from the application of industrial technology, IT, innovation management, protecting and/or managing intellectual property as well as the impact of investment projects involving productivity and technology quality, or changes in the quality and efficiency of IT infrastructure affecting business units, support functions and infrastructure.</p>
	<p>Value chain</p> <p>This category is associated with changes in the operational efficiency of logistics and warehousing in the production process and in providing services, in managing sales, in managing waste and restoration as well as being correlated with the process of managing the supply chain, the availability of utilities and materials in the production process, changes in the evaluation and management of mineral deposit resources, or the advancement of research and exploration projects.</p>
	<p>Market</p> <p>This category is associated with changes in the value of assets, the level of liabilities or profit and loss resulting in a change in the sensitivity to interest rates, currencies, liquidity, inflation rates, customer insolvency, commodities prices, energy and property rights. This category also involves changes in the impact of demand and supply on the products of the KGHM Polska Miedź S.A. Group, the selection of appropriate tools to advance the marketing strategy, changes in expected rates of return on equity investments or the efficiency of transferring risk to the insurer.</p>
	<p>External</p> <p>This category is associated with the conditions involved in conducting activities resulting from changes in economic conditions, changes in laws and regulations (<i>compliance</i>), political decisions, changes in the natural environment as well as catastrophic natural events and force majeure. This category also comprises changes in market share or margins due to changes in the competitive environment or substitutes, the risk of the result of decisions in the courts or arbitration proceedings, the risk of unfavourable administrative decisions, changes in obligations, the designation of tax liabilities or their payment deadlines.</p>
	<p>Internal</p> <p>This category is associated with changes in an entity's activities affected by changes in its structure, organisation, procedures, processes or business model, as well as the risk of changes in corporate image, its products or services, the effectiveness of principles of proceedings related to ethics and anti-corruption, company's interests, or safeguards against loss of confidentiality, integrity, availability and authenticity of informational assets.</p>
	<p>Climate</p> <p>This category is associated with climate-related risk (climate risk) and its impact on the KGHM Polska Miedź S.A. Group's business activities, comprising physical risk (violent and chronic) and risk associated with transition to a low-carbon economy (regulatory, reputational, market and technological).</p>

Following is the detailed description of **key risks** and their factors for the KGHM Polska Miedź S.A. Group in 2024, broken down into individual categories along with means for their mitigation, including identification of the specific risk for the Parent Entity and the KGHM INTERNATIONAL LTD. Group. A key risk is future uncertain events having the greatest impact on the achievement of the business goals of the KGHM Polska Miedź S.A. Group, reflecting an evaluation of vulnerabilities, i.e. the ability of the organisation to limit the possibility of the occurrence of risk and the impact of its materialisation.

The tables below use the following abbreviations: for the KGHM Polska Miedź S.A. Group - KGHM Group, for the KGHM INTERNATIONAL LTD. Group - KGHM INTERNATIONAL Group, for KGHM Polska Miedź S.A. - Parent Entity. The following graphics are used in the tables below:



1. Risk category - Technology in the Risk Model of KGHM Polska Miedź S.A.

Risk	Score	Description	Mitigation
(Parent Entity) 1.1 Risk of failure to adapt the technology to the requirements of the production process in terms of capacity of metallurgical installations		Sources of risk include potential breakdowns of key elements of the core production line and failure to adapt technology to production requirements, which could affect the availability of metallurgical infrastructure. An important risk factor is the need to maintain the production of concentrates in an amount and quality required to optimise the utilisation of the metallurgical facilities. Exposure to the risk is also associated with the risk of the failure to ensure required utilities to maintain the expected level of the infrastructure availability ratio.	Optimum utilisation of infrastructure, maintaining an appropriate mix of concentrates, R&D initiatives and advancement of programmes and projects to adapt structure of metallurgical facilities and technology to ensure higher processing capacity for own concentrates, purchased copper-bearing materials and purchased scrap. Action is taken on an ongoing basis to ensure technical working order of maintenance and service systems. The competence of process controllers, including employees responsible for storage, tanks or transmission networks, are constantly being improved. An overhaul policy and emergency procedures are in place and suppliers are monitored on an ongoing basis within the scope described in instructions and contracts. Actions undertaken are aimed at maintaining the availability of metallurgical equipment at the expected level and improving the productivity parameters of metallurgical infrastructure, as well as limiting the negative impact of this risk on operations.

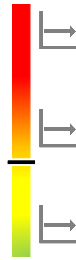
2. Risk category - Value Chain in the Risk Model of KGHM Polska Miedź S.A.

Risk	Score	Description	Mitigation
(KGHM INTERNATIONAL Group) 2.1. Risk related to the estimation of costs of decommissioning certain mines		With respect to risk factors related to the precision of estimated costs of decommissioning certain mines, there are questions related to the need to meet obligatory environmental conditions connected with realistic concepts for such decommissioning. There is also a risk that the Company will have to cover the costs of restoration more quickly than originally assumed, which may have an impact on the need to update the estimated costs associated with such a venture.	Estimated costs of restoration and mine decommissioning based on expert reports and providing guarantees of future environmental obligations related to the decommissioning and restoration of mining areas in accordance with existing laws and regulations. Work is also in progress with the aim to extend the Life of Mine (LOM) of individual active mines which will allow to reduce and/or delay closure costs and optimise cash flow enabling to cover potential restoration costs.

<p>(KGHM INTERNATIONAL Group)</p> <p>2.2 Risks related to the exhaustion of deposits and/or insufficient exploration of their parameters and characteristics</p>		<p>The risk of changes in the evaluation and management of ore deposits involves, among others, geological factors related to the reliable estimation of resources or mining conditions. Risk factors related to the limited reliability and completeness of data, based on which new resource projects are evaluated, may lead to the taking of less than optimal decisions on advancing or suspending projects. Due to the high maturity of KGHM INTERNATIONAL LTD. assets and their relatively short Life of Mine, the risk also relates to the possibility of exhaustion of deposits before new production capacity is secured.</p>	<p>Input data for models are collected in accordance with geological documentation possessed, which is prepared pursuant to laws in force as well as reviewed and consulted internally with experienced staff. The results of current work undergo particular analysis and preliminary project assumptions are updated.</p> <p>Expenditures incurred on exploration and evaluation enable the estimation of mineral resources and investigation of geological-mining conditions aimed at planning further mining activities.</p> <p>Individual assets focus on investment in near-mine exploration opportunities, productivity gains, cost optimisations and efficiency gains to expand the reserve base and consequently expand the LOM Plan.</p>
<p>(KGHM INTERNATIONAL Group)</p> <p>2.3. Risk of lower metal recovery and quantity and quality relative to budget targets</p>		<p>The risk is associated with factors relating to the parameters and characteristics of the deposit that affect the recovery, quantity and quality of the products. The risk may result in a decline in production due to lower extraction from metal-poor zones or due to the content of undesirable elements.</p>	<p>Ongoing analyses and forecasts of results are carried out in order to optimise the mixing strategy, optimise recovery or other processes that may affect the quantity and quality of the products obtained.</p>
<p>(Parent Entity)</p> <p>2.4. Risk of limitation or inability to store and manage mine tailings</p>		<p>The Parent Entity is exposed to the risk of a lack of sufficient tailings storage capacity at the Żelazny Most Tailings Storage Facility. Risk factors involve the management and control of the facility, maintaining the technological regime and meeting environmental requirements. Another source of risk are external factors with respect to administrative bodies and the requirement to obtain the necessary administrative decisions for the functioning of the facility. Some risk exposure is also linked to the possible unscheduled shutdowns resulting from infrastructure breakdowns, which may impact the continuity of operation of the Core Production Business.</p> <p>The risk is also related to the increase in tailings volume, including the increase in the mass of raw materials processed in the context of content of metals and substances processed to products. The limitation or inability to continue the storage/management of tailings may result in restrictions or suspension of operations of the entire facility (or a part thereof).</p>	<p>Preventive measures are taken to ensure that all formal and legal requirements are met in order to obtain the required administrative decisions with regard to the advancement of the Żelazny Most Tailings Storage Facility expansion project. The monitoring of the realisation of the procedures by offices is carried out and realistic timetables have been developed for the realisation of activities with the involvement of specialised staff and management. At the same time, a number of activities are in progress related to the development of the most optimal and effective model of cooperation with the local community and other stakeholders in the project.</p> <p>As part of the Core Production Business' operations, work is carried out to modernise the tailings transport infrastructure and ensure that there is a sufficient reserve capacity in the facility, with the right technological regime during realisation.</p> <p>Advance preparation of landfills and storage sites that comply with legal requirements is carried out. Segregation of tailings. Research and development work on further ways of using and managing tailings. Ongoing monitoring of waste stocks is carried out in order to comply with the regimes determined by the integrated permits, i.e. within certain limits and specific rules. Waste records, reports, external reporting and compliance assessments are carried out.</p>

(KGHM Group)

2.5. Risk of exceeding the permissible emissions limits set forth in permits and leakage of substances hazardous to the environment



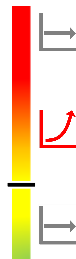
The KGHM Group is exposed to the risk of impact on individual components of the natural environment resulting from the mining activity, followed by its processing at all stages of the production process, which could lead to exceeding of permissible emissions limits. The risk also relates to leakages which can extend beyond the company and result in negative environmental impacts, leading to penalties and compensation for potential environmental damage. The financial effects simultaneously represent the costs associated with investments enabling, among other things, the detection of environmental leakages in multiple locations or the costs associated with the need to stop a leakage, e.g. as a result of an accident and in the extreme case, the costs of shutting down the operation of an installation as a result of an administrative decision. Materialisation of the risk may also adversely affect KGHM's reputation.

KGHM's smelter divisions have been included in the Air Protection Programme since 2015. In view of the legal requirements in force, KGHM has developed a BATAs investment program adapting metallurgical installations to the requirements contained in the BAT conclusions, thereby reducing emissions of pollutants, in particular arsenic emissions. Installations belonging to KGHM are obliged to monitor emissions of pollutants to the extent established in the relevant permits, which now also include the requirements of the BAT Conclusions. Emission monitoring allows to confirm that installations are emitting pollutants in quantities allowed by the permits.

Preventive measures include leakage detection kits available at each site, an environmental incident management system and a standard of operations, maintenance and surveillance for facilities management. Relevant equipment standards and leakage detection protocols also apply.

(KGHM Group)

2.6. Risk related to the lack of availability of necessary utilities



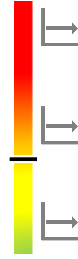
The KGHM Group is exposed to the risk of lack of availability of utilities for its operations. Potential disruptions in the supply of key utilities (in particular electricity) is mainly related to risk factors on the part of external suppliers and breakdowns of their distribution infrastructure. Risk is also related to the suspension of delivery of utilities as a result of long-lasting droughts, leading to periodically lower water levels in rivers, which could cause restrictions in work of KGHM's suppliers. Amongst internal factors, the most important involve questions of maintaining operations, mining, advanced investments and modernisation work. The potential impacts relate to losses associated with reduced/suspended production. As a result of risk materialisation, industrial water supply interruptions and the inability of water-using installations and units to operate (e.g. cooling of metallurgical units) may occur. The risk is associated with the physical climate risk, which includes risks resulting from the low level of the Odra River. Potential financial losses are related to reduced or suspended production if the risk materialises.

Ensuring back-up systems for the supply of critical utilities and on-going assessment of the security of the power network. Conducting investment projects aimed at strengthening energy security. Framework agreements with utility suppliers increasing the security of supplies. Systematic limitation of energy consumption under the implemented, ISO 50001:2018 compliant Energy Management System. Planned increase in the efficiency and flexibility of the KGHM Group in terms of its Polish and international assets, among others by partially satisfying the demand for electricity from its own sources as well as from renewable energy sources ("RES").

Activities in line with the water permit and care for the technical condition of the distribution infrastructure. Reliable design of water networks for new investments, renovations. Safeguarding the operation of water systems during freezing weather. Research and development activities aimed at reducing industrial water consumption. Securing the distribution infrastructure against accidental damage during construction, earthworks (work not directly related to infrastructure maintenance). Emergency procedures including the description of the procedure to be followed in the event of the low level of the Odra River.

(KGHM Group)

2.7. Risk related to infrastructure breakdowns which disrupt the core production operations, associated with natural hazards as well as internal factors related to the applied technology



The KGHM Group is exposed to risk related to the technological potential and efficiency of its infrastructure to meet the needs of the production process. By utilising infrastructure required to maintain its operations, KGHM is exposed to the risk of industrial breakdowns resulting in unplanned shutdowns. Such breakdowns could result both from natural hazards, i.e. catastrophic natural events and force majeure as well as internal factors dependent on the KGHM Group (ongoing operations, maintaining production, key suppliers, servicing).

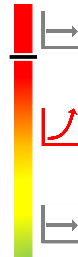
Preventive management of key infrastructure elements affecting production continuity. Appointment of a task and expert teams in the area of counteracting infrastructure breakdowns. Current geotechnical risk analyses. Gradual replacement of older technology with newer solutions, reflecting the corporate architecture standard. Use of prism and radar monitoring systems with warning system in all open pit mines.

Corporate standard for geotechnical risk management. Improved mine design parameters. Third party reviews and guidelines on design parameters

In 2024, the first Certification Audit of the Business Continuity Management System (BCMS) compliant with ISO 22301 in KGHM Polska Miedź S.A. was completed. The Audit of the Business Continuity Management System covered the Divisions of KGHM Polska Miedź S.A. where the production processes comprising the core business and the Head Office are carried out. The result of the audit was a positive recommendation to grant certificates.

(KGHM Group)

2.8. Risk of disruption to the continuity of sales and service processes



Due to its extensive sales and service structure, the KGHM Group is at risk of disruptions of the continuity of these processes caused primarily by external factors. For the Parent Entity, the key risk is the limitation of the ability to sell sulphuric acid (due to loss of market/customers and/or a decline in demand also due to the war in Ukraine). Risk related to macro- and microeconomic factors involving political actions which result in privileges for a specific group of producers or the introduction of additional fees/legal restrictions. Risk related to unfavourable prices (volatility to the disadvantage of KGHM), high requirements in terms of market parameters for selling sulphuric acid and lower demand for the product on international markets, including as a result of the deterioration of the financial condition of a key customer as well as disruptions in transport and logistics.

Increasing the number of internal storage tanks at smelters as well as of reservoirs in the port in Szczecin. Search for new markets. Long-term contracts. Search for alternative ways to manage the acid and utilise it in the Ore Enrichment Plants.

In the case of the KGHM INTERNATIONAL Group, the risk is related to lower sales of ore and concentrates in a given year than expected. The main risk factors relate to sales and logistics processes, including, among others, the operational efficiency of the port used for transport or the availability of rail carriages.

Improving the efficiency of the way production is forecast and planned in all areas. An increase in the rate of extraction and the quality of the material obtained. Regular discussions with potential and current customers. Ongoing monitoring of the customer situation, enabling a dynamic response to customer needs (e.g. cyclical teleconferences, availability and mobilisation of staff, use of various information exchange channels and response to emerging disruptions), analysis of the situation affecting customer operations and logistics in individual recipient countries and transit routes.

In 2024, general uncertainty in the markets related to the armed conflict in Ukraine was a factor affecting the risk exposure. However, the KGHM Group's vulnerability to this risk is assessed as low due to the control mechanisms in place and the lack of recorded incidents in the past quarters.

(KGHM Group)

2.9. Risks associated with disruptions in the supply of strategic materials and components affecting the continuity of the Core Production Business



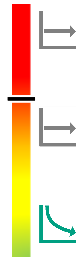
The KGHM Group is exposed to the risk of disruptions in the management of the supply chain resulting mainly from external factors causing an increase in the sensitivity of the supply chain. These factors include, but are not limited to: unpredictable variations in supply and demand, changes in supplier bases, technological changes, changing inventory buffers and lead times, dependence on suppliers, as well as logistical disruptions, force majeure and fluctuations in currency exchange rates and metal prices. The efficiency of global supply chains can also be affected by high inflation. Risks are also associated with disruptions in the transport of concentrate to the smelters due to the lack of rail carriages, inability to load concentrate and/or forward it, railway breakdowns, etc.

In 2024, general uncertainty in the financial markets related to the armed conflict in Ukraine was a factor affecting the risk exposure. However, the KGHM Group's vulnerability to this risk is assessed as low due to the control mechanisms in place and the lack of recorded incidents in the past quarters.

Permanent contact with suppliers is maintained to enable a quick response to delays through the supplier and supply direction diversification strategy employed in the KGHM Group and application of alternative solutions, e.g. substitutes, changes in production/assembly schedules. Alternative supply channels, buffers in the form of inventories, advance planning in terms of materials and components while maintaining the compatibility of the solutions used in the infrastructure are also used. Moreover, business continuity and recovery plans have been developed as part of the implementation of an ISO 22301-compliant business continuity management system. Systematic measures are taken to eliminate single instances of delays on the side of suppliers due to unavailability of components, logistics limitations or delays on the side of the manufacturers of materials and machinery or their parts. In the context of the transport of concentrate to the smelters, agreements have been concluded to guarantee the security of supplies. Initiatives to improve the availability of rail carriages are underway, the Improved Concentrate and Ore Logistics programme has continued and alternative means of transport have been developed for rail transport incidents.

(KGHM Group)

2.10. Risks related to the execution of production plans in relation to availability and efficiency of the use of resources



The KGHM Group is exposed to the risk of failing to meet production plans in relation with the availability of human resources. Key risk factors relate to, among others, the legal requirements regarding work in the KGHM Group plants, the status of employment and the applicable employment and remuneration rules. The risk is associated with the availability of adequately qualified workers on the labour market.

Ongoing identification of staffing needs in terms of necessary qualifications and their complementation while taking into account staff turnover. Ongoing recruitment to balance out natural employee departures, e.g. due to retirement. Intra-departmental transfers. Implementation of a range of HR initiatives to reduce negative and increase positive impacts on the workforce e.g. the implementation of health and prevention programmes to reduce sickness absence and improve the overall health of employees, provision of regular occupational health and safety training to minimise accidents at work, implementation of talent and career management programmes including succession plans to ensure continuity and development of the organisation, training.

In the case of the KGHM INTERNATIONAL LTD. Group, the risk also relates to the other resources required to meet the production plans (logistics) and is related to the effectiveness of their use in conjunction with the efficiency and availability of these resources.

The solutions used for reporting and analysing critical indicators have been improved to enable more effective decision-making in this area. Controls and improvements in the renovation policy and emergency procedures have been implemented. Periodic inspections and maintenance as well as reliability maintenance are performed to minimise the likelihood of unscheduled repairs. Systematic service and supervision by qualified staff. Providing financial resources for maintenance, repair and investment management.

3. Risk category - Market in the Risk Model of KGHM Polska Miedź S.A.

Risk	Score	Description	Mitigation
<p>(KGHM Group)</p> <p>3.1. Risk of reduced revenues as a result of adverse fluctuations in copper and silver prices, currencies and interest rates.</p>		<p>Market risk is understood as the possibility of a negative impact on the results of the KGHM Group resulting from changes in the market prices of merchandise, exchange rates and interest rates, as well as changes in the value of debt securities and share prices of listed companies.</p> <p>In 2024, general uncertainty in the financial markets related to the geopolitical situation was a factor that could affect risk exposure. No significantly negative impact on this account was recorded during the reported period.</p>	<p>This risk is actively managed by the Parent Entity, in accordance with the Market Risk Management Policy currently in force. One of the methods used to manage the market risk in the Company are the hedging strategies using derivatives. The so-called natural hedging is also used, which involves borrowing in the currencies in which revenues are generated.</p> <p>More information on market risk is included later in this subsection.</p>
<p>(KGHM Group)</p> <p>3.2. Credit risk related to trade receivables and loans granted</p>		<p>The KGHM Group sells some of its products with deferred payment dates, as a result of which there may arise the risk of late payments from customers for delivered products.</p> <p>The Parent Entity is exposed to credit risk related to the loans granted to the joint venture Sierra Gorda S.C.M., which depends on the risks associated with the realisation of the mining project.</p> <p>In 2024, general uncertainty in the financial markets related to the armed conflict in Ukraine was a factor that could affect the risk exposure. No significantly negative impact on this account was recorded during the reported period.</p>	<p>This risk is actively managed by the Parent Entity, in accordance with the Credit Risk Management Policy currently in force. Limiting exposure to credit risk by assessing and monitoring the financial condition of customers, setting credit limits and using legal collateral for trade receivables. The companies of the KGHM Group have for many years cooperated with a large number of customers, leading to the geographic diversification of trade receivables.</p> <p>More information on credit risk is included later in this subsection.</p>
<p>(KGHM Group)</p> <p>3.3. Liquidity risk</p>		<p>The risk of loss of liquidity is understood as the ability to pay current liabilities on time and carry out required purchases as well as to rapidly obtain financing for the operations.</p> <p>In 2024, general uncertainty in the financial markets related to the armed conflict in Ukraine was a factor that could affect the risk exposure. No significantly negative impact on this account was recorded during the reported period.</p>	<p>This risk is actively managed in the Parent Entity, as well as in the short, medium and long term, in accordance with the Financial Liquidity Management Policy currently in force.</p> <p>Further information on liquidity risk is presented later in this section.</p>
<p>(KGHM Group)</p> <p>3.4. Risk related to the cost efficiency of the production process, mining projects, processing of copper-bearing materials, reflecting the risk of a substantial rise in prices of materials, services and utilities</p>		<p>The KGHM Group is exposed to risks related to external and internal factors, including among others metal quotations, foreign exchange rates, the cost of purchased metal-bearing materials, the processing and refining premiums as well as sales bonuses and the cost of services and utilities.</p> <p>The risk is significantly linked to the increase in operating costs as a result of the rise in the price of energy carriers.</p> <p>In 2024, general uncertainty in the financial markets related to the armed conflict in Ukraine was a factor that could affect the risk exposure. No significantly negative impact on this account was recorded during the reported period.</p>	<p>Ongoing control of processing costs, monitoring the market situation, optimising costs, including supplies of purchased metal-bearing materials, hedging transactions and management of the net position. Creating multi-year plans and budgets enabling the achievement of profitability under the conditions prevailing on the market. Ongoing monitoring of selected financial information to support management processes under conditions of increased uncertainty.</p> <p>The purchase of electricity is carried out within bilateral contracts, framework agreements, the Polish Power Exchange.</p> <p>Securing the supply of electricity in various periods and on many levels, using in-house generation, which significantly increases the energy security of the KGHM Group. Implementation of the Energy Development Programme. The KGHM Group also carries out ongoing activities to optimise the increase in electricity costs through, for example, the purchase</p>

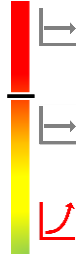
of energy-saving equipment. The purchasing policy of electricity and gas fuel has been implemented for years by the Energy Committee established by Order of the President of the Management Board.

4. Risk category - External Risks in the risk model of KGHM Polska Miedź S.A.

Risk	Score	Description	Mitigation
(KGHM Group) 4.1. Risk of reduced production due to seismic tremors and associated roof collapses or distressings of the rock mass, and the occurrence of uncontrolled rock bursts.		<p>The KGHM Group is exposed to the risk of natural hazards and force majeure and related insufficient geological knowledge of the rockmass. Key risk factors which affect the materialisation of such risk also involves the results of periodic analyses of the mining situation and the state of hazard and applied measurement methods. Natural hazards accompanying the underground mining of copper ore deposits, in particular hazards related to mining tremors and their potential effects in the form of rock bursts and roof collapses.</p> <p>These factors affect security, as their occurrence can lead to serious or even fatal injuries as well as damage to underground machinery, equipment and infrastructure, along with production downtimes resulting in reduced production.</p>	<p>Actions aimed at preventing rock bursts and roof collapses, such as systematic seismological observations, on-going assessment of the rock mass and the designation of zones of particular threat of rock bursts. Use of active methods of preventing rock bursts and roof collapses based on provoking dynamic events through mass blasting of mining faces and through blasting to release stress in the orebody or its roof.</p> <p>Preparation of reserve fields to take over production on a limited basis.</p> <p>Cyclical meetings of the Team of KGHM Polska Miedź S.A. for Combating Rock Bursts and Roof Collapses. Securing access to the functionality of mining geophysical systems against data loss as part of the IT/OT system approach.</p>
(Parent Entity) 4.2. Risk of restrictions to production or to the advancement of development work due to geodynamic gas-related events and the occurrence of naturally-occurring gases.		<p>KGHM is exposed to the specific risk of natural hazards and force majeure (gas-related geodynamic hazards and the occurrence of naturally-occurring hazardous gases) leading to restrictions in implementing production plans and the advance of preparatory work. These factors affect security, as their occurrence can lead to serious or even fatal injuries as well as damage to underground machinery, equipment and infrastructure, along with production downtimes resulting in reduced production.</p>	<p>The risk of gas hazards occurring is being assessed and principles are being developed for working under the risk of such hazards. Individual employee safety measures are applied as well as equipment and means for reducing concentrations of hydrogen sulphides and neutralising oppressive odours.</p> <p>Preparation of reserve fields to take over production on a limited basis.</p> <p>The creation of a KGHM Polska Miedź S.A. Team for Mine Ventilation and Air Cooling, whose job is to analyses and provide an opinion on tasks involving the recognition and prevention of gas threats and the threat of gas and rock bursts in the mines.</p> <p>On a regular basis, an assessment of gas and gas-geodynamic hazards at all mine sites is carried out at meetings of the Mine Team to Recognise and Prevent gas threat and the threat of gas and rock bursts.</p>

(Parent Entity)

4.3. Risk of reduced production due to unfavourable climate conditions in mines



KGHM is exposed to a specific risk related to the underground climate, limiting activities or increasing costs, involving geological conditions, the temperature of the air sent into the mines and underground mining conditions.

The use of solutions to counteract underground climate risk using neutral means (e.g. the use of short airways and directing air from the lowest temperature rock mass, high-speed air) and through the use of central, workplace and personal air conditioning.

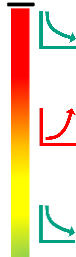
Ongoing monitoring of the microclimate parameters and introduction of remote control and visualisation and surveillance systems (CCTV cameras) in workplaces with particularly adverse climate parameters.

Securing access to system functionality and against data loss as part of an IT/OT systems approach

Reduction of external and internal losses and relative humidity and increase in airing intensity. The use of shortened working time.

(Parent Entity)

4.4. Risk of loss of excavation functionality associated with underground water hazards



The KGHM Company is exposed to the risk of natural hazards and force majeure in the form of underground water hazards resulting from breakdowns of the main drainage equipment, human error (actions contrary to the project or technology) or errors in geological exploration.

Unfavourable hydrogeological conditions may lead to a reduction in activity (e.g. a reduction in mining) or increased costs associated with, among others, the management of increased water inflows at the Żelazny Most tailings storage facility. Exposure to risk is increased by climate factors associated with periodic droughts and the low level of the Odra River.

The Company carries out extensive risk mitigation on many levels by, among other things, monitoring of hydrogeological conditions and water hazards, carrying out a water balance from inflow to mine workings, carrying out mining work in accordance with the technology for safe mining work in underground mines, systematic inspection of workings at risk of water intrusion, controlling the condition of water flow paths and dams according to a specific schedule. The activities of the water hazard team continue, among others, with regard to the ongoing assessment of the water hazard status for mining works and the adaptation of prevention. Rock mass injection is carried out to reduce inflow and stabilise the layers above the workings. Measures have been taken to adjust the drainage capacity to the expected projected (updated) inflows. A reserve of main drainage pumps is made to maintain operating continuity of the pumping station.

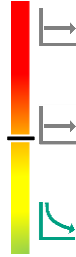
Development of regional pump stations and the piping system, construction of dams aimed at stopping water inflow, drilling exploratory holes to stabilise uncontrolled water inflow. In order to mitigate the risk, the project entitled "Construction of the main drainage system in the area of the SW-4 shaft" is continued, which should ultimately increase the capacity of mine water draining.

Securing access to system functionality and preventing data loss as part of the approach used in the area of IT/OT systems.

Conducting the monitoring of hydro-technical conditions and the technical performance of facilities and infrastructure. Ongoing modernisation, refurbishment, proceeding in accordance with the operating instructions. Exploring technological and organisational options for reducing the amount of water retained in the Żelazny Most tailings storage facility and for alternative management of this water. With the current level of underground water inflows, in order to maintain the safety of the Żelazny Most Tailings Storage Facility and consequently mitigate risks, water discharges are carried out in accordance with and within the limits of the water rights permits held.

(KGHM Group)

4.5. Risk of loss due to the actions of external parties involved in the purchasing, sales and investment process



The KGHM Group is exposed to the risk of loss resulting from the intentional actions of external entities, e.g. collusion on prices, insufficient technical and economic potential of counterparties, falsification of documentation, fictional counterparties, conflicts of interest.

The risk also relates to incorrect verification of external counterparties that may result in contracts being concluded with individuals, entities, organisations or countries included in sanction lists.

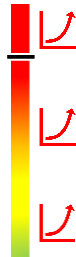
Supporting the transparency of purchasing, sales and investment procedures based on counterparty verification in accordance with the provisions of the external entities verification procedure. Proactive monitoring and analysis of processes for loss prevention, identification of fraud in the organisation and in the supply chain. Internal control of loss prevention in KGHM Group entities and prevention of these phenomena based on the internal control procedure. Supervision and coordination of tasks carried out by safety and loss prevention officers, analysis of processes in terms of identification of fraud and risks, recommending corrective measures.

On the basis of the regulations in force, the KGHM Group is obliged to exercise due diligence by, among others, checking publicly available sanction lists in terms of the presence of a potential counterparty on these lists - in accordance with the list of institutions publishing the lists. Consequently, it is prohibited to:

- cooperate with a person resident in a sanctioned country/region, or with an entity registered/established in a sanctioned country or region, or with an entity whose real beneficiary and/or owner is directly or indirectly a person/entity registered/established in a sanctioned country/region;
- cooperate with an entity/person included in international sanction lists or with an entity whose real beneficiary and/or owner directly or indirectly is an entity or person included in international sanctions lists.

(KGHM Group)


4.6. Risk of loss of compliance with the requirements (law in force, intra-corporate regulations and voluntarily adopted legal obligations and standards).



The KGHM Group operates in volatile regulatory environments in many jurisdictions. The consequence of the necessity to adapt technologically and organisationally to the changing regulatory environment (e.g. environmental requirements, tax requirements, permissible parameters of the working environment) may be an increase in the cost of operations or a reduction in operations. 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.

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 in many national and international organisations). Cooperation with renowned law firms and the creation of specialised organisational units which monitor the regulatory environment. Taking pre-emptive actions in order to adapt to organisational, infrastructural and technological changes. In order to standardize the approach to ensuring compliance defined as adherence to the requirements arising from the applicable external legal acts and internal regulations or voluntarily assumed legal obligations and standards (including ethical standards), the Compliance Management Policy in the KGHM Polska Miedź S.A. Group and the Compliance Management Procedure and Methodology in KGHM Polska Miedź S.A. are in place. 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 creation in the organisation as well as awareness raising and enhancement of the sense of responsibility for compliance among employees.

5. Risk category - Internal Risks in the Risk Model of KGHM Polska Miedź S.A.

Risk	Score	Description	Mitigation
<p>(KGHM Group)</p> <p>5.1. The risk of serious accidents or occupational diseases caused by improper workplace organisation, the failure to follow procedures or the use of improper protective measures.</p>		<p>The failure to adhere to occupational health and safety rules and procedures, as well as the employment of persons lacking an appropriate psychophysical predisposition, could be a source of potential accidents. Exposure to unfavourable natural conditions together with associated natural hazards requires, apart from essential professional preparation, that employees possess appropriate qualifications in terms of health, physical ability and psychological fitness. Risk is also associated with the possibility of temporary production stoppages caused by serious accidents, which could potentially affect the operations of the KGHM Group financially, legally and image-wise. The KGHM Group is also exposed to the risk of industrial illnesses as a consequence of the effect of the working environment on people. Enhanced exposure to risk is also related to external factors in terms of sub-contractors and their work safety culture.</p>	<p>A detailed allocation of responsibilities between management and supervisory staff on the one hand and entities providing services to the Company on the other, to ensure safe working conditions and the proper coordination of work. Systematic discussion of workplace safety with the participation of representatives of sub-contractors and mining oversight authorities. Analysis of the causes of accidents, drawing conclusions and taking the necessary possible adaptation measures to avoid a similar situation in the future. Engaging employees and sub-contractors in campaigns carried out in the KGHM Group aimed at improving OHS standards. Advancement of development initiatives based on the idea of sustainable development and safety and enhancing the Group's image as being socially responsible under the adopted Strategy. Activities carried out in line with the self-improvement cycle in order to continuously seek and prepare for the implementation of a catalogue of initiatives to further improve Occupational Health and Safety and meet the Company's long-term goal of "Zero accidents due to personal and technical causes, zero occupational diseases among our employees and contractors". The Employee Safety Improvement Programme "I think about the consequences" contains actions in the area of attitudes, which are enriched with new projects every year. The result should be achieved by changing the attitudes and habits of employees with regard to occupational health and safety, and by improving the Occupational Health and Safety Management System to prevent work-related injuries and health problems of employees and to provide safe and hygienic workplaces.</p> <p>Optimisation of healthcare for employees, in particular following workplace accidents and systematic searching for new organisational and technical initiatives to enable the achievement of a higher level of safety of employees in the Divisions of KGHM Polska Miedź S.A. Threats are identified and professional risk is evaluated on a cyclical basis as well as in accordance with current needs.</p>

<p>(KGHM Group)</p> <p>5.2. Risk related to an ineffective process of monitoring and providing early warning to management staff on deviations from the budget and financial plans as well as with respect to adopting inappropriate parameters related to economics, production, investments, macroeconomics and finance, for forecasts of the Company results.</p>		<p>An ineffective process of monitoring and providing early warning to management staff on deviations from the budget and financial plans may impede or delay the appropriate early identification of deviations in respect of forecasted results, at the same time shortening the time for taking appropriate corrective actions. Sources of risk are linked to potential ineffectiveness of the mechanisms controlling these processes.</p> <p>In 2024, general uncertainty in the financial markets related to the armed conflict in Ukraine was a factor affecting the risk exposure.</p>	<p>Forecasts related to specific areas of the operations prepared by appropriate specialised units and ensuring the uniformity of operating plans with strategic plans. Regular reporting of execution on forecasts in all important areas. Regular contacts with and systematic streamlining of the communication process together with setting criteria enabling the identification of symptoms of potential deviations from the expected results of the KGHM Group.</p> <p>The assessment of key risks affected by the war in Ukraine was subjected to particular analysis, through ongoing monitoring of selected information in the production, sales, supply chain, personnel management and finance areas, in order to support the management processes under the conditions of increased uncertainty.</p>
<p>(KGHM Group)</p> <p>5.3. Risk of unavailability of the base IT system causing disruption of business processes and cyber threats</p>		<p>The KGHM Group, due to its well-developed IT structure, is exposed to the risk of a breach in the confidentiality, integrity, availability or authenticity of information assets which have been collected, stored or processed on IT resources. The sources of this risk are both forces of nature (e.g. fires, construction catastrophes, downpours) as well as hazards arising from human activities (intentional or not). The KGHM Group is exposed to the risk of an unauthorised loss, change or destruction of critical data and information as well as loss of the possibility of the operational control of equipment and systems as a result of cybernetic attacks on the infrastructure of the KGHM Group. Such incidents could generate the risk of production shutdowns, leading to production and financial losses and claims due to the loss/disclosure of personal data. This risk has a large impact on the loss of reputation of the KGHM Group.</p>	<p>Strict adherence to and application of principles arising among others from the IT Security Policy and from Facility Protection Plans. The systematic evaluation of the risk of loss of the confidentiality, integrity, availability or authenticity of information assets which have been collected, stored or processed on IT resources. Permanent monitoring of the owned infrastructure in terms of vulnerability and analysis and planning of implementation of ICT solutions increasing security, in accordance with global trends and best practices in this area. Implementation of security systems and adequate organisational solutions at various levels of infrastructure, with the aim of anticipatory reduction of system vulnerabilities and minimising potential losses of the KGHM Group.</p> <p>KGHM Polska Miedź S.A. Performs many investment activities in terms of increasing the level of cybersecurity of IT/OT systems in the area of, inter alia, incident investigation, data security. A Security Operation Center (SOC) department operates, whose main task is to provide a 24/7 first line of support for cyber security incidents.</p>
<p>(KGHM Group)</p> <p>5.4. Risk of failure to adhere to established principles and standards of conduct with respect to counteracting corruption, business ethics and with respect to the procurement processes.</p>		<p>The KGHM Group is exposed to the risk of actions which are harmful to KGHM taken by external entities participating in the procurement, sales and investment processes. Threats take the form of potential losses by the KGHM Group resulting from the intentional actions of external entities, e.g. collusion on prices, the insufficient technical and economic potential of counterparties, falsification of documentation, fictional counterparties, conflicts of interest. Other important risk factors include threats as regards all types of improprieties related to breaching anti-corruption and ethical standards (such as corruption, conflicts of interest, mobbing, discrimination, illegality, nepotism) and human rights violations (such as child labour, forced labour, modern slavery, women's rights).</p>	<p>Implementation of the Code of Ethics of the KGHM Polska Miedź S.A. Group as the main tool in the corporate culture of the KGHM Group, and other appropriate policies and procedures ensuring the efficiency of implemented principles and values. Application under the Responsible Supply Chain Policy of guarantees of the selection of responsible suppliers, especially in the case of acquiring so-called conflict minerals and ensuring that the goods and services acquired by the KGHM Group will not be used to finance terrorism, and that they will be manufactured or provided while respecting human rights, labour standards, environmental protection and counteracting corruption. Proactive monitoring and analysis of procurement processes in terms of identifying abuse and threats of corruption within the organisation and the supply chain, as well as undertaking actions with respect to ethics and counteracting corruption along with the implementation of corrective actions. Internal control with respect to the identification and detection of fraud, abuse and corruption in KGHM Group entities and prevention of such phenomena based on the Internal Control Procedure in order to eliminate risk</p>

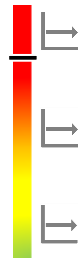
at the level of prevention. Compliance management as part of a comprehensive compliance management system. The KGHM Group implemented the Anti-Corruption Management System compliant with the ISO 37001 standard, resulting in the adoption of an Anti-Corruption Policy and a number of procedures regulating, inter alia, the principles of handling business gifts, situations bearing the features of corruption or conflicts of interest.

Moreover, the KGHM Group has procedures in place with respect to violation of the law resulting from the Act of 14 June 2024 on the protection of whistleblowers in conjunction with the provisions of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law.

The "Human Rights Policy at KGHM Polska Miedź S.A." is also in place, which supports the regulations and procedures in force in the Company related to human rights aspects compliant with the sustainable development model, such as, for example, the Code of Ethics, the Code of Conduct, the OHS Policy, the Climate Policy, the Responsible Supply Chain Policy.

(KGHM Group)



5.5. The risk of exceeding project/programme budgets and schedules and deviations from the scope and assumed quality. Risk related to the operational management and development of strategic projects, taking into account the issues of incurred costs, permits and infrastructural requirements.



The KGHM Group is exposed to risk related to the advancement of projects and programmes. The risk of changes in budgets, schedule, scope and deviations from the expected quality of outputs of projects and/or programmes is related to a variety of factors of an internal nature involving both the methodical approach and the projected structure of management and supervision. Improperly selected tools and techniques, lack of established criteria and principles for evaluating projects, or inconsistency in their application or adherence to them may restrict or prevent the achievement of the KGHM Group's strategic goals. In terms of external factors, there remains the question of meeting legal and formal requirements which could generate deviations from the assumed schedule, and in extreme instances may halt the advancement of a project/programme.

Improve standards in the management of portfolios and projects and implement a projects management system aimed at supporting the organisation in the planning and management of portfolios and projects. Standardisation in the scope of planning and preparation processes and in the advancement of investment projects, comprising such aspects as scheduling, preparing costs projections, technical designing, project review, investment handover documentation, risk analysis of projects/programmes. Management of projects in accordance with international standards and conducting on-going monitoring of progress. On-going evaluation of the economic feasibility of current and future development projects.

6. Risk category - Climate Risk in the Risk Model of KGHM Polska Miedź S.A.

Risk	Score	Description	Mitigation
<p>(KGHM Group)</p> <p>6.1. Physical climate risk related to negative climate changes.</p>		<p>The KGHM Group is exposed to climate risk related to the adverse impact of factors resulting from specific events, in particular ones related to rapid (acute) and chronic weather events resulting from climate change, such as storms, floods, fires or heat waves as well as permanent changes in weather patterns, which may disrupt the value chain and the business continuity of the KGHM Group.</p> <p>The risk is associated with the changes in the conditions of running business activity or disturbances in the operation of the Core Production Business, resulting from climate changes and adaptation to such changes. Permanent changes in weather patterns as a consequence of climate change may also have the effect of making work more onerous and increasing operational costs directly related to business activities.</p>	<p>Development and publication of the KGHM Polska Miedź S.A. Climate Policy as a guidance document, which presents the Company's climate ambitions and determining the scope of process and organisational changes needed to achieve them. The main goals and assumptions of the Climate Policy of KGHM Polska Miedź S.A. are described in section 4.2.2 [E1] Climate change.</p> <p>The implemented and continuously improved risk management system encompassing also climate risk management allowing for risk categorisation, identification, assessment and management as well as plans for its mitigation.</p> <p>The implemented and improved compliance management system encompassing also compliance risk management with requirements in the climate area.</p> <p>Continuation of implementing a climate reporting system in line with best practices and standards (e.g. ESRS).</p> <p>Continuation of implementing changes in key business and management processes - in particular those linked to or affecting the Parent Entity's reduction of greenhouse gas emissions, through e.g.: changes in the corporate governance area and changes in measures, with the goal of introducing an emission measurement process in the KGHM Group and the continuation of development and implementing the measures that can be used to monitor how the business model's resilience to climate change is improving.</p>
<p>(KGHM Group)</p> <p>6.2. Climate risk arising from transitioning to a low-carbon economy that is resilient to climate change.</p>		<p>The KGHM Group is exposed to risks arising from the necessity for the economy to adapt to gradual climate changes, in particular by using low-emission solutions. The transition risk category includes issues related to legal requirements, how clients and other stakeholders perceive climate issues, technological progress towards a zero-emission economy, as well as changes in demand for and supply of certain products and services whose production has an adverse impact on climate.</p> <p>Risks relate to changes in business conditions due to climate change and adaptation to these changes in the context of the observed challenges faced by the mining and steel industry.</p>	<p>Detailed information on climate risk is provided in section 4.1.1 [ESRS 2] General disclosure of information.</p>

1.5.2 Information on the impact of the war in Ukraine on the operations of the Company and the Group

The situation regarding the war in Ukraine did not have a material, direct impact on the operations of the Company and the Group in 2024. Detailed information concerning this impact and the related risks is presented in Notes 1.2.2 of the financial statements and 1.3.2. of the consolidated financial statements.

1.5.3 Impact of risks associated with operations in other countries

Details of this impact of risks associated with operations in other countries are presented in note 1.3.4 of the consolidated financial statements.

1.5.4 Market, credit and liquidity risks

The goal of market, credit and liquidity risk management in the KGHM Polska Miedź S.A. Group is to restrict the undesired impact of financial factors on cash flow and results in the short and medium terms and to enhance the Group's value over the long term. The management of risk includes both the elements of risk identification and measurement as well as its restriction to acceptable levels. The process of risk management is supported by an appropriate policy, organisational structure and applied procedures. In the Parent Entity these issues are covered in the following documents:

- Market Risk Management Policy and the Rules of the Market Risk Committee,
- Credit Risk Management Policy and the Rules of the Credit Risk Committee,
- Financial Liquidity Management Policy and the Rules of the Financial Liquidity Committee,
- Rules of purchase and price hedging of electricity, gaseous fuel, CO₂ emission allowances, property rights, guarantees of origin and the Rules of the Energy Committee.

The "Market Risk Management Policy in the KGHM Polska Miedź S.A. Group" relates to selected production companies of the Group (KGHM Polska Miedź S.A., KGHM INTERNATIONAL LTD., FNX Mining Company Inc., Robinson Nevada Mining Company).

Management of financial liquidity is conducted in accordance with the "Financial Liquidity Management Policy in the KGHM Group". The Policy regulates the processes implemented by individual companies, while their organisation and coordination as well as the supervision thereof is performed in the Parent Entity.

Credit risk management in the Parent Entity is carried out in accordance with the Management Board approved "Credit Risk Management Policy". The Parent Entity serves as an advisor to the Group's companies with respect to managing credit risk. The Policy applies to selected Group companies and its goal is to introduce a comprehensive, joint approach and the most important elements of the credit risk management process.

Market Risk Management

Market risk is understood as the possible negative impact on the Group's results arising from changes in the market prices of metals and other commodities (including energy and energy carriers), exchange rates and interest rates, as well as from changes in the value of debt securities and share prices of listed companies.

In terms of market risk management (in particular the risk of changes in metals prices and exchange rates) of greatest significance and impact on the results of the Group are the scale and nature of the activities of the Parent Entity and the mining companies of KGHM INTERNATIONAL LTD.

The Parent Entity actively manages market risk, undertaking actions and decisions in this regard within the context of the global exposure throughout the KGHM Polska Miedź S.A. Group.

The Management Board is responsible for market risk management in the Parent Entity and for adherence to policy in this regard. The main body involved in performing market risk management is the Market Risk Committee, which makes recommendations to the Management Board in this area.

Table 13. Risk category – Market, in the Risk Model of the KGHM Polska Miedź S.A. Group

Commodity risk, currency risk	<p>In 2024, the Group was mainly exposed to the risk of the changes in the prices of metals it sells: copper and silver. Of major significance for the Parent Entity was the risk of changes in exchange rates, in particular the USD/PLN exchange rate. The Group's companies are additionally exposed to the risk of volatility in the prices of other metals. Market risk related to changes in metals prices arises from the formula for setting prices in physical metals sales contracts, which are usually based on the average monthly market prices for the relevant future month.</p> <p>In accordance with the Market Risk Management Policy, in 2024 the Parent Entity continuously identified and measured market risk related to changes in metals prices, exchange rates and interest rates (analysis of the impact of market risk factors on the Parent Entity's activities – profit or loss, balance sheet, statement of cash flows), and also analysed the metals, currencies and interest rates markets. These analyses, along with assessment of the internal situation of the Parent Entity and the Group, represented the basis for taking decisions on the application of hedging strategies on the metals, currency and interest rates markets.</p> <p>Detailed disclosures regarding the management of the risk of changes in metal prices and exchange rates in 2024 in the Parent Entity and in the Group are presented in Notes 7.5.1.2 and 7.5.1.3 of the financial statements and the consolidated financial statements.</p>
Interest rate risk	<p>Interest rate risk is the possibility of the negative impact of changes in interest rates on the Group's position and results. In 2024, the Group was exposed to such risk due to loans granted, cash depositing, the reverse factoring program and borrowings.</p>

Detailed disclosure concerning the balances of the Parent Entity and Group exposed to interest rate risk as at 31 December 2024 is presented in notes 7.5.1.4 of the financial statements and the consolidated financial statements.

In 2024, the Group used financial instruments based on SOFR, CME TERM SOFR and EURIBOR (foreign currency instruments) and WIBOR (PLN instruments).

The Steering Committee of the National Working Group on benchmark reform established in connection with the reform of benchmarks in Poland, selected a benchmark to replace WIBOR in December 2024. The decision was taken to select an index proposal from the WIRF family, based on the deposits of unsecured credit institutions and financial institutions and on 24 January 2025 it was announced that the target name POLSTR (Polish Short Term Rate) for the index proposal had been selected. The planned changes are due to come into force in 2027.

Until 2027, the IBOR reform will not have an impact on the interest rate applied in the Group's derivatives, because the CIRS transactions entered into (open cross currency interest rate swaps) and bonds issued by the Parent Entity are based on the WIBOR reference rate. In the case of this benchmark, until 2027 we are in the transitional period, during which adjustments to transactions entered into before the reform will not be required. After 2027, the IBOR reform may affect hedging of cash flows of variable interest on bonds issued (Tranche B) in the amount of PLN 1.6 billion, based on WIBOR 6M, i.e. for CIRS (cross-currency interest rate swap) transactions maturing in 2029. The Group has applied temporary exemptions from the specific hedge accounting requirements under IFRS 9 in connection with the IBOR reform and has assumed that it can continue hedging relationships.

Detailed disclosure on the impact of the IBOR reform on the Group's financial instruments may be found in Note 7.5.1.4 of the consolidated financial statements.

Result on derivatives and hedging transactions

The total impact of derivatives and hedging instruments (transactions on the copper, silver, currency and interest rate markets as well as embedded derivatives and USD-denominated loans designated as a hedge against a change in the exchange rate) on the Group's profit or loss for 2024 amounted to PLN 647 million, of which:

- PLN 608 million increased revenues from contracts with customers,
- PLN 51 million increased the result on other operating activities,
- PLN 12 million decreased the result on financing activities.

Moreover, in 2024, gain on the settlement of an instrument hedging the interest rate of bonds (CIRS) in the amount of PLN 70 million was reclassified to non-current assets. On the other hand, other comprehensive income was decreased by PLN 550 million (impact of hedging instruments; a decrease from PLN 628 million to PLN 78 million).

As at 31 December 2024, the fair value of open transactions in derivatives of the Group (on the metals, currency and interest rate markets and in embedded derivatives) amounted to PLN 192 million.

Risk of volatility in prices of energy and energy carriers

In the scope of management of market risk arising from changes in energy and energy carriers, the scale and profile of operations of the Parent Entity have the greatest significance and impact on the results of the KGHM Polska Miedź S.A. Group. It represents the commodity risk for the Parent Entity, which is measured based on its impact on cash flows.

Commodity price risk management for planned purchases of electricity and gaseous fuel involves managing the exposure to the risk of changes in the price of electricity and gaseous fuel over a time horizon of up to 36 consecutive months resulting from energy and gas purchase plans, less previously concluded purchase contracts with delivery in future periods.

Detailed disclosures regarding the risk of changes in energy and energy carrier prices in 2024 in the Parent Entity are presented in notes 7.5.1.5 of the financial statements and the consolidated financial statements.

Price risk related to the change in share prices of listed companies

Price risk related to the shares of listed companies held by the Group is understood as the change in their fair value due to changes in their quoted share prices.

As at 31 December 2024, the carrying amount of shares of companies listed on the Warsaw Stock Exchange and on the TSX Venture Exchange amounted to PLN 705 million.

Credit risk management

Credit risk is defined as the risk that counterparties will not be able to meet their liabilities.

The Management Board is responsible for credit risk management in the Parent Entity and for compliance with policy in this regard. The main body involved in actions in this area is the Credit Risk Committee.

In 2024, the KGHM Polska Miedź S.A. Group was exposed to this risk, mainly in four areas:

Table 14. Areas of credit risk in the Risk Model of the KGHM Polska Miedź S.A. Group

Credit risk related to trade receivables	<p>To reduce the risk of insolvency by its customers, the Parent Entity has a receivables insurance contract, which covers receivables from entities with buyer's credit which have not provided strong collateral or have provided collateral which does not cover the total amount of the receivables. Taking into account the collaterals held and the credit limits granted by the insurance company, as at 31 December 2024 the Parent Entity had secured 80% of its trade receivables (as at 31 December 2023, 56%).</p> <p>Detailed disclosures regarding credit risk management related to trade receivables in 2024 are presented in notes 7.5.2.3 of the financial statements and the consolidated financial statements.</p>
Credit risk related to cash and cash equivalents and bank deposits	<p>The Group allocates periodically free cash in accordance with the requirements to maintain financial liquidity and limit risk and in order to protect capital and maximise interest income.</p> <p>Credit risk related to deposit transactions is continuously monitored by the on-going review of the credit ratings of those financial institutions with which the Group cooperates, and by limitation of the level of concentration in individual institutions. As at 31 December 2024, the maximum share of a single entity in terms of credit risk arising from funds of the Group deposited in financial institutions amounted to 29% (as at 31 December 2023, 35%).</p>
Credit risk related to derivatives transactions	<p>All of the entities with which the Group enters into derivative transactions (with the exception of embedded derivatives) operate in the financial sector. These are mainly financial institutions, with a medium-high rating. According to the fair value as at 31 December 2024, the maximum share of a single entity with respect to credit risk arising from open derivative transactions entered into by the Group and from net receivables due to settled derivatives amounted to 29% (as at 31 December 2023, 24%). Due to diversification of risk in terms both of the nature of individual entities and of their geographical location, as well as taking into consideration the ongoing monitoring of the rating of financial institutions with which it cooperates, the Group is not materially exposed to credit risk as a result of derivative transactions entered into.</p>
Credit risk related to loans granted	<p>As at 31 December 2024, the balance of loans granted by the Parent Entity amounted to PLN 9 973 million. The most important items are long-term loans in the total amount of PLN 9 657 million granted to the Company Future 1 sp. z o.o. and to the KGHM INTERNATIONAL LTD. Group. Detailed information on the loans granted by KGHM Polska Miedź S.A. is presented in note 6.2 of the financial statements.</p> <p>As at 31 December 2024, the balance of loans granted by the Group amounted to PLN 9 821 million. The most important of these are short-term and long-term loans in the total amount of PLN 9 800 million, or USD 2 390 million, granted by the KGHM INTERNATIONAL LTD. Group for the financing of a mining joint venture in Chile.</p> <p>The loans granted in connection with the financing of a mining joint venture in Chile are subordinated to liabilities due to a credit facility in the amount of up to USD 500 million received by Sierra Gorda S.C.M. from the syndicate of banks. In order to guarantee the subordinating of owner loans to the debt granted by the syndicate of banks, a Subordination Agreement was concluded. Under this Agreement, a possibility exists to repay the owner loans by the joint venture Sierra Gorda S.C.M., which is contingent on the acceptance of the syndicate of banks following the fulfilment of parameters strictly-defined in the Subordination Agreement.</p> <p>Credit risk related to the loans granted to the joint venture Sierra Gorda S.C.M. is dependent on the risk related to mine project advancement and is assessed by the Management Board of the Parent Entity as moderate.</p>

Management of financial liquidity risk

The management of capital in the Group aims at securing funds for development and at securing an adequate level of liquidity.

Table 15. Risk category – Liquidity risk in the Risk Model of the KGHM Polska Miedź S.A. Group

Financial liquidity management	<p>Management of the Group's liquidity is conducted in accordance with the "Financial Liquidity Management Policy in the KGHM Group". This document describes the process of financial liquidity management in the Group, which is realised by the Group's companies, while the organisation and coordination as well as the supervision thereof is performed in the Parent Entity.</p> <p>The basic principles resulting from this document are:</p> <ul style="list-style-type: none">– the need to ensure stable and effective financing for the Group's operations,– constant monitoring of the Group's level of debt, and– effective management of working capital. <p>Detailed information regarding available sources of financing and their utilisation in 2024 is included in section 2.4.2 Sources of financing in the Group of this Report.</p> <p>The available sources of financing fully cover the liquidity needs of the Group. The status of the Group's liabilities due to borrowings and bonds issued as at 31 December 2024 amounted to PLN 5 438 million.</p>
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1.6 OTHER INFORMATION

1.6.1 Shareholders and the Capital Market

Shareholding structure of KGHM Polska Miedź S.A.

As at 31 December 2024 and as at the date of signing of this report, the share capital of the Company, in accordance with the entry in the National Court Register, amounted to PLN 2 000 million and was divided into 200 000 000 shares, series A, fully paid, with a face value of PLN 10 per share. All shares are bearer shares. The Company has not issued any preference shares. Each share grants the right to one vote at the general meeting. The Company does not hold any treasury shares.

In the years ended on 31 December 2024 and 31 December 2023, there was no change in either registered share capital or in the number of shares issued.

In 2024, no changes in the ownership of significant blocks of shares in KGHM Polska Miedź S.A. took place.

The shareholder structure of the Company as at 31 December 2024 and as at the date of signing this report, established on the basis of notifications received by the Company pursuant to article 69 of the Act on public offerings and conditions governing the introduction of financial instruments to organised trading, and on public companies, was as follows:

Table 16. Shareholder structure of the Company as at 31 December 2024 and as at the date of signing of this report

shareholder	number of shares/ number of votes	total nominal value of shares (PLN)	interest in the share capital/total number of votes
State Treasury ²⁴	63 589 900	635 899 000	31.79%
Allianz Polska Otwarty Fundusz Emerytalny ²⁵	11 961 453	119 614 530	5.98%
Nationale-Nederlanden Otwarty Fundusz Emerytalny ²⁶	10 104 354	101 043 540	5.05%
Other shareholders	114 344 293	1 143 442 930	57.18%
Total	200 000 000	2 000 000 000	100.00%

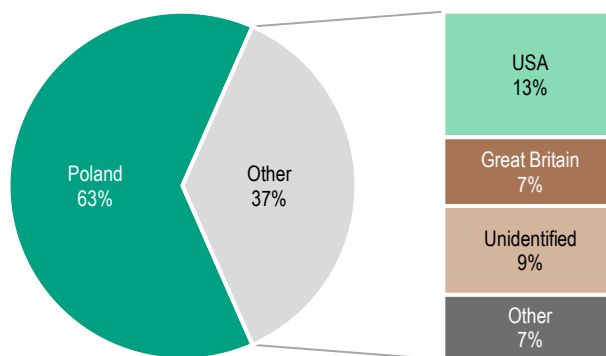
Other shareholders, whose combined interest in the share capital and in the total number of votes amounts to 57.18%, are mainly institutional investors, both international and domestic. Following is the geographic distribution of the shareholder structure of KGHM Polska Miedź S.A. The data is based on research into the Company's shareholder structure performed in February 2025.

²⁴ based on a notification received by the Company dated 12 January 2010

²⁵ based on a notification received by the Company dated 16 May 2023

²⁶ based on a notification received by the Company dated 18 August 2016

Chart 9. Geographic shareholder structure



The Management Board of the Company is not aware of any agreements entered into by shareholders and bondholders which may result in future changes in the proportions of the Company shares and bonds held by current shareholders and bondholders.

Based on the information held by KGHM Polska Miedź S.A., as at 31 December 2024 and as at the date this report was signed, none of the Members of the Management Board or the Supervisory Board of the Company held shares of KGHM Polska Miedź S.A. or rights to them.

Based on information held by KGHM Polska Miedź S.A., as at 31 December 2024 and as at the date this report was signed, neither the Members of the Management Board nor of the Supervisory Board of the Company held shares of related entities of KGHM Polska Miedź S.A.

In 2024, the Company did not have an employee share incentive program.

All Company shares are ordinary shares.

Bonds of KGHM Polska Miedź S.A. on the Catalyst market

On 27 May 2019, an issuance agreement was signed under which the Management Board of KGHM Polska Miedź S.A. established a bond issuance program of up to PLN 4 billion. The parties to the Issuance Agreement included KGHM Polska Miedź S.A. as the Issuer, and Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, Bank Handlowy w Warszawie Spółka Akcyjna, Bank Polska Kasa Opieki Spółka Akcyjna and Santander Bank Polska Spółka Akcyjna as the Organisers and Dealers. Detailed information on conditions of the issuance program may be found in [section 1.6.2 Significant contracts for the Company and Group](#).

Issuance took place in June 2019 and the maximum total nominal value of the bonds was PLN 2 billion. Series A Bonds and Series B Bonds were issued under the Bond Issuance Program. The bonds offering took place through a private placement and was addressed to no more than 149 investors and applied only to the territory of Poland.

On 20 September 2019, series A and B bearer bonds of KGHM Polska Miedź S.A. were introduced to the alternative trading system on Catalyst by a resolution of the Management Board of the Warsaw Stock Exchange. The date of the first listing of the bonds in the ATS was scheduled on 3 October 2019.

In order to carry out the process of refinancing 5-year series A bonds with the redemption date of 27 June 2024, an issuance agreement was signed on 29 May 2024, under which the Management Board of KGHM Polska Miedź S.A. established a bond issuance program up to the amount of PLN 4 billion. The parties to the Issuance Agreement included KGHM Polska Miedź S.A. as the Issuer, and Powszechna Kasa Oszczędności Bank Polski S.A., Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A. as the Organisers and Dealers.

The issuance took place in June 2024, the maximum total nominal value of the bonds was PLN 1 billion. Series C Bonds were issued under the Bond Issuance Program. The issuance of the bonds took place pursuant to Article 33 point 1) in conjunction with Article 34 section 2 of the Bond Act of 15 January 2015, i.e. through a public offering of securities which, in accordance with the law, does not require the release of a prospectus or information memorandum, while the offers to purchase the bonds were addressed to qualified investors.

On 22 August 2024, series C bearer bonds of KGHM Polska Miedź S.A. were introduced to the alternative trading system on Catalyst by a resolution of the Management Board of the Warsaw Stock Exchange. The date of the first listing of the bonds in the ATS was scheduled on 16 September 2024.

Detailed information is available on the [Company's website](#).

KGHM Polska Miedź S.A. on the Warsaw Stock Exchange

KGHM Polska Miedź S.A. debuted on the Warsaw Stock Exchange (WSE) in 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

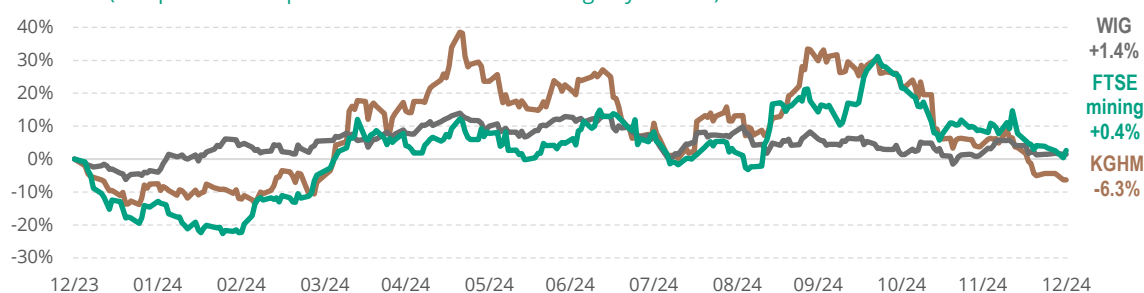
indices as well as the WIG-ESG index published since 3 September 2019, comprising listed companies which adhere to the principles of corporate social responsibility.

KGHM Polska Miedź S.A. is also a component of the sector index WIG-Mining and is a component company of the prestigious 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.

In 2024, the share price of KGHM Polska Miedź S.A. fell by 6.3% and amounted to PLN 115.00 at the close of trading on 30 December 2024. In the same period, the price of copper - the Company's main product - increased by 4.2%, with the average USD/PLN exchange rate increase by 4.1%. At the same time, some of the WSE main indices were as follows: WIG rose by 1.4%, while WIG20 and WIG30 fell by 6.4% and 3.5%, respectively. However, the FTSE 350 mining index which includes companies in the mining sector listed on the London Stock Exchange, increased by 0.4%.

The Company's shares reached an annual maximum closing price of PLN 170.00 on 20 May 2024. The minimum closing price was recorded on 22 January 2024 - the closing price then stood at PLN 105.75.

Chart 10. Percentage change in the share price of KGHM Polska Miedź S.A. versus the WIG index and FTSE 350 mining indices (compared to the price from the last WSE trading day in 2023)



The table below presents key share price data of KGHM Polska Miedź S.A. on the WSE in 2023-2024:

Table 17. Key share price data of the Company on the WSE,
Source: KGHM, WSE Statistic Bulletin for 2023 and 2024, Bloomberg

Symbol: KGH ISIN: PLKGHM000017	Unit	2024	2023
Number of shares	million	200	200
Market capitalisation of the Company at year's end	PLN billion	23.0	24.5
Average trading volume per session	shares	696 305	591 229
Turnover	PLN million	23 232.25	17 762.24
Change in share price from the end of the prior year	%	-6.3	-3.2
Highest closing price during the year	PLN	170.00	153.80
Lowest closing price during the year	PLN	105.75	104.60
Closing price from the last day of trading in the year	PLN	115.00	122.70

Dividend policy and payout of dividend

On 26 January 2015, the Management Board of the Company adopted the [Dividend Policy](#) of KGHM Polska Miedź S.A., which is an element of ensuring a balance between the amount of dividends paid and the ability of effective investment of the funds earned by the Company.

The policy assumes that the Management Board recommends dividend payout of up to one-third of the net profit generated in the previous financial year, taking into account the current and expected financial position of the Company and the Group. In particular, in its recommendation, the Management Board takes into account the Company's anticipated requirements for capital to advance the development programme and the Group's safe level of debt. The final decision on the amount of the dividends paid is made by the General Meeting of KGHM Polska Miedź S.A.

In accordance with Resolution No. 7/2024 of the Ordinary General Meeting of KGHM Polska Miedź S.A. dated 7 June 2024 regarding the payment of a dividend from profits for previous years as well as setting of the dividend date and the dividend payment date, it was resolved to pay the dividend to shareholders for 2023 in the amount of PLN 300 million (PLN 1.50 per share) from the Company's profits for previous years. The Ordinary General Meeting of KGHM Polska Miedź S.A. determined the dividend date on 28 June 2024 and the dividend payment date on 16 July 2024.

Investor relations

The Investor Relations team, on behalf of the Management Board of KGHM Polska Miedź S.A., maintains an open dialogue with capital market participants pursuant to the transparency policy of the company and the principles of the Best Practice for GPW Listed Companies 2021.

For KGHM Polska Miedź S.A., as a global company operating on four continents, it is a priority to ensure equal access to information to all members of the international capital markets. Ongoing communication activities are aimed at strengthening activity towards capital market participants. They ensure continuous communication and transparent dialogue with analysts, institutional and individual investors, as well as the fulfilment of information obligations under the applicable law.

2024 was another year of intensive efforts undertaken by the Company in the scope of communication with investors, including:

Investor conferences in Poland and abroad	Representatives of the Company actively met with investors and analysts in Poland and abroad during conferences organised by brokers. In 2024, the Company took part in investor conferences and in more than 100 meetings with portfolio managers and analysts representing investment and pension funds as well as other asset management firms. Participation in investor conferences took place both onsite and via electronic means of communication.
Result conferences	The Investor Relations Department organised meetings for the capital market with the participation of the Management Board to discuss the financial results of the Company and the KGHM Group. In 2024, the publication of financial results was accompanied by results conferences open to all stakeholders via live webcasts in Polish and English, with the possibility of submitting questions by email. Video recordings of these conferences are available on the Company's website .
Fireside chat	The Company communicated with institutional investors via fireside chat. With the assistance of the presenter (usually a representative of the Brokerage House), analysts, fund representatives and investors held a question and answer session. Approximately 30 investment fund representatives were interviewed as part of the initiative.
Capital Markets Day	The Investor Relations Department periodically organises events for the capital market called Capital Markets Day. In November 2024, the Company organised the Individual Investor Day in cooperation with the Association of Individual Investors. The event included a visit by individual investors to the Company Divisions and a meeting with management at KGHM Head Office. Materials from the event are posted on the corporate website, under the Investors tab.
WallStreet conference	In 2024, representatives of KGHM Polska Miedź S.A. once again took part in the WallStreet Conference - the largest meeting of investors and entrepreneurs in Poland and Central Europe. KGHM's activity involved the participation of the Vice President of the Management Board (Finance) in the panel and an opportunity for individual investors to meet and talk to KGHM Investor Relations Team.
Successful Investor Conference	In 2024, KGHM representatives took part in two editions of the Effective Investor Zone conference. The events are dedicated to stock market investors who invest primarily on the basis of fundamental analysis. As part of the event, a KGHM representative conducted a substantive workshop and participated in educational lectures and meetings with representatives of companies.
Capital market events	In 2024, the Company participated in events organised by major capital market institutions dedicated to deepening investors' knowledge. Representatives of the Company attended the IDM conference: Conference of the Chamber of Brokerage Houses and the event of the Association of Stock Exchange Issuers: Investor Relations Congress.
Investor chats	Representatives of the Company participated in online investor chats organised for individual investors periodically after the publication of financial results. In 2024, four investor chats were held.
ESG	<p>KGHM Polska Miedź S.A. has been conducting communication activities related to ESG (environmental, social and corporate governance) areas, addressed to capital market participants, investors, rating agencies and other institutions and stakeholders. In accordance with the current Strategy, the KGHM Group consistently strives to achieve an increase in stakeholder value, guided by the principles of sustainable development and safety.</p> <p>The Company actively participates in processes to improve its operations, drawing on the best practices of listed companies, and adjusts its sustainability communication activities to stakeholder expectations.</p> <p>KGHM's main communication channels in the scope of ESG include the website, in particular, the "Sustainability" tab and a sub-site dedicated to ESG, which contains, among others, a set of KGHM's Policies and Codes in force, information on measurement of the environmental and carbon footprint of products, as well as data related to the achievement of Sustainability goals in accordance with the ESRS standards.</p> <p>Representatives of the Company regularly participate in meetings with investment funds, customers and institutions, focusing on key issues for stakeholders, including topics related to sustainability and environmental activities. As a result of ongoing activities, in 2024 all three metallurgical plants located in Poland obtained and maintained the prestigious Copper Mark certificate, confirming responsible copper production.</p> <p>Within the Company's organisational structure, the ESG Department and the Sustainability Council have been established to ensure the Company's sustainable development through the integration of environmental, social and corporate governance issues into business strategy and operations, and to advise on the direction of individual ESG goals.</p>

	<p>In 2024, KGHM's shares represented a component of the FTSE4Good Index Series and the WIG-ESG indexes (according to the published WSE Benchmark information, the publication of the WIG-ESG index ceased on 1 July 2024). The Company's rating is also assigned by the Sustainalytics agency and MSCI.</p> <p>In order to strive towards utmost diligence, transparency and compliance with the capital market best practices, the Company regularly responds to surveys, questionnaires and ESG queries addressed, among others, by Sustainalytics, FTSE Russell, MSCI, WOOD, Refinitiv, Vigeo Eiris.</p>
IR Newsletter	The initiative related to publication and distribution of the Newsletter for Investors was continued, which summarises the most important quarterly events and is distributed to subscribers via email. The goal of the IR Newsletter is to provide its recipients with an accurate source of knowledge about KGHM and the global copper market and to facilitate analysis and assessment of the possibilities associated with investing in the Company's shares.
Investor relations tab - Investors on the corporate website	The investor relations tab on the Company's corporate website is continuously updated with information and documents, including regulatory filings and periodic reports, information on shareholder structure, documents related to general meetings, corporate governance, as well as presentations and videos for investors.
KGHM IR profile on LinkedIn	The Company maintains a dedicated KGHM Investor Relations profile for investors and analysts, available on the LinkedIn social media platform. On this profile, the Investor Relations Department publishes the latest information that may be of interest to capital market participants.
IR Release	The IR Release is a communication tool that provides information for investors and analysts on important events for the Company and Group. The IR Release is distributed after each disclosure of financial results in an electronic form and is also available to all stakeholders on the Company's corporate website.

In 2024, analytical reports concerning KGHM Polska Miedź S.A. were prepared by 9 "sell-side" analysts from Poland and 6 from abroad.

Table 18. List of brokerage houses preparing analytical reports on KGHM Polska Miedź S.A.

Poland		
Biuro Maklerskie mBanku	Dom Maklerski BOŚ	Santander Biuro Maklerskie
Dom Maklerski Banku Handlowego	Erste Group	IPOPEMA Securities
Biuro Maklerskie PKO BP	Trigon Dom Maklerski	Biuro Maklerskie Pekao
Abroad		
Bank of America Merrill Lynch	JP Morgan	Morgan Stanley
Global Mining Research	UBS	EVA Dimensions

Awards and prizes in 2024 for activities related to communication with investors and presence on the capital market:

The Best of The Best - KGHM was once again a winner in the competition organised by the Institute of Accounting and Taxes - The Best Annual Report, which promotes companies that maintain a high level of reporting quality and communication with the market. KGHM Polska Miedź S.A. was awarded the "The Best of The Best" statuette, receiving the highest score among the surveyed companies for the 2023 consolidated annual report.

1.6.2 Significant contracts for the Company and Group

Table 19. Significant contracts for the Company and Group

Unsecured revolving credit agreement with Bank Gospodarstwa Krajowego	<p>On 23 February 2024, a USD 450 million unsecured revolving credit agreement was concluded with Bank Gospodarstwa Krajowego for a financing period of up to 60 months, with the option to extend for a further 24 months (hereinafter referred to as the "Agreement"). During the credit's availability period, i.e. 36 months from the date of signing of the Agreement, the credit shall be a renewable credit line (each repayment renews the available credit limit) and, beginning from the first day following the day falling 36 months from the date of signing of the Agreement, the credit shall be converted into a non-renewable loan repayable in four equal semi-annual principal instalments (unless it is extended under the conditions described below). Each repayment of the principal instalment will reduce the amount of the credit until it is repaid in full.</p> <p>In addition, the credit includes two extension options in the form of a revolving credit line:</p> <ul style="list-style-type: none"> – the 1st option to extend for a further 24 months submitted at the Company's request after 30 months, – the 2nd option to extend for a further 24 months submitted at the Company's request after 54 months. <p>In accordance with the terms of the Agreement, the credit can be drawn in USD. The funds acquired from the credit will be used to finance general corporate purposes. The interest rate on the credit was set at the base rate of SOFR plus a margin depending on the level of the net debt/EBITDA financial ratio. The other terms of the credit are in line with the standard terms and conditions for this type of transactions.</p> <p>This Agreement supersedes the credit agreement with Bank Gospodarstwa Krajowego from 2019, which was announced by the Company in regulatory filing no. 7/2019 dated 25 February 2019.</p>
Bond issuance program agreement	<p>On 29 May 2024, an issuance agreement was concluded, pursuant to which the bond issuance program of up to PLN 4 billion (the "Programme") will be established.</p> <p>The parties to this Agreement include KGHM Polska Miedź S.A. as the Issuer, and Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna, Bank Polska Kasa Opieki Spółka Akcyjna and Santander Bank Polska Spółka Akcyjna as the Organisers and Dealers.</p> <p>Pursuant to the aforementioned Agreement and based on the results of the book-building process completed on 14 June 2024, the Management Board adopted a resolution on issuance of C series bonds on the Polish market as part of the Bond Issuance Program up to the maximum amount of PLN 4 billion on the following terms and conditions:</p> <ul style="list-style-type: none"> – The total nominal value of the Bonds issued: PLN 1 billion. – Nominal value per Bond: PLN 1 000. – Issuance price per Bond: equal to the nominal value of the bond. – Issuance date: 26 June 2024. – Bond Redemption date : 26 June 2031. – Bonds interest rate : WIBOR 6M+Margin in the amount of 125 b.p. p.a. – The bonds are unsecured ordinary bearer bonds. – The Bonds will be registered in the securities depository maintained by Krajowy Depozyt Papierów Wartościowych S.A. (National Depository for Securities) and will be introduced to trading in the Catalyst Alternative Trading System no later than 31 August 2024. – the purpose of the issuance, within the meaning of Article 32 sec. 1 of the Bond Act of 15 January 2015, has not been determined.
Agreement for the corporate guarantee to secure Sierra Gorda S.C.M.'s liabilities.	<p>On 16 September 2024, a corporate guarantee agreement was concluded to secure Sierra Gorda S.C.M.'s liabilities. (between: Sierra Gorda S.C.M. (The "Borrower"), KGHM Polska Miedź S.A. ("KGHM") and South32 Limited ("South32", together with KGHM, the "Guarantors" and each individually referred to as a "Guarantor"), towards Scotiabank Chile (as the "Administrative Agent"), for its benefit and that of the Lenders.</p> <p>The collateral under the guarantee amounts to a maximum of USD 500 million, of which KGHM Polska Miedź S.A. secures 55% (in proportion to its share in Sierra Gorda S.C.M. and Sierra Gorda S.C.M.'s current debt towards the bank, up to the amount of USD 275 million (i.e. PLN 1 067 million according to the average NBP exchange rate as at 10 September 2024) plus administrative costs.</p>
Sierra Gorda S.C.M. revolving credit agreement with a syndicate of banks	<p>On 16 September 2024, Sierra Gorda S.C.M. concluded a revolving credit agreement with a syndicate of banks to refinance its debt with Bank Gospodarstwa Krajowego. The Revolving Credit Agreement amounts to USD 500 million for 100% of the shares, of which USD 400 million has been used to refinance Sierra Gorda S.C.M.'s debt towards BGK and USD 100 million is used to secure the current liquidity needs of Sierra Gorda S.C.M.</p>

1.6.3 Information about suppliers / customers whose share exceeds 10% of total revenues

The only entity whose turnover with the Parent Entity exceeded 10% of the sales revenues of KGHM Polska Miedź S.A. in 2024 was KGHM Metraco S.A. (value of purchases: gross amount of PLN 6 654 million).

The copper smelters and refineries of KGHM Polska Miedź S.A. produce electrolytic copper from their own concentrates as well as from purchased copper-bearing material (concentrates, copper scrap and blister copper). In 2024, the production of electrolytic copper from purchased copper-bearing materials amounted to 205.0 thousand tonnes, which represented 35% of total electrolytic copper production.

This production mostly came from copper scrap (158.6 thousand tonnes of copper, 27% of total electrolytic copper production), which is supplied metallurgical plants of KGHM Polska Miedź S.A. by KGHM Metraco S.A. - a 100% subsidiary of the Parent Entity.

KGHM Metraco S.A., due to its specialisation and familiarity with the scrap market, as well as to its equity relationship with KGHM Polska Miedź S.A., supplies scrap to the metallurgical plants of KGHM based on exclusivity and as a result revenues from sales of this company to KGHM Polska Miedź S.A. are significant and represent 22% of KGHM Polska Miedź S.A.'s sales revenue and 19% of sales revenue of the Group.

1.6.4 Information on transactions entered into between related parties, under other than arm's length conditions

In 2024, neither the Parent Entity nor its subsidiaries entered into related party transactions under other than arm's length conditions.

1.6.5 Litigation and claims

Table 20. Material proceedings pending before courts, arbitration bodies or public administration bodies

<p>Proceedings regarding royalties for use of invention project no. 1/97/KGHM "Method for increasing the production capacity of the electrorefining sections of the Metallurgical Plants"</p>	<p>In the claim dated 26 September 2007, the Plaintiffs (14 natural persons) filed a claim against KGHM Polska Miedź S.A. with the Regional Court in Legnica for the payment of royalties for the use by the Company of invention project no. 1/97/KGHM called „Sposób zwiększenia zdolności produkcyjnej wydziałów elektrorafinacji Huty Miedzi” (Method for increasing the production capacity of the electrorefining sections of the Metallurgical Plants) (the "Project") for the 8th calculation period (2006). The amount of the claim (principal amount) was determined by the Plaintiffs in the statement of claim in the amount of approximately PLN 42 million (principal amount excluding claimed interest and court costs). In its response to the statement of claim of 21 January 2008, the Company requested that the claim be dismissed in its entirety and filed a counterclaim for the reimbursement of unduly paid remuneration for the sixth and seventh years of application of the Project (2004 and 2005), also raising a possible plea of set-off of the mutually asserted claims. The amount of the claim (principal amount excluding claimed interest and court costs) in the counterclaim was determined by the Company in the amount of approximately PLN 25 million.</p> <p>In the judgement of 25 September 2018, the Regional Court in Legnica dismissed the counterclaim and partially upheld the principal claim to the total amount of approx. PLN 24 million, and at the same time ordered the payment of interest in the amount of approx. PLN 30 million, totalling to approx. PLN 54 million. Both parties to the proceedings appealed against this judgement.</p> <p>In the judgement of 12 June 2019, the Court of Appeals in Wrocław dismissed the appeals of both parties, changing the judgement of the court of first instance only with regard to the decision on the costs of the main action, charging them to the Company. KGHM Polska Miedź S.A. filed a cassation appeal against the judgement of the court of second instance, i.e. with respect to the partially upheld principal claim in the amount of approx. PLN 24 million as well as with respect to the dismissed counterclaim in the amount of approx. PLN 25 million. The Plaintiffs did not bring a cassation action in respect of the dismissed part of the main action.</p> <p>In the judgement of 24 November 2022, the Supreme Court repealed the appealed judgement and referred the case to the Court of Appeals in Wrocław for reconsideration.</p> <p>In its judgement of 4 December 2024, the Court of Appeals in Wrocław again dismissed KGHM's appeal, set-off the costs of the appeal and cassation proceedings between the parties and partially amended the decision regarding the costs of the main claim for the first instance. A cassation appeal may be filed against the judgement within 2 months of delivery of the judgement and its justification.</p>
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1.6.6 Expenditures incurred to support culture, sports, charities, media, social organisations, trade unions etc.

As part of its non-business objectives, the KGHM Group supports local and national initiatives in the broader social area. The support is of financial nature, in the form of donations for charitable activities, sponsorship of sport, science and culture and the arts. KGHM also participates in a number of sector organisations, as well as those with a social profile, provides financial support for trade union organisations and promotes the Company in the media. The aforementioned objectives are mainly realised by the parent entity of the KGHM Polska Miedź S.A. Group. In 2024, the related expenditures incurred by KGHM Polska Miedź S.A. amounted to PLN 102 million.

Table 21. Expenditures of KGHM Polska Miedź S.A. and the Group on the support of culture, sport, charitable institutions, media, social organisations, trade unions, etc. (PLN million)

Scope	Value	
Charitable activities	23	Value of donations granted by KGHM Polska Miedź S.A. to the KGHM Polska Miedź Foundation. In addition to the amount of cash indicated in the table, in-kind donations of PLN 0.2 million were provided. The Foundation pursues its corporate social responsibility goals through charitable and philanthropic activities, including the support for socially useful projects and disadvantaged people.
Media	2	Expenditures on promotion and advertising of KGHM Polska Miedź S.A. in the media (broadcasts, press releases, advertising spots)
Sponsorship	49	Expenditures incurred to support business units in the scope of: <ul style="list-style-type: none"> – Sports initiatives (PLN 45 million) - in 2024, expenditures mainly on sponsorship of local clubs, including the Zagłębie Lubin S.A. football club (the Company is the sole owner of Zagłębie), KGHM MKS Zagłębie Lubin, KGHM SPR Chrobry Głogów (handball) and KGHM BC Polkowice (basketball). As part of its sponsorship activities, the Company also supports a number of sport events, including cyclical events such as the Bieg Piastów in Jakuszyce (key sponsor) and Cross Straceńców in Głogów. – Culture and social affairs (PLN 3 million) - support for cultural entities, patronage of the Royal Castle in Warsaw and the Wrocław Opera House. Support for local initiatives: Modrzejewska Theatre in Legnica, Legnica Book of the Year, Cultural Congress of Wrocław and Lower Silesia "The Art of Cooperation". – Science (PLN 0.5 million) - expenditure in this area included support for universities and scientific institutions, financing of scientific projects thematically related to the activities of KGHM Polska Miedź S.A., support for industry events related to mining, innovation and support for scientists. <p>KGHM's sponsorship strategy is closely associated with the activity pursued in the area of Corporate Social Responsibility (CSR) and assumes that most funds will be allocated to the realisation of activities promoting the Company and its products on the one hand and for supporting valuable initiatives and cultural, sport, science or social undertakings on the other hand.</p> <p>Sponsorship activities are governed by the Sponsorship Policy of KGHM Polska Miedź S.A. Decisions on granting the support for a particular project are taken by the Sponsorship Committee. The decisions of the Committee are documented in the form of minutes in each case, which are approved by the President of the Management Board of KGHM Polska Miedź S.A.</p>
Associations and community organisations	11	Expenditures incurred due to participation of KGHM Polska Miedź S.A. in organisations and social associations (professional, employer and local self-government): <ul style="list-style-type: none"> – domestic (PLN 4 million) - membership in local and national organisations with different profiles, including: <ul style="list-style-type: none"> – the Accountants Association in Poland, Regional Branch in Legnica, – the Employers' Organization of Polish Copper, – Association of Non-Ferrous Metals Engineers and Technicians – Economic Security of Poland Consortium – international (PLN 8 million) - membership of more than a dozen organisations, mainly sector organisations such as: <ul style="list-style-type: none"> – Euromines – European Precious Metals Federation – Minor Metals Trade Association <p>The expenditures reported include the participation in 42 organisations and associations, with free of charge membership in several cases. In 2024, the Company joined the European Industrial Alliance on Small Modular Reactors (membership free of charge).</p>
Trade union organisations	17	Expenditures related to the functioning of trade unions in the Company, including wages with overheads of trade union activists exempted from the obligation to work (PLN 15.3 million), pursuant to the Act on Trade Unions of 23 May 1991.
TOTAL	102	

2 KEY RESULTS OF THE GROUP AND REPORTING SEGMENTS

2.1 KEY OPERATIONAL AND FINANCIAL INDICATORS BY BUSINESS SEGMENT

Table 22. Key operational and financial indicators by operating segments in 2024

	Unit	KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Sierra Gorda S.C.M. (55%)	Other
Production					
– Payable copper	kt	588.7	60.5	80.5	x
– TPM	koz t	86.8	53.5	33.1	x
– Silver	t	1 316	1	23	x
Production cost					
– C1 payable copper production cost	USD/lb	3.07	1.52	1.60	x
Financial data					
– Revenue from contracts with customers	PLN mn	29 894	3 394	3 556	12 910
– from external customers	PLN mn	29 215	3 378	3 556	2 711
– Profit/loss for the period	PLN mn	2 788	1 283	218	(50)
– EBITDA	PLN mn	4 463	1 643	1 877	474
– Assets	PLN mn	50 405	16 422	14 245	6 889
– Liabilities	PLN mn	19 251	19 990	13 742	3 848
– Cash expenditures on property, plant and equipment and intangible assets	PLN mn	3 635	1 636	1 123	505

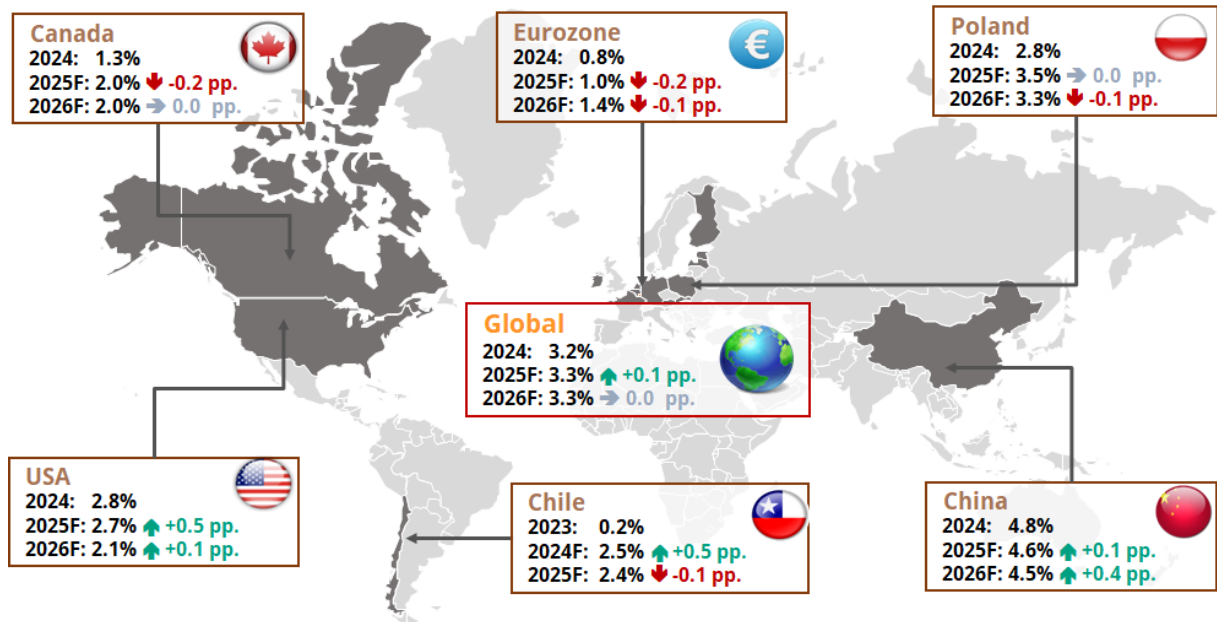
2.2 KEY FACTORS INFLUENCING THE RESULTS OF THE KGHM POLSKA MIEDŹ S.A. GROUP IN 2024 - MACROECONOMIC CONDITIONS

The KGHM Group, due to the specific nature of the products it sells, operates in a market highly dependent on the market environment, including macroeconomic conditions. In particular, the KGHM Group's results achieved in 2024 were significantly affected by the general economic situation influencing the level of metal consumption worldwide and, consequently, metal prices and exchange rates.

2024 was a period of high uncertainty in the global economy as a result of a number of factors. The most significant factors include:

Political risks	<ul style="list-style-type: none"> – Russia's continued aggression against Ukraine – extension of Israel's war against Hezbollah inside Lebanon – deterioration in relations between the USA and the European Union – the prospect of customs war and its consequences
Copper market foundations	<ul style="list-style-type: none"> – constraints in the form of a limited number of new investments in mining projects – a clear surplus of metallurgical capacity over the supply of copper-bearing materials. – a general trend towards stricter environmental requirements associated with sustainable development policy (ESG) – changing structure of copper demand in China - increased demand from high-tech and energy transition sectors
Currency market	<ul style="list-style-type: none"> – major central banks have started a cycle of interest rate cuts – announcements of actions by the administration of the new US President are perceived by financial markets as pro-inflationary, supporting expectations of interest rates remaining at elevated levels in the longer term strengthening the US dollar – the persistence of relatively high interest rates in Poland and forecasts indicating that inflation will remain at elevated levels have contributed to the strengthening of the zloty

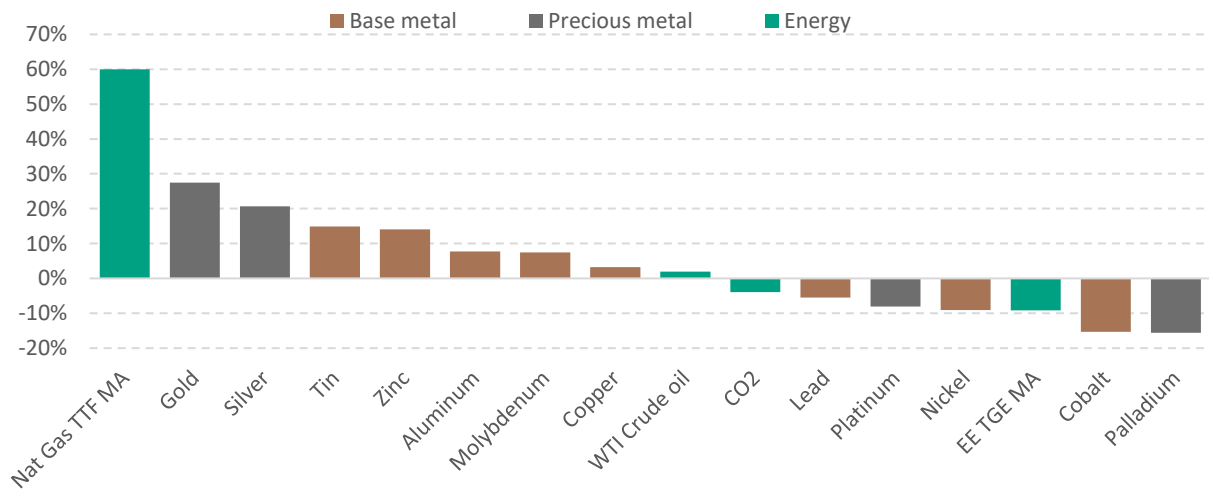
Diagram 15. Forecasts of real GDP growth per the International Monetary Fund from January 2025 versus previous forecasts.
Source: KGHM Polska Miedź, International Monetary Fund



Forecasts (F) of IMF real GDP growth - Economic Outlook - January 2025 compared to October 2024; for Chile - October 2024 compared to April 2024.

Chart 11. Change in commodity market price in 2024 (first versus last day of the year)

Source: Refinitiv, KGHM Polska Miedź S.A.



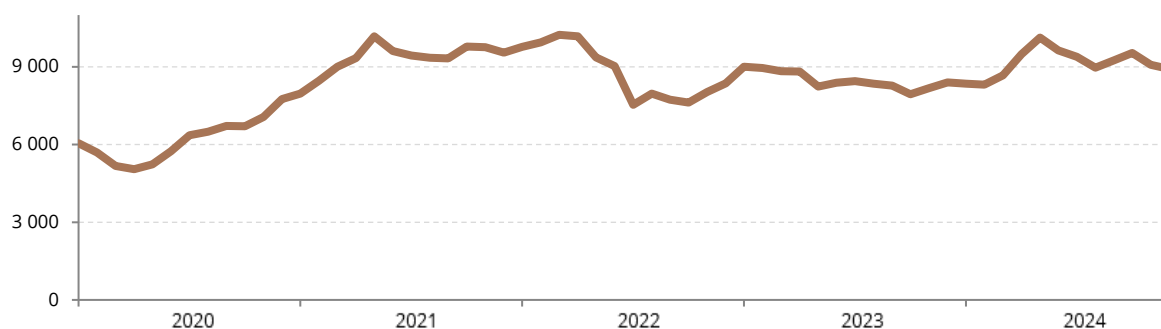
The situation on the copper market remains steady. In the short and medium term (the next 2-3 years), new mined production from currently commencing projects and the potentially slower growth of the global economy, burdened by higher interest rates, may shift the market's balance towards surplus and decrease the price pressure. The same scenario will in significant part be dependent on how long the observed slowdown in global economy will be and the pace of energy transition. The balance on the copper market also depends on the decision regarding the Cobre Panama mine, which is closed since the end of 2023. The potential production, which will return to the market following the restart of production by the mine will amount to approx. 250 thousand tonnes of red metal.

In the long term and on the supply side, limitations due to the low number of new investments in mining projects, plans to raise mining taxes in countries with the highest production potential and the general trend towards raising environmental standards related to sustainable development (ESG) are still present. The aforementioned limitations in supply, together with the strong push towards electromobility and green revolution support the rate of increase in demand for copper, and therefore copper price increases in the long term.

The average copper price (*cash settlement* on the LME) in 2024 was 9 147 USD/t. The highest *cash settlement* price was recorded on 20 May and amounted to USD 10 857/t. The lowest level was recorded on 12 February, when the price of the red metal was 8 085 USD/t. The range of volatility in copper prices last year was lower than in 2023. Considering *cash settlement* prices, copper increased by only 3% last year (first vs last day of the year). Due to the appreciation of the Polish currency in 2024, the average price expressed in PLN increased by approximately 2% in 2024 in relation to 2023 and amounted to 36 401 PLN/t (daily LME prices calculated after the NBP fixings).

Chart 12. Copper price (monthly averages) per the London Metal Exchange (in USD/t)

(Source: Bloomberg, KGHM Polska Miedź S.A.)



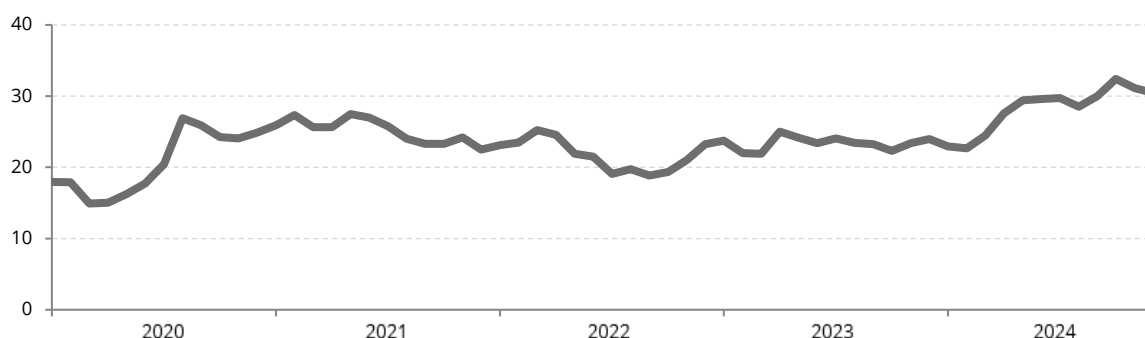
Silver prices in 2024 moved in line with investors' expectations of interest rate changes by the US Federal Open Market Committee and affected by the rise in the price of gold, whose valuation was affected by central banks purchases and heightened geopolitical risk. The beginning of the year brought more hawkish rhetoric of the Fed and, consequently, the price fell to an annual low recorded at a level of 22.09 USD/oz t in February. The annual silver peak price of 34.51 USD/oz t was achieved before the USA presidential election, in mid-October.

Throughout the year, the price of silver was moving upward, returning some of the previous gains just after Trump's victory, in a wave of response to the anticipated tariff war, higher interest rates and a rebound after months of uncertainty before the November US presidential election. In 2024, the Fed applied three interest rate cuts by 100bp in total. However, inflation readings in the second half of the year suggested that it would move towards the inflation target more slowly than expected.

The uncertainty surrounding the economic policy of Donald Trump's next term presidency resulted in higher inflation expectations and a higher projected interest rates path, limiting further increases in silver prices in the fourth quarter of the year. Throughout 2024, the gold/silver ratio returned to levels close to the long-term average, but due to a halt in silver price increases towards the end of the year, it returned to levels recorded at the end of 2023. Gold reached its all-time maximum of 2 784 USD/oz t in 2024 at a similar time as silver reached its annual maximum.

Silver prices ended 2024 at a level of 28.9 USD/oz t. The average price of the metal on the London Bullion Market Association (LBMA) recorded an increase of 21% in 2024, amounting to 28.27 USD/oz t compared to 23.35 USD/oz t in 2023.

Chart 13. Silver price (average monthly) per the London Bullion Market Association (in USD/oz t)
(Source: Bloomberg, KGHM Polska Miedź S.A.)



The quotations of the Polish zloty remained in a sideways trend for most of 2024 after high volatility in previous years. For most of the year, PLN remained relatively stable and was slightly below the rate of 4.0 in relation to the dollar, against which the zloty strengthened towards the end of 2023. The continued strength of the currency was affected by the Monetary Policy Council's failure to cut interest rates and its announcements indicating inflation remaining higher than planned.

In the fourth quarter of the year, the PLN exchange rate versus the US dollar depreciated from 3.81 to a level of 4.18 in view of the global strengthening of the USD, maintaining a sideways trend against the EUR. The maximum rate of the zloty against the euro of 4.40 was recorded at the beginning of the year. The zloty ended 2024 around 4.1012 per US dollar (NBP fixing as at 31 December 2024). The average USD/PLN (NBP) exchange rate in 2024 amounted to 3.9799, over 5% lower than the exchange rate for 2023 (4.2030 USD/PLN).

Chart 14. USD/PLN exchange rate (monthly averages) per the National Bank of Poland
(Source: Bloomberg, KGHM Polska Miedź S.A.)

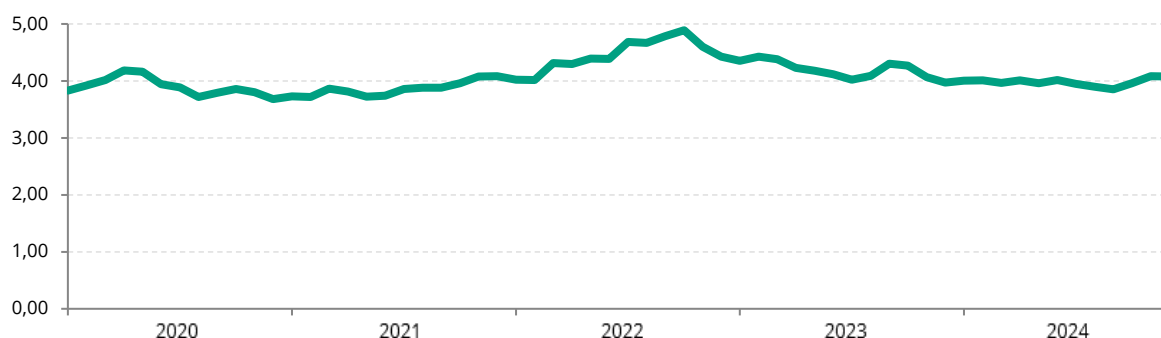


Table 23. Market conditions significant for the operations of the KGHM Polska Miedź S.A. Group - average prices

	Unit	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Copper price per the LME	USD/t	9 147	8 478	+7.9	9 193	9 210	9 753	8 438
Copper price per the LME in PLN	PLN/t	36 401	35 647	+2.1	37 065	35 935	38 966	33 683
Copper price per the LBMA	USD/oz t	28.27	23.35	+21.1	31.38	29.43	28.84	23.34
Molybdenum price per Platts	USD/lb	21.30	24.39	(12.7)	21.78	21.84	21.59	19.96
USD/PLN exchange rate per the NBP		3.98	4.20	(5.2)	4.03	3.90	4.00	3.99
USD/CAD exchange rate per the Bank of Canada		1.37	1.35	+1.5	1.40	1.36	1.37	1.35
USD/CLP exchange rate per the Bank of Chile		944	839	+12.5	962	932	935	946

2.3 RESULTS OF THE KGHM POLSKA MIEDŹ S.A. GROUP

2.3.1 Production

In 2024, copper production by the Group was higher by 2.6%, or by 18.8 thousand tonnes compared to 2023. The increase referred to KGHM INTERNATIONAL LTD. (+20.6 thousand tonnes) and Sierra Gorda SCM (+1.8 thousand tonnes on a 55% basis) and was offset by slightly lower production by KGHM Polska Miedź S.A. (-3.7 thousand tonnes).

Copper production at KGHM Polska Miedź S.A. in 2024 was slightly lower than last year - the slight decrease is due to the realisation of assumptions adopted in the production plan for 2024 (including, among others, the maintenance of the Głogów I Copper Smelter and Refinery).

The increase in copper production in the KGHM INTERNATIONAL LTD. segment was mainly due to an increase in production from the Robinson mine (+24.5 thousand tonnes), which mined the proper, rich deposit zone in 2024.

The improved copper production results in Sierra Gorda S.C.M. compared to the previous year was due to higher metal content in the ore mined and higher ore processing.

Detailed information on production results may be found in the sections dedicated to individual segments ([KGHM Polska Miedź S.A.](#), [KGHM INTERNATIONAL LTD.](#), [Sierra Gorda S.C.M.](#)).

The Group's production results are shown below.

Table 24. Production by the Group

	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Payable copper (kt)							
Group	729.7	710.9	+2.6	185.9	186.2	178.4	179.2
- KGHM Polska Miedź S.A.	588.7	592.4	(0.6)	147.5	148.7	146.3	146.2
- KGHM INTERNATIONAL LTD.	60.5	39.9	+51.6	15.0	16.1	13.4	16.0
- Sierra Gorda S.C.M.	80.5	78.7	+2.3	23.4	21.4	18.7	17.0
TPM (koz t)							
Group	173.4	184.5	(6.0)	46.7	42.6	43.3	40.8
- KGHM Polska Miedź S.A.	86.8	111.0	(21.8)	22.6	19.4	24.7	20.1
- KGHM INTERNATIONAL LTD.	53.5	40.6	+31.8	14.1	13.8	11.4	14.2
- Sierra Gorda S.C.M.	33.1	32.9	+0.6	10.0	9.4	7.2	6.5
Silver (t)							
Group	1 341	1 428	(6.1)	360	303	362	316
- KGHM Polska Miedź S.A.	1 316	1 403	(6.2)	354	297	356	310
- KGHM INTERNATIONAL LTD.	1	3	(66.7)	0.2	0.1	0.3	0.4
- Sierra Gorda S.C.M.	23	22	+4.5	6	6	6	6
Molybdenum (mn lbs)							
Group	3.4	3.6	(5.6)	1.3	1.1	0.5	0.6
- KGHM Polska Miedź S.A.	-	-	x	-	-	-	-
- KGHM INTERNATIONAL LTD.	0.1	0.1	-	0.0	0.0	0.1	0.0
- Sierra Gorda S.C.M.	3.3	3.5	(5.7)	1.3	1.1	0.4	0.5

Sierra Gorda S.C.M. - 55% Group share

2.3.2 Sales

The geographic and product structure of the consolidated sales revenue of the Group is presented in the following charts. In accordance with the adopted principle of consolidation by the equity method, revenues do not include revenues of the segment Sierra Gorda S.C.M. Detailed information on segment's sales is presented in the sections devoted to the results of individual segments ([KGHM Polska Miedź S.A.](#), [KGHM INTERNATIONAL LTD.](#), [Sierra Gorda S.C.M.](#)).

Chart 15. Geographic structure of Group sales

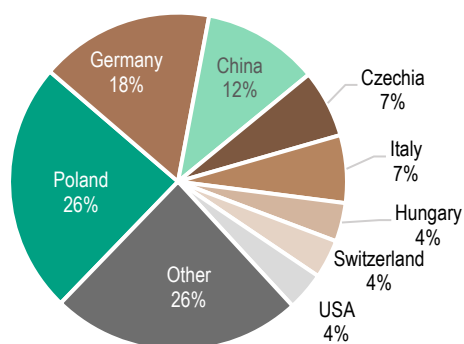
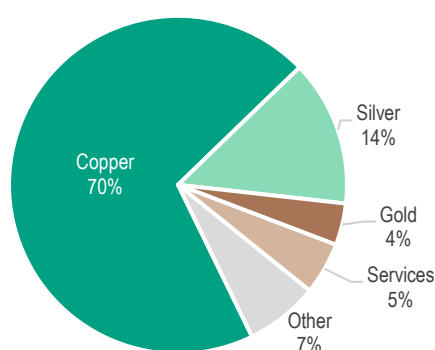


Chart 16. Product structure of Group sales



2.3.3 Costs

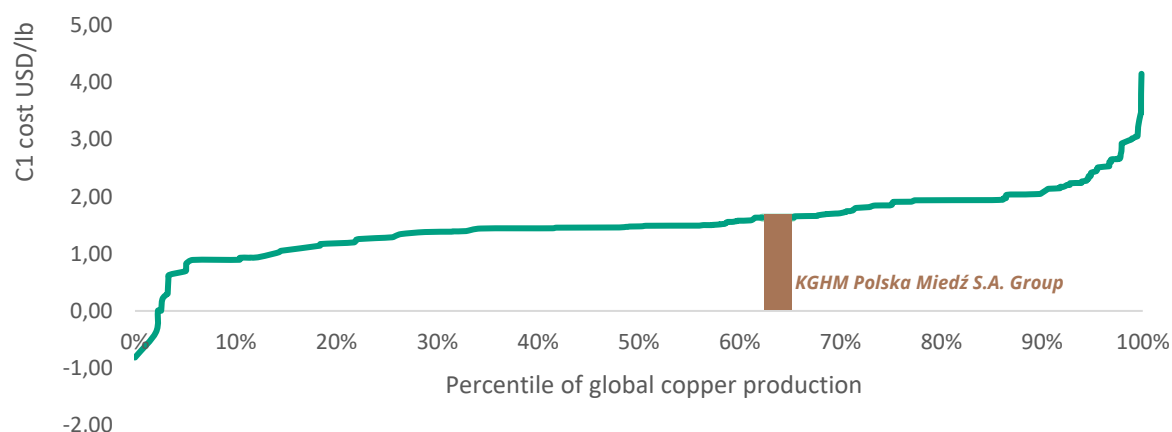
Unit costs by Group segments are presented in the table below. Detailed descriptions of individual items are presented in the sections devoted to individual segments ([KGHM Polska Miedź S.A.](#), [KGHM INTERNATIONAL LTD.](#), [Sierra Gorda S.C.M.](#)).

Table 25. C1 cost of producing payable copper in the Group, including mining taxes (USD/lb)

	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Group	2.67	2.87	(7.0)	2.43	2.74	2.71	2.81
- KGHM Polska Miedź S.A.	3.07	2.98	+3.0	3.03	3.24	3.00	3.01
- KGHM INTERNATIONAL LTD.	1.52	4.15	(63.4)	1.14	1.47	1.68	2.17
- Sierra Gorda S.C.M.	1.60	1.68	(4.8)	1.12	1.68	1.88	1.90

KGHM Group ranks among mining companies representing an average level of C1 cost. In order to maintain comparability (uniform calculation methodology, associated metals prices and exchange rates), the cost curve presented below is based on data of Wood Mackenzie, a global provider of analytical solutions for the natural resources, chemicals and renewable energy sectors. The costs presented on the curve do not include mining taxes.

Chart 17. C1 cost curve (USD/lb) - C1 cost excluding mining taxes
(Source: Wood Mackenzie Q42024, KGHM Polska Miedź S.A. own work)



C1 cost is one of the indicators best reflecting the situation of entities with different mining profiles, however, due to differences in the cost calculation methodology and different macroeconomic parameters adopted for the calculation, the C1 cost of the company and the KGHM Group presented above may deviate from the figures published in the reports of analytical institutions.

2.3.4 Statement of profit and loss

Table 26. Financial results of the Group (in PLN million)

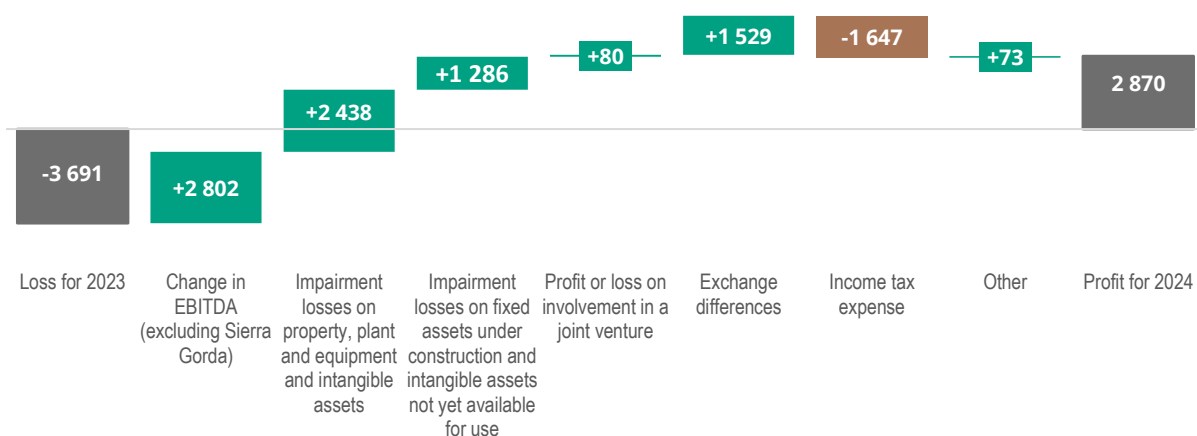
	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Revenues from contracts with customers	35 320	33 467	+5.5	9 181	8 659	9 165	8 315
Cost of sales, selling costs and administrative expenses	(31 553)	(35 107)	(10.1)	(8 400)	(7 783)	(7 641)	(7 729)
Profit on sales	3 767	(1 640)	x	781	876	1 524	586
Profit or loss on involvement in a joint venture	778	698	+11.5	601	293	(260)	144
Other operating income and (costs)	444	(2 817)	x	1 076	(800)	88	80
Finance income and (costs)	(381)	159	x	(238)	70	(106)	(107)
Profit before income tax	4 608	(3 600)	x	2 220	439	1 246	703
Income tax expense	(1 738)	(91)	x19.1	(664)	(199)	(596)	(279)
Profit/(loss) for the period	2 870	(3 691)	x	1 556	240	650	424
Adjusted EBITDA	8 457	5 362	+57.7	2 271	1 978	2 657	1 551

Adjusted EBITDA, defined as profit/loss on sales increased by depreciation/amortisation recognised in expenses by nature and adjusted by recognition/reversal of impairment losses on property, plant and equipment in the core business, is one of the basic parameters considered by the Management Board of the Parent Entity when evaluating the results of individual operating segments. A detailed definition of this indicator and its reconciliation to profit or loss for the period of the Group may be found in Part 2 (Information on segments and revenues) of the Consolidated financial statements for 2024.

Table 27. Main factors impacting the change in profit or loss of the Group

Item	Impact on change in profit or loss (PLN million)	Description
EBITDA	+2 802	Increase in EBITDA of operating segments (excluding Sierra Gorda), comprised of: <ul style="list-style-type: none"> – EBITDA of the KGHM Polska Miedź S.A. segment +PLN 900 million, – EBITDA of the KGHM INTERNATIONAL LTD. segment +PLN 1 785 million, – EBITDA of the segment - other segments +PLN 117 million. <p>The results of the aforementioned segments are described respectively in sections 2.5- 2.7 of this report.</p>
Impairment losses on property, plant and equipment and intangible assets	+2 438	In 2024, a decrease in impairment losses on property, plant and equipment and intangible assets was recorded (PLN 290 million in 2024 and PLN 2 728 million in 2023, respectively).
Impairment losses on fixed assets under construction and intangible assets not yet available for use	+1 286	In 2024, a decrease in impairment losses on fixed assets under construction and intangible assets not yet available for use was recorded (PLN 22 million in 2024 and PLN 1 308 million in 2023, respectively).
Profit or loss on involvement in a joint venture	+80	An increase in the result on involvement in a joint venture, comprised of: <ul style="list-style-type: none"> – an increase in profit due to the reversal of allowances for impairment of loans granted to a joint venture, PLN 125 million, – a decrease in interest income on loans by PLN 45 million.
Exchange differences	+1 529	An increase in the result on exchange differences was affected by: <ul style="list-style-type: none"> – a PLN 1 969 million higher result on exchange differences presented in other operating income and costs (mainly due to loans within the Group), – a PLN 440 million lower result on exchange differences from the measurement and realisation of borrowings presented in finance income and costs (mainly exchange differences on borrowings of KGHM Polska Miedź S.A.)
Income tax expense	(1 647)	An increase in income tax expense mainly in the scope of: <ul style="list-style-type: none"> – higher current income tax by PLN 471 million, – higher deferred income tax by PLN 1 159 million.

Chart 18. Change in profit/loss of the Group in 2024 (PLN million)



2.3.5 Cash flows

Table 28. Cash flow of the Group (PLN million)

	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Net cash generated from/(used in) operating activities	4 690	6 051	(22.5)	1 257	405	2 942	86
Change in working capital	(875)	3 801	x	(362)	(693)	975	(795)
Net cash generated from/(used in) investing activities	(5 506)	(4 798)	+14.8	(1 458)	(1 472)	(1 158)	(1 418)
Net cash generated from/(used in) financing activities	(217)	(747)	(71.0)	(191)	(294)	(164)	432
Net cash flows	(1 033)	506	x	(392)	(1 361)	1 620	(900)
Exchange differences	19	23	(17.4)	(5)	32	(5)	(3)
Cash and cash equivalents at beginning of the period	1 729	1 200	+44.1	1 112	2 441	826	1 729
Cash and cash equivalents at end of the period	715	1 729	(58.6)	715	1 112	2 441	826

Net cash generated from operating activities in 2024 amounted to +PLN 4 690 million and mainly comprised:

- EBITDA, excluding Sierra Gorda S.C.M., of PLN 6 580 million,
- negative effect of the change in working capital of -PLN 875 million, including -PLN 1 007 million change in trade payables within the reverse factoring mechanism,
- change in assets and liabilities due to derivatives +PLN 180 million,
- reclassification of other comprehensive income to profit or loss due to the realisation of hedging derivatives - PLN 628 million,
- income tax paid, -PLN 413 million.

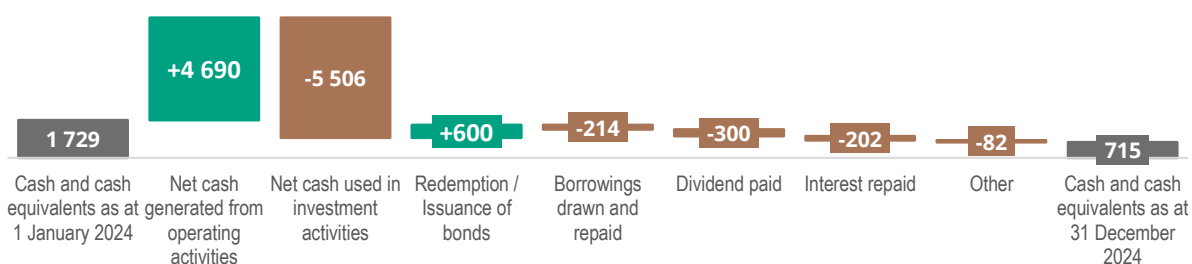
Net cash used in investing activities in 2024 amounted to -PLN 5 506 million and mainly comprised:

- expenditures on property, plant and equipment and intangible assets of the segment KGHM Polska Miedź S.A in the amount of PLN 3 635 million,
- expenditures on property, plant and equipment and intangible assets of the segment KGHM International LTD in the amount of PLN 1 636 million,
- expenditures on property, plant and equipment and intangible assets of the segment - other segments in the amount of PLN 505 million,
- repayment of the loan by Sierra Gorda S.C.M., together with interest, PLN 464 million.

Net cash used in financing activities in 2024 amounted to -PLN 217 million and mainly comprised the issuance of 7-year series C bonds in the amount of PLN 1 000 million and the redemption of 5-year A series bonds in the amount of PLN 400 million. The balance of borrowings drawn and repaid amounted to -PLN 214 million. The Company paid a dividend to shareholders of the parent entity in the amount of PLN 300 million. Interest paid amounted to PLN 202 million, including PLN 164 million on trade payables within the reverse factoring mechanism.

After reflecting exchange differences on cash and cash equivalents, the balance of cash and cash equivalents decreased by PLN 1 014 million and at the end of 2024 amounted to PLN 715 million.

Chart 19. Cash flows of the Group in 2024 (PLN million)



2.3.6 Assets

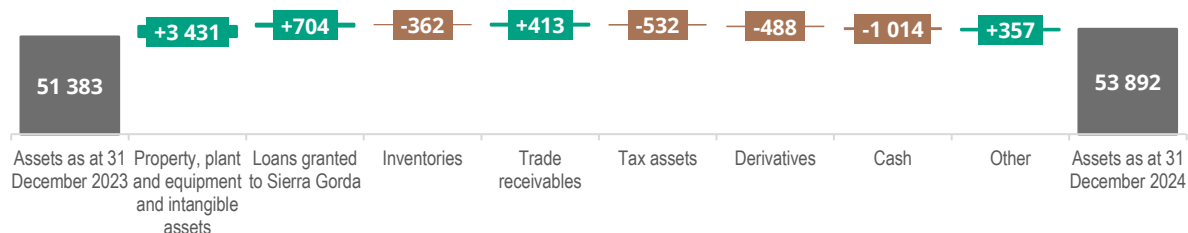
Table 29. Consolidated assets (PLN million)

	31 December 2024	31 December 2023	Change (%)	30 September 2024	30 June 2024	31 March 2024
Property, plant and equipment and intangible assets	30 180	26 749	+12.8	28 706	28 046	27 452
Joint ventures – loans granted	9 800	9 096	+7.7	8 801	9 162	9 364
Financial Instruments	1 726	1 613	+7.0	1 593	1 683	1 490
Deferred tax assets	302	137	×2.2	162	135	143
Other non-financial assets	277	386	(28.2)	282	280	247
Non-current assets	42 285	37 981	+11.3	39 544	39 306	38 696
Inventories	8 063	8 425	(4.3)	8 097	8 452	7 959
Trade receivables	1 345	932	+44.3	1 557	1 450	1 616
Tax assets	453	985	(54.0)	327	347	630
Derivatives	219	760	(71.2)	310	406	591
Other financial assets	317	296	+7.1	266	261	307
Other non-financial assets	366	275	+33.1	472	576	444
Cash and cash equivalents	715	1 729	(58.6)	1 112	2 441	826
Assets held for sale	129	-	×	112	-	-
Current assets	11 607	13 402	(13.4)	12 253	13 933	12 373
Total assets	53 892	51 383	+4.9	51 797	53 239	51 069

At the end of 2024, total assets in the consolidated statement amounted to PLN 53 892 million and were higher as compared to 31 December 2023 by PLN 2 509 million. The main changes comprised:

- an increase in property, plant and equipment and intangible assets by PLN 3 431 million as a result of cash expenditures incurred on property, plant and equipment and intangible assets in the amount of PLN 5 855 million and depreciation/amortisation of PLN 2 513 million,
- an increase in the carrying amount of loans granted to Sierra Gorda S.C.M. by PLN 704 million mainly due to accrued interest of PLN 552 million, foreign exchange gains of PLN 390 million including loan repayments of PLN 464 million,
- a decrease in inventories by PLN 362 million, including mainly finished products by PLN 238 million and materials by PLN 107 million,
- an increase in trade receivables by PLN 413 million, including receivables measured at amortised cost by PLN 120 million and receivables measured at fair value by PLN 293 million,
- a decrease in tax receivables by PLN 532 million mainly related to the decrease in current income tax receivables,
- a PLN 488 million decrease in derivatives mainly relates to the decrease in foreign exchange derivatives by PLN 474 million (USDPLN exchange rate) excluded from hedge accounting.
- a decrease in cash and cash equivalents by PLN 1 014 million.

Chart 20. Change in assets of the Group in 2024 (PLN million)



2.3.7 Equity and liabilities

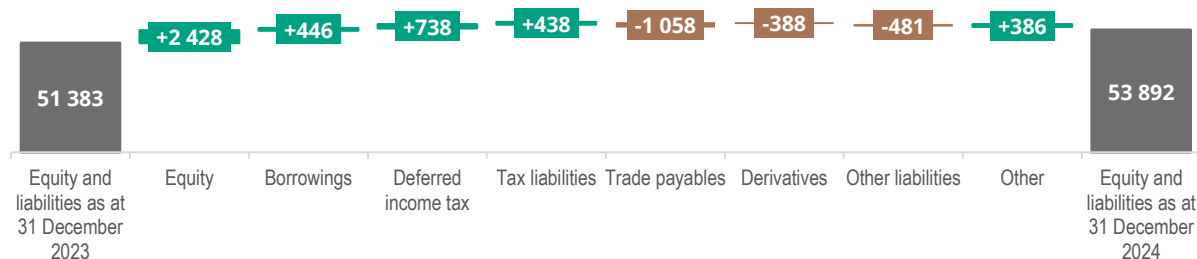
Table 30. Consolidated equity and liabilities (PLN million)

	31 December 2024	31 December 2023	Change (%)	30 September 2024	30 June 2024	31 March 2024
Equity	31 058	28 630	+8.5	29 394	29 383	28 900
Borrowings, leases and debt securities	4 910	4 761	+3.1	4 953	4 987	5 313
Derivatives	269	202	+33.2	182	228	173
Employee benefits liabilities	2 784	3 117	(10.7)	2 940	2 814	2 934
Provisions for decommissioning costs of mines and other facilities	2 084	1 923	+8.4	1 972	1 915	1 932
Deferred tax liabilities	1 384	646	×2.1	901	844	630
Other liabilities	397	487	(18.5)	410	485	483
Non-current liabilities	11 828	11 136	+6.2	11 358	11 273	11 465
Borrowings, leases and debt securities	1 261	964	+30.8	1 223	1 206	1 015
Derivatives	44	499	(91.2)	243	266	419
Trade and other payables	5 132	6 188	(17.1)	5 490	6 350	5 088
Employee benefits liabilities	2 019	1 709	+18.1	1 822	1 776	1 781
Tax liabilities	1 049	611	+71.7	770	1 095	598
Provisions for liabilities and other charges	280	194	+44.3	259	247	223
Other liabilities	1 061	1 452	(26.9)	1 060	1 643	1 580
Liabilities associated with assets held for sale	160	-	×	178	-	-
Current liabilities	11 006	11 617	(5.3)	11 045	12 583	10 704
Non-current and current liabilities	22 834	22 753	+0,4	22 403	23 856	22 169
Total equity and liabilities	53 892	51 383	+4.9	51 797	53 239	51 069

Equity and liabilities at the end of 2024 amounted to PLN 53 892 million and were higher as compared to 31 December 2023 by PLN 2 509 million. The main changes concerned:

- an increase in equity by PLN 2 428 million mainly as a result of profit for the period of PLN 2 870 million and dividend paid in the amount of PLN 300 million, a decrease in actuarial losses due to the measurement of benefits after the period of employment by PLN 272 million and a decrease in reserves from the measurement of financial instruments of PLN 439 million.
- an increase in borrowings, leases and debt securities by PLN 446 million, mainly as a result of a PLN 600 million increase in the balance of liabilities due to bonds (issuance of 7-year series C bonds in the amount of PLN 1 000 million and redemption of 5-year series A bonds in the amount of PLN 400 million), an increase in liabilities due to borrowings by PLN 189 million alongside a decrease in the amount of loans drawn by PLN 292 million,
- an increase in deferred tax liabilities by PLN 738 million (deferred tax assets and liabilities prior to offsetting at the individual level are presented in note 5.1.1 of the consolidated financial statements),
- an increase in tax liabilities by PLN 438 million, including a PLN 325 million increase in current income tax and a PLN 113 million increase in liabilities due to other taxes (mainly on account of the Parent Entity's mineral extraction tax).
- a decrease in trade and other payables (non-current and current) by the total of PLN 1 058 million, mainly with regard to trade payables within the reverse factoring mechanism by PLN 1 021 million,
- a decrease in derivatives (non-current and current) by PLN 388 million, mainly put options sold (USDPLN) by PLN 473 million, including an increase in hedging instruments by PLN 100 million,
- a decrease in other liabilities (non-current and current) in total by -PLN 481 million relates mainly to accruals of -PLN 228 million and deferred income of -PLN 99 million.

Chart 21. Change in equity and liabilities of the Group in 2024 (in PLN million)



2.3.8 Contingent assets and liabilities due to guarantees granted

As at 31 December 2024, contingent assets amounted to PLN 428 million and related mainly to promissory notes receivables in the amount of PLN 107 million and guarantees received by the Company in the amount of PLN 297 million.

As at 31 December 2024, the liabilities of the Group due to guarantees and letters of credit granted amounted to a total of PLN 1 150 million (as at 31 December 2023: PLN 1 132 million) and due to promissory notes payables amounted to PLN 223 million (as at 31 December 2023: PLN 257 million).

Detailed information regarding contingent assets and liabilities, including guarantees granted, may be found in notes 12.6 and 8.6 of the Consolidated financial statements.

Based on the knowledge held, at the end of the reporting period the Group assessed the probability of payments resulting from liabilities due to guarantees granted as low.

2.4 SOURCES OF FINANCING IN THE GROUP

The Group's management of financial resources involves securing of an adequate level of cash and access to a broad portfolio of flexible sources of financing to ensure the ability to meet both current and future financial liabilities in a timely manner, taking into account the cost of gaining liquidity. The Financial Liquidity Management Policy in place regulates the rules of raising external funding, the management of debt, the monitoring of the Group's debt levels and the effective management of working capital.

2.4.1 Net debt in the Group

Borrowings of the Group at the end of 2024 amounted to PLN 6 171 million. The debt structure is based on diversified and long-term financing sources, ensuring financial stability over the long term.

The Group's free cash and cash equivalents, which as at 31 December 2024 amounted to PLN 691 million, are of a short term nature.

Table 31. Net debt structure of the Group (in PLN million)

	31 December 2024	31 December 2023	Change (%)	30 September 2024	30 June 2024	31 March 2024
Liabilities due to:	6 171	5 725	+7.8	6 176	6 193	6 328
Bank loans	856	667	+28.3	822	673	1 270
Other loans	1 980	2 272	(12.9)	1 954	2 138	2 217
Debt securities	2 602	2 002	+30.0	2 650	2 602	2 038
Leases	733	784	(6.5)	750	780	803
Free cash and cash equivalents	691	1 702	(59.4)	1 096	2 417	803
Derivatives related to sources of external financing	177	175	+1.1	164	191	212
Net debt	5 303	3 848	+37.8	4 916	3 585	5 313

Table 32. Net debt structure of the Parent Entity (PLN million)

	31 December 2024	31 December 2023	Change (%)	30 September 2024	30 June 2024	31 March 2024
Liabilities due to:	6 351	5 691	+11.6	6 242	6 385	6 480
Bank loans	793	590	+34.4	759	608	1 199
Other loans	1 794	2 058	(12.8)	1 752	1 936	2 001
Debt securities	2 602	2 002	+30.0	2 650	2 602	2 038
Cash pooling	561	350	+60.3	441	551	551
Leases	601	691	(13.0)	640	688	691
Free cash and cash equivalents	359	1 463	(75.5)	905	2 179	669
Derivatives related to sources of external financing	177	175	+1.1	164	191	212
Net debt	5 815	4 053	+43.5	5 173	4 015	5 599

2.4.2 Sources of financing in the Group

As at 31 December 2024, the Group held open lines of credit, loans and debt securities with a total available amount of PLN 16 313 million, out of which PLN 5 438 million had been drawn.

Table 33. Sources of financing in the Group²⁷

Unsecured, revolving syndicated credit facility in the amount of USD 1.4 billion	<p>A credit facility in the amount of USD 1 438 million (PLN 5 898 million), acquired on the basis of a financing agreement entered into by the Parent Entity with a syndicate of banks in 2019, with maturity falling on 19 December 2024 and the option of extending for a further 2 years (5+1+1). In the years 2020-2021 the Parent Entity received a consent of the Syndicate Members to extend the term of the agreement by 2 years, that is to 20 December 2026. The limit of available financing during the extension period amounts to USD 1 438 million (PLN 5 898 million). Interest is based on SOFR plus a margin, which depends on the Consolidated Total Net Debt/EBITDA ratio.</p> <p>The funds obtained under this credit facility are used to finance general corporate purposes.</p>
Investment loans, including from the European Investment Bank in the total amount of PLN 3.5 billion with financing periods of up to 12 years	<p>Financing agreements signed by the Parent Entity with the European Investment Bank:</p> <ul style="list-style-type: none">– in August 2014 in the amount of PLN 2 000 million, which was drawn in the form of three instalments with maturities falling on 30 October 2026, 30 August 2028 and 23 May 2029 and used to the maximum available amount. The funds acquired through this loan were used to finance selected investment projects related to modernisation of metallurgy and development of the Żelazny Most tailings storage facility,– in December 2017 in the amount of PLN 1 340 million, under which four instalments were drawn with maturities falling on 28 June 2030, 23 April 2031, 11 September 2031 and 6 March 2035. The funds acquired through this loan are used to finance the Parent Entity's development and replacement projects at various stages of the production line. <p>Interest on the instalments drawn is based on a fixed interest rate or the SOFR rate plus a margin, which depends on the net debt/EBITDA ratio.</p>
Debt securities in the amount of PLN 2.6 billion	<p>The bond issuance program on the Polish market was established under an issuance agreement of 27 May 2019. The issuance had a nominal value of PLN 2 000 million, under which 5-year bonds were issued in the amount of PLN 400 million which were redeemed by the Parent Entity on 27 June 2024 and 10-year bonds in the amount of PLN 1 600 million, with a redemption date of 27 June 2029. Interest is based on WIBOR plus a margin.</p> <p>Polish market bond issuance programme established by the issuance agreement of 29 May 2024 up to PLN 4 000 million for a period of 10 years, under which on 26 June 2024 7-year bonds with a nominal value of PLN 1 000 million were issued with a redemption date of 26 June 2031. The interest rate is based on the WIBOR rate plus a margin.</p> <p>The funds raised from the bond issuance were used to redeem 5-year bonds issued in 2019 and to finance general corporate purposes.</p>
Bilateral bank loans in the amount of up to PLN 4.3 billion	<p>The Group holds lines of credit in the form of short-term and long-term bilateral agreements in the total amount of PLN 4 294 million. Interest is based on a fixed interest rate or on the variable interest rates WIBOR, SOFR, EURIBOR plus a margin.</p> <p>The funds obtained under the aforementioned bank loan agreements are a tool supporting the management of current financial liquidity and support the financing of investments.</p>

An additional source of support to the Group's liquidity management process is the reverse factoring service. The main goal of the reverse factoring program is to guarantee the effective management of working capital while ensuring the timely execution of trade payables towards the suppliers of the Group. Reverse factoring is treated by the Group as an important element in diversifying the sources of financing the working capital.

The aforementioned sources fully cover the current, medium- and long-term liquidity needs of the Group.

²⁷ Detailed information on the aforementioned borrowings and debt securities may be found in note 8.4 of the financial statements

2.4.3 Debt position as at 31 December 2024

The following table presents the Group's borrowing structure and the extent to which borrowing was utilised.

Table 34. Amount of borrowing available and drawn by the Group (in PLN million)

	Amount drawn as at 31 December 2024	Amount drawn as at 31 December 2023	Change (%)	Amount available as at 31 December 2024	Amount drawn (%) as at 31 December 2024
Unsecured, revolving syndicated credit facility	-	-	-	5 898	-
Loans	1 980	2 272	(12.9)	3 521	+56.2
Bilateral bank loans	856	667	+28.3	4 294	+19.9
Debt securities ²⁸	2 602	2 002	+30.0	2 600	+100.1
Total	5 438	4 941	+10.1	16 313	+33.3

As at 31 December 2024, 54% of the Group's debt came from liabilities drawn in PLN, 45% in USD and 1% in CAD.

2.4.4 Evaluation of financial resources management

In 2024, the KGHM Polska Miedź S.A. Group was fully capable of meeting its obligations with respect to liabilities drawn. The cash and cash equivalents held by the Group along with the external financing obtained ensure that liquidity will be maintained and will enable the achievement of investment goals.

As at 31 December 2024, the Group held PLN 691 million of free cash and cash equivalents and had open credit lines for total available financing in the amount of PLN 16 313 million, out of which PLN 5 438 million had been drawn.

In 2024, the Group continued activities aimed at ensuring long-term financial stability and optimising short-term sources of financing.

Under the unsecured, syndicated credit facility, the two bilateral bank loans and the investment loans from the European Investment Bank, the Group is obliged to maintain the financial covenant at a specified level. At the reporting day, during the financial year and following the reporting date, up to the date of publication of this report, the level of reportable financial covenant as at 30 June 2024 and 31 December 2024, met the conditions specified in agreements.

Table 35. Net debt / EBITDA of the Group

	31 December 2024	31 December 2023	Change (%)	30 September 2024	30 June 2024	31 March 2024
Net debt / Adjusted EBITDA	0.81	1.02	-20.6	0.86	0.72	1.42

²⁸ The carrying amount of PLN 2 602 million includes the valuation, or interest accrued from the date of the last payment of interest, i.e. from 27 December 2024 to 31 December 2024.

2.4.5 Loans granted by Group companies

As at 31 December 2024, the balance of receivables due to loans granted by the Parent Entity, in accordance with the measurement pursuant to IFRS 9, amounted to PLN 9 973 million, while the balance of receivables due to loans granted by the Group, in accordance with the measurement pursuant to IFRS 9, amounted to PLN 9 821 million.

Table 36. The most significant²⁹ loans granted by Group companies as at 31 December 2024

Lender	Borrower	Year granted	Total amount of loans	Total balance of receivables due to loans granted ³⁰		Maturity date
Loans granted within the Group						
KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	2015-2024	USD 237 mn	USD 239 mn	PLN 978 mn	from 31.12.27 to 30.06.34
KGHM Polska Miedź S.A.	Future 1 Sp. z o.o.	2013-2016	USD 724 mn	USD 1 112 mn	PLN 4 562 mn	31.12.32
		2017	PLN 7 mn		PLN 10 mn	31.12.32
KGHM Polska Miedź S.A.	Quadra FNX Holdings Chile Limitada	2015-2017	USD 437 mn	USD 363 mn	PLN 1 489 mn	31.12.33
KGHM Polska Miedź S.A.	Quadra FNX FFI S.à r.l.	2017-2020	USD 453 mn	USD 656 mn	PLN 2 690 mn	31.12.32
Future 1 Sp. z o.o.	KGHM INTERNATIONAL LTD.	2012	USD 453 mn	USD 482 mn	PLN 1 978 mn	31.12.27
Future 1 Sp. z o.o.	Quadra FNX FFI S.à r.l.	2017	USD 1 419 mn	USD 1 556 mn	PLN 6 381 mn	15.12.32
KGHM INTERNATIONAL LTD.	FNX Mining Company Inc.	2015	USD 140 mn	USD 215 mn	PLN 881 mn	on demand
Robinson Holdings USA Ltd.	KGHM INTERNATIONAL LTD.	2018	USD 51 mn	USD 160 mn	PLN 656 mn	on demand, no later than 30.06.28
Quadra FNX FFI S.à r.l.	Quadra FNX Holdings Chile Limitada	2018-2020	USD 347 mn	USD 479 mn	PLN 1 965 mn	from 31.12.34 to 31.12.36
DMC Mining Services Ltd.	DMC Mining Services Chile SpA	2021-2022	USD 14 mn	USD 16 mn	PLN 64 mn	on demand
FNX Mining Company Inc./ DMC Division	DMC Mining Services Ltd.	2019-2021	CAD 57 mn	CAD 57 mn	PLN 163 mn	on demand
KGHM Chile SpA	Minera Carizalillo SpA	2022	USD 9 mn	USD 9 mn	PLN 38 mn	on demand
Franke Holdings LTD	KGHM INTERNATIONAL LTD.	2022	CAD 23 mn	CAD 26 mn	PLN 73 mn	31.12.24
Loans granted to other entities						
Quadra FNX FFI S.à r.l.	Sierra Gorda S.C.M.	2012	USD 1 700 mn	USD 2 390 mn	PLN 9 800 mn	31.12.2032

The following table presents significant loans granted in 2024 by the Parent Entity and Group companies, with the balance of receivables due to loans granted as at the end of 2024 (reflecting accrued interest, redemption and measurement pursuant to IFRS 9).

Table 37. Loans granted by the Parent Entity and Group companies in 2024

Lender	Borrower	Year granted	Total amount of loans	Total balance of receivables due to loans granted ³¹		Interest on loans as at 31.12.2024	Maturity date
Loans granted within the Group							
KGHM POLSKA MIEDŹ S.A.	KGHM INTERNATIONAL LTD.	2024	USD 30.6 mn	USD 29 mn	PLN 119 mn	SOFR+2.34%	31.08.29
KGHM POLSKA MIEDŹ S.A.	KGHM INTERNATIONAL LTD.	2024	USD 17.5 mn	USD 17 mn	PLN 67 mn	5.50%	30.09.29
KGHM INTERNATIONAL LTD.	Minera Carizalillo SpA	2024	USD 2.0 mn	USD 2.0 mn	PLN 9 mn	6.00%	31.12.27
KGHM INTERNATIONAL LTD.	Minera Carizalillo SpA	2024	USD 2.5 mn	USD 16.0 mn	PLN 65 mn	7.00%	31.12.28
Quadra FNX FFI S.à r.l.	FNX Mining Company Inc.	2024	USD 3.0 mn	USD 3 mn	PLN 13 mn	6.00%	31.12.27

²⁹ Balance of receivables over PLN 25 million

³⁰ Including accrued, unpaid interest as at 31 December 2024

³¹ Including accrued, unpaid interest as at 31 December 2024

2.4.6 Cash pooling in the Group

In managing its financial liquidity, the Group utilises tools which support its efficiency. One of the instruments used by the Group is the cash management service for a group of accounts - local cash pooling in PLN, USD and EUR and international cash pooling in USD. The cash pooling is aimed at optimising cash management, limiting interest costs, the effective financing of current needs in terms of working capital and supporting short term financial liquidity in the Group.

2.5 RESULTS OF THE SEGMENT KGHM POLSKA MIEDŹ S.A.

2.5.1 Production

The main goals set by the Management Board in terms of production and occupational health and safety for 2024 were:

- optimal utilisation of the resource base and of the production capacity of the Company, and
- optimisation of copper content in ore and concentrate.

The goals set required advancement of the following actions:

in mining	<ul style="list-style-type: none">– expanding mining operations within the Deep Głogów (Głogów Głęboki-Przemysłowy) area,– continuation of work related to exploration of the „Radwanice” and „Retków” copper ore deposits,– improvement of the ore extraction technology, greater mining efficiency and improved occupational health and safety, by:<ul style="list-style-type: none">– adapting the geometry of mining systems to local geological and mining conditions,– improving the efficiency of technological and active methods of limiting the threat of rock bursts and of other associated natural threats,– proper barren rock management in mining areas (selective extraction, siting of rock, mechanical ore mining),– construction of a prototype bolting rig for low workings with an automated bolting turret to be tested in 2025,– continuing the search for battery-powered electric mining machines with the technical parameters required for use in our mine conditions.– a greater scope of work with respect to identifying gas-related threats and the use of new technical solutions and means of prevention to counteract this threat,– continued construction of the Central Air Conditioning Station at the GG-1 shaft with target capacity of 40 MW,– installation of rigid reinforcement for the hoisting equipment of the GG-1 shaft, obtaining environmental decisions for the realisation of the investment for the target period,– development of the mine dewatering system,– maintaining the efficiency of mining vehicles in an assortment required to execute production tasks along with successive replacement of the machine park,– implementation of the practical scope of preparatory and access work using the commissioning system at the level of 59 thousand meters,
in ore enrichment	<ul style="list-style-type: none">– maintaining the production capacity of individual areas of the Concentrators Division Areas to the amount and quality of ore supplied,– maintaining the production of concentrates in an amount and quality necessary for optimal use of the production capacity of the fire phases of the smelters and refineries,– tests were conducted on flotation machinery of new construction under semi-industrial scale conditions, dedicated to the recovery of small grains (RFC technology),– the continuity of concentrate deliveries to the smelters continued despite the advancement of the Modernisation of Railway Infrastructure on the terrain of KGHM, replacement of railway scales in the Area of Rudna and Polkowice Concentrators,– a warehouse was built for the storage of concentrate in the Rudna Concentrator area,– improvements have been introduced in the coordination of maintenance work requiring shutdowns and in the logistics of transport and storage of both ore and concentrate,
in metallurgy	<ul style="list-style-type: none">– maintaining the share of imported concentrates and copper scrap accompanying the smelting of own concentrates in order to carry out the planned high level of electrolytic copper production,– planned maintenance carried out at the Głogów I Copper Smelter and Refinery,– environmental impact was minimised by improving the efficiency of the dedusting and hermetic sealing of processes and the optimisation of water and effluents management,– optimal utilisation of infrastructure enabled the full execution of production tasks in terms of the main products,– maintaining the share of recycling in copper production as a result of an increase in the processing of scrap in the furnaces of the Głogów Copper Smelter and Refinery and maximisation of scrap processing in all fire phases in the Legnica Copper Smelter and Refinery, in order to carry out the planned high level of electrolytic copper production,

in occupational health and safety

- the mobilisation and increased engagement of all Company employees in the question of occupational health and safety,
- consistent implementation of the Employee Safety Improvement Program – „Think About Consequences”,
- the implementation of agreed elements of the Program to eliminate the most common threats to workplace safety through utilisation of innovative technology,
- constant monitoring of threats occurring in the workplace and the realisation of organisational and technical goals aimed at limiting professional risks and accident rates,
- the commencement of additional organisational and technical initiatives aimed at improving workplace safety, in particular with respect to the Company's mines,
- continuous improvement of the occupational health and safety management system implemented by the Company pursuant to the PN ISO 45000:2018 standard.

Mine production

In 2024, extraction of ore (dry weight) amounted to 30.6 million tonnes and was higher by 0.16 million tonnes than in 2023.

Average copper content in extracted ore amounted to 1.48% and was higher than the level achieved in 2023. In the case of silver in ore, content amounted to 50.26 g/t and was slightly lower compared to the previous year.

As a result the amount of copper in extracted ore was higher than in 2023 by 6.1 thousand tonnes of copper and amounted to 451.6 thousand tonnes. The volume of silver in ore increased by 2.8 tonnes to 1 537 tonnes.

In 2024, 30.6 million tonnes of ore (dry weight) were processed (131 thousand tonnes more compared to 2023). The higher processing of ore with a higher copper content, extracted by the Mining Divisions, had a direct impact on the amount of obtained copper in concentrate, which amounted to 400.1 thousand tonnes (4.7 thousand tonnes more compared to 2023).

The production of concentrate (dry weight) increased by 14.4 thousand tonnes compared to 2023.

The amount of silver in concentrate remained at a level similar to 2023.

Table 38. Mine production

	Unit	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Mined ore (wet weight)	mn t	32.2	32.1	+0.3	7.7	8.1	8.2	8.3
Mined ore (dry weight)	mn t	30.6	30.4	+0.7	7.3	7.6	7.7	7.9
Copper grade	%	1.48	1.46	+1.4	1.48	1.46	1.49	1.48
Copper in ore	kt	451.6	445.5	+1.4	107.9	111.7	115.2	116.8
Silver grade	g/t	50.3	50.4	(0.2)	50.0	49.6	50.4	51.0
Silver in ore	t	1 537	1 534	+0.2	365	379	390	402
Production of concentrate (dry weight)	kt	1 776	1 761	+0.9	432	436	455	452
Copper in concentrate	kt	400.1	395.4	+1.2	96.1	98.6	103.1	102.5
Silver in concentrate	t	1 318	1 320	(0.2)	316	323	337	343

Metallurgical production

The production of electrolytic copper as compared to 2023 decreased by 3.7 thousand tonnes, i.e. by 0.6% and reached the second highest level in the history of KGHM, i.e. 588.7 thousand tonnes. Maintaining high cathode production, despite lower process line availability due to the maintenance in the Głogów I Copper Smelter and Refinery, was possible due to the optimal accumulation of anodes prior to the maintenance, the high processing of own concentrates and the utilisation of purchased metal-bearing materials in the form of scrap and imported concentrate. Supplementing own concentrate with purchased metal-bearing materials enabled the effective utilisation of existing technological capacity.

The production of metallic silver and gold compared to 2024 decreased by 87 tonnes for silver and 751 kilograms for gold production. The lower production of metallic silver results from the availability of raw materials in the Precious Metals Division.

The production of other metallurgical products derives from the level of electrolytic copper production and depends on the type of raw material used and above all, on market demand.

Table 39. Metallurgical production

	Unit	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Electrolytic copper, including:	kt	588.7	592.4	(0.6)	147.5	148.7	146.3	146.2
- production from own concentrates	kt	383.7	385.5	(0.5)	99.5	90.9	98.2	95.1
- production from purchased metal-bearing materials	kt	205.0	206.8	(0.9)	48.0	57.8	48.1	51.1
Wire rod, OFE and CuAg rod	kt	287.2	275.8	+4.1	66.4	74.8	71.1	74.9
Metallic silver	t	1 316	1 403	(6.2)	354	297	356	310
Metallic gold	koz t	86.8	111.0	(21.8)	22.6	19.4	24.7	20.1
Refined lead	kt	28.8	29.1	(1.0)	7.5	5.9	7.9	7.4

Main production goals

The main goals set by the Management Board in terms of production and occupational health and safety for 2025 are a continuation of actions taken in 2024, i.e.:

- optimal utilisation of the resource base and of the production capacity of the Company, and
- optimisation of copper content in ore and concentrate.

Key tasks in 2025:

in mining	<ul style="list-style-type: none"> – access and development work to intersect the deposit in the Deep Głogów (Głogów Głęboki-Przemysłowy) and Gaworzycze mining areas, – continuation of work related to exploration of the „Radwanice” and „Retków” copper ore deposits, – continuation of work related to prevention of gas-related threats (hydrogen sulphide and methane) and the use of new technical solutions and means of prevention to counteract this threat, – continuation of work related to utilising the capacity of the input and output ventilation shafts in the interconnected mine ventilation system, – maintaining the efficiency of mining vehicles in an assortment and quantity required to execute production tasks, – the consistent introduction of mining vehicles with low-emission engines and the continuation of work related to introduction of zero-emission, electric and battery-powered mining vehicles, – continued extension of the Central Air Conditioning Station at the GG-1 shaft with target capacity of 40 MW, – expansion of the mine dewatering system, – realisation of the planned scope of preparatory and access work using the commissioning system in 2025 at the level of 59 thousand meters,
in ore enrichment	<ul style="list-style-type: none"> – optimising the work of the drum driers by new-generation control systems, – maintaining the availability of the machine park and the production capacity of individual Concentrators Division Areas to the amount of ore supplied and to simultaneously-advanced investments, – maintaining the quality of concentrate production to the optimal utilisation of smelter capacity, – modernisation of the compressed air installation at the Lubin Region Concentrator – reduction of power consumption, – optimisation of water management, – creating a concept for the use of a system of machines based on RFC technology in the technological layout of the Polkowice Concentrator,
in metallurgy	<ul style="list-style-type: none"> – optimisation of the processing of recycled materials and scrap in all fire phases aimed at maximising the production of electrolytic copper at the Legnica Copper Smelter and Refinery and at the Głogów Copper Smelter and Refinery, – maintaining the high level of electrolytic copper production by the Legnica Copper Smelter and Refinery and the Głogów Copper Smelter and Refinery, – further minimisation of environmental impact by actions directed towards improving the effectiveness of the dedusting and hermetic sealing processes and optimisation of water-effluents management, – optimum management of materials between the metallurgical facilities, – continued work on the technological transformation of the Legnica Copper Smelter and Refinery, – realisation of a project on converting electrolytic copper technology to permanent starter sheet technology,
in occupational health and safety	<ul style="list-style-type: none"> – ensuring safe and hygienic working conditions by implementing organisational, technical and behavioural measures aimed at preventing injuries and occupational diseases, – improving the identification and monitoring of hazards and the mitigation of risks in the working environment, – implementation of technical solutions to balance changes in workplace conditions, in particular in mining, – permanent improvement aimed at making employees more safety-conscious, including their habits, attitudes and views, in particular awareness of causes and the consequences of their actions, – consistent adaptation to changes in hygienic and biological standards, – preparation for generational changes and the introduction of active solutions in age management, – maintaining a certificate confirming conformance of the OHS Management System with the ISO 45001 standard, – implementation of IT solutions in the area of workplace safety, including analysis of workplace data and information.

2.5.2 Sales

In 2024, the level of sales of copper products by the Company was higher than that achieved in 2023 and amounted to 589.6 thousand tonnes, versus 584.7 thousand tonnes in the previous year. In 2024, sales of copper cathodes amounted to 297.4 thousand tonnes, meaning a decrease by 2.9% compared to 2023. However, sales of copper wire rod and OFE rod increased by 4.9%, amounting to 289.1 thousand tonnes in 2024.

Sales of metallic silver in 2024 amounted to 1 347 tonnes, meaning a decrease by 0.3% compared to volume in 2023. Sales of gold in 2024 amounted to 90.7 thousand troy ounces.

Table 40. Sales volume of basic products of KGHM Polska Miedź S.A.

	Unit	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Cathodes and cathodes parts	kt	297.4	306.3	(2.9)	75.6	71.9	69.2	80.7
Copper wire rod and OFE rod	kt	289.1	275.5	+4.9	66.6	71.4	73.9	77.2
Other copper products	kt	3.3	2.9	+10.3	0.8	0.8	0.8	0.9
Total copper and copper products	kt	589.6	584.7	+0.8	143.0	144.1	143.9	158.8
Metallic silver	t	1 347	1 352	(0.4)	347	321	343	336
Metallic gold	koz t	90.7	114.6	(20.9)	20.0	18.0	27.5	25.2
Refined lead	kt	31.7	25.6	+23.4	8.2	7.2	10.6	5.7

Total revenues from sales by KGHM Polska Miedź S.A. in 2024 amounted to PLN 29 894 million, representing an increase by 3% versus 2023, when revenues amounted to PLN 29 084 million.

Revenues from sales of copper products in 2024 increased by 2% and amounted to PLN 22 789 million (compared to revenues in 2023 at a level of PLN 22 290 million).

Revenues from metallic silver sales in 2024 increased by 12% to PLN 4 917 million, compared to PLN 4 389 million in 2023. Revenues from sales of metallic gold in 2024 decreased to PLN 853 million, versus PLN 932 million in 2023 (-8%).

The increase in revenues from contracts with customers by PLN 810 million compared to the previous year was mainly due to:

- an increase by PLN 2 432 million in revenues due to: higher prices of silver (+4.71 USD/oz t, +20%), gold (+430 USD/oz t, +22%) and copper (+624 USD/t, +7%),
- a decrease by PLN 1 430 million in revenues from the sale of basic products (copper, silver, gold) due to a less-favourable average annual USD/PLN exchange rate (a change from 4.20 to 3.98),
- a decrease by PLN 27 million in revenues due to a deviations in the sales volume of basic products: copper (+4.9 thousand tonnes, +1%), silver (-5 tonnes, -0.4%) and gold (-23.9 thousand troy ounces, -21%),
- a change by -PLN 27 million in adjustments to revenues due to hedging transactions, from +PLN 635 million to +PLN 608 million,
- a decrease by PLN 139 million in other revenues from sales, including revenues from the sale of merchandise (-PLN 249 million).

Table 41. Revenues from contracts with customers of KGHM Polska Miedź S.A. (PLN million)

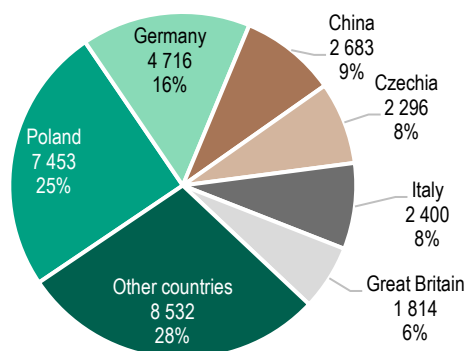
	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Cathodes and cathodes parts	11 181	11 392	(1.8)	2 900	2 684	2 764	2 833
Copper wire rod and OFE rod	11 484	10 786	+6.5	2 698	2 798	3 138	2 850
Other copper products	124	112	+10.7	32	30	31	31
Total copper and copper products	22 789	22 290	+2.2	5 630	5 512	5 933	5 714
Metallic silver	4 916	4 389	+12.0	1 431	1 201	1 266	1 018
Metallic gold	853	932	(8.5)	213	174	258	208
Refined lead	285	264	+8.0	73	64	96	53
Other goods and services	653	562	+16.0	185	148	146	174
Merchandise and materials	397	647	(38.5)	101	87	97	112
Total revenues from contracts with customers	29 894	29 084	+2.8	7 633	7 186	7 796	7 279

Geographical structure of sales

In 2024, KGHM Polska Miedź S.A. generated most of its revenues from domestic sales, which amounted to 25% of total revenues. The remaining major customers of KGHM came from Germany (16%), China (9%), Czechia (8%), Italy (8%) and Great Britain (6%).

The following chart shows the geographic structure of revenues in 2024. Sales revenue includes the result from the settlement of hedging instruments.

Chart 22. Sales revenues of KGHM Polska Miedź S.A. by market (in PLN million)



2.5.3 Costs

The Company's cost of sales, selling costs and administrative expenses (cost of products, merchandise and materials sold plus selling costs and administrative expenses) in 2024 amounted to PLN 27 038 million and was 9.9% lower compared to the corresponding period of 2023. The decrease in the value of the Company's cost of sales, selling costs and administrative expenses was significantly affected by impairment losses on the Company's Polish production assets of PLN 2 806 million made in December 2023.

After deducting the impact of impairment losses, cost of sales, selling costs and administrative expenses fell by 0.6%, mainly influenced by the decline in the prices of energy factors and fuels.

Total expenses by nature for 2024 in relation to 2023 were lower by 11%, i.e. -PLN 3 230 million, of which -PLN 2 806 million were impairment losses on the Company's Polish production assets made in December 2023. The decrease in expenses by nature, net of impairment losses amounted to PLN 424 million (-2%), with a lower cost of purchased metal-bearing materials used by PLN 273 million (a decrease in volume by 8 thousand tonnes of copper and a price higher by 0.5%) and a higher minerals extraction tax by PLN 369 million (+11%) due to the increase in copper and silver prices and higher production of copper from own concentrates.

Table 42. Expenses by nature of KGHM Polska Miedź S.A. (PLN million)

	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Depreciation of property, plant and equipment and amortisation of intangible assets	1 607	1 675	(4.1)	409	397	406	395
Employee benefits expenses	5 891	5 475	+7.6	1 650	1 473	1 478	1 290
Materials and energy, including:	11 650	12 955	(10.1)	2 743	2 912	2 962	3 033
- purchased metal-bearing materials	7 439	7 712	(3.5)	1 749	1 829	1 921	1 940
- electrical and other energy	1 699	2 224	(23.6)	319	462	453	465
External services	2 793	2 638	+5.9	823	660	674	636
Minerals extraction tax	3 865	3 496	+10.6	996	914	1 150	805
Other taxes and charges	686	632	+8.5	164	146	106	270
Other expenses	137	2 988	(95.4)	45	20	48	24
Total expenses by nature	26 629	29 859	(10.8)	6 830	6 522	6 824	6 453

Expenses by nature, excluding purchased metal-bearing materials, the minerals extraction tax, and impairment losses on production assets amounted to PLN 15 325 million and were lower as compared to the corresponding expenses of the previous year by PLN 520 million (-3%), mainly due to decreases in the following costs:

- consumption of materials and fuels (-PLN 507 million; -17%) - mainly due to lower fuel and process gas prices and lower volume of consumption of technological materials,
- energy factors (-PLN 525 million; -24%) - mainly due to a lower purchase price of electricity and lower purchase volumes with higher own power generation,
- depreciation and amortisation (-PLN 68 million; -4%) - a decrease results from a decline in the value of assets due to impairment losses on the Company's Polish production assets made in December 2023.
- other expenses (-PLN 45 million; -25%) - decrease in representation and advertising expenses and lower write-downs of inventories

at a higher cost of:

- labour (+PLN 416 million; +8%) - due to an increase in salary rates and a higher provision for the annual bonus with a PLN 125 million lower revaluation of the provision for future employee benefits,
- external services (+PLN 155 million; +6%) - mainly due to an increase in service rates (e.g. indexed to the increase in minimum wage) and an increase in maintenance costs (maintenance shutdown in the Głogów Copper Smelter and Refinery),
- other taxes and charges (+PLN 54 million; +8.5%) - mainly due to higher costs of service charges, real estate tax and fees for CO₂ emission allowances.

The structure of expenses by nature in 2024 (excluding impairment losses on production assets) is presented below. As compared to the prior year, it is at a very similar level.

Chart 23. Structure of expenses by nature in 2024 (excluding impairment losses on production assets)

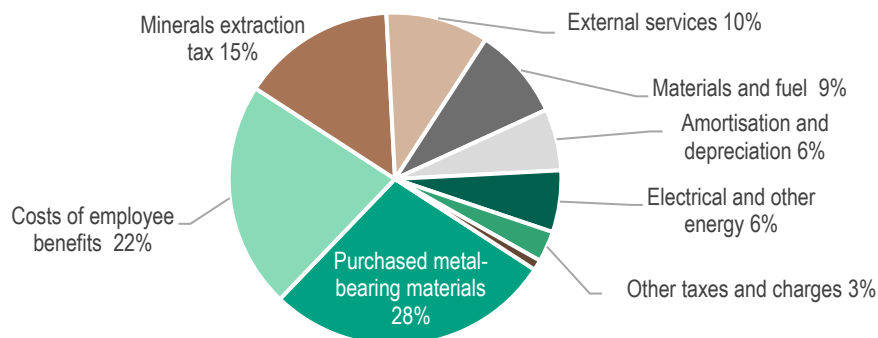
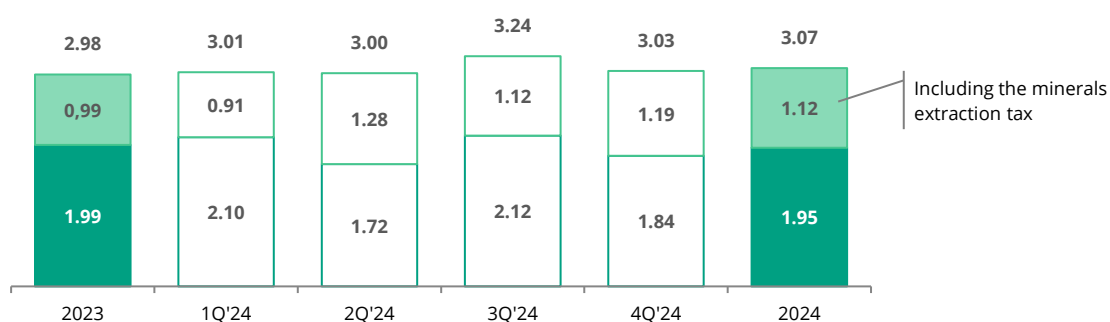


Chart 24. Cost of producing copper in concentrate – C1 (USD/lb)



Cost of producing copper in concentrate - C1³² amounted to, respectively, 2.98 USD/lb in 2023 and 3.07 USD/lb in 2024. The 3% increase in cost was driven by an increase in the minerals extraction tax due to higher copper and silver prices and the strengthening of the zloty against the US dollar. The cost value was positively affected by the valuation of by-products due to higher silver and gold prices, higher copper production in own concentrates and lower costs of energy factors and fuels.

Chart 25. Pre-precious metals credit unit cost of electrolytic copper production – from own concentrate (PLN/t)



The pre-precious metals credit unit cost of copper production from own concentrate³³ is higher than that recorded in 2023 by 390 PLN/t (+0.9%). The increase in unit cost was mainly due to lower production from own concentrates by 2 thousand tonnes of copper, i.e. -0.5%. The total unit cost of copper production from own concentrate was lower compared to 2023 by 1 614 PLN/t (-4.9%) with a higher valuation of anode slimes due to higher precious metals prices.

³² Unit cash cost of producing payable copper, reflecting ore mining and processing costs, transport costs, the minerals extraction tax, administrative expenses during the mining phase and smelter treatment and refining charges (TC/RC) less by-product value

³³ Unit cost prior to decrease by the value of anode slimes containing among others silver and gold

2.5.4 Statement of profit or loss

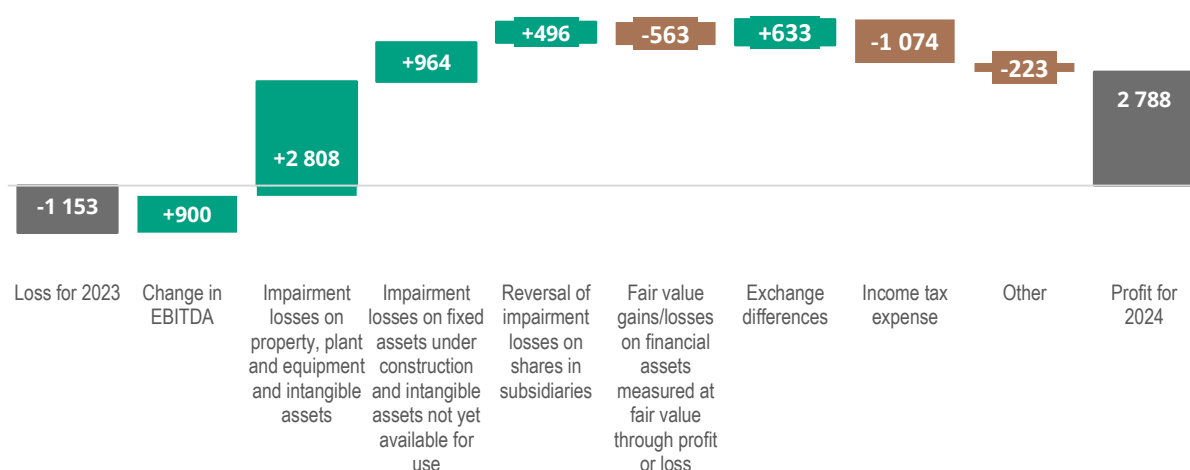
Table 43. Financial results of KGHM Polska Miedź S.A. (PLN million)

	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Revenues from contracts with customers	29 894	29 084	+2.8	7 633	7 185	7 797	7 279
Cost of sales, selling costs and administrative expenses	(27 038)	(30 004)	(9.9)	(6 981)	(6 652)	(6 627)	(6 778)
Profit on sales	2 856	(920)	×	652	533	1 170	501
Other operating income and (costs)	1 554	(230)	×	1 587	(611)	347	231
Finance income and (costs)	(425)	120	×	(251)	57	(109)	(122)
Profit before income tax	3 985	(1 030)	×	1 988	(21)	1 408	610
Income tax expense	(1 197)	(123)	×9.7	(404)	(106)	(464)	(223)
Profit/(loss) for the period	2 788	(1 153)	×	1 584	(127)	944	387
Adjusted EBITDA	4 463	3 563	+25.3	1 061	930	1 576	896

Table 44. Main factors impacting the change in profit or loss of KGHM Polska Miedź S.A.

Item	Impact on change in result (PLN million)	Description
EBITDA	+900	The increase in operating result was due to: <ul style="list-style-type: none"> – an increase in revenues from contracts with customers by PLN 810 million, as described in more detail in section 2.5.2 Sales, – a decrease in the level of expenses by nature (excluding depreciation/amortisation and impairment losses on property, plant and equipment and intangible assets) by PLN 354 million, as described in section 2.5.3 Costs, – an increase in the change in products and work in progress by PLN 465 million (+PLN 291 million in 2024; -PLN 174 million in 2023), – a decrease in the value of merchandise and materials sold by PLN 197 million.
Impairment losses on property, plant and equipment and intangible assets	+2 808	Including almost entirely (+PLN 2 806 million) resulting from the impairment test on the mining and metallurgical assets, charged to the result for 2023.
Impairment losses on fixed assets under construction and intangible assets not available for use	+964	Including almost entirely (+PLN 965 million) related to the impairment test on the mining and metallurgical assets, charged to the result for 2023
Reversal of impairment losses on shares in subsidiaries	+496	An increase in the reversal of impairment losses on shares in subsidiaries from PLN 827 million to PLN 1 323 million in both periods, related mainly to shares in Future 1 Sp. z o.o.
Fair value gains/losses on financial assets measured at fair value through profit or loss	(563)	Mainly relates to the change in the value of loans measured at fair value through profit or loss
Exchange differences	+633	An increase in the result on exchange differences was affected by: <ul style="list-style-type: none"> – a PLN 1 080 million higher result on exchange differences presented in other operating income and costs (mainly due to loans), – a PLN 447 million lower result on exchange differences from the measurement and realisation of borrowings presented in finance income and costs (mainly exchange differences on borrowings of KGHM Polska Miedź S.A.)
Income tax expense	(1 074)	Increase in income tax in the scope of: <ul style="list-style-type: none"> – current income tax by PLN 361 million, – deferred income tax by PLN 657 million, – adjustment of current income tax for prior periods by PLN 56 million.

Chart 26. Change in the financial result of KGHM Polska Miedź S.A. in 2024 (PLN million)



2.5.5 Cash flows

Table 45. Cash flows of KGHM Polska Miedź S.A. (PLN million)

	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Net cash generated from/(used in) operating activities	2 532	5 639	×0.4	420	(115)	2 422	(195)
Change in working capital	(1 222)	3 184	×	(522)	(687)	748	(761)
Net cash generated from/(used in) investing activities	(3 652)	(4 332)	×0.8	(901)	(756)	(755)	(1 240)
Net cash generated from/(used in) financing activities	3	(809)	×	(66)	(412)	(158)	639
Net cash flows	(1 117)	498	×	(547)	(1 283)	1 509	(796)
Exchange differences in cash and cash equivalents	3	(2)	×	-	2	1	-
Cash and cash equivalents at beginning of the period	1 481	985	×1.5	914	2 195	685	1 481
Cash and cash equivalents at the end of the period	367	1 481	×0.2	367	914	2 195	685

Net cash generated from operating activities in 2024 amounted to +PLN 2 532 million and mainly comprised:

- EBITDA of PLN 4 463 million,
- negative effect of the change in working capital of -PLN 1 222 million, including -PLN 1 007 million due to a change in trade payables within the reverse factoring mechanisms,
- change in assets and liabilities due to derivatives +PLN 180 million,
- reclassification of other comprehensive income to profit or loss in connection with the realisation of hedging derivatives - PLN 628 million,
- income tax paid, -PLN 406 million.

Net cash used in investing activities in 2024 amounted to -PLN 3 652 million and mainly comprised:

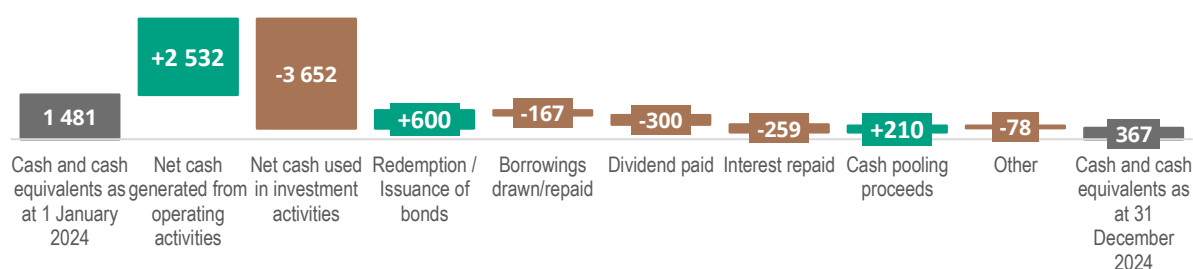
- expenditures on property, plant and equipment and intangible assets of the segment KGHM Polska Miedź S.A in the amount of -PLN 3 635 million,
- expenditures and proceeds related to the granting and repayment of loans including interest of +PLN 248 million,
- expenditures on the acquisition of subsidiaries, -PLN 218 million.

Net cash flows generated from financing activities in 2024 in the amount of +PLN 3 million consisted mainly of:

- issuance of 7-year series C bonds in the amount of PLN 1 000 million and redemption of 5-year series A bonds in the amount of PLN 400 million,
- the balance of borrowings drawn and repaid amounted to -PLN 167 million.
- dividend paid to shareholders of PLN 300 million,
- interest paid in the amount of PLN 259 million, including PLN 163 million on trade payables within the reverse factoring mechanism, and
- proceeds from cash pooling in the amount of PLN 210 million.

After reflecting exchange differences on cash and cash equivalents, the balance of cash and cash equivalents decreased by PLN 1 114 million and at the end of 2024 amounted to PLN 367 million.

Chart 27. Cash flows of KGHM Polska Miedź S.A. in 2024 (PLN million)



2.5.6 Assets

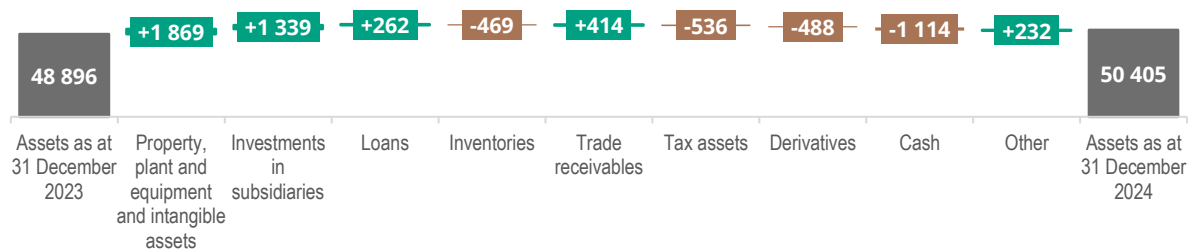
Table 46. Assets of KGHM Polska Miedź S.A. (PLN million)

	31 December 2024	31 December 2023	Change (%)	30 September 2024	30 June 2024	31 March 2024
Property, plant and equipment and intangible assets	22 459	20 590	+9.1	21 619	21 003	20 815
Investments in subsidiaries	6 146	4 807	+27.9	4 909	4 919	4 919
Financial instruments, including:	11 405	11 119	+2.6	11 321	12 041	11 364
- loans granted	9 727	9 638	+0.9	9 872	10 526	10 045
Other non-financial assets	97	265	(63.4)	100	99	125
Non-current assets	40 107	36 781	+9.0	37 949	38 062	37 223
Inventories	7 037	7 506	(6.2)	7 075	7 239	6 822
Trade receivables	885	471	+87.9	1 037	966	1 121
Tax assets	396	932	(57.5)	271	298	577
Derivatives	219	760	(71.2)	310	406	591
Cash pooling receivables	683	424	+61.1	662	757	688
Other financial assets, including:	540	327	+65.1	601	574	570
- loans granted						
Other non-financial assets	171	214	(20.1)	287	378	305
Cash and cash equivalents	367	1 481	(75.2)	914	2 195	685
Current Assets	10 298	12 115	(15.0)	10 995	12 663	11 215
TOTAL ASSETS	50 405	48 896	+3.1	48 944	50 725	48 438

At the end of 2024, the value of total assets in the separate statements amounted to PLN 50 405 million and was higher as compared to 31 December 2023 by PLN 1 509 million. The main changes comprised:

- an increase in property, plant and equipment and intangible assets by PLN 1 869 million as a result of expenditure on property, plant and equipment and intangible assets in the amount of PLN 3 635 million and depreciation/amortisation of PLN 1 607 million,
- an increase in investments in subsidiaries by PLN 1 339 million, mainly due to a reversal of impairment losses on FUTURE 1 Sp. z o.o.,
- an increase in the carrying amount of loans granted by PLN 262 million, including short-term loans by PLN 173 million and long-term loans by PLN 89 million,
- a decrease in inventories by PLN 469 million, including mainly finished products by PLN 222 million and materials by PLN 161 million,
- an increase in trade receivables by PLN 414 million, including receivables measured at amortised cost by PLN 119 million and receivables measured at a fair value by PLN 295 million,
- a decrease in tax assets by PLN 536 million mainly related to the decrease in current income tax assets,
- a PLN 488 million decrease in derivatives mainly relates to the PLN 474 million decrease in foreign exchange derivatives (USD/PLN exchange rate) excluded from hedge accounting,
- a decrease in cash and cash equivalents by PLN 1 114 million.

Chart 28. Change in assets of KGHM Polska Miedź S.A. in 2024 (PLN million)



2.5.7 Equity and liabilities

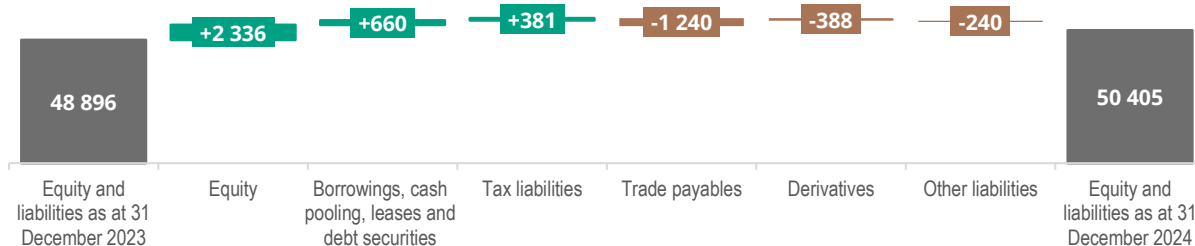
Table 47. Equity and liabilities of KGHM Polska Miedź S.A. (PLN million)

	31 December 2024	31 December 2023	Change (%)	30 September 2024	30 June 2024	31 March 2024
Share capital	2 000	2 000	-	2 000	2 000	2 000
Other reserves from measurement of financial instruments	(117)	320	×	(75)	88	91
Accumulated other comprehensive income	(636)	(921)	(30.9)	(786)	(752)	(853)
Retained earnings	29 907	27 419	+9.1	28 323	28 450	27 806
Equity	31 154	28 818	+8.1	29 462	29 786	29 044
Borrowings, leases and debt securities	4 655	4 508	+3.3	4 687	4 743	5 052
Derivatives	269	202	+33.2	182	228	173
Employee benefits liabilities	2 467	2 821	(12.5)	2 638	2 517	2 631
Provisions for decommissioning costs of mines and other technological facilities	1 263	1 389	(9.1)	1 482	1 397	1 401
Deferred tax liabilities	460	328	+40.2	363	390	275
Other non-current liabilities	295	220	+34.1	254	212	213
Non-current liabilities	9 409	9 468	(0.6)	9 606	9 487	9 745
Borrowings, leases and debt securities	1 135	833	+36.3	1 114	1 090	877
Cash pooling liabilities	561	350	+60.3	441	551	551
Derivatives	44	499	(91.2)	243	266	419
Trade and other payables	4 825	6 065	(20.4)	5 277	6 018	4 791
Employee benefits liabilities	1 569	1 315	+19.3	1 378	1 372	1 403
Tax liabilities	786	405	+94.1	562	880	411
Provisions for liabilities and other charges	227	82	+2.8	155	140	117
Other current liabilities	695	1 061	(34.5)	706	1 135	1 080
Current liabilities	9 842	10 610	(7.2)	9 876	11 452	9 649
Non-current and current liabilities	19 251	20 078	(4.1)	19 482	20 939	19 394
TOTAL EQUITY AND LIABILITIES	50 405	48 896	+3.1	48 944	50 725	48 438

Equity and liabilities at the end of 2024 were higher by PLN 1 509 million, mainly due to:

- an increase in equity by PLN 2 336 million mainly as a result of profit for the period of +PLN 2 788 million and dividend paid in the amount of -PLN 300 million, actuarial gains due to the measurement of benefits after the period of employment of +PLN 352 million and a decrease in reserves from the measurement of financial instruments of -PLN 446 million,
- a decrease in trade and other payables (non-current and current) by the total of PLN 1 241 million, mainly with regard to trade payables within the reverse factoring mechanism by PLN 1 021 million,
- an increase in borrowings, cash pooling, leases and debt securities by PLN 660 million mainly as a result of an increase in liabilities due to:
 - bond debt of PLN 600 million (issuance of 7-year series C bonds in the amount of PLN 1 000 million and redemption of 5-year series A bonds of PLN 400 million),
 - cash pooling by PLN 211 million,
 - bank loans by PLN 203 million
- alongside a decrease in loans drawn of PLN 264 million,
- a decrease in derivatives (non-current and current) by PLN 388 million, mainly sold put options (USD/PLN) by -PLN 473 million, including an increase in hedging instruments by +PLN 100 million,
- an increase in tax liabilities by PLN 381 million, including +PLN 277 million due to current income tax and +PLN 104 million increase in liabilities due to other taxes (mainly due to the mineral extraction tax).

Chart 29. Change in equity and liabilities of KGHM Polska Miedź S.A. in 2024 (PLN million)



2.5.8 Investments

Total capital expenditures amounted to PLN 3 935 million and were 12% higher.

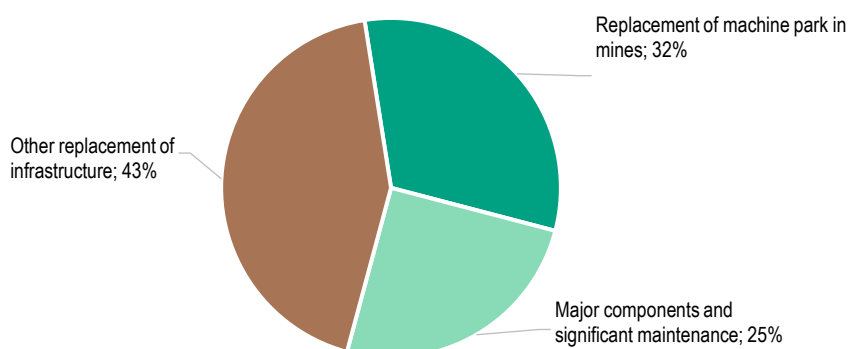
Table 48. Structure of expenditures on property, plant and equipment and intangible assets of KGHM Polska Miedź S.A. (PLN million)

	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Mining	3 017	2 689	+12.2	1 005	731	745	536
Metallurgy	714	594	+20.2	318	195	114	87
Other activities	48	36	+33.3	26	11	6	5
Development work - uncompleted	6	7	(14.3)	4	1	1	-
Leases per IFRS 16	101	98	+3.1	13	12	52	24
CO ₂ emission allowances	49	50	(2.0)	23	26	-	-
Total	3 935	3 474	+13.3	1 389	976	918	652
including borrowing costs	209	173	+20.8	50	65	35	59

In 2024, capital expenditures on property, plant and equipment in the areas of mining, metallurgy and other activities and development work - uncompleted, amounted to PLN 3 785 million, i.e. 12% higher than in the previous year. Investment activities comprised projects related to the replacement of equipment, maintenance and development:

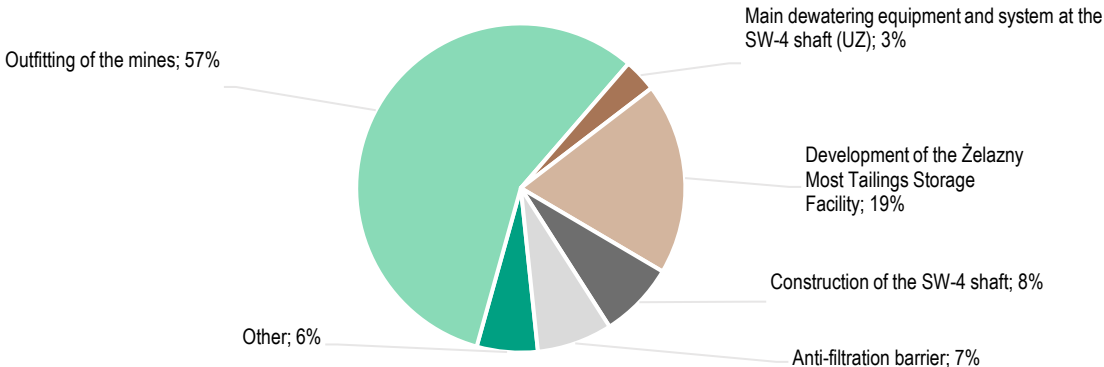
Projects related to replacement aimed at maintaining production equipment in an undeteriorated condition, represent 37% of total expenditures incurred.

Chart 30. Structure of expenditures on replacement in KGHM Polska Miedź S.A.



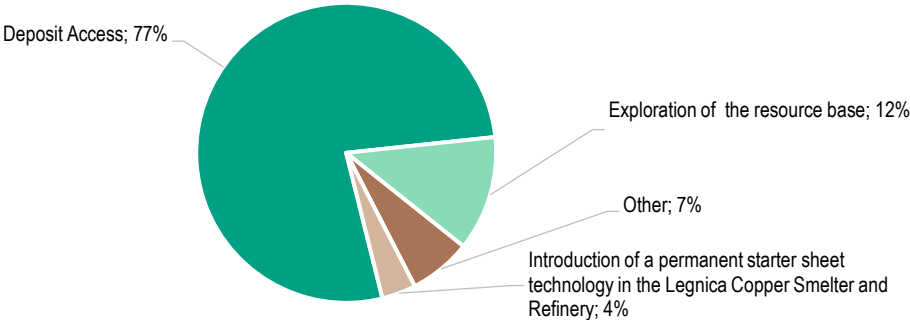
Projects related to maintenance aimed at maintaining mine production on the level set in approved Production Plan (development of infrastructure to match mine advancement) represent 36% of total expenditures incurred.

Chart 31. Structure of expenditures on maintenance in KGHM Polska Miedź S.A.



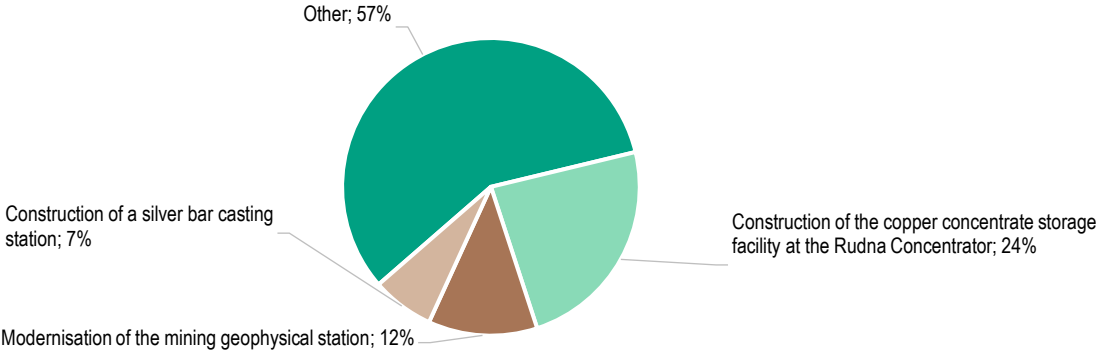
Development projects aimed at increasing or maintaining the current level of revenues from sales, implementation of technical and technological activities optimising use of existing infrastructure, decreasing operating costs, represent 25% of total expenditures incurred.

Chart 32. Structure of expenditures on development in KGHM Polska Miedź S.A.



Adaptation projects aimed at adapting the company's operations to changes in laws, existing standards or other regulations, especially as regards occupational health and safety, securing property, cybersecurity, ethical and anti-corruption standards, environmental impact, quality standards and management systems, represent 2% of expenditures incurred.

Chart 33. Structure of expenditures on adaptation in KGHM Polska Miedź S.A.



For detailed information on the advancement of the main projects, see [section 1.4.2 Advancement of the Strategy – key achievements in individual strategic development directions](#).

2.5.9 Contingent assets and liabilities due to guarantees granted

As at 31 December 2024, contingent assets amounted to PLN 425 million and related mainly to promissory notes receivables in the amount of PLN 275 million and guarantees received by the Parent Entity in the amount of PLN 148 million.

As at 31 December 2024, the Parent Entity held liabilities due to guarantees granted and letters of credit in the total amount of PLN 2 015 million.

Detailed information regarding contingent assets and liabilities, including due to guarantees granted, may be found in notes 12.6 and 8.6 of the Financial statements.

As far as the Parent Entity is aware, at the end of the reporting period the Parent Entity determined the probability of paying the amounts resulting from the contingent liabilities as low.

2.6 RESULTS OF THE SEGMENT KGHM INTERNATIONAL LTD.

2.6.1 Production

Table 49. Production of KGHM INTERNATIONAL LTD.

	Unit	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Payable copper, including:	kt	60.5	39.9	+51.6	15.0	16.1	13.4	16.0
- Robinson mine (USA)	kt	55.9	31.5	+77.5	14.2	15.3	12.1	14.3
Payable nickel	kt	0.4	0.4	-	0.0	0.1	0.2	0.1
Precious metals (TPM), including:	koz t	53.5	40.6	+31.8	14.1	13.8	11.4	14.2
- Robinson mine (USA)	koz t	42.0	21.6	+94.4	11.4	12.1	8.3	10.2
- Sudbury Basin mines (Canada) ³⁴	koz t	11.5	19.0	(39.5)	2.7	1.7	3.1	4.0

The increase in copper and precious metals production was primarily recorded by the Robinson mine, which in 2024 operated in a zone containing higher copper and gold ore grades than in 2023. The quality of the ore processed also contributed to higher recovery of copper. In addition, it should be noted that for most of 2023, mining at the Robinson mine was accompanied by a number of problems with the mining machinery fleet, which was not without impact on efficiency of machinery and equipment utilisation and consequently low metal production levels.

2.6.2 Sales

Table 50. Volume and sales revenues of KGHM INTERNATIONAL LTD. (USD million)

	Unit	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Revenues from contracts with customers³⁵, including:	USD mn	852	586	+45.4	260	252	208	132
- copper	USD mn	515	337	+52.8	152	160	133	70
- nickel	USD mn	7	8	(12.5)	1	1	3	2
- TPM – precious metals	USD mn	124	68	+82.4	49	38	23	14
Copper sales volume	kt	59.9	43.3	+38.3	18.6	18.8	13.8	8.7
Nickel sales volume	kt	0.4	0.4	-	0.0	0.1	0.2	0.1
TPM sales volume	koz t	53.4	42.1	+26.8	17.8	15.2	11.5	8.9

Table 51. Sales revenues of KGHM INTERNATIONAL LTD. (PLN million)

	Unit	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Revenues from contracts with customers³⁶, including:	PLN mn	3 394	2 451	+38.5	1 048	985	836	525
- copper	PLN mn	2 055	1 409	+45.8	616	629	532	278
- nickel	PLN mn	27	33	(18.2)	2	4	13	8
- TPM – precious metals	PLN mn	493	284	+73.6	196	149	92	56

The significant increase in copper and TPM sales volumes is a result of improved production results in the Robinson mine. In addition to higher volumes sold, the main drivers of the increase in revenues compared to 2023 include: more favourable copper and gold prices and the higher range of mining services provided by DMC Group companies. The impact of individual factors on an increase in revenues is discussed later in the Report.

³⁴ McCreedy West mine in the Sudbury Basin

³⁵ Reflects processing premium

³⁶ Reflects processing premium

2.6.3 Costs

Cost of sales, selling costs and administrative expenses amounted to USD 602 million, i.e. 24% lower than the amount recorded in 2023.

Table 52. C1 payable copper production cost of KGHM INTERNATIONAL LTD.

	Unit	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Cost of sales, selling costs and administrative expenses	USD mn	602	790	(23.8)	158	177	149	118
Cost of sales, selling costs and administrative expenses	PLN mn	2 398	3 306	(27.5)	641	690	597	470
C1 payable copper production cost ³⁷	USD/lb	1.52	4.15	(63.4)	1.14	1.47	1.68	2.17

The decrease in costs in relation to 2023 is primarily the result of the significantly higher scope of the access work being carried out in the Robinson mine and therefore the higher capitalised stripping costs.

Table 53. Key factors affecting the change in the level of expenses by nature in relation to 2023

	2024	2023	Change (%)	
Expenses by nature before changes in inventories and capitalised stripping costs, of which:	803	857	(6.2)	
External services	157	146	+7.5	An increase mainly due to: transport costs and sales support by KGHM Head Office services due to higher scope of sales realised by Robinson. An increase in the range of projects advanced by DMC.
Amortisation and depreciation	169	169	-	
Materials, energy and fuels	181	204	(11.3)	First and foremost, lower maintenance costs for production assets due to the renovation of the machinery park. In addition, a decrease in fuel prices occurred compared to 2023.
Labour costs	256	222	+15.3	An increase in costs corresponding to higher scope of production in Robinson and mining services at DMC
Taxes, charges and insurance	33	24	+37.5	
Other costs, including:	8	92	(92.4)	A decrease in costs as a result of significantly lower write-downs of copper concentrate inventories.
– impairment losses recognised/(reversed) on property, plant and equipment	(8)	2	x	
– write-downs of inventories	14	88	(84.1)	
Capitalised stripping costs and other	(179)	(42)	x 4.3	An increase in the scope of work to make the deposit available for future mining in subsequent years. For most of 2023, Robinson carried out a marginal amount of work, primarily due to problems related to the mining machinery.
Change in inventories and work in progress	(23)	(24)	(4.2)	
Cost of sales, selling costs and administrative expenses	602	791	(23.9)	

In addition to the factors mentioned above, the C1 unit cost was significantly influenced by the increase in the volume of copper sold (higher denominator), as well as the increase in the volume and price of gold (higher deductions for associated metals).

³⁷ C1 unit production cost of copper - cash cost of payable copper production, reflecting costs of ore extraction and processing, the minerals extraction tax, transport costs, administrative expenses during the mining phase and smelter treatment and refining charges (TC/RC) less by-product value

2.6.4 Financial results

Table 54. Financial results of KGHM INTERNATIONAL LTD. (USD million)

	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Revenue from contracts with customers	852	586	+45.4	260	252	208	132
Cost of sales, selling costs and administrative expenses ³⁸ , including:	(602)	(791)	(23.9)	(174)	(161)	(149)	(118)
(recognition)/reversal of impairment losses on non-current assets	8	(2)	x	(1)	13	(4)	-
Profit/loss on sales	250	(205)	x	86	91	59	14
Profit/loss for the period	317	(269)	x	385	59	(105)	(22)
Amortisation/depreciation	(169)	(169)	-	(39)	(40)	(42)	(48)
Adjusted EBITDA	411	(34)	x	126	118	105	62

Table 55. Financial results of KGHM INTERNATIONAL LTD. (PLN million)

	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Revenues from contracts with customers	3 394	2 451	+38.5	1 048	985	836	525
Cost of sales, selling costs and administrative expenses ³⁹ , including:	(2 398)	(3 306)	(27.5)	(701)	(630)	(597)	(470)
- (recognition)/reversal of impairment losses on non-current assets	27	(7)	x	(8)	50	(15)	0
Profit/loss on sales	996	(855)	x	347	355	239	55
Profit/loss for the period	1 283	(1 120)	x	1 553	236	(417)	(89)
Amortisation/depreciation	(674)	(706)	(4.5)	(159)	(155)	(168)	(192)
Adjusted EBITDA	1 643	(142)	x	514	460	422	247

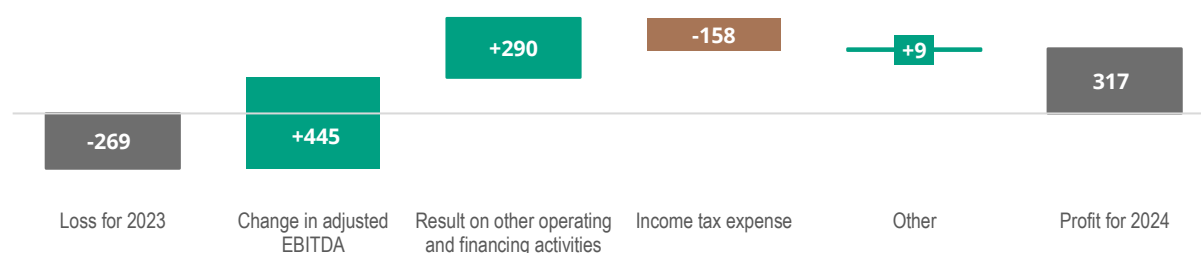
Table 56. Key factors impacting the change in financial result of KGHM INTERNATIONAL LTD.

Item	Impact on change in result (USD million)	Description
Adjusted EBITDA	+445	+USD 266 million increase in revenue, primarily as a result of higher sales volumes of copper (+USD 151 million) and gold (+USD 45 million), increased metal prices (+USD 32 million) and higher revenue from mining services provided by DMC (+USD 41 million)
		+USD 179 million – lower costs charged to adjusted EBITDA, mainly due to an increase in the scope of stripping works and the associated higher capitalised stripping costs (+USD 137 million). In addition, write-downs of inventories were lower than in 2023 (+USD 74 million),
Result on other operating and financing activities	+290	+USD 246 million – profits on modification of terms of the agreement (the extension of maturities of loans granted in prior years to finance Sierra Gorda S.C.M.). In 2023, there were no such profits.
		+USD 29 million – reversals of impairment losses on financial instruments of USD 55 million against USD 26 million at the end of 2023 – relates to POCI loans (loans granted to Sierra Gorda)
		+USD 60 million – an impairment loss on other assets of -USD 3 million (-USD 75 million at the end of 2023) against a reversal of an impairment loss of +USD 1 million (+USD 13 million at the end of 2023). Refers to fixed assets under construction and intangible assets not yet available for use.
Income tax expense	(158)	-USD 45 million – other, including higher finance costs due to increased borrowings (increase in interest costs on loans, -USD 28 million)
		-USD 20 million – change in current income tax
Other	+9	-USD 138 million – change in deferred income tax
		A reversal of impairment loss on property, plant and equipment of +USD 7 million versus an impairment loss of -USD 2 million in 2023.

³⁸ Cost of products, merchandise and materials sold, selling costs and administrative expenses

³⁹ Cost of products, merchandise and materials sold, selling costs and administrative expenses

Chart 34. Change in profit/(loss) for the period of KGHM INTERNATIONAL LTD. (USD million)



2.6.5 Cash expenditures

Table 57. Cash expenditures of KGHM INTERNATIONAL LTD. (USD million)

	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Victoria project	104	70	+48.6	41	25	18	20
Stripping and other	306	165	+85.5	63	108	73	62
Total	410	235	+74.5	104	133	91	82

Table 58. Cash expenditures of KGHM INTERNATIONAL LTD. (PLN million)

	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Victoria project	414	293	+41.3	165	97	72	80
Stripping and other	1 222	690	+77.1	259	423	291	249
Total	1 636	984	+66.3	424	520	363	329

The increase in cash expenditures of KGHM INTERNATIONAL LTD. compared to 2023 is primarily due to the higher scope of access work at the Robinson mine.

2.7 RESULTS OF THE SEGMENT SIERRA GORDA S.C.M.

The segment Sierra Gorda S.C.M. is a joint venture owned by the KGHM Polska Miedź S.A. Group. (55%) and the Australian mining group South32 (45%).

The following production and financial data are presented on a 100% basis for the joint venture and proportionally to the interest in the company Sierra Gorda S.C.M. (55%), pursuant to the methodology of presentation of data in the note of the consolidated financial statements concerning the operating segments.

2.7.1 Production

Table 59. Production of copper, molybdenum and precious metals by Sierra Gorda S.C.M.⁴⁰

	Unit	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Copper production	kt	146.4	143.0	+2.4	42.5	39.0	34.0	30.9
Copper production – segment (55%)	kt	80.5	78.7		23.4	21.4	18.7	17.0
Molybdenum production	mn lb	6.0	6.3		2.3	2.0	0.8	0.9
Molybdenum production – segment (55%)	mn lb	3.3	3.5	(4.8)	1.3	1.1	0.4	0.5
TPM production – gold	koz t	60.1	59.8	+0.5	18.0	17.2	13.0	11.9
TPM production – gold -segment (55%)	koz t	33.1	32.9		9.9	9.4	7.2	6.5

In 2024, Sierra Gorda S.C.M. realised copper production at a level 2% higher than in 2023, as a result of processing a higher volume of ore, with higher copper content.

The main factor affecting molybdenum production volumes in 2024 was the quality of the ore processed resulting in a decrease in molybdenum recovery. The mine took measures to maintain an optimum level of recovery, which helped to improve the production result in the second half of the year. Nevertheless, payable molybdenum production throughout 2024 was lower than planned for the period and realised in 2023.

⁴⁰ Payable metal in concentrate

2.7.2 Sales

Revenues from sales in 2024 amounted to USD 1 623 million (on a 100% basis), or PLN 3 556 million respectively to the 55% interest held by KGHM Polska Miedź S.A.

Table 60. Sales volume and revenues of Sierra Gorda S.C.M.

	Unit	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Revenues from contracts with customers⁴¹, including from the sale of:	USD mn	1 623	1 443	+12.5	462	438	414	309
- copper	USD mn	1 295	1 164	+11.3	346	364	342	243
- molybdenum	USD mn	135	128	+5.5	53	21	26	35
- TPM (gold)	USD mn	152	120	+26.7	51	43	34	24
Copper sales volume	kt	147.4	146.5	+0.6	44.3	39.8	34.1	29.2
Molybdenum sales volume	mn lb	6.4	5.8	+10.3	2.4	0.9	1.3	1.8
TPM (gold) sales volume	koz t	60.6	61.1	(0.8)	18.7	17.3	13.1	11.5
Revenues from contracts with customers⁴² - segment (55% share)	PLN mn	3 556	3 319	+7.1	1 028	938	911	679

The 12% increase in revenues (in USD) as compared to the level recorded in 2023 is primarily the result of an upswing on the metals market, reflected in an increase in realised sales prices for copper, gold and silver.

The detailed impact of individual factors on changes in revenues is presented in section [2.7.4 Financial results](#).

2.7.3 Costs

Costs of sales, selling costs and administrative expenses amounted to USD 1 154 million, while proportionally to the interest held (55%), segment costs amounted to PLN 2 529 million.

Table 61. Cost of sales, selling costs and administrative expenses and production cost of payable copper (C1) of Sierra Gorda S.C.M.

	Unit	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Costs of sales, selling costs and administrative expenses (prior to the reversal of impairment loss - refers to 2023)	USD mn	1 154	1 089	+6.0	335	294	285	240
Reversal of impairment loss on non-current assets	USD mn	-	101	(100.0)	-	-	-	-
Costs of sales, selling costs and administrative expenses (prior to the reversal of impairment loss - refers to 2023)	PLN mn	2 529	2 505	+1.0	745	630	627	527
Reversal of impairment loss on non-current assets	PLN mn	-	219	(100.0)	-	-	-	-
C1 payable copper production cost⁴³	USD/lb	1.60	1.68	(4.8)	1.12	1.68	1.88	1.90

⁴¹ Reflecting treatment/refining and other charges

⁴² Reflecting treatment/refining and other charges

⁴³ C1 unit production cost of copper - cash cost of payable copper production, reflecting costs of ore extraction and processing, the minerals extraction tax, transport costs, administrative expenses during the mining phase and smelter treatment and refining charges (TC/RC) less by-product value

An increase of USD 65 million (+6%) in costs of sales, selling costs and administrative expenses was recorded as compared to 2023:

Table 62. Key factors affecting the change in the level of expenses by nature as compared to 2023

	2024	2023	Change (%)	
Expenses by nature before a change in inventories and capitalised stripping costs, of which:	1 442	1 390	+3.7	
External services	291	279	+4.3	Higher scope of completed maintenance services and lease of mining machinery
Amortisation/depreciation	388	335	+15.8	The increase relates to non-current assets, with a similar level of costs in 2023 in relation to depreciation due to stripping
Materials and fuel	207	201	+3.0	Increase in costs mainly due to higher consumption of flotation materials and explosives and an increase in fuel consumption due to increased mining.
Spare parts	85	81	+4.9	Higher wear and tear of spare parts due to the extent of repairs carried out at the Ore Processing Plant
Energy	205	196	+4.6	Reduced scope of energy resale
Labour costs	117	161	(27.3)	In 2023, bonus payments resulting from wage agreements were realised. No such costs occurred in 2024.
Selling costs	77	74	+4.1	Increased costs due to higher sales, with lower maritime transport costs.
Other costs	72	63	+14.3	Mainly higher costs related to consultancy on projects advanced by the company and higher IT costs
Capitalised stripping costs	(314)	(293)	+7.2	Increase in scope of access works completed
Change in inventories and work in progress	26	(8)	x	Increased use of ore from inventories
Costs of sales, selling costs and administrative expenses	1 154	1 089	+6.0	The 2023 costs do not take into account the reversal of impairment loss on property, plant and equipment

Despite the increase in costs of external services, materials and fuels, and also spare parts and energy, C1 unit cost is 5% lower than that achieved in 2023, as a result of the increase in revenues from molybdenum and gold sales, lower smelter treatment and refining charges (TC/RC) and higher copper sales volumes.

2.7.4 Financial results

Adjusted EBITDA for 2024 amounted to USD 856 million, of which proportionally to the interest held (55%) PLN 1 877 million is attributable to the KGHM Group.

Table 63. Results of Sierra Gorda S.C.M. in USD million (on a 100% basis)

	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Revenues from contracts with customers	1 623	1 443	+12.5	462	438	414	309
Cost of sales, selling costs and administrative expenses (prior to the reversal of impairment loss - refers to 2023)	(1 154)	(1 089)	+6.0	(335)	(294)	(285)	(240)
Reversal of impairment loss on non-current assets	-	101	(100.0)	-	-	-	-
Profit/loss on sales	469	455	+3.1	127	144	129	69
Profit/loss for the period	99	36	x 2.8	52	28	27	(8)
Amortisation/depreciation	(387)	(335)	+15.5	(122)	(96)	(87)	(82)
Adjusted EBITDA	856	689	+24.2	249	240	216	151

Table 64. Results of the segment Sierra Gorda S.C.M. proportionally to the interest held (55%) in PLN million

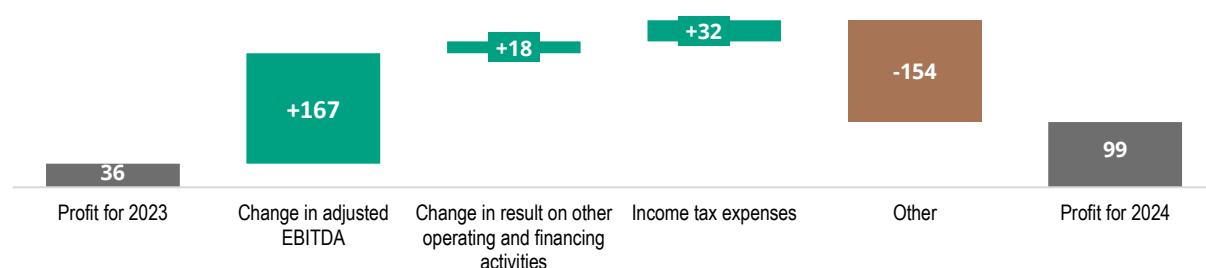
	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Revenues from contracts with customers	3 556	3 319	+7.1	1 028	938	911	679
Cost of sales, selling costs and administrative expenses (prior to the reversal of impairment loss - refers to 2023)	(2 529)	(2 505)	+1.0	(745)	(630)	(627)	(527)
Reversal of impairment loss on non-current assets	-	219	(100.0)	-	-	-	-
Profit/loss on sales	1 027	1 033	(0.6)	283	308	284	152
Profit/loss for the period	218	68	x 3.2	115	62	58	(17)
Amortisation/depreciation	(850)	(770)	+10.4	(272)	(207)	(191)	(180)
Adjusted EBITDA	1 877	1 584	+18.5	555	515	475	332

In the functional currency (USD), adjusted EBITDA is 24% higher than the amount recorded in 2023, while following the conversion into PLN, the deviation amounted to 19% due to the USD/PLN exchange rate adopted for conversion purposes in both periods (appreciation of PLN). The impact of the main factors on the increase in EBITDA and profit/loss for the period is presented in the summary below.

Table 65. Main factors impacting the change in the financial result of the segment Sierra Gorda S.C.M.

Item	Impact on change in result (USD million)	Description
Adjusted EBITDA	+167	+USD 180 million - an increase in revenues due to more favourable market conditions (+USD 125 million including Mark to Market valuation) and more favourable refining premiums (+USD 27 million), and an increase in sales volumes of metals (+USD 27 million) -USD 13 million - an increase in costs before depreciation/amortisation
Result on other operating and financing activities	+18	+USD 9 million - higher foreign exchange gains +USD 19 million - impairment loss on fixed assets under construction below USD 1 million versus USD 19 million at the end of 2023 -USD 10 million - other
Income tax expense	+32	+USD 42 million - change in income tax -USD 10 million - higher mining tax
Other	(154)	-USD 53 million - increase in costs of depreciation/amortisation -USD 101 million - no reversal of impairment loss in 2024

Chart 35. Change in profit/loss for the period (USD million)



2.7.5 Cash expenditures

Cash expenditures presented in the statement of cash flows of Sierra Gorda S.C.M. amounted to USD 512 million (PLN 1 123 million for the KGHM Group's share) and were 7% higher than those incurred in 2023. More than a half of the expenditures were incurred on stripping to gain access to further areas of the deposit, and the remainder related to the development and replacement of property, plant and equipment.

Table 66. Cash expenditures of Sierra Gorda S.C.M.

	Unit	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Cash expenditures on property, plant and equipment	USD mn	512	481	+6.4	134	118	115	145
Cash expenditures on property, plant and equipment – segment (55% share)	PLN mn	1 123	1 106	+1.5	301	250	253	319

The 6% increase in expenditures for the year related primarily to replacement of assets and, to a lesser extent, capitalised stripping costs.

Cash flows generated from operating activities amounted to USD 764 million, and completely covered cash expenditures and expenditure on partial repayment of debt plus interest on the Owners' loan for the construction of the mine. In 2024, the loan repayments amounted to USD 210 million, of which USD 116 million is attributable to the KGHM Group (in 2023, these expenses amounted to, respectively: USD 70 million and USD 39 million).

2.8 RESULTS OF OTHER SEGMENTS

Companies in the other segments are very diversified in their operations. They include companies supporting the core production business and others of a non-operating nature or playing an important role in fulfilling the policy of corporate social responsibility.

2.8.1 Revenues

Table 67. Revenues from contracts with customers of companies within the KGHM Group – excluding intra-segment revenues (in PLN million)

Revenue from contracts with customers	From external customers			From KGHM Polska Miedź SA			TOTAL		
	2024	2023	Change %	2024	2023	Change %	2024	2023	Change %
Metraco S.A.	194	233	(16.7)	5 407	5 132	+5.4	5 601	5 365	+4.4
Mercus Logistyka Sp. z o.o.	50	52	(3.8)	1 257	1 144	+9.9	1 307	1 196	+9.3
PeBeKa S.A.	-2	-7	(71.4)	1 048	1 146	(8.6)	1 046	1 139	(8.2)
KGHM ZANAM S.A.	76	77	(1.3)	846	784	+7.9	922	861	+7.1
Energetyka Sp. z o.o.	94	109	(13.8)	731	806	(9.3)	825	915	(9.8)
Centrozłom Wrocław S.A.	663	638	+3.9	3	5	(40.0)	666	643	+3.6
NITROERG S.A.	293	279	+5.0	216	223	(3.1)	509	502	+1.4
Miedziowe Centrum Zdrowia S.A.	324	277	+17.0	43	39	+10.3	367	316	+16.1
WPEC S.A. w Legnicy	333	330	+0.9	10	9	+11.1	343	339	+1.2
POL-MIEDŹ TRANS Sp. z o.o.	75	68	+10.3	185	186	(0.5)	260	254	+2.4
Other	611	608	+0.5	453	447	+1.3	1 064	1 055	+0.9
TOTAL	2 711	2 664	+1.8	10 199	9 921	+2.8	12 910	12 585	+2.6

Information on the activities of the Group's main companies may be found in [section 1.3.2 Our assets](#).

2.8.2 Financial results

Table 68. Financial results of the segment – other segments (PLN million)

	2024	2023	Change (%)	4Q 2024	3Q 2024	2Q 2024	1Q 2024
Sales revenue	12 910	12 585	+2.6	3 350	3 157	3 416	2 987
- including from external clients	2 711	2 664	+1.8	678	639	695	699
Profit/loss on sales	2	64	(96.9)	-98	-1	105	-4
Profit/loss for the period	-50	28	x	-118	-6	84	-10
Depreciation/amortisation recognised in profit or loss	-258	-295	(12.5)	-18	-81	-79	-80
Adjusted EBITDA	474	357	+32.8	141	73	184	76

In 2024, other segments recorded a loss for the period in the amount of -PLN 50 million, or a deterioration as compared to 2023 by PLN 78 million (the profit for 2023 amounted to PLN 28 million). The profit/loss for the period is comprised of profits/losses of individual companies of the KGHM Group after eliminating turnover between companies within the segment.

The highest profit/loss on sales was achieved by the following Companies: Miedziowe Centrum Zdrowia S.A. (PLN 90 million), NITROERG S.A. (PLN 43 million), Energetyka Sp. z o.o. (PLN 40 million), KGHM ZANAM S.A. (PLN 36 million) and PeBeKa S.A. (PLN 18 million). The worst results were recorded by POL-MIEDŹ TRANS Sp. z o.o. (-PLN 183 million), Zagłębie Lubin S.A. (-PLN 27 million) and Centrozłom Wrocław S.A. (-PLN 26 million). The adjustment of profit/loss on sales due to intra-segment turnover (i.e. between subsidiaries) amounts to approximately PLN 162 million, meaning a surplus of intra-segment revenues over costs, including manufacturing costs.

2.8.3 Cash expenditures

The total cash expenditures of other segments in 2024 amounted to approx. PLN 613 million, compared to approx. PLN 581 million in 2023.

Table 69. Cash expenditures – acquisition of intangible assets and property, plant and equipment (in PLN million)

Company within the KGHM Group	Amount	Main investment expenditures
PeBeKa S.A.	99	Mainly investments on the replacement of heavy mining and auxiliary machinery and other equipment and machinery.
WPEC S.A. w Legnicy	95	Mainly a development investment in the modernisation of heat supply system in Legnica. Among others, a development investment in the construction of a landfill site in Legnica, a
Energetyka Sp. z o.o.	69	modernisation investment in acid waste water retention tanks and other replacement investments.
PMT Linie Kolejowe Sp. z o.o.	60	Modernisation of Railway Infrastructure
POL-MIEDŹ TRANS Sp. z o.o.	57	Replacement-related investment on repair of rail carriages.
KGHM ZANAM S.A.	33	Mainly replacement-related investments of self-propelled mining machines.
Other	200	
TOTAL	613	

3 CORPORATE GOVERNANCE STATEMENT

3.1 INDICATION OF LEGAL BASIS AND COLLECTION OF CORPORATE GOVERNANCE PRINCIPLES AND THE SCOPE OF THEIR APPLICATION

The following Statement on the application of Corporate Governance was prepared in accordance with § 70 sec. 6 point 5) of the Regulation of the Minister of Finance dated 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state.

KGHM Polska Miedź S.A., a company listed on the Warsaw Stock Exchange S.A., in the period from 1 January 2024 to 31 December 2024, complied with the corporate governance principles set forth in the document "Best Practice for GPW Listed Companies 2021" (hereinafter DPSN 2021), which was adopted by the Exchange Board on 29 March 2021 by Resolution No. 13/1834/2021. The text of the principles is available on the official website of the Warsaw Stock Exchange dedicated to this subject <https://www.gpw.pl/best-practice2021> and on the corporate website of KGHM Polska Miedź S.A. in the corporate governance section <https://kg hm.com/en/investors/corporate-governance>.

In order to increase interest in the topic of corporate governance and shareholder involvement in corporate affairs, the Warsaw Stock Exchange has created a benchmarking exercise for companies that have provided information on the current status of application of the DPSN 2021 principles via the EBI system. The COMPLY factor used for this purpose was defined as a ratio of principles used to the total number of principles used and not used ("not applicable" responses are not included in the calculation). KGHM Polska Miedź S.A. applies the principles of the DPSN 2021 at a comparable level as declared by the companies included in the WSE index (WIG20, mWIG40 or sWIG80), or taking into account all companies that have published a report (general index).

KGHM Polska Miedź S.A. is continually engaged in adapting to current trends in corporate governance and to market expectations, such as those expressed in DPSN 2021. KGHM Polska Miedź S.A. strives at every stage of its operations to apply the principles contained in the contents of the DPSN 2021 to the greatest possible extent, taking into account the principles of proportionality and adequacy and the specific nature of the industry.

Throughout 2024, KGHM Polska Miedź S.A. did not publish any changes in the status of application of the DPSN 2021 principles in relation to the status of application contained in the "Corporate Governance Statement" representing a separate part of "The Management Board's Report on the activities of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group in 2023".

As part of increasing the level of compliance with corporate governance principles and in fulfilment of the disclosure obligations of listed companies with respect to the application of corporate governance rules set out in § 29 sec. 3 of the Stock Exchange Regulations, on 13 March 2025 it published the updated "Information on the status of the application by the company of the principles contained in the Code of Best Practice for GPW Listed Companies 2021". **The update of the declaration "the principle is not applied" and "the principle is applied" concerned the following principles:**

- 1.4.1 which reads as follows: "In order to ensure proper communication with stakeholders, in terms of the adopted business strategy, the company provides information on its website on the elements of the strategy, measurable goals, including especially long-term goals, planned actions and progress in this regard, defined with the aid of financial and non-financial measures. Information on the strategy should among others explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks."
- 3.3 which reads as follows: "A company participating in the WIG20, mWIG40 or sWIG80 indices appoints an internal auditor to head the internal audit function in compliance with generally accepted international standards for the professional practice of internal auditing. In other companies which do not appoint an internal auditor who meets such requirements, the audit committee (or the supervisory board if it performs the functions of the audit committee) assesses on an annual basis whether such a person should be appointed."
- 3.4 which reads as follows: "The remuneration of persons responsible for risk and compliance management and of the head of internal audit should depend on the performance of delegated tasks rather than short-term results of the company."

The aforementioned update of the status of DPSN2021 application took place in connection with the update and change of corporate documents related to the operation of internal audit in KGHM Polska Miedź S.A. and the content of information posted on the corporate website. The company has implemented the aforementioned principles and has achieved the compliance with the Best Practice for GPW Listed Companies 2021 in this respect. Moreover, the Company has also updated its declaration regarding the explanation of non-application of the following principles: 1.3.1., 1.3.2., 2.1., 2.2, 2.11.6., 4.1., 6.4.

Consequently, as at the date of preparation of the Corporate Governance Statement, KGHM Polska Miedź S.A. increased its COMPLY factor by 5 percentage points in relation to the Corporate Governance Statement contained in the Report of The Management Board's Report on the Activities of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group in 2023.

Diagram 16. COMPLY ratio by KGHM Polska Miedź S.A.

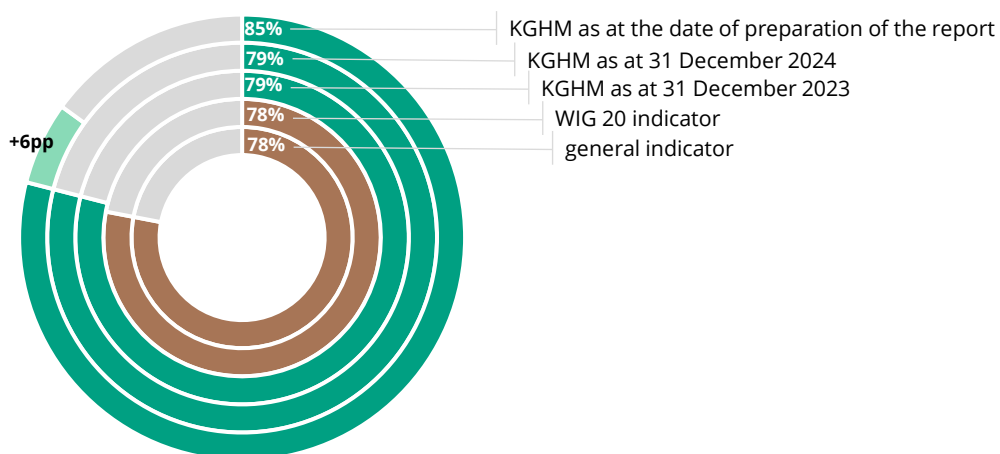
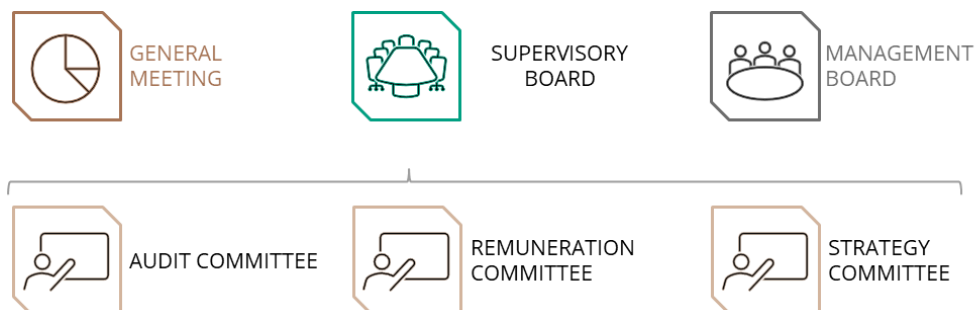


Diagram 17. Corporate governance structure in KGHM Polska Miedź S.A.



3.2 INFORMATION POLICY AND COMMUNICATION WITH INVESTORS

KGHM Polska Miedź S.A., under the principles indicated in section 1 of DPSN 2021, strives to achieve the goal of ensuring quality investor communications and pursuing a transparent and fair disclosure policy in the interest of all market participants and its own interest.

3.2.1 Description of the application of DPSN 2021

Table 70. The principles of Section I of DPSN 2021 applied in KGHM Polska Miedź S.A. - Disclosure policy and communication with investors

1.1 The Company maintains efficient communications with capital market participants and provides fair information about matters that concern them. For that purpose, the Company uses diverse tools and forms of communication, including in particular the corporate website where it publishes all information relevant for investors.

The principle is applied.

KGHM Polska Miedź S.A., as a listed company, regularly publishes on its website under the tab [Investors | KGHM Polska Miedź S.A. Corporate website](#) up-to-date and key information relevant to investors and others concerning issues related to broader corporate governance. The website's structure is transparent and enables the rapid and intuitive location of all important information by creating a separate section on [Corporate Governance | KGHM Polska Miedź S.A. Corporate website](#).

KGHM Polska Miedź S.A. is aware of the importance of effective and efficient communication with current and potential shareholders and other capital market participants (e.g. investors, market analysts, the Warsaw Stock Exchange, the Polish Financial Supervision Authority), and consequently operates under a model of active communication to enable access to complete, and the most important, data about the Company, planned events and all other questions of importance to them. In advancing this goal, the Company has a separate section dedicated to Investor relations. This section is updated on an ongoing basis with vital information and documents. The Investors tab includes among others regulatory filings and periodic reports, information on the shareholder structure, documents connected with general meetings, corporate governance, macroeconomic bulletins and also presentations and video material.

Another form of communication with the market is the KGHM Investor Relations page on LinkedIn and the RSS (Really Simple Syndication) channel. The five subject channels operating under RSS enables information to be received using mobile technology regarding the Company's operations, current market information, the type and scope of activities engaged in and product offers for the entire market. Taking into consideration the proper meeting or requirements set by the participants of the regulated market, KGHM Polska Miedź S.A. meets its informational obligations arising from laws in force and other requirements (e.g. the Warsaw Stock Exchange Rules).

To satisfy investor expectations, the Company provides the following information on its website, among others:

- basic corporate documents, in particular such as the Company's statutes, bylaws of the general meeting, supervisory board, management board, adopted policies and best practice principles;
- regulatory filings and periodic reports, as well as information on the application of corporate governance principles, published based on the the Warsaw Stock Exchange Rules - the Company makes available its financial results compiled in periodic reports as soon as possible;
- the composition of the management board, supervisory board and supervisory board committees, the CVs of members of these bodies together with information on the meeting of independence criteria by supervisory board members, knowledge or skills possessed in the fields of accounting or financial auditing, as well as knowledge of the sector in which the Company operates;
- basic financial data of the Company for the period from 2014 (including among others statements of profit or loss, statements of cash flow, statements of financial position) in a form enabling the processing of this data by its users (xls);
- up-to-date investor presentations containing among others information on production, a description of the market environment of the sector in which the Company operates, a description of individual production assets, a description of sustainable development initiatives and the adopted strategy, as well as information on the dividend policy, the shareholder structure and the number of shares issued, and recent and future events for shareholders;
- informational material prepared for investors, the media or for promotional purposes, mainly with respect to the strategy, activities and financial results;
- information on analyst recommendations regarding the Company in each category: "buy", "hold", "sell", with contact data for analysts covering the Company;
- information concerning operations on the Company's shares and changes in share capital;
- an investor calendar containing among others the dates of publication of financial reports, meetings with investors and press conferences as well as other events important for investors;
- cyclical online discussions with investors with an archive of chats and audio/visual material from Investor Day and Analyst Day;
- a list of frequently asked questions in the area of investor relations with Company answers; if an investor raises a question regarding the Company, the Company responds as soon as possible;

1.2 The Company makes available its financial results compiled in periodic reports as soon as possible after the end of each reporting period; should that not be feasible for justified reasons, the Companies publishes at least preliminary financial estimates as soon as possible.

The principle is applied.

The Company publishes interim reports as soon as possible after the end of the reporting period.

1.4 To ensure quality communications with stakeholders, as a part of the business strategy, the Company publishes on its website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial. ESG information concerning the strategy should among others:

1.4.1 explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks

1.4.2 present the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of the equality target.

The principle is applied.

The required information can be found on the corporate website under the tab [Business strategy | KGHM Polska Miedź S.A. Corporate website](#).

1.5 The Company discloses at least on an annual basis the amounts expended by the company and its group in support of culture, sports, charities, the media, social organisations, trade unions, etc. If the company or its group pay such expenses in the reporting year, the disclosure presents a list of such expenses.

The principle is applied.

Since 2013, the Company has published detailed information on the results of its regional support activities, including data on sponsorship and charitable activities. In accordance with the DPSN 2021, since 2021 KGHM Polska Miedź S.A. has been also disclosing expenditures related to the functioning of trade unions in the Company within the annual "Report of the Supervisory Board of KGHM Polska Miedź S.A." in the section on assessing the legitimacy of expenditures to support sports culture, charities, the media, social organisations and trade unions.

1.6 The Company participating in the WIG20, mWIG40 or sWIG80 index holds on a quarterly basis, and other companies hold at least on an annual basis, a meeting with investors to which they invite in particular shareholders, analysts, industry experts and the media. At such meetings, the management board of the Company presents and comments on the strategy and its implementation, the financial results of the Company and its group, and the key events impacting the business of the Company and its group, their results and outlook. At such meetings, the management board of the Company publicly provides answers and explanations to questions raised.

The principle is applied.

The Investor Relations Department organises meetings for the capital market with the participation of the Management Board to discuss the financial results of the Company and the KGHM Group. In 2024, the publication of financial results was accompanied by results conferences open to all stakeholders via live webcasts in Polish and English, with the possibility of submitting questions by email. Video recordings of these conferences are available on the Company's website, in the Investors section (<https://kghm.com/en/investors/results-center>).

1.7 If an investor requests any information about a Company, the Company replies immediately and in any case no later than within 14 days.

The principle is applied.

In the event of a request for information, KGHM Polska Miedź S.A. provides information immediately, striving to keep the timeframe to less than 14 days. The time taken to respond depends on the nature of the information requested and often involves only the potential technical issue of its completion by the Company. If the question relates to future events or financial or operational data not yet made public, a full answer is only possible once these issues have been reported.

Further information on investor relations can be found in section [1.6.1 Shareholders and the capital market](#).

3.2.2 Explanations on the waiver of the application of DPSN 2021

In accordance with the published Statement on the Company's compliance with the principles in section I of DPSN 2021, the following principle is partially applied:

Table 71. Principles in section I of DPSN 2021 applied partially in KGHM Polska Miedź S.A.

1.3 The Company integrates ESG factors in its business strategy, including in particular:

1.3.1 which reads as follows: "In its business strategy, the company also takes into account ESG issues, in particular: environmental factors, including measures and risks relating to climate change and sustainable development."

The principle is partially applied.

The Company published the Climate Policy of KGHM Polska Miedź S.A. which, as a guiding document, presents the Company's ambitions regarding climate change and defines the scope of process and organisational changes necessary for their implementation. The Climate Policy was followed by the Decarbonisation Programme of KGHM Polska Miedź S.A. which specifies how the intended reduction targets will be achieved and presents initiatives related to the implementation of measures aimed at reducing greenhouse gas emissions. The Company is currently in the process of finalising complementary corporate documents, the content of which will enable to achieve full compliance with this policy.

1.3.2 The Company integrates ESG factors in its business strategy, including in particular social and employee factors, including among others actions taken and planned to ensure equal treatment of women and men, decent working conditions, respect for employees' rights, dialogue with local communities and customer relations.

The principle is partially applied.

The Company regularly publishes a broad range of information on its actions as regards social and employee issues, proper working conditions, respecting employee rights, dialogue with local communities and relations with its customers and stakeholders. The Company has a number of documents in place, e.g. the Human Rights Policy, the Code of Ethics, and the Code of Conduct, which refer to the elements indicated in the best practice. The Company is currently in the process of finalising complementary corporate documents, the content of which will enable to achieve full compliance with this principle..

3.3 THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

KGHM Polska Miedź S.A., within the scope of the principles set forth in section 2 of DPSN 2021, strives to achieve the highest standards in the exercise of duties by the Management Board and Supervisory Board of the Company and their fulfillment in an effective manner.

3.3.1 Management Board of KGHM Polska Miedź S.A. (Management Board)

The principles of appointing and dismissing the Members of the Management Board

The principles governing the appointment and dismissal of Members of the Management Board of the Company are defined in §12 of the Company's Statutes. In accordance with this regulation, the number of Members of the Management Board ranges from one to seven persons, appointed by the Supervisory Board of KGHM Polska Miedź S.A. for a joint three-year term of office. The appointment is preceded by a qualification procedure, determined in detail by the Supervisory Board in the resolution adopted upon the initiation of the procedure. The purpose of the qualification procedure is to test and assess the qualifications of the candidates to be a Member of the Management Board - in order to become one of them, the statutory requirements must be met. The announcement of the qualification procedure is available to the public.

Following the qualification procedure, the Supervisory Board notifies the shareholders of the results, makes the report of the qualification procedure available and appoints the best candidate for the designated position in the Management Board of the Company.

A member of the Management Board of KGHM Polska Miedź S.A. may be dismissed by the Supervisory Board before the lapse of his or her term of office.

The manner of operation of the Management Board

The Management Board acts on the basis of established law, the Statutes of the Company and the Bylaws of the Management Board of KGHM Polska Miedź S.A. The Bylaws of the Management Board of KGHM Polska Miedź S.A. and the Statutes of the Company are publicly available on the website of the Company in the section [Corporate governance | KGHM Polska Miedź S.A. Corporate website](#).

The Management Board of the Company manages the Company and represents it externally.

The work of the Management Board is organized by its President. In the event of a vacancy in the position of the President of the Management Board or during a break in his/her management operations, the powers of the President of the Management Board to convene and conduct meetings, as well as to pass resolutions of the Management Board outside the meeting, are exercised by a Member of the Management Board authorized by the President of the Management Board, or, in the absence of an actual possibility of issuing or delegating authorization, by the most senior Member of the Management Board. Members of the Management Board are obliged to participate in meetings of the Management Board.

The presence of at least two-thirds of the Management Board at a meeting is required in order for resolutions to be valid. Resolutions of the Management Board are adopted by an ordinary majority of votes of those present. In the case of a tie, the President of the Management Board has the deciding vote. The Resolutions of the Management Board are taken in open voting, unless the law provides otherwise or at least one of the Members of the Management Board requests a secret ballot. In justified circumstances, voting is permitted through written means, or through the use of long-distance means of direct communication.

Meetings of the Management Board and meetings and votes on resolutions adopted outside of the Management Board's meetings are recorded in minutes of the meeting. Motions to the Management Board and other information and attachments submitted to the Members of the Management Board shall constitute appendices to the meeting minutes. Submitting a dissenting opinion by a Member of the Management Board requires stating it in the minutes of the meeting with a possible, concise statement of motives.

Two members of the Management Board acting jointly or one member of the Management Board acting jointly with a proxy are required to make declarations on behalf of the Company.

Composition, personnel changes of the Management Board and the breakdown of duties in 2024

The scope of the Management Board's responsibilities includes all aspects of the Company's affairs, except for the instances reserved in the Commercial Partnerships and Companies Code and the Statutes of the Company and other mandatory provisions of law which lie within the purview of the General Meeting of KGHM Polska Miedź S.A. or the Supervisory Board of KGHM Polska Miedź S.A.

A detailed description of the Management Board's scope of duties and obligations and the manner in which it functions, as well as the catalogue of matters requiring resolutions of the Management Board, may be found in the Bylaws of the Management Board of KGHM Polska Miedź S.A.

With the exception of matters exceeding the scope of ordinary management, Members of the Management Board shall manage the areas of the Company's activities specified in the "Organizational Regulations of KGHM Polska Miedź S.A. in Lubin" and in resolutions of the Supervisory Board on the assignment of responsibilities to a given Management Board Member. Within the scope of the competences and responsibilities thus defined, each Member of the Management Board makes his/her own decisions regarding the area assigned to him/her, taking into account the change in the organisational chart of KGHM Polska Miedź S.A. from 1 August 2024 presented below.

In case of doubt, a Member of the Management Board is obliged to submit the matter in question to the Management Board for resolution. A member of the Management Board should, in the performance of his/her duties, exercise due diligence required by the professional nature of their business and maintain loyalty to the Company.

Andrzej Szydło – President of the Management Board



A graduate of the Faculty of Mechanical and Power Engineering at Wrocław University of Science and Technology, as well as the School for Managers in Industry and Studies in Strategic and Operational Corporate Management. Completed post-graduate studies in managing corporate value at the SGH Warsaw School of Economics.

An experienced manager specialising in management and the implementation of innovative solutions, as well as the realisation of investment and maintenance projects. Among others he has been involved in implementing ISO-based management and also Integrated Management Systems. Skilled in conducting negotiations and managing projects using Prince2 and Ten Step methodology. He has enhanced his know-how during training in the areas of strategy, labour law and HR. He participated in the KGHM Executive Academy organised by IMD.

In the years 2021-2023 he was a member of the management board of Hyundai Engineering Poland, and previously a member of the management board of SPS Incon Sp. z o.o. Since the beginning of his professional career, for 25 years he has been involved with KGHM Polska Miedź S.A. He has served in the positions among others of chief energy engineer, technical director and executive director of the Głogów Copper Smelter and Refinery Division. In the years 2010-2014 he worked in the Head Office of KGHM Polska Miedź S.A. as a director of the production infrastructure department, a director of the technology department and a director of the Pyrometallurgy Modernisation Program. He was also secretary and chairman of the Supervisory Board of Energetyka Sp. z o.o. – a company in the KGHM Polska Miedź S.A. Group.

He is a recipient of a Bronze Service Star, a Bronze Service Medal for Fire Fighting and a Silver Medal „Za Zasługi dla Obronności Kraju” (Medal of Merit for National Defence). He also received an honorary award from the Minister of the Economy „Za zasługi dla Energetyki” (Medal of Merit for Energy). In 2006 he received the honorary award “Zasłużony dla KGHM Polska Miedź S.A.” (In the Service of KGHM Polska Miedź S.A.).

Diagram 18. Scope of competence of the President of the Management Board from 1 January 2024 to 31 July 2024.

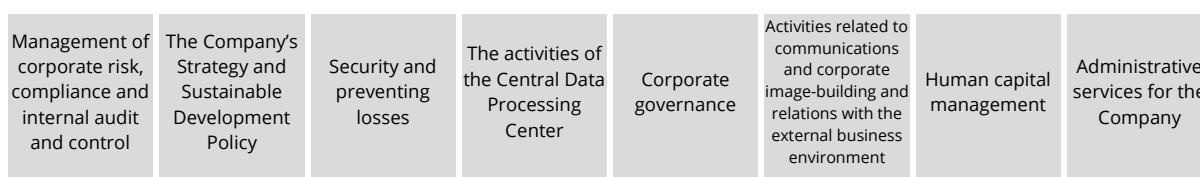
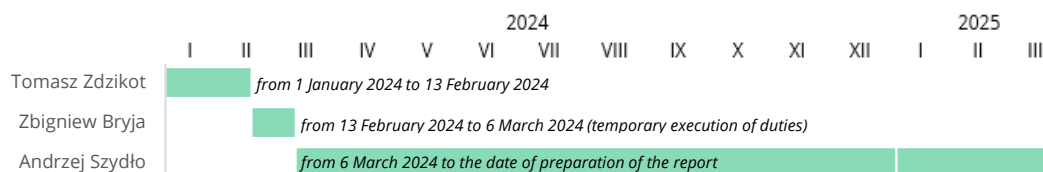


Diagram 19. Scope of competence of the President of the Management Board from 1 August 2024 to 31 December 2024 and as at the date of preparation of the Corporate Governance Statement



Diagram 20. Persons acting as the President of the Management Board in 2024 and up to the date of the report



Zbigniew Bryja – Vice President of the Management Board (Development)



An experienced manager specialising in the mining sector, especially in the management of companies, production oversight, supervision of investment activities as regards mining and metallurgy, as well as oversight of mine operations.

Related with KGHM since the start of his professional career. In the years 1995-1997 he served in the Rudna mine of KGHM Polska Miedź S.A. as the Chief Engineer for Orebody Mechanics and Development, subsequently in the years 1997-2002 as the Director for Development and Production Preparation in this mine. He held the position of Executive Director of the Polkowice Sieroszowice mine in the years 2002-2003. From 2003 to 2006 he worked in the Office of the Management Board of KGHM Polska Miedź S.A. (currently the Head Office) as the Executive Director for Mining, and later as the Executive Director for Investments and Development. In recent years he was President of the Management

Board of the following companies: PAK KWB Adamów S.A., PAK KWB Konin S.A., PAK Górnictwo sp. z o.o.

He has many years of professional experience in managing corporations, production and in the area of mining technology. He gained experience in improving production processes and investment projects both in KGHM and outside of the Group.

He is a graduate of the Mining Faculty of Wrocław University of Science and Technology with a specialty in deposits mining technology, as well as mine geophysical studies at the AGH University of Science and Technology in Kraków. He completed a variety of managerial courses in international academic institutions involving the improvement of investment and financial processes in companies.

He is the author and co-author of numerous articles and publications in areas in which he specialises.

He holds the title of General Mine Director, 1st, 2nd and 3rd degree, granted by the Minister of the Economy. He was honoured by the President of the Republic of Poland with the Bronze, Silver and Gold Service Cross. He also received the honorary titles of „Zasłużony dla KGHM Polska Miedź S.A.” (Of service to KGHM Polska Miedź S.A.) and „Zasłużony dla ZG „Rudna” (Of service to the Rudna mine). In the years 2002-2005 he was appointed by the President of the Supreme Mining Office as a Member of the Commission on Tremors, Restoration and Corridor Direction in Copper Ore Mines, and in the years 1998-2000 as a Member of the Commission on Restoration of Corridors and Pillars.

Diagram 21. Scope of competence of the Vice President of the Management Board (Development) from 1 January 2024 to 31 July 2024.

R&D policy, innovation and intellectual property protection	Investment and development processes	Managing projects and programs	Development of the national resource base for the mining industry, development of mining structures and core business	Real estate
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Diagram 22. Scope of competence of the Vice President of the Management Board (Development) from 1 August 2024 to 31 December 2024 and as at the date of the Corporate Governance Statement

Company Strategy	R&D policy, innovation and intellectual property protection	Investment and development processes	Managing projects and programs	Development of the national mining resources base	Development of the mining and production structure	Real estate
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Diagram 23. Persons acting as the Vice President of the Management Board (Development) in 2024 and up to the date of the report

	2024												2025		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Mirosław Kidoń	from 1 January 2024 to 12 January 2024 (fulfilling the duties)														
Mateusz Wodejko	from 12 January 2024 to 13 February 2024 (fulfilling the duties)														
Zbigniew Bryja	from 13 February 2024 to the date of the report (including to 6 March 2024 - temporary execution of duties)														

Mirosław Laskowski – Vice President of the Management Board (Production)



Since the beginning of his professional career, i.e. since 1987 he has been connected with KGHM Polska Miedź S.A. In the years 2015-2016 he served as Vice President of the Management Board (Production) of KGHM Polska Miedź S.A. He was a Director in the following Divisions of the Company: the Rudna mine and the Polkowice-Sieroszowice mine. An experienced manager with successes in the management of large employee teams, responsible for implementing solutions supporting business efficiency and optimising company costs. Responsible among others for planning the development of the core business and for seeking and implementing new technologies and methods for managing organisational structures in the copper company.

He has many years of experience in preparing corporate development plans with a 40-50 year outlook. Actively participated in the implementation of Lean Management systems based on 5S and TPM. He is a co-creator of several copper ore deposit mining systems and is the originator and co-creator of KGHM’s unified safety system based on 3 pillars: education, environment and health. He created in the copper company solutions involving the prevention of mine-related threats. He was also responsible for leading numerous rescue operations.

He received the Knight's Cross of the Order of Polonia Restituta for the rescue operation in the Rudna mine in March 2013.

A graduate of the Faculty of Mining, with specialisation in deposit mining technology at Wrocław University of Science and Technology. Also completed post-graduate studies in financial management and organisation and management at Wrocław University of Economics. He gained experience in the Leadership Academy and the Innovation Academy of the ICAN Institute and in the TenStep Academy in Warsaw.

Diagram 24. Scope of competence of the Vice President of the Management Board (Production) from 1 January 2024 to 31 July 2024.

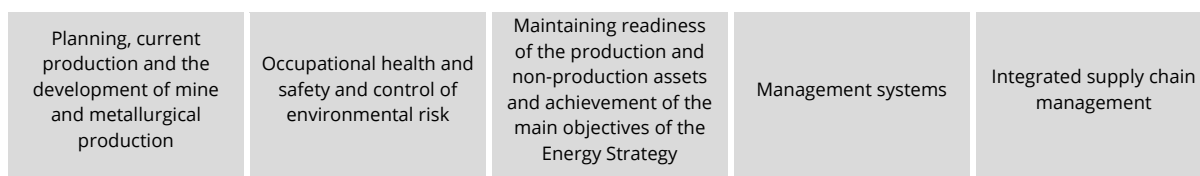


Diagram 25. Scope of competence of the Vice President of the Management Board (Production) from 1 August 2024 to 31 December 2024 and as at the date of the Corporate Governance Statement

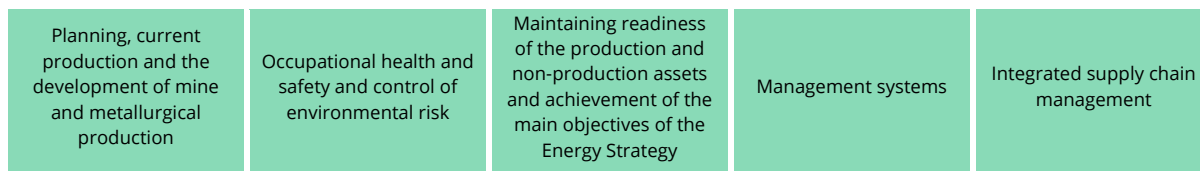
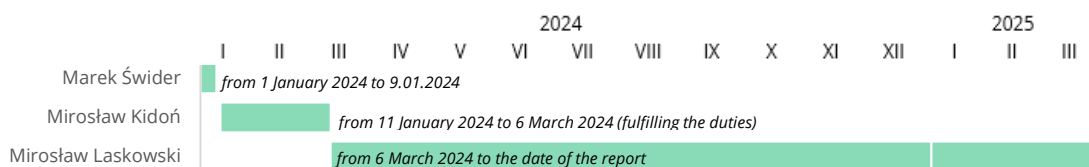


Diagram 26. Persons acting as the Vice President of the Management Board (Production) in 2024 and up to the date of the report



Piotr Stryczek – Vice President of the Management Board (Corporate Affairs)



He holds experience in the conduct of business activities, strategic consultancy and corporate supervision. Specialises in corporate developmental restructuring and equity investments.

From 2015 he was president of the management board of Automatyka Spółka z o.o., a company involved in the comprehensive implementation of new, and the maintenance of existing, production line control systems based on modern solutions by global producers. Involved with KGHM Polska Miedź S.A., where he worked among others as director of the corporate supervision department. Carried out the processes of asset and equity restructuring in KGHM and supervised Group companies. In the years 2002-2006 he was a vice president of a company from the KGHM Group, Pol-Miedź Trans Sp. z o.o. During his professional career he also held managerial functions in the companies

Telefonika S.A. and TELBESKID.

A graduate of the Faculty of Law and Administration at Wrocław University majoring in law and administration, specialising in management. He is an Attorney-at-law. He has completed a variety of courses and training in the areas of accounting, strategic communication and equity acquisitions.

He was a member of the supervisory boards and management boards of many limited capital companies, including in the Legnica Special Economic Zone, Zagłębie Lubin, KGHM Metale and Krakowska Fabryka Kabli.

Diagram 27. Scope of competence of the Vice President of the Management Board (Corporate Affairs) from 1 January 2024 to 31 July 2024.

Corporate oversight over subsidiaries in Poland and abroad	Uniformity of internal regulations to maintain consistent operating principles	Legal services for the statutory bodies of the Company with regard to the Supervisory Board	Supervision of the functioning of the KGHM Polska Miedź Foundation as well as other organisations serving the public	Coordination of procurement processes
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Diagram 28. Scope of competence of the Vice President of the Management Board (Corporate Affairs) from 1 August 2024 to 31 December 2024 and as at the date of the Corporate Governance Statement:

Corporate governance standards	Corporate oversight over subsidiaries in Poland	Legal services to the statutory bodies, the Company and the Divisions	Purchasing processes	Oversight of the operation of the KGHM Polska Miedź S.A. Foundation
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Diagram 29. Persons acting as the Vice President of the Management Board (Corporate Affairs) in 2024 and up to the date of the report



Piotr Krzyżewski – Vice President of the Management Board (Finance).



A manager with many years of experience in both the production and investment sectors. He has experience in the management of companies, groups and finance in developed groups at a company and group level, in the evaluation of the profitability of investments, restructuring, optimising processes, managing financial risk, managing liquidity and developing and executing financing strategies. Manager at Luma Holding (a family office), responsible for finance of the entire holding company and individual group companies.

He created a business model, created and managed a second-round fund in Poland. He built and obtained the first Sustainability Linked-Loan (SLL) in Central and Eastern Europe, and one of the first in the European mining sector. He gained experience as a manager in the mining and metallurgical sector in Europe and Africa. He carried out numerous trade finance transactions with partners on various continents.

He is experienced in negotiations, due diligence and the conduct and supervision of acquisitions of companies in Poland and abroad. A member of Supervisory Boards and Investment Committees – responsible for the processes of merger, restructuring and optimisation as well as the setting of development directions.

He is a graduate of the SGH Warsaw School of Economics with a major in finance and banking as well as international economic relations. Completed doctoral studies in economics. Holds a broker license and completed numerous courses and training.

Diagram 30. Scope of competence of the Vice President of the Management Board (Finance) from 1 January 2024 to 31 July 2024.

Financial and taxation policy	Accounting services	Disclosure and publishing obligations	Investor relations	Activities related to development projects in the power generation area.
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Diagram 31. Scope of competence of the Vice President of the Management Board (Finance) from 1 August 2024 to 31 December 2024 and as at the date of the Corporate Governance Statement:

Financial and taxation policy	Financial verification of the Strategy projects	Finances in all of the Group's operations and activities	Accounting services	Disclosure and publishing obligations	Investor relations	Development projects in the field of energy transition	Commercial and logistics policies	ESG
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Diagram 32. Persons acting as the Vice President of the Management Board (Finance) in 2024 and up to the date of the report

	2024												2025		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Mateusz Wodejko	from 1 January 2024 to 13 February 2024														
Zbigniew Bryja	from 13 February 2024 to 6 March 2024 (temporary execution of duties)														
Piotr Krzyżewski	from 6 March 2024 to the date of the report														

Iga Dorota Lis - Vice President (International Assets)



Graduate of the Faculty of Law and Administration at University of Warsaw, lecturer at Lazarski University at postgraduate studies in the fields of new technologies and environmental protection law. She passed the bar exam at the District Bar Council in Warsaw.

Experienced manager associated with the industrial sector, with many years of experience in management and consultancy in the area of investments, including the energy, petrochemical, chemical and metallurgical industries. In the past, she acted as an advisor to KGHM Polska Miedź S.A. on projects related to modernisation of the pyrometallurgical processes at the Głogów Copper Smelter and Refinery, the development of smelting at the Głogów and Legnica Copper Smelter/Refineries and investments at the Tailings Storage Facility, as well as the restructuring of an energy project. Involved in providing legal services for the largest investments implemented in

Poland, including the construction of a refinery in Gdańsk and the construction of petrochemical and energy facilities for the Orlen S.A. Group.

Associated with the energy market for many years as regards the construction of conventional and renewable sources as well as in the expansion of transmission networks. Since 2020, she has been associated with Hyundai Engineering Poland sp. z o.o., where she initially worked, among others, as the General Counsel and Director for Investment and Development, and subsequently as a Member of the Management Board since 2021.

She has extensive experience in conducting and supervising technologically complex investment processes of international scope.

Diagram 33. Scope of competence of the Vice President of the Management Board (International Assets) from 1 January 2024 to 31 July 2024.

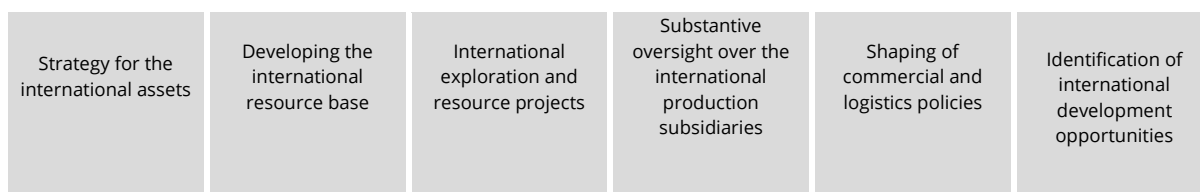


Diagram 34. Scope of competence of the Vice President of the Management Board (International Assets) from 1 August 2024 to 31 December 2024 and as at the date of the Corporate Governance Statement:

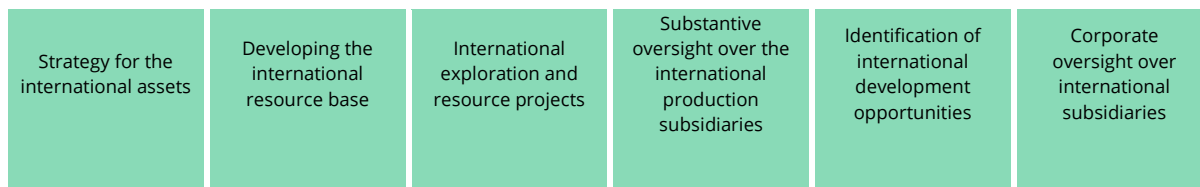


Diagram 35. Persons acting as the Vice President of the Management Board (International Assets) in 2024 and up to the date of the report

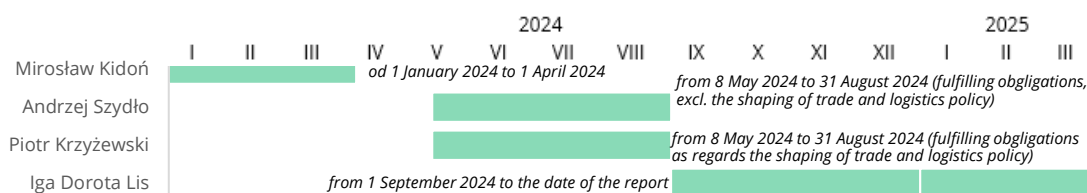


Table 72. Changes in the composition of the Management Board in 2024 and to the date of preparation of the report

9 January 2024	Marek Świder, Vice President of the Management Board (Production) resigned from the position of Vice President of the Management Board (Production) of KGHM Polska Miedź S.A.
11 January 2024	The Supervisory Board entrusted the duties of Vice-President of the Management Board (Production) to Mirosław Kidoń
12 January 2024	The Supervisory Board entrusted the duties of Vice-President of the Management Board (Development) to Mateusz Wodejko, Vice President of the Management Board (Finance) and, at the same time, revoked the resolution entrusting the duties of Vice President of the Management Board (Development) to Mirosław Kidoń
13 February 2024	<p>The Supervisory Board dismissed Tomasz Zdzikot - President of the Management Board, Mateusz Wodejko - Vice President of the Management Board (Finance) and Marek Pietrzak - Vice President of the Management Board (Corporate Affairs) from the Management Board.</p> <p>At the same time, the Supervisory Board of the Company delegated a member of the Supervisory Board, Zbigniew Bryja, to act temporarily as the President of the Management Board, Vice President of the Management Board (Finance), Vice President of the Management Board (Corporate Affairs) and Vice President of the Management Board (Development) for the period from 13 February 2024 until the date of the resolution of the qualification procedures for the position of President of the Management Board of KGHM Polska Miedź S.A. and at least one of the Vice Presidents of the Management Board of KGHM Polska Miedź S.A., however for a period not longer than three months.</p>
6 March 2024	Zbigniew Bryja resigned from temporarily performing the functions of the Member of the Management Board of the Company (delegated from the Supervisory Board of KGHM Polska Miedź S.A.), the President of the Management Board of KGHM Polska Miedź S.A., Vice President of the Management Board (Finance) of KGHM Polska Miedź S.A., Vice President of the Management Board (Corporate Affairs) of KGHM Polska Miedź S.A. and Vice President of the Management Board (Development) of KGHM Polska Miedź S.A. and simultaneously he resigned from the function of Member of the Supervisory Board of the Company.
6 March 2024	The Supervisory Board of the Company, following a qualification procedure, as of 6 March 2024 appointed the following members of the Management Board: Piotr Stryczek as Vice President of the Management Board (Corporate Affairs), Mirosław Laskowski as Vice President of the Management Board (Production), Zbigniew Bryja as Vice President of the Management Board (Development), Piotr Krzyżewski as Vice President of the Management Board (Finance) and Andrzej Szydło as President of the Management Board of KGHM Polska Miedź S.A. for the 11th term of office.
29 March 2024	Resignation of Mirosław Kidoń from the function of Vice President of the Management Board (International Assets) of KGHM Polska Miedź S.A., and thus from the membership in the Management Board of KGHM Polska Miedź S.A., as of 1 April 2024.
8 May 2024	The Supervisory Board of the Company additionally entrusted Andrzej Szydło, President of the Management Board, with duties in the scope of competence previously entrusted to the Vice President of the Management Board (International Assets) with the exception of the duties with respect to the shaping of the Company's commercial and logistics policy, which the Supervisory Board temporarily entrusted to Piotr Krzyżewski, Vice President of the Management Board (Finance), for the period until the date of appointment of a Vice President of the Management Board (International Assets)
6 August 2024	The Supervisory Board of the Company, following the qualification procedure, appointed Ms Iga Dorota Lis to the 11 th -term Management Board of KGHM Polska Miedź S.A. as Vice President of the Management Board (International Assets) KGHM Polska Miedź S.A., as of 1 September 2024

Powers of the Management Board to issue or buy back shares of the Company

The authority of the Management Board to pass decisions on the issuance or redemption of shares is statutorily limited. The shares of the Company may be redeemed given shareholder consent through their acquisition by the Company (voluntary redemption). Redemption may not be carried out more than once per financial year. A resolution of the General Meeting of KGHM Polska Miedź S.A. on the redemption of shares may be preceded by an agreement entered into with a shareholder whose shares are to be redeemed. In accordance with §29 sec. 1 point 6 of the Statutes of the Company, any increase in share capital or issuance of shares requires the approval of the General Meeting of KGHM Polska Miedź S.A. The same holds true for the issuance of bonds (§29 sec. 1 point 10 of the Statutes of the Company). The Management Board of the Company does not have the authority to increase the share capital or issue the shares of the Company under conditions specified in art.

444 – 446 of the Commercial Partnerships and Companies Code.

3.3.2 Supervisory Board of KGHM Polska Miedź S.A. (the Supervisory Board)

The principles of appointing and dismissing the Members of the Supervisory Board

According to the Company's Statutes the Supervisory Board shall be composed of 7 to 10 persons appointed by the General Meeting, including at least 3 members elected by employees of the KGHM Polska Miedź S.A. Group. The Supervisory Board Members are appointed for a mutual term of office, which lasts three years. Before the end of term of office the mandate of the Supervisory Board Members shall expire in the case of the resignation, death or dismissal of a Member by the General Meeting.

Composition and personnel changes of the Supervisory Board in 2024

Diagram 36. Composition of the Supervisory Board in 2024 and to the date of preparation of this report

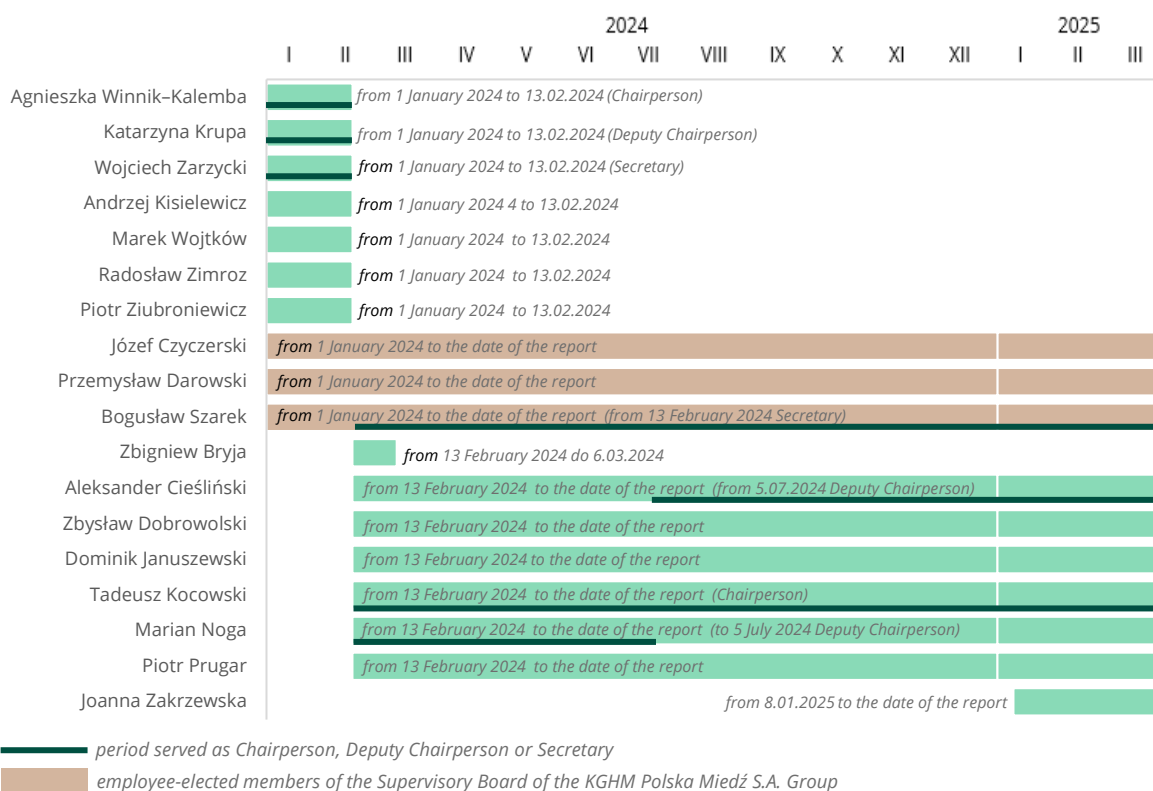


Table 73. Changes in the composition of the Supervisory Board in 2024 and to the date of preparation of the report

13 February 2024	The Extraordinary General Meeting of KGHM Polska Miedź S.A. dismissed the following persons from the Supervisory Board: Agnieszka Winnik-Kalemba, Katarzyna Krupa, Wojciech Zarzycki, Andrzej Kisielewicz, Marek Wojtków, Radosław Zimroz, Piotr Ziubroniewicz and subsequently appointed the following persons to the 11 th -term Supervisory Board: Zbigniew Bryja, Aleksander Cieśliński, Zbysław Dobrowolski, Dominik Januszewski, Tadeusz Kocowski, Marian Noga and Piotr Prugar.
6 March 2024	Resignation of Zbigniew Bryja from his function of member of the Supervisory Board of the Company
5 July 2024	Resignation of Marian Noga from his function of Vice Chairperson of the Supervisory Board of KGHM Polska Miedź S.A. and election of Aleksander Cieśliński as Vice Chairperson of the 11 th -term Supervisory Board
8 January 2025	The Extraordinary General Meeting of KGHM Polska Miedź S.A. appointed Joanna Zakrzewska to the Supervisory Board

Organisation of work of the Supervisory Board

The Supervisory Board acts on the basis of established law, the Statutes of the Company and the Bylaws of the Supervisory Board of KGHM Polska Miedź S.A. The Bylaws of the Supervisory Board of KGHM Polska Miedź S.A. and the Statutes of the Company are publicly available on the website of the Company in the section [Corporate governance | KGHM Polska Miedź S.A. Corporate website](#).

The Supervisory Board selects from among its members a Chairperson of the Supervisory Board, his/her deputy and, if necessary, a Secretary.

In order for resolutions of the Supervisory Board to be valid, all Members of the Supervisory Board must be invited to a meeting and resolutions adopted by an absolute majority of votes in the presence of at least one-half of the members of KGHM Polska Miedź S.A.

the Supervisory Board. The voting is open, unless the law provides otherwise or any Member of the Supervisory Board requests a secret ballot.

In justified instances the Supervisory Board may also pass resolutions in written form or through the use of long-distance means of direct communication. A resolution passed in this manner shall be valid if all Members of the Supervisory Board were informed of the wording of the proposed resolution and in the presence of at least one-half of the Members of the Supervisory Board.

Meetings of the Supervisory Board as well as meetings and votes on resolutions adopted outside of the Supervisory Board's meeting shall be recorded in minutes of the meeting. Motions to the Supervisory Board, information and other attachments submitted to the Supervisory Board shall constitute appendices to the minutes of the meeting. Submitting a dissenting opinion by a Member of the Supervisory Board requires stating it in the minutes of the meeting.

During its meetings the Supervisory Board may also adopt resolutions in matters not included in the proposed agenda, if none of the Members of the Supervisory Board participating in the meeting express disagreement in this regard.

The Supervisory Board should be convened at least once a quarter.

In 2024, **13 meetings of the Supervisory Board** were held. The absence of Members of the Supervisory Board was incidental and did not affect its work. In 2024, the Supervisory Board adopted four resolutions to justify the absence of a Member of the Supervisory Board at the meeting. The Supervisory Board held only one meeting between 1 January 2024 and 13 February 2024. **Attendance of individual Supervisory Board members in the period from 13 February 2024 to 31 December 2024 (12 meetings)** was as follows: Tadeusz Kocowski (100%), Aleksander Cieśliński (100%), Zbysław Dobrowolski (100%), Dominik Januszewski (100%), Marian Noga (100%), Piotr Prugar (100%), Józef Czyczerski (100%), Przemysław Darowski (92%), Bogusław Szarek (92%).

Competence and experience of Members of the Supervisory Board

The Supervisory Board of KGHM Polska Miedź S.A. is the permanent supervisory authority of KGHM Polska Miedź S.A., in all of the Company's functional areas. This function is exercised among others through the right to receive cyclical or advisory information from the Company concerning its assets, as well as important circumstances involving the Company's affairs, in particular in terms of the operations, investments and staff.

The detailed scope of competence of the Supervisory Board and the manner of its proceedings is described in the Statutes of the Company and the Bylaws of the Supervisory Board of KGHM Polska Miedź S.A. available on the Company's website in the section [Corporate Governance | KGHM Polska Miedź S.A. Corporate website](#). The Members of the Supervisory Board should, in performing their duties, exercise the due diligence arising from the professional nature of their activities as well as loyalty towards the Company.

The appointed Members of the Supervisory Board of KGHM Polska Miedź S.A. are not engaged in activities which are competitive to the activities of KGHM Polska Miedź S.A., do not participate in a company which is a competitor of KGHM Polska Miedź S.A. as a partner in a civil law partnership, a partnership or a capital company, and do not participate in a competing legal entity as a member of its bodies, and are not listed in the Register of Insolvent Debtors maintained on the basis of the Act on the National Court Register.

Table 74. Biograms of Members of the Supervisory Board

Tadeusz Kocowski Chairperson of the Supervisory Board	<p>Professor, habilitated doctor of law. Professor and a former Head of the Department of Economics Law of the Faculty of Management of Wrocław University of Economics and Business. A retired professor of Wrocław University, a former director of the Institute of Administrative Studies and a Head of the Department of Public Economic Law of the Faculty of Law, Administration and Economics of Wrocław University.</p> <p>He is the author or co-author of around 200 academic publications, among others: Administracyjne prawo gospodarcze (Administrative economic law), Publiczne prawo gospodarcze (Public economic law), Reglamentacja działalności gospodarczej w polskim administracyjnym prawie gospodarczym (Rationing of economic activities in Polish administrative economic law), Prawo dla ekonomistów (Law for economists), Zamówienia publiczne jako przedmiot regulacji prawnej (Public procurement as a subject of regulations), Prawo geologiczne i górnictwo (Mining and geological law). He promoted 10 doctors of law, prepared 11 reviews of doctoral theses and participated in 4 postdoctoral dissertations. Co-author of joint studies of Wrocław University and Wrocław University of Economics and Business, the graduates of which receive diplomas of both universities, titled Legal and Economic Consulting.</p> <p>At the turn of the twentieth century, and currently as well, he actively participates in the process of economic transformation. Initially in affairs of a self-governing state-owned company and the self-government of its employees, restitution of commercial companies and local self-governments engaged in economic activities and subsequently in economic freedom and organisational-ownership changes. In the years 1990-1992 he cooperated with KGHM Polska Miedź S.A. in the process of transforming the business.</p> <p>He was an advisor in the Economic Development Section of the Voivodeship Office in Wrocław, a member of the Self-Government Appeal Court. He is an arbitrator in the Wrocław Centre of Arbitration at the District Barristers Council in Wrocław. He is related with the issues of public procurement and public-private partnerships. He participated in the creation of regulations on safety and fire protection, organiser of many academic conferences on this topic.</p>
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<p>Marian Noga Deputy Chairperson of the Supervisory Board</p>	<p>Professor of economic sciences, he served as Rector of the Wrocław University of Economics and Dean of the Faculty of National Economy at the same university. In the years 2000-2004 he was a Senator of the 4th and 5th terms of the Republic of Poland. He was a member of the Monetary Policy Council in the years 2004-2010. Chairperson of the Committee on Economic Sciences of the Polish Academy of Sciences in the years 2007-2014. In 2010, he was awarded the badge of honour "For merits to banking in the Republic of Poland". Author of 34 monographs and more than 170 scientific articles published in Poland, Germany, Ukraine and the United Kingdom. He is a regular economic commentator on television, radio and the press.</p>
<p>Bogusław Szarek Secretary of the Supervisory Board, member of the Supervisory Board elected by the employees of the Group</p>	<p>Since 1982 employed at the Sieroszowice Mine of KGHM Polska Miedź S.A. as a mining machinery and tools mechanic. Secondary technical education.</p> <p>Since 1992 – Chairperson of the Plant Committee of the trade union NSZZ „Solidarność” in the Sieroszowice Mine. Following the merger of the Polkowice mine with the Sieroszowice mine, since 1996 Chairperson of the Plant Committee of the trade union NSZZ „Solidarność” in the Polkowice–Sieroszowice mine. Since 2012 an employee-elected Member of the Supervisory Board of KGHM Polska Miedź S.A.</p> <p>Chairperson of the Board of the trade union Krajowa Sekcja Górnictwa Rud Miedzi NSZZ „Solidarność” in Lubin. Vice-Chairperson of the Board of the Secretariat for Mining and Energy of the trade union NSZZ „Solidarność” in Katowice. Member of the National Committee of the trade union NSZZ „Solidarność”.</p>
<p>Aleksander Cieśliński</p>	<p>Legal counsel with over 20 years of experience in developing legal and expert opinions in the area of EU law and international protection of human rights for entities in the public and private sectors, international law, as well as experience in participating in proceedings before the European Court of Human Rights and the Court of Justice of the European Union.</p> <p>Moreover, he engaged in economic activity related to international trade and has experience in trade negotiations with foreign entities.</p> <p>He is a graduate of the Faculty of Law and Administration of Wrocław University. He received recognition by the Council of the aforementioned Faculty for his doctorate in international law. He is a professor in the International and European Law Department of the Faculty of Law, Administration and Economics of Wrocław University. He conducts seminars and lectures on full-time and postgraduate studies, as well as English speaking studies such as LMM (Large Language Model).</p> <p>He has many years of experience in lecturing and teaching, among others of legal trainees, legal advisers and judges. He was a lecturer in the Department of Economic Law of Wrocław University of Economics, in the Copper Basin Vocational University in Lubin and in the Higher School of Trade in Wrocław. He is the author and co-author of many academic publications and scientific publications, among others in the area of EU and economic law, including "System prawa UE" (European Union law system) and "Komentarz do Traktatu o Unii Europejskiej" (Commentary to the Treaty on the European Union).</p>
<p>Józef Czyczerski Member of the Supervisory Board elected by employees of the Group</p>	<p>Secondary technical education. Since 1979 employed at the Sieroszowice Mine of KGHM Polska Miedź S.A. as an underground electromechanic. Chairperson of the trade union Krajowa Sekcja Górnictwa Rud Miedzi NSZZ Solidarność. Employee-elected member of the Supervisory Board of KGHM Polska Miedź S.A. in the years 1999-2011, and then from 2014.</p>
<p>Przemysław Darowski Member of the Supervisory Board elected by employees of the Group</p>	<p>Has higher technical education. Professional work commenced in 1997 as a metallurgist, next as a railways rolling stock Specialist in Pol- Miedź Trans Sp. z o.o. From 2003 Head of the Unit responsible for maintenance planning and settlement as well as Maintenance Control, subsequently Head of the Railways Operations Unit in Głogów. From 2006, Senior Specialist / Commissioner of the Railway Cars Maintenance Handover Unit. Cooperated with the Gmina (municipality) of Legnica, on behalf of which Zespół Szkół Technicznych i Ogólnokształcących im. (Henryk Pobożny Technical and General School Complex) in Legnica acts as regards the operation of a training and examinations center for train drivers and candidates for train drivers.</p> <p>Former member of the railways commissions in Pol-Miedź Trans which review railway accidents and incidents. Moreover, in the years 2017-2019 served as an Employee Labour Inspector. Currently Chairperson of the Interdivisional Commission of the NSSZ „Solidarność” trade union in Pol-Miedź Trans. Member of the trade union Sekcja Krajowa Górnictwa Rud Miedzi NSZZ „Solidarność”. Member of the Management Board of Region Zagłębie Miedziane of the trade union NSSZ „Solidarność”.</p>
<p>Zbysław Dobrowolski</p>	<p>Professor of the Jagiellonian University in Kraków, Ph.D in Economics: economics and corporate organisation, with the status of habilitated doctor in the area of management.</p> <p>He has more than 30 years of experience in research and the evaluation of enterprises involving public property, including resulting from more than 25 years of work at the supreme national control body, among others as a manager of one of the delegations. Engaged in internal auditing activities. Author of numerous scientific publications on controlling, auditing and implementation of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) guidelines. Expert in many international programs, including those financed by the International Organization of Supreme Audit Institutions (INTOSAI), Organisation for Economic Co-operation and Development (OECD) and EU. A speaker during the Organization for Security and Co-operation in Europe (OSCE) conference.</p> <p>In 1998 he took part in a prestigious internship aimed at the management of the highest governmental control bodies: the GAO International Auditor Fellowship Program of the U.S. Government Accountability Office. Since 2008 he had been involved with INTOSAI, where in the role of expert he trained employees of the highest governmental control bodies from several dozen countries, and co-founded three global standards and audit guidance. He is an</p>

	expert involved in a dozen or so international enterprises, including those organised by the OECD or the European Union, aimed at improving the management of international organisations in other countries.
Dominik Januszewski	An experienced manager, an expert in the areas of management and finance. For more than 25 years he worked in the companies Ernst&Young and Arthur Andersen. In the years 2005-2019 he was a Partner in Ernst&Young responsible for projects involving business consultancy, transactional consultancy and privatisation, as well as the auditing of financial statements. As a Partner, he managed a team of more than 200 consultants. His clients included the largest financial institutions in Poland. Currently he is responsible for a strategic consulting team at JLL involved in developing and implementing an ESG strategy as well as a strategy to optimize the energy aspects of companies. He is a Polish Certified Auditor, and has taken numerous professional courses in the areas of auditing, consultancy and management. In 2022 he received a Certificate from the University of Cambridge: "Business Sustainability Management". He is a graduate of the University of Łódź, Faculty of Economics-Sociology, specializing in Finance and Banking.
Piotr Prugar	A graduate of the Law and Administration of Wrocław University. Legal counsel, with many years of experience in the area of legal services and management of economic entities. Co-worked as and served as the receiver, liquidator and proxy for company management boards. Served as a representative of creditors in insolvency and restructuring proceedings, among others in GetBack S.A w restrukturyzacji, Hawe Telekom S.A. w restrukturyzacji, Fakos sp. z o.o. [subsidiary of Kopex SA], Technical Glassworks (Huta Szkła Technicznego), Paper Mill in Dąbrowica (Fabryka Papieru w Dąbrowicy), Julia Glassworks (Huta Julia) and others.
Joanna Zakrzewska	<p>Qualified manager with many years' experience in management, audit and finance. For years, she has held management positions in both Polish and international companies, i.e. Amazon, Deloitte, KPMG, LOT or Noble Bank, pursuing her passion for improving organisational effectiveness also as an external advisor.</p> <p>Expert in internal audit, corporate governance and risk. Advocate for sustainable development. Practitioner of the development, implementation and attestation of internal control systems.</p> <p>She started her career in the field of financial auditing, specialising in the analysis and audit of financial statements. She served as coordinator for SOX implementation in Europe. As Director of Internal Audit, she created and reorganised the internal audit function, working closely with the supervisory boards.</p> <p>She studied at universities in Poland and abroad. Graduate of the Faculty of Economics, majoring in Organisation and Management. Scholarship holder of the Hogeschool voor Economisch Administratief Onderwijs. She completed postgraduate studies in "Business Psychology" (L. Koźmiński Academy).</p> <p>She holds international qualifications in the areas of finance and internal audit: Association of Chartered Certified Accountants (FCCA) and the Institute of Internal Auditors (CIA).</p> <p>Chairperson of the ACCA Council Poland. She is a member of the Association of Independent Supervisory Board Members, the Program Council of the "Financial Director Forum", the Institute of Internal Auditors and Chapter Zero Poland.</p> <p>Speaker. Author or co-author of publications, training courses, reports and analyses on internal audit, risk, sustainability and the luxury goods market. Lecturer.</p>

Supervisory Board Committees

Within the structure of the Supervisory Board are three committees which serve in an auxiliary role to the Supervisory Board in the preparation of assessments, opinions and other actions aimed at reaching decisions which must be made by the Supervisory Board. After the end of the year, the committees submit reports on their activities to the Supervisory Board. The Committees elect a Chairperson from among themselves. Internal regulations on the basis of which the following Committees organize their work and their changes are adopted by the Supervisory Board.

Diagram 37. Committees of the Supervisory Board of KGHM Polska Miedź S.A. in 2024



Remuneration Committee

Responsible for supervising the realisation of contracts signed with the Management Board, the remuneration system and benefits paid out in the Company and Group, training and other benefits provided by the Company, as well as audits performed by the Supervisory Board in this regard.

Diagram 38. Composition of the Remuneration Committee of the Supervisory Board in 2024 and to the date of this report

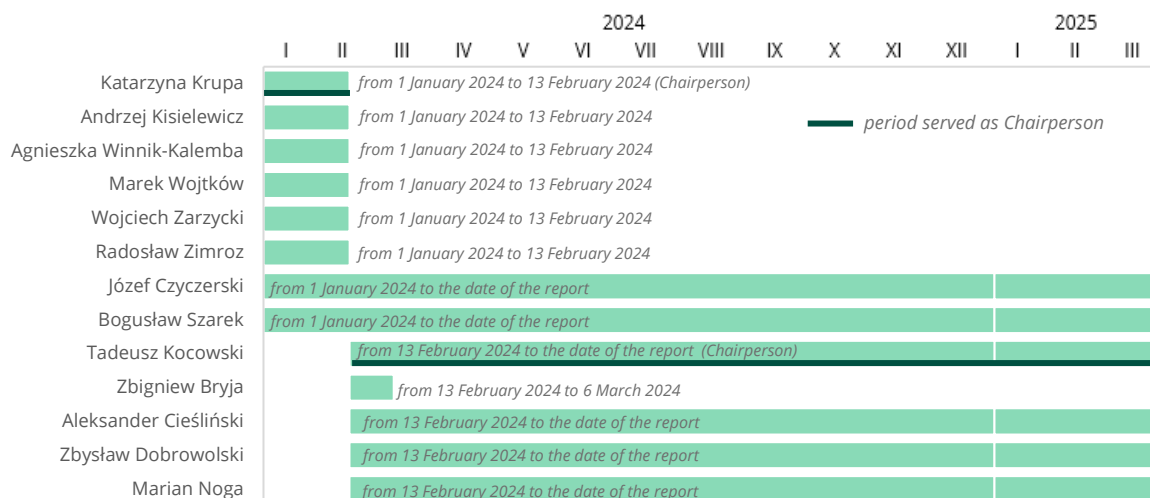


Diagram 39. Tasks of the Remuneration Committee

The management of issues related to the recruitment and employment of members of the Management Board by preparing and arranging draft documents and processes to be submitted for the acceptance of the Supervisory Board	The preparation of draft contracts/agreements and other sample documents related to the establishment of an employment relationship with a Member/Members of the Management Board and oversight of the execution of the contractual obligations by the parties	Oversight of the execution of the Management Board remuneration system, in particular the preparation of settlement documents with respect to moveable/variable bonus elements of remuneration in order to submit recommendations to the Supervisory Board and to develop a draft report of the Supervisory Board on the remuneration of Members of the Management Board and Supervisory Board	Monitoring and periodic assessment of the remuneration system for the Company's senior management and, if necessary, the preparation of recommendations for the Supervisory Board	Oversight of the proper execution of additional benefits for Members of the Management Board arising from agreements binding Members of the Management Board with the Company	Other tasks ordered by the Supervisory Board
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Strategy Committee

Supervises the realisation of company strategy, the company's annual and long-term operating plans, supervises the coherence of these documents, and also provides its opinion to the Supervisory Board on the strategic projects presented by the Management Board of the Company and any changes thereto, as well as on the company's annual and long-term operating plans.

Diagram 40. Composition of the Strategy Committee of the Supervisory Board in 2024 and to the date of this report

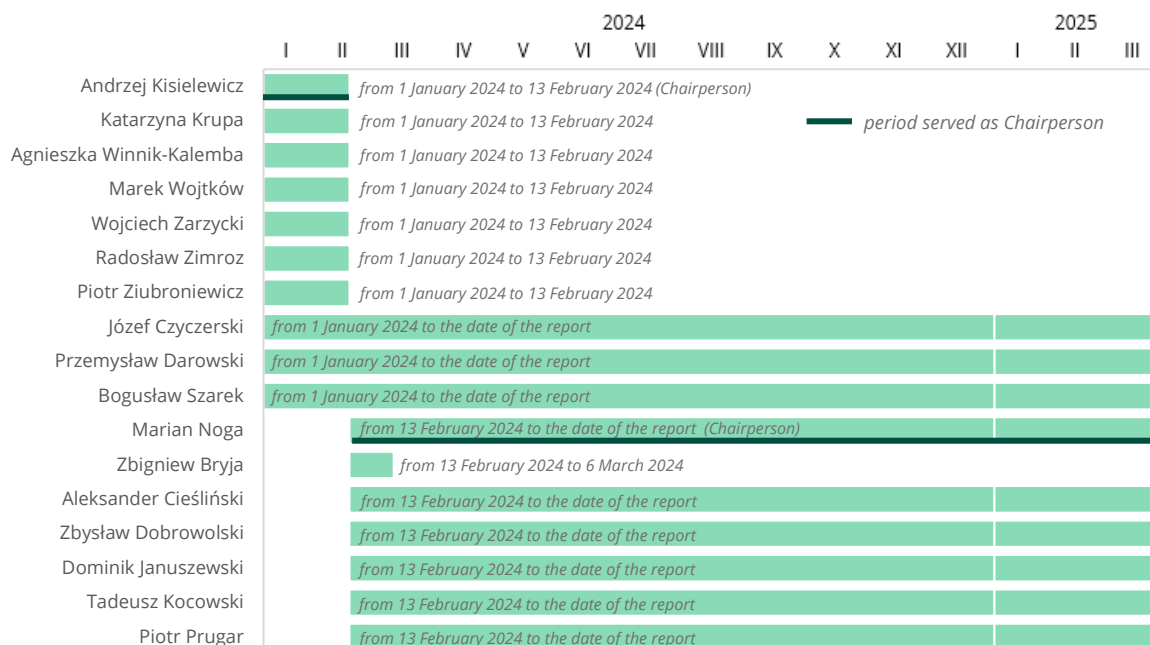


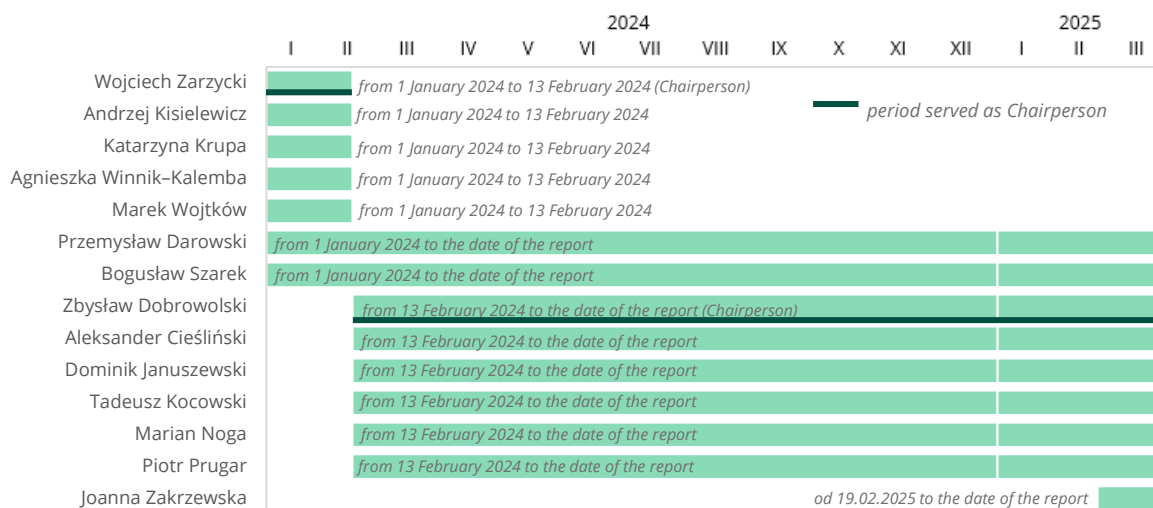
Diagram 41. Tasks of the Strategy Committee

Execution on behalf of the Company's Supervisory Board of tasks in the area of oversight of issues associated with the Company's strategy and the annual and long-term operating plans of the Company	Monitoring execution of the Company's strategy by the Management Board and issuing opinions on the degree to which the existing strategy is able to deal with changes in the actual situation	Monitoring execution of the annual and long-term operating plans of the Company by the Management Board, and assessment of whether these plans need to be modified	Assessment of the consistency of the annual and long-term operating plans of the Company with the Company's strategy as executed by the Management Board, and the presentation of any proposed changes in all such Company documents	Submission to the Company's Supervisory Board of its opinions regarding the draft strategies of the Company and any changes thereto and of the annual and multi-year operating plans of the Company, as presented by the Company's Management Board, including the budget
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Audit Committee

Responsible for supervision in the areas of financial reporting, the internal control system, risk management and internal and external audits. In addition, the Supervisory Board has appointed the Audit Committee to perform the function of reporting on the sustainable development of the KGHM Polska Miedź S.A. Group and attesting of these reports.

Diagram 42. Composition of the Audit Committee of the Supervisory Board in 2024 and to the date of this report



Due to the significant size of the KGHM Polska Miedź S.A. Group, its global reach and the broad and diverse scope of its activities, the Audit Committee is comprised of people with different qualifications, skills and competence. The broad composition of the Audit Committee is a guarantee of effective, continuous oversight of the Company's affairs and, with the very high number of matters referred to the Audit Committee meetings, its members are able to devote sufficient time to the work of the Audit Committee through proper organisation and distribution of work.

Diagram 43. Most important tasks of the Audit Committee

In the area of financial reporting oversight						
Monitoring of the financial reporting process	The conduct of financial review	Conducting reviews of transactions carried out by the Company, which the Audit Committee considers as significant for the Company	Submitting recommendations aimed at ensuring the transparency of the Company's financial reporting process	Monitoring the effectiveness of internal control and risk management systems and internal audit, in particular with regard to financial reporting		
In the area of supervision of the internal and external audit function						
Providing an opinion on the Company's internal audit plan and the internal audit regulations, as well as changes in the position of internal audit director who reports directly to the President of the Management Board	Analysis of the conclusions and recommendations of the Company's internal audit from monitoring the degree of implementation of recommendations made by the Management Board	Auditing and monitoring the independence of the certified auditor and the auditing firm, in particular if the auditing firm provides other services to the Company apart from auditing	Assessing the independence of the certified auditor and expressing consent for the certified auditor to provide permitted non-auditing services in the Company	Developing a policy for the selection of an audit firm to audit the financial statements and a policy for the selection of an audit firm to perform attestation of the group's sustainability reporting;	Developing a policy for the provision of services by the audit firm performing audit or sustainability reporting attestation, by affiliates of the audit firm and by members of the network to which the audit firm belongs, of permitted services other than audit or sustainability reporting attestation	Making a recommendation to the Supervisory Board on the appointment of an independent auditor to review the internal audit function
In the area of non-financial reporting oversight						
Monitoring the group's sustainability reporting	Monitoring the effectiveness of internal control and risk management systems and internal audit, in particular with regard to sustainability reporting of the group					

In 2024, there were 15 meetings of the Audit Committee. The absence of Audit Committee Members was incidental and did not affect its work. The Audit Committee held one meeting between 1 January 2024 and 13 February 2024. After selecting its new composition, the Audit Committee held 14 meetings between 13 February 2024 and 31 December 2024. **The attendance of individual Members of the Audit Committee was as follows:** Tadeusz Kocowski (100%), Aleksander Cieśliński (100%), Zbysław Dobrowolski (100%), Dominik Januszewski (100%), Marian Noga (100%), Piotr Prugar (100%), Przemysław Darowski (93%), Bogusław Szarek (93%).

In 2024, the Audit Committee, during its meetings, dealt with and became acquainted with information on, among others:

- market and corporate risk management in the KGHM Polska Miedź S.A. Group, including in detail in matters relating to key risk;
- financial and production results in the KGHM Polska Miedź S.A. Group;
- recommendations for the Supervisory Board on the evaluation of financial statements and consolidated financial statements and on the evaluation of the Report of the Management Board on the activities of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group in 2023, including the Statement on non-financial information;
- impairment testing of production assets,
- appointment of the Executive Director responsible for the area of internal audit in the Head Office of KGHM Polska Miedź S.A.,
- the application of the International Standards for the Professional Practice of Internal Auditing by the Company
- the implementation of the internal audit plan for 2023 and the implementation of the audit plan for 2024.
- expenses related to consulting services, auditing financial and legal statements, marketing and advertising, cultivating traditions, representation and sponsorship;
- anti-corruption management system based on the international PN-ISO 37001 standard;
- assessment of the independence of the audit firm in the provision of permitted non-auditing services;
- verification of the declarations of independence of members of the Audit Committee of the Supervisory Board of KGHM Polska Miedź S.A.

Assessment of Independence of the Audit Committee Members

In the period from 1 January 2024 to 31 December 2024 the majority of the Members of the Audit Committee, including its Chairperson, met the independence criteria referred to in art. 129 sec. 3 of the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision. The independent members of the Audit Committee included:

- **In the period from 1 January 2024 to 13 February 2024:** Agnieszka Winnik-Kalemba, Andrzej Kisielewicz, Marek Wojtków, Wojciech Zarzycki i.e. 4 out of 7 Audit Committee members (57%)
- **In the period from 13 February to 5 August 2024:** Tadeusz Kocowski, Aleksander Cieśliński, Dominik Januszewski, Marian Noga, Piotr Prugar, Zbysław Dobrowolski i.e. 6 out of 8 Audit Committee members (75%)
- **In the period from 6 August 2024 to 31 December 2024:** Tadeusz Kocowski, Dominik Januszewski, Marian Noga, Piotr Prugar, Zbysław Dobrowolski i.e. 5 out of 8 Audit Committee members (63%)
- **As at the date of publication of this report:** Joanna Zakrzewska, Tadeusz Kocowski, Dominik Januszewski, Marian Noga, Piotr Prugar, Zbysław Dobrowolski i.e. 6 out of 9 Audit Committee members (67%)

The Supervisory Board evaluated the submitted declarations regarding the fulfilment of independence criteria and adopted appropriate resolutions regarding the verification of the declarations of members of the Supervisory Board's Audit Committee.

The independence of the Committee Members was assessed in the context of their relationships within the Group and related parties, as defined by the Accounting Act of 29 September 1994, including principle 2.3. of DPSN 2021, i.e. the absence of any real and significant relationships with a shareholder holding at least 5% of the total number of votes in the company. The declarations made were subject to verification by the Company, taking into account in particular the essence of independence, the concept of material business relations and the nature of the group and related parties. In 2024, one of the Members of the Committee submitted information on a change in independence status and on new circumstances that could affect its assessment.

Qualifications, knowledge and skills of the Audit Committee members

The qualifications of the Audit Committee Members in the areas of accounting or the auditing of financial statements, as well as knowledge and skills in the sector in which KGHM Polska Miedź S.A. operates, resulted from the education, experience and professional practice of the Audit Committee Members. Following is detailed information on their qualifications in the areas of accounting or the auditing of financial statements as well as their knowledge and skills in the sector in which KGHM Polska Miedź S.A. operates.

Qualifications in the scope of accounting or auditing of financial statements

from 1 January 2024 to 13 February 2024	Wojciech Zarzycki was selected as a Member of the Audit Committee possessing qualifications in the field of accounting or the auditing of financial statements. In 2004 he obtained his master's degree from the Faculty of Economics at Poznań University of Economics and Business. He has been a statutory auditor since 2008 and he is a Member of the Polish Chamber of Statutory Auditors. He is a Member of the Association of Chartered Certified
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Accountants (ACCA), and since 2002 he has held the title of Chartered Financial Analyst (CFA) in the United States, and is a member of the CFA Institute and CFA Society Poland. Since 2011 employed as a Manager, and subsequently as a Financial Director of companies of the Allianz Group in Poland (prior to the merger of Aviva companies). From 2016 to 2022 he was a Member of the Supervisory Board of KGHM TFI S.A. From 2005 to 2011 he worked as an Auditor in the company KPMG Audyt, conducting audits of the financial statements of insurance companies. From 2003 to 2005 he worked as an Accountant in the company Morison Finansista-Finlex.

**from 13 February
2024 to 31
December 2024**

Dominik Januszewski has been selected as a Member of the Audit Committee by virtue of his knowledge and skills in accounting and auditing financial statements. Compliance with the requirements concerning the knowledge and skills pertaining to accounting and auditing financial statements was validated by means of verifying appropriate documents concerning his education and work experience. In 1994, Dominik Januszewski graduated from the Faculty of Economics and Sociology of the University of Łódź, where he studied Finance and Banking. Since 2021, he has been a qualified statutory auditor.

Between 1994 and 2002 Dominik Januszewski worked at Arthur Andersen Polska, first as a consultant in the financial institution audit department before moving on to become a Manager responsible for auditing financial statements. In 2002, he joined Ernst & Young Polska as a Senior Manager in the audit department of financial institutions. In the years 2005-2019, he was a Partner at Ernst & Young Polska and during this period, among others in the years 2007-2015, he served as a leader of the audit department of financial institutions at Ernst & Young Polska.

Industry knowledge and skills

**from 01 January
2024 to 13 February
2024**

and subsequently

**from 13 January
to 31 December
2024**

Bogusław Szarek was selected as a member possessing knowledge and skills in the sector in which KGHM Polska Miedź S.A. operates resulting from many years of employment (since 1982) in KGHM Polska Miedź S.A. as well as being a member of the Supervisory Board of KGHM Polska Miedź S.A. since 2012, as a Member of the Supervisory Board of KGHM Polska Miedź S.A. elected by employees.

Firm auditing the financial statements

The following are applicable in KGHM Polska Miedź S.A.:

- Policy of KGHM Polska Miedź S.A. for the selection of the auditing firm to conduct audits of the financial statements, or attestation of the sustainable development reporting (hereafter: the “Selection policy”)
- Policy for permitted non-auditing services or attestation of the sustainable development reporting to be provided by the auditing firm conducting audits of the KGHM Polska Miedź S.A. Group through entities associated with the auditing firm and through members of the auditing firm’s network, (hereafter: the “Services policy”).
- Procedure of KGHM Polska Miedź S.A. concerning the selection of the audit firm auditing the financial statements or providing attestation of the sustainable development reporting (hereafter: the “Selection procedure”).

Main tenets of the Selection policy:

- maximum uninterrupted period of providing services by a given auditing firm of audits of the financial statements amounting to 10 years, followed by a grace period of at least 4 years, under condition that the key certified auditor may not carry out the statutory audit for more than 5 years;
- transparency, accuracy and honesty in all procedures involving the selection of the auditing firm;
- equal opportunity for all of the auditing firms meeting the Company’s requirements to be selected;
- documentation of selection procedures performed and evaluation of offers in a manner which ensures the transparency of the actions taken.

Main assumptions of the Services Policy:

- limitation of the scope of permitted non-auditing services ordered from the auditing firm or a related entity thereof; maximum total remuneration for the services provided in this regard is limited to 70% of the average remuneration paid out during the last three financial years due to providing statutory auditing services;
- need to review the purpose and necessity for purchasing permitted non-auditing services from the auditing firm or a related entity thereof on an individual basis;
- active participation of the Audit Committee in the process of evaluating threats to and the security of the independence of the auditing firm in providing permitted non-auditing services;
- signing of an agreement and the providing of services, as well as any change in the scope of the services or remuneration thereof, will be possible only after the Audit Committee has provided the requisite consent.

The entity authorised to audit the financial statements of KGHM Polska Miedź S.A. for the years 2019-2028 is PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp.k. In 2018, following the procedure for

selecting an audit firm that meets the applicable criteria, an audit firm was selected for the period of 2019-2021. In 2021, an annex to the agreement was signed extending the term of the agreement to 2022-2024, which was preceded, in accordance with the policy for selecting an audit firm, by an assessment of the services provided to date by the audit firm by the Audit Committee and its recommendation to the Supervisory Board to extend the term of the agreement. In 2023, another annex to the agreement was signed, extending the term of the agreement to 2025-2028, also preceded by an evaluation of the cooperation with the audit firm and the services it provided, and a recommendation by the Audit Committee to extend the agreement with PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k.

The entity authorised to carry out the service of attesting the sustainable development reporting of the KGHM Polska Miedź S.A. Group, which is part of the Management Board Report on the operations of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Capital Group for the years 2024-2028, is PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. The selection of the auditing firm in 2024 was made as a result of an organised procedure of selection, which met the existing criteria.

The procedure was developed by the Audit Committee and complies with the requirements of:

- The Regulation of the European Parliament and of the Council (EU) No. 537/2014 on detailed requirements for statutory audits of financial statements of public-interest entities;
- The Act dated 11 May 2017 on certified auditors, auditing firms and public oversight;
- The Accounting Act of 29 September 1994.

Based on the statement of the Supervisory Board, the Management Board of the Company confirms that the selection of the audit firm to audit the annual financial statements for 2024 and the annual consolidated financial statements for 2024 was carried out in accordance with the regulations, including those related to the selection and procedure for the selection of the audit firm, indicating that:

- the audit firm and members of the audit team fulfil the conditions for preparing an impartial and independent audit report of the annual financial statements and annual consolidated financial statements in accordance with applicable regulations, professional standards and professional ethics,
- the applicable regulations regarding the turnover of the audit firm and the key auditor as well as the mandatory grace periods are respected,
- The Company has a policy regarding the selection of an audit firm and a policy regarding the provision of additional non-audit services to the audit firm by a related entity of the audit firm or a member of its network, including services conditionally exempted from the prohibition of provision by the audit firm.

In 2024, the following permitted non-audit services were provided to the Company by the audit firm examining its financial statements:

- an opinion for the purposes of exemption from excise duty on electricity in energy-intensive plants in accordance with art. 31d sec. 8 of the Act dated 6 December 2008 on excise tax;
- an independent attestation service for managing the responsible gold and silver supply chain to confirm compliance with the requirements of the London Bullion Market Association ("LBMA");
- an assurance service to assess the accuracy of the calculation of data in order to comply with the requirements of Article 52 sec. 3 and Article 23 sec. 2 and 3 of the Act on Renewable Energy Sources of 20 February 2015;
- verification of the financial covenants in relation to the loan received from the European Investment bank, assessment of the report in accordance with the provisions of the Government Program "Assistance to energy-intensive industries related to natural gas and electricity prices in 2023";
- assessment of the report in accordance with the provisions of the Government Program "Assistance to energy-intensive industries related to natural gas and electricity prices in 2024";
- an opinion for the purposes of exemption from excise duty on electricity in energy-intensive plants in accordance with art. 31d sec. 8 of the Act of 6 December 2008 on excise tax - recalculation of years 2018, 2021, 2022;
- voluntary attestation of selected CSRD indicators for 2023;
- performing attestation services on the correctness of the determination of the PKD code of the prevailing activity and assessment of whether the company is not in a difficult position
- ocena Sprawozdania o wynagrodzeniach Zarządu oraz Rady Nadzorczej KGHM Polska Miedź S.A.,
- przegląd sprawozdania finansowego za I półrocze 2024,
- atestacja dająca ograniczoną pewność w zakresie Sprawozdawczości zrównoważonego rozwoju Grupy Kapitałowej za rok 2024,
- badanie informacji finansowej specjalnego przeznaczenia Zagłębia Sudbury (carve-out)..

In each case, the Audit Committee evaluated the independence of the auditing firm and expressed its consent to the provision of permitted services.

Detailed information on remuneration of the entity entitled to audit the financial statements for the review and audit of financial statements and other remuneration is presented in note 12.9 of the separate and consolidated financial statements.

Description of the diversity policy in relation to the management and supervisory bodies

The Company does not have a formally written Diversity Policy for the Management Board and the Supervisory Board in place. The Company monitors the progress of the implementation of Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving gender balance among directors of listed companies and related measures, into the national legal system. The adoption of the diversity policy for the Company's governing bodies will take place in accordance with the deadline indicated in the Act amending the Act on public offerings and the conditions for introducing financial instruments into the organised trading system and on public companies, and the Act on the implementation of certain provisions of the European Union on equal treatment. The Company has already started work on the preparation of the policy document, with particular reference to age, disability, gender or education and work experience, together with an indication of the objectives of the policy and individual quantitative targets set with a view to improving gender balance.

However, diversity management also applies to the members of the Supervisory Board and the Management Board of KGHM Polska Miedź S.A. In 2024, the management and supervisory staff was composed of persons of various age and experience. In selecting the best candidate for each position on the Management Board, the Supervisory Board is guided, among other things, by an assessment of the aptitude directly related to the performance of the duties relating to the position for which it has announced a selection procedure.

Table 75. Age structure and length of service of members of the Supervisory Board and the Management Board as at the date of the report

Structure of age diversity	< 40 years	40-50 years	51-60 years	> 60 years
Supervisory Board of KGHM Polska Miedź S.A.	-	1	2	6
Management Board of KGHM Polska Miedź S.A.	-	2	2	2
Employment in KGHM Polska Miedź S.A.	< 5 years	5-10 years	11-20 years	> 20 years
Supervisory Board of KGHM Polska Miedź S.A.	7	-	-	2
Management Board of KGHM Polska Miedź S.A.	3	-	-	3

Information on gender representation in the governing bodies, distinguishing between non-executive directors (Supervisory Board of KGHM Polska Miedź S.A.) and executive directors (Management Board of KGHM Polska Miedź S.A.) within the meaning of Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving gender balance among directors of listed companies and related measures, is presented below.

Table 76. Gender representation in the Management Board and the Supervisory Board as at 1 January 2024

Structure of gender diversity	Number of women (% share)	Number of men (% share)
Supervisory Board of KGHM Polska Miedź S.A.	2 (20%)	8 (80%)
Management Board of KGHM Polska Miedź S.A.	0 (0%)	5 (100%)

Table 77. Gender representation in the Management Board and the Supervisory Board as at 31 December 2024

Structure of gender diversity	Number of women (% share)	Number of men (% share)
Supervisory Board of KGHM Polska Miedź S.A.	0 (0%)	9 (100%)
Management Board of KGHM Polska Miedź S.A.	1 (17%)	5 (83%)

Table 78. Diversity representation by gender in the Management Board and the Supervisory Board as at the date of the report

Structure of gender diversity	Number of women (% share)	Number of men (% share)
Supervisory Board of KGHM Polska Miedź S.A.	1 (10%)	9 (90%)
Management Board of KGHM Polska Miedź S.A.	1 (17%)	5 (83%)

3.3.3 Description of the application of DPSN 2021

Table 79. The principles of Section II of DPSN 2021 - Management Board, Supervisory Board, applied in KGHM Polska Miedź S.A.

2.3 At least two members of the supervisory board meet the criteria of being independent referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision, and have no actual and material relations with any shareholder who holds at least 5% of the total vote in the company.

The principle is applied.

2.5 Members of the supervisory board and members of the management board who vote against a resolution may have their dissenting vote recorded in the minutes.

The principle is applied. The relevant provisions can be found in the Bylaws of the Supervisory Board.

2.6. Functions on the management board of a company are the main area of the professional activity of management board members. Management board members should not engage in additional professional activities if the time devoted to such activities prevents their proper performance in the company.

The principle is applied.

2.7. A company's management board members may sit on corporate bodies of companies other than members of its group subject to the approval of the supervisory board.

The principle is applied. The Supervisory Board passed 8 resolutions in this regard in 2024.

2.8. Supervisory board members should be able to devote the time necessary to perform their duties.

The principle is applied.

2.9. The chair of the supervisory board should not combine this function with that of chair of the audit committee of the supervisory board.

The principle is applied.

2.10. Companies allocate administrative and financial resources necessary to ensure efficient functioning of the supervisory board in a manner adequate to their size and financial standing.

The principle is applied.

2.11. In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following:

2.11.1. information about the members of the supervisory board and its committees, including indication of those supervisory board members who fulfil the criteria of being independent referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision and those supervisory board members who have no actual and material relations with any shareholder who holds at least 5% of the total vote in the company, and information about the members of the supervisory board in the context of diversity;

2.11.2. summary of the activity of the supervisory board and its committees;

2.11.3. assessment of the company's standing on a consolidated basis, including assessment of the internal control, risk management and compliance systems and the internal audit function, and information about measures taken by the supervisory board to perform such assessment; such assessment should cover all significant controls, in particular reporting and operational controls;

2.11.4. assessment of the company's compliance with the corporate governance principles and the manner of compliance with the disclosure obligations concerning compliance with the corporate governance principles defined in the Exchange Rules and the regulations on current and periodic reports published by issuers of securities, and information about measures taken by the supervisory board to perform such assessment;

2.11.5. assessment of the rationality of expenses referred to in principle 1.5;

Principles 2.11.1-2.11.5 are applied.

The annual report of the Supervisory Board is available at www.kghm.com in the section [General Meeting | KGHM Polska Miedź S.A. Corporate website](#).

3.3.4 Explanations on the waiver of the application of DPSN 2021 principles

In accordance with the published Statement on the Company's compliance with the principles in section II of DPSN 2021, the following principles are partially applied or are not applied:

Table 80. Principles in section II of DPSN 2021 applied partially or not applied in KGHM Polska Miedź S.A.

2.1 The Company should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age and professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%

The principle is partially applied.

A "Diversity Declaration" has been implemented in the Group's Parent Entity due to the international scope of its activities, cultural differences and the specific nature of the industries in which the Group operates. The Company does not currently have a Diversity Policy in place; however, in its operations, the Company guarantees the implementation of diversity principles in the KGHM Group and the promotion and dissemination of these principles for the respect of diversity in the workplace. The Company creates an organisational culture based on mutual respect and equality, regardless of, among others: ethnic origin, age, gender, sexual orientation,

nationality, citizenship, religious orientation, political convictions or trade union membership. The practical application of the "Declaration of Diversity" results in fully respecting gender equality and sufficient selection in terms of expected skills, knowledge, experience and education. The Company monitors the progress of the implementation of Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving gender balance among directors of listed companies and related measures, into the national legal system. The adoption of the gender equality policy in the Company's governing bodies will take place in accordance with the deadline indicated in the Act amending the Act on public offering and the conditions for introducing financial instruments into the organised trading system and on public companies and the Act on the implementation of certain provisions of the European Union on equal treatment.

2.2 Persons who make decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.

The principle is partially applied.

As described in reference to principle 2.1, the Company does not currently have a Diversity Policy. Nonetheless the Company aims at ensuring reasonable diversity in terms of the members of the Supervisory Board and Management Board. The Company, through internal acts such as the Bylaws of the Supervisory Board or the Regulations for the Conduct of the Qualification Procedure for Members of the Management Board, aims to ensure diversity and versatility in the management bodies. The management and supervisory staff is composed of people of different genders, ages and experience. The requirements and expectations for the competence of the appointed members of the Supervisory Board are set out by the Company in the normative acts that are available to the shareholders making the decision to appoint a member to the Supervisory Board. The adoption of the gender equality policy in the Company's governing bodies will take place in accordance with the deadline indicated in the Act amending the Act on public offering and the conditions for introducing financial instruments into the organised trading system and on public companies and the Act on the implementation of certain provisions of the European Union on equal treatment.

2.4 The supervisory board and the management board vote in an open ballot unless otherwise required by law.

The principle is partially applied.

KGHM Polska Miedź S.A. strives at every stage of its operations to apply this principle and for full transparency in the process of the adopting of resolutions by these bodies. The Bylaws of the Supervisory Board and Management Board stipulate as a principle that voting shall be conducted in open ballot, which does not preclude the right of any Member of these bodies to request voting by secret ballot. The Company anticipates that, in a small number of situations involving the adoption of resolutions by the Supervisory Board regarding personal matters, there may occur cases of voting by secret ballot at the request of Members of the Supervisory Board or the Management Board.

2.11.6 The annual report, which, in addition to the activities required by law, is prepared once a year by the supervisory board and submitted to the general meeting of shareholders for approval, includes information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1

The principle is not applied.

As indicated in the explanation regarding the non-application of principle 2.1. of the DPSN, the Company does not currently have a Diversity Policy in place. The planned adoption of the gender equality policy in the Company's governing bodies in accordance with the deadline indicated in the Act amending the Act on public offering and the conditions for introducing financial instruments into the organised trading system and on public companies and the Act on the implementation of certain provisions of the European Union on equal treatment will enable the fulfilment of reporting obligations related to the implementation level of this policy.

3.4 SYSTEMS AND FUNCTIONS

KGHM Polska Miedź S.A., under the principles indicated in section 3 of DPSN 2021, strives to maintain effective systems and functions as essential tools for supervising the Company in all of its operating activities.

3.4.1 Description of the application of DPSN 2021

Table 81. The principles of Section III of DPSN 2021 - Internal systems and functions, applied in KGHM Polska Miedź S.A.

3.1. A listed company maintains efficient internal control, risk management and compliance systems and an efficient internal audit function adequate to the size of the company and the type and scale of its activity; the management board is responsible for their functioning.

The principle is applied.

3.2. The Company's organisation includes units responsible for the tasks of individual systems and functions unless it is not reasonable due to the size of the company or the type of its activity.

The principle is applied.

Responsibility for the fulfilment of these obligations and their role in these systems reflects the principles existing in the organization for the breakdown of duties at various operational and management levels and support the achievement of defined business goals. As shown in the adopted diagram, the Company applies the model of three lines of defence (3LoD), assigning to the first line management risk through business units and risk owners, as well as control mechanisms in the Company's operational processes, to the second the

function of support of risk management, and to the third – internal audit controlling the other lines. A detailed diagram of the three lines of defence in the risk and compliance management system can be found in [section 1.5 Risk management](#).

3.3. A company participating in the WIG20, mWIG40 or sWIG80 indices appoints an internal auditor to head the internal audit function in compliance with generally accepted international standards for the professional practice of internal auditing. In other companies which do not appoint an internal auditor who meets such requirements, the audit committee (or the supervisory board if it performs the functions of the audit committee) assesses on an annual basis whether such person should be appointed.

The principle is applied.

The company has appointed an internal auditor to manage the internal audit function. The Internal Audit Regulations adopted for use are based on international standards for the professional practice of internal auditing

3.4. The remuneration of persons responsible for risk and compliance management and of the head of internal audit should depend on the performance of delegated tasks rather than short-term results of the company.

The principle is applied.

The remuneration of the Company's risk management and compliance officers and the head of internal audit does not depend on the short-term performance of the company, but primarily on the performance of the tasks. The company's result is not a key vehicle for the remuneration of the persons referred to in Principle 3.4.

3.5. Persons responsible for risk management and compliance report directly to the president or other member of the management board.

The principle is applied.

In accordance with the applicable Organisational Regulations, the Director of the Corporate Risk Management and Compliance Department and the Executive Director for Audit report directly to the President of the Management Board.

3.6. The head of internal audit reports organisationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.

The principle is applied.

The head of internal audit reports organisationally to the President of the Management Board and functionally to the chairman of the audit committee.

3.8. The person responsible for internal audit, or the management board if such function is not performed separately in the company, reports to the supervisory board at least once per year with their assessment of the efficiency of the systems and functions referred to in principle 3.1, and presents a relevant report.

The principle is applied.

In terms of corporate risk management systems, compliance activities and internal audit (including in terms of financial reporting) the Audit Committee engages in regular monitoring of these functions. The corporate risk management and the compliance management system undergoes an annual assessment of its effectiveness and the results are reported to the Audit Committee.

3.9. The supervisory board monitors the efficiency of the systems and functions referred to in principle 3.1 among others on the basis of reports provided periodically by the persons responsible for the functions and the company's management board, and makes annual assessment of the efficiency of such systems and functions according to principle 2.11.3. Where the company has an audit committee, the audit committee monitors the efficiency of the systems and functions referred to in principle 3.1, which however does not release the supervisory board from the annual assessment of the efficiency of such systems and functions.

The principle is applied.

The Supervisory Board prepares and presents to the Ordinary General Meeting for its approval the annual financial statements, which among others contain an assessment of the standing of the Company on a consolidated basis, including an evaluation of the internal control, risk management and compliance systems and the internal audit function, with information on the actions taken by the Supervisory Board of KGHM Polska Miedź S.A. in performing this assessment.

This assessment comprises all of the important control mechanisms, including in particular those involving reporting and the operations, and is prepared among others based on documents received from the Management Board and from persons managing risk and compliance and also managing internal audit regarding information on the effectiveness of these functions, discussions held with the participation of the Management Board and other individuals invited to attend meetings of the Supervisory Board, and also takes into account the financial statements and the reports of the Management Board on the activities of KGHM Polska Miedź S.A. and of the KGHM Polska Miedź S.A. Group, and based on the conclusions from the audit of the Company's accounts by a Certified Auditor and other audits.

3.4.2 Main characteristics of internal control and risk management systems as applied by KGHM Polska Miedź S.A. in the process of preparing separate and consolidated financial statements

Supervision of the application of uniform accounting principles by the Parent Entity and the

In order to ensure truthfulness and accuracy in the keeping of the accounting records of the Parent Entity and the uniformity of the accounting principles applied when preparing the financial statements of Group subsidiaries, the Management Board of the Parent Entity has introduced for continuous use an Accounting

<p>companies of the KGHM Polska Miedź S.A. Group during the process of preparing reporting packets to prepare the consolidated financial statements of the KGHM Polska Miedź S.A. Group</p>	<p>Policy for the Group in accordance with International Financial Reporting Standards approved by the European Union which is regularly updated in compliance with new regulations.</p> <p>Control over the accounting policies applied in the process of preparing the financial statements of KGHM Polska Miedź S.A. and of the Group subsidiaries is based on the control mechanisms embedded in the functioning of the reporting systems.</p> <p>The reporting packets of subsidiaries are also reviewed by appropriate services in the Parent Entity for consolidation purposes.</p>
<p>Centralised financial and accounting services</p>	<p>KGHM Polska Miedź S.A. performs its accounting activities within a centralised financial and accounting services structure. Bookkeeping in the Parent Entity is performed by the Accounting Services Center under the Head Office of KGHM Polska Miedź S.A. The centralisation of accounting services under a process model which provides for the transparent breakdown of duties and responsibilities ensures minimisation of the risk of bookkeeping errors and high-quality of financial statements. Actions are systematically being taken aimed at optimising the functioning of the accounting services structures.</p>
<p>Finance and accounting systems</p>	<p>KGHM Polska Miedź S.A. keeps accounting records in an integrated IT system. The modular structure of this system ensures a transparent segregation of processes and duties, coherence of accounting records and control over ledgers: special purpose ledger, general ledger and sub-ledgers. Access to this data at various levels and in various units is available via a well-developed reporting system. The Parent Entity continuously adapts the IT information system to changing accounting principles or other legal standards. The solutions applied by the Parent Entity are implemented in the IT systems of the Group's subsidiaries.</p> <p>To ensure the adequate utilisation and protection of systems and data, as well as secure access to data and computer equipment, appropriate organisational and systemic solutions have been implemented. Access to the resources of the financial and accounting system, as well as financial reporting, is limited by a system of authorisations that are granted to authorised employees solely with respect to the duties which they carry out. These entitlements are subject to regular review and audits. Control over this access is carried out at each stage of financial statements preparation, beginning with the entering of source data, through the processing of data, to the generation of output information.</p> <p>A key element in limiting the risk of errors and misstatements in accounting for economic activities are the actions taken which are aimed at increasing the use of IT tools to automate control over and the settlement of purchasing processes in the Company. These actions include:</p> <ul style="list-style-type: none"> – the Workflow system of electronic document settlement and approval; – the system for transmitting data between the system in the Parent Entity and IT systems in Group companies; – customer settlement based on e-invoices for procurement and sales.
<p>Corporate risk management</p>	<p>Under the Corporate Risk Management Policy and Procedures and the Corporate Risk and Compliance Committee Rules, corporate risk management is an on-going process in the Group. Risks associated with the Group's various operations are continuously identified, assessed and analysed in terms of their possible limitation.</p> <p>The Executive Director for Risk and Audit who, through his subordinate Corporate Risk Management and Compliance Department, monitors and escalates risks and incident reporting, is responsible for overseeing the entire corporate risk management process and developing the methods and tools used by managers in the Parent Entity, all subsidiaries and projects.</p> <p>These activities also comprise risk management with respect to the process of preparing the consolidated financial statements of the Group.</p> <p>The process of corporate risk management is annually subjected to an effectiveness audit (in compliance with the guidelines of "Best Practice for GPW Listed Companies 2021").</p> <p>Detailed information regarding the risk management system applied in the KGHM Polska Miedź S.A. Group together with an indication of the key risk is presented in section 1.5 Risk management.</p>
<p>Internal audit</p>	<p>A fundamental element of risk management with respect to the functioning of control mechanisms and the existence of risks in the operations of KGHM Polska Miedź S.A. is the work carried out by the Internal Audit Department. This work also indirectly strengthens the process of preparing financial statements as well as their accuracy.</p> <p>The Internal Audit Department carries out its tasks based on the "Audit Plan" for the given calendar year approved by the Management Board of KGHM Polska Miedź S.A. and assessed by the Audit Committee of KGHM Polska Miedź S.A.</p> <p>The goal of an audit is to provide the Management Board and the Audit Committee of the Supervisory Board of KGHM Polska Miedź S.A. with independent and objective information on internal control and risk management systems as well as with analyses of business processes within KGHM Polska Miedź S.A. and in the Group's companies. Independently from internal audit and institutional control, the obligation fully remains in KGHM Polska Miedź S.A. for each employee to exercise self-control in respect of their duties and for all levels of management to exercise their control as part of their coordination and supervision duties.</p>
<p>External audit</p>	<p>In accordance with prevailing law, the consolidated financial statements of the KGHM Polska Miedź S.A. Group are submitted for half-year review and annual auditing by a certified auditor. The Supervisory Board selects</p>

	<p>the certified auditor through a tender process, based on the recommendations of the Supervisory Board's Audit Committee and the report on the tender conducted by the Committee.</p> <p>The appropriate entity to audit the financial statements of KGHM Polska Miedź S.A. for the years 2019-2028 is PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. As part of the audit work performed the certified auditor performs, on the basis of prevailing audit methodology, an independent evaluation of the accounting principles applied by Parent Entity in preparing the financial statements and the accuracy and reliability of the separate and consolidated financial statements.</p>
Supervision over the process of financial reporting	<p>The body which supervises the process of financial reporting in KGHM Polska Miedź S.A. and which cooperates with the independent auditor is the Supervisory Board's Audit Committee, which is appointed by the Supervisory Board of the Parent Entity. The Audit Committee, in accordance with its duties as set forth in the Act dated 11 May 2017 on certified auditors, auditing firms and public oversight, in particular:</p> <ul style="list-style-type: none"> – monitors the process of financial reporting in terms of compliance with the Accounting Policy approved by the KGHM Polska Miedź S.A. Group and prevailing laws; – monitors the effectiveness of internal control systems, internal audit and risk management; – monitors the independence of the certified auditor and of the entity entitled to audit financial statements, and – conducts the process of selecting the entity entitled to audit financial statements of the Parent Entity to provide a recommendation to the Supervisory Board. <p>Monitoring of the process of financial reporting and assessment of the financial statements by the Supervisory Board is the final step of the review and control carried out by this body, ensuring the reliability and accuracy of the data presented in the separate and consolidated financial statements of the KGHM Polska Miedź S.A. Group.</p> <p>Proper management of the process of keeping records and preparing financial statements ensures the security and the high quality of the information.</p>

3.4.3 Explanations on the waiver of the application of DPSN 2021

In accordance with the published Statement on the Company's compliance with the principles in section III of DPSN 2021, the following principle does not apply to the Company:

Table 82. Principles of Section III of DPSN 2021 not applicable to KGHM Polska Miedź

3.7 Principles 3.4 – 3.6 apply also to members of the company's group which are material to its activity if they appoint persons to perform such tasks.

- (see principle 3.4. - The remuneration of persons responsible for risk and compliance management and of the head of internal audit should depend on the performance of delegated tasks rather than short-term results of the company.
- Principle 3.5. - Persons responsible for risk management and compliance report directly to the president or another member of the management board.
- Principle 3.6. - The head of internal audit reports organisationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.

The principle is not applicable to the Company.

In entities of the Company's group, persons have not been designated to fulfil the tasks indicated in principles 3.4-3.6, but persons have been designated to function as risk coordinators and compliance coordinators, who report directly to persons responsible for risk management and compliance in the Parent Entity. At present, the Company is not considering, in the case of entities of the Company's group, the building of a structure to comply with principles 3.4.-3.6. with respect to the functions of risk management and compliance. In relation to the audit function, tasks in entities of the Company's group are performed by the Internal Audit Department of the Parent Entity.

3.5 GENERAL MEETING AND RELATIONS WITH SHAREHOLDERS

KGHM Polska Miedź S.A., under the principles indicated in section 4 of DPSN 2021, strives to activate stakeholders and their engagement in the Company's affairs, mainly expressed in their active, personal or through a proxy, participation in general meetings.

3.5.1 General Meetings of KGHM Polska Miedź S.A. (General Meeting)

The General Meeting of KGHM Polska Miedź S.A. is the Company's highest authority. It meets in either ordinary or extraordinary form, based on generally prevailing law, the Statutes of the Company and the "Bylaws of the General Meeting of KGHM Polska Miedź S.A. with its registered head office in Lubin". An Ordinary General Meeting is convened within six months of the end of each financial year. General Meetings are convened by the Company's Management Board. In situations defined by the Commercial Partnerships and Companies Code, General Meetings may be convened by the Supervisory Board or by shareholders. The Statutes of the Company also authorise the Polish State Treasury to convene a General Meeting. The General Meeting is convened by an announcement published on the Company website and in the manner set forth in the Act dated 29 July 2005 on public offerings and conditions governing the introduction of financial instruments to organised trading, and on public companies. A General Meeting may adopt resolutions if at least one-fourth of the share capital is represented. Resolutions are adopted by a simple majority of votes cast, unless the law or the Company's Statutes state otherwise. Additional issues related to the functioning of the General Meeting are regulated by the "Bylaws of the General Meeting of KGHM Polska Miedź S.A. with its registered head office in Lubin" adopted by the General Meeting on 17 May 2010, which are available on the Company's website, www.kghm.com.

The duties of the General Meeting include in particular:

- examining and approving the report of the Management Board on the Company's activity and the financial statements; including the financial statements of the Group, for the past financial year;
- adopting resolutions on the appropriation of profits or coverage of losses;
- acknowledging the fulfilment of duties performed by members of the bodies of the Company;
- changing the subject of the Company's activity;
- changes in the Company Statutes;
- increasing or decreasing the share capital;
- the manner and conditions for retiring shares;
- merging, splitting and transforming the Company;
- dissolving and liquidating the Company;
- issuing convertible bonds or senior bonds;
- consenting to the disposal and lease of an enterprise or of an organised part thereof, as well as the attachment of limited property rights to same;
- all decisions relating to claims for redress of damage suffered during the foundation of the Company, or from management or supervisory activities;
- purchase of the Company's own shares, which are to be offered to employees or persons who were employed by the company or by related companies for a period of at least three years;
- establishing principles of the remuneration of members of the Supervisory Board, and
- establishing principles of the remuneration of members of the Management Board.

The schedule of work on organising the General Meetings of the Company is planned in such a way as to ensure that the obligations towards shareholders are properly met and to enable them to exercise their rights.

Amongst the regulations of the Commercial Partnerships and Companies Code, in respect of the organisation of general meetings and shareholder rights, the Company applies only those regulations which are obligatory, i.e. those which require the publication of announcements and relevant materials for the general meeting on the website and the use of electronic forms of contact with shareholders. Regulations enabling shareholders to participate in general meetings using electronic means of communication are not applied.

Information on the General Meetings of Shareholders held in 2024

Table 83. General Meetings of Shareholders in 2024 and to the date of preparation of this report

13 February 2024 at the Company's head office	Extraordinary General Meeting of KGHM Polska Miedź S.A., convened at the request of a Shareholder representing at least 1/20 of the capital, i.e. the State Treasury. The Extraordinary General Meeting of Shareholders passed resolutions on changes in the composition of the Supervisory Board. The foregoing results from the General Meeting's competence to appoint and dismiss members of the Company's Supervisory Board and serves to exercise the shareholder's right to shape the composition of the supervisory body in the Company.
7 June 2024 at the Company's head office	Ordinary General Meeting of Shareholders, convened on the basis of an announcement by the Management Board of KGHM Polska Miedź S.A. The General Meeting adopted resolutions on: <ul style="list-style-type: none">– the approval of the Financial Statements of KGHM Polska Miedź S.A. for the financial year ended 31 December 2023,– the approval of the Consolidated Financial Statements of KGHM Polska Miedź S.A. for the financial year ended 31 December 2023,

- the approval of the Management Board's Report on the activities of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group in 2023,
- coverage of loss for 2023,
- payment of dividends on retained earnings and determination of the dividend record date and dividend payment date,
- the approval of the Report of the Supervisory Board of KGHM Polska Miedź S.A. for 2023,
- evaluation of the Remuneration Report of members of the Management Board and Supervisory Board of KGHM Polska Miedź S.A. for 2023.

The General Meeting convened on 7 June 2024 resolved to order an adjournment of the meeting until 5 July 2024, at 11.00 a.m. and determined that the meeting after the adjournment would be held at the Company's registered head office in Lubin.

**5 July 2024
at the Company's
head office
(resumed session)**

The General Meeting adopted resolutions on:

- lack of approval of the fulfilment of duties of individual Members of the Management Board of KGHM Polska Miedź S.A. for 2023,
- approval of the fulfilment of duties of individual Members of the Supervisory Board of KGHM Polska Miedź S.A. for 2023.
- amendments to the "Remuneration Policy of Members of the Management Board and the Supervisory Board of KGHM Polska Miedź S.A."

**8 January 2025
at the Company's
head office**

Extraordinary General Meeting of KGHM Polska Miedź S.A., convened at the request of Shareholders representing at least 1/20 of the capital, i.e. Nationale-Nederlanden Otwarty Fundusz Emerytalny, PZU "Złota Jesień" Otwarty Fundusz Emerytalny, Generali Otwarty Fundusz Emerytalny. The Extraordinary General Meeting of Shareholders passed a resolution on changes in the composition of the Supervisory Board. The foregoing results from the General Meeting's competence to appoint and dismiss members of the Company's Supervisory Board and serves to exercise the shareholder's right to shape the composition of the supervisory body in the Company.

All documents that need to be disclosed are available to the General Meeting participants in the General Meeting section: [General Meeting | KGHM Corporate website](#).

3.5.2 Principles regarding amendments to the Company's Statutes

The right to make amendments to the Statutes lies within the competence of the General Meeting. It is performed as a result of the General Meeting passing a relevant resolution and making an entry in the Register of Entrepreneurs of the National Court Register. This entry is constitutive in nature, meaning that a General Meeting resolution adopted in accordance with the formal requirements has no effect until it is registered. Prior to the registration, an amendment to the Statutes has no legal effect.

A three-quarters majority of the votes cast at a General Meeting is needed to pass a resolution to amend the Statutes. There is also a general requirement for at least 1/4 of the share capital to be represented in order for the General Meeting to pass resolutions. In addition, the Statutes of KGHM Polska Miedź S.A. do not provide in this respect for any regulations regarding the required majority, other than those resulting from the provisions of the Commercial Partnerships and Companies Code - with the exception of changing the Company's scope of activity. In this case, the change may take place without the obligation to repurchase shares if a resolution of the General Meeting is adopted by a 3/4 majority of the votes cast in the presence of persons representing at least half of the share capital.

3.5.3 Shareholders and their rights

Shareholders of the Company exercise their rights in a manner and within the limits prescribed by prevailing law, the Statutes of the Company and the Bylaws of the General Meeting of KGHM Polska Miedź S.A.

Shareholders are entitled to exercise their voting rights either personally or through a proxy. The authority to participate in a General Meeting and to exercise voting rights should be granted in writing or in electronic form. Shareholders shall inform the Company of the granting of proxy authority in electronic form by filling out and sending to the Company the form placed on the website of the Company, or other information containing analogous data, no later than 24 hours prior to the planned date of the General Meeting.

Pursuant to the Company's Statutes, all of the shares are bearer shares, and their transformation into registered shares is not allowed. Each share represents one vote. The shares of the Company may be redeemed with the permission of the shareholder through their purchase by the Company (voluntary redemption). Redemption may not be carried out more than once per financial year. The resolution of the General Meeting on the redemption of shares should especially describe the legal basis for redemption, the amount of compensation to be paid to the shareholder for the redeemed shares or the justification for redeeming shares without compensation, and the way in which the share capital will be decreased. A resolution on the redemption of shares may be preceded by an agreement with the shareholder whose shares are to be redeemed. The agreement shall set forth the number of shares to be redeemed and the price for which the shares will be purchased. The validity of the agreement shall depend on the passage of a resolution by the General Meeting.

Moreover, in a situation where the Supervisory Board conducts qualification proceedings in the case of the existence of circumstances justifying the appointment of a Member of the Management Board, it shall inform shareholders of the results

of such proceedings and shall provide the minutes of the qualification proceedings. The Supervisory Board is also obliged to annually present to the Ordinary General Meeting a concise assessment of the standing of the Company, which should be included in the Company's annual report, made available to shareholders within such a time period as to allow them to review the report prior to the Ordinary General Meeting.

Restrictions on ownership rights and on the exercise of voting rights

There are no specific restrictions in the Statutes on the transfer of share ownership and on the exercise of voting rights on the Company's shares, so that each share carries the right to one vote at the General Meeting.

The Company has not issued securities which would grant special control rights in respect of the Company.

It is important to bear in mind the special powers vested in the State Treasury under laws such as, among others,

- The Act of 16 December 2016 on the principles of state property management,
- The Act of 24 July 2015 on audits of certain investments.

In accordance with the current regulations of the Act on the principles of state property management, as a rule, shares or rights from shares owned by the State Treasury in KGHM Polska Miedź S.A. are not disposable. The rights of the shares belonging to the State Treasury are exercised by the Minister of State Assets, while the coordination of the exercise of the rights owed to the Treasury is the task of the Prime Minister, who seeks to ensure that the rights of the shares are exercised in a uniform manner.

Shareholders' rights

Independent of the above, the rights of shareholders of KGHM include among others:

- requesting the convening of a General Meeting - in cases described by the Commercial Partnerships and Companies Code, a General Meeting may be convened by shareholders representing at least half of the share capital or shareholders authorised by a court of registration to represent at least one-twentieth of the share capital;
- announcing draft resolutions and their justification - Shareholders may utilise electronic contact with the Company through the Company's website, in particular to enable the submission of motions to include specific issues in the agenda of the General Meeting, to announce draft resolutions and their justification. Towards this end it is necessary to carry out the prior authentication of a shareholders for their identification, in the manner indicated by the Company on its website. The Company shall also provide on its website the proxy form and the form to facilitate voting through a proxy;
- the convening of General Meetings - the Polish State Treasury as a shareholder may convene an Ordinary General Meeting if the Management Board does not do so in the statutory timeframe, as well as an Extraordinary General Meeting if it considers its convening as warranted;
- requesting that a matter included in the agenda of the General Meeting be removed or not considered - removal of an issue from the agenda, or not considering an issue placed on the agenda at the request of the shareholders, requires the adoption of a resolution by the General Meeting, following the earlier-expressed approval of all shareholders present who had put forward such a proposal, and supported by at least 75% of the votes cast;
- requesting the inclusion of specified matters on the agenda of the next General Meeting - shareholders representing at least one-twentieth of the share capital may order the inclusion of specified matters on the agenda of the next General Meeting.
- announcing candidates for Chairperson of the General Meeting - the General Meeting shall carry out an election of the Chairperson from amongst any number of persons entitled to participate in the General Meeting who are put forward by shareholders as a candidate for Chairperson;
- participation in dividends - the General Meeting may designate part of the profit for a shareholders' dividend if the General Meeting of the Company had adopted a decision to designate part of the profit for a shareholders' dividend. The Management Board of the Company is authorised, with the consent of the Supervisory Board, to adopt resolutions in the matter of an interim payment to shareholders on the anticipated dividend at the end of the financial year, if the Company is in the possession of sufficient funds for said payment. The rights date for dividends and the date for payment of dividends shall be set by the General Meeting and announced by the Management Board of the Company. Payment of dividends should commence within two months of the date the resolution on appropriation of profits is adopted. The payment of an interim dividend requires the approval of the Supervisory Board. The Company may make an interim payment on the anticipated dividend, if its approved financial statements for the prior financial year show a profit. The interim dividend may represent at most half of the profit earned since the end of the prior financial year, as shown in the financial statements audited by a certified auditor, and increased by the reserve capital created from profit, which, for the purpose of payment of the interim dividend, may be used by the Management Board, and decreased by uncovered losses and treasury shares;
- upon the motion of a shareholder representing at least one-fifth of the share capital, group elections for the Supervisory Board shall be carried out at the nearest General Meeting. A motion to hold group elections for members of the Supervisory Board should be submitted to the Management Board of the Company, in sufficient time to include it in the agenda of the General Meeting;
- at the request of a shareholder representing at least one-twentieth of the share capital, the General Meeting may carry out elections for a three-person Voting Committee, from among those candidates put forward by the participants of

the General Meeting. Should a Voting Committee be elected, its responsibilities shall include supervision to ensure that all voting is properly carried out, supervision of the electronic voting system, and checking and transmitting to the Chairperson of the General Meeting the results of voting. The Voting Committee shall have the right to review the results of voting which was held prior to the election of the Voting Committee;

- at the request of a shareholder, the Management Board shall be required to provide the shareholder with a copy of the Bylaws of the General Meeting.

Ownership structure

In 2024, no changes in the ownership of significant blocks of shares in KGHM Polska Miedź S.A. took place.

The shareholder structure of the Company as at 1 January 2024 and as at 31 December 2024 (as at the reporting date) and as at the date of signing this report, established on the basis of notifications received by the Company pursuant to Article 69 of the Act on public offerings and conditions governing the introduction of financial instruments to organised trading, and on public companies, was as follows:

Table 84. Shareholder structure of the Company as at 1 January 2024 and 31 December 2024 and as at the date of this report

shareholder	number of shares/ number of votes	total nominal value of shares (PLN)	interest in the share capital/total number of votes
State Treasury ⁴⁴	63 589 900	635 899 000	31.79%
Allianz Polska Otwarty Fundusz Emerytalny ⁴⁵	11 961 453	119 614 530	5.98%
Nationale-Nederlanden Otwarty Fundusz Emerytalny ⁴⁶	10 104 354	101 043 540	5.05%
Other shareholders	114 344 293	1 143 442 930	57.18%
Total	200 000 000	2 000 000 000	100.00%

Detailed information on the ownership structure may be found in subsection [1.6.1 Shareholders and the capital market](#).

3.5.4 Description of the application of DPSN 2021

In view of the foregoing, the provisions of Section 5 of this Corporate Governance Statement, entitled "General Meeting and relations with shareholders" and in connection with the published Information on the status of application by the Company of the principles contained in Section IV of the DPSN, KGHM Polska Miedź S.A. applies the following principles:

Table 85. The principles of Section IV of DPSN 2021 - General meeting, shareholder relations applied in KGHM Polska Miedź S.A.

4.2. The Company sets the place and date and the form of a general meeting so as to enable the participation of the highest possible number of shareholders. For that purpose, the Company strives to ensure that the cancellation of a general meeting, change of its date or break in its proceedings take place only if justified and does not prevent or limit the exercising of the shareholders' rights to participate in the general meeting.

The principle is applied.

4.3. The Company provides a public real-life broadcast of the general meeting.

The principle is applied.

In addition, recordings of previous general meetings are available at [Video | Press Office of KGHM Polska Miedź](#)

4.4. The presence of representatives of the media is allowed at general meetings.

The principle is applied.

4.5. If the management board becomes aware of a general meeting being convened pursuant to Article 399 § 2-4 of the Commercial Partnerships and Companies Code, the management board immediately takes steps which it is required to take in order to organise and conduct the general meeting. The foregoing applies also where a general meeting is convened under authority granted by the registration court according to Article 400 § 3 of the Commercial Partnerships and Companies Code.

The principle is applied.

4.6. To help shareholders participating in a general meeting to vote on resolutions with adequate understanding, draft resolutions of the general meeting concerning matters and decisions other than points of order should contain a justification, unless it follows from documentation tabled to the general meeting. If a matter is put on the agenda of the

⁴⁴ based on a notification received by the Company dated 12 January 2010

⁴⁵ based on a notification received by the Company dated 16 May 2023

⁴⁶ based on a notification received by the Company dated 18 August 2016

general meeting at the request of a shareholder or shareholders, the management board requests presentation of the justification of the proposed resolution, unless previously presented by such shareholder or shareholders.

The principle is applied.

4.7. The supervisory board issues opinions on draft resolutions put by the management board on the agenda of the general meeting.

The principle is applied.

4.9.2. Candidates for members of the supervisory board make a declaration concerning fulfilment of the requirements for members of the audit committee referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision and having actual and material relations with any shareholder who holds at least 5% of the total vote in the company.

The principle is applied.

4.10. Any exercise of the rights of shareholders or the way in which they exercise their rights must not hinder the proper functioning of the governing bodies of the company.

The principle is applied.

4.11. Members of the management board and members of the supervisory board participate in a general meeting, at the location of the meeting or via means of bilateral real-time electronic communication, as necessary to speak on matters discussed by the general meeting and answer questions asked at the general meeting. The management board presents to participants of an annual general meeting the financial results of the company and other relevant information, including non-financial information, contained in the financial statements to be approved by the general meeting. The management board presents key events of the last financial year, compares presented data with previous years, and presents the degree of implementation of the plans for the previous year

The principle is applied.

4.12. Resolutions of the general meeting concerning an issue of shares with subscription rights should specify the issue price or the mechanism of setting the price, or authorise the competent body to set the price prior to the subscription right record date within a timeframe necessary for investors to make decisions.

The principle is applied.

4.13. Resolutions concerning a new issue of shares with the exclusion of subscription rights which grant pre-emptive rights for newly-issued shares to selected shareholders or other entities may be passed, subject at least to the following three criteria:

- a) the company has a rational, economically justified need to urgently raise capital or the share issue is related to rational, economically justified transactions, among others such as a merger with or the take-over of another company, or the shares are to be taken up under an incentive scheme established by the company;
- b) the persons granted the pre-emptive right are to be selected according to objective general criteria;
- c) the purchase price of the shares is in a rational relation with the current share price of the company or is to be determined in book-building on the market.

The principle is applied.

4.14. The Company should strive to distribute their profits by paying out dividends. The Company may retain all their earnings subject to any of the following criteria:

- a) the earnings are minimal and consequently the dividend would be immaterial in relation to the value of the shares;
- b) the company reports uncovered losses from previous years and the earnings are used to reduce such losses;
- c) the company can demonstrate that investment of the earnings will generate tangible benefits for the shareholders;
- d) the company generates insufficient cash flows to pay out dividends;
- e) a dividend payment would substantially increase the risk to covenants under the company's binding credit facilities or terms of bond issue;
- f) retention of the company's earnings follows recommendations of the authority which supervises the company by virtue of its business activity.

The principle is applied.

3.5.5 Explanations on the waiver of the application of DPSN 2021

In accordance with the published Statement on the Company's compliance with the principles in section IV of DPSN 2021, the following principles do not apply:

Table 86. Principles in section IV of DPSN 2021 not applied in KGHM Polska Miedź S.A.

4.1 A company should enable their shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in a position to provide the technical infrastructure necessary for such general meeting to proceed.

The principle is not applied.

The company has not yet received a request from shareholders concerning a possibility to hold an e-General Meeting. The Company's Statutes do not restrict the participation of shareholders in general meetings in terms of the use of electronic means of communication, and the Company is able to ensure the requisite technical infrastructure to conduct such general meetings. Failure to apply the aforementioned principle does not affect the reliability of the Company's information policy, nor does it create a risk of limiting or impeding Shareholders' participation in general meetings. Since 2016 KGHM Polska Miedź S.A. has been providing real-time streaming webcasts of its General Meetings.

4.8. Draft resolutions of the general meeting on matters put on the agenda of the general meeting should be announced by shareholders no later than three days before the general meeting.

The principle is not applied.

The Company applies the Commercial Partnerships and Companies Code in this regard. In the Company's opinion, this principle restricts the rights of shareholders to propose items for the agenda during general meetings.

4.9.1 If the general meeting is to appoint members of the supervisory board or members of the supervisory board for a new term of office: candidates for members of the supervisory board should be nominated with a notice necessary for shareholders present at the general meeting to make an informed decision and in any case no later than three days before the general meeting; the names of candidates and all related documents should be immediately published on the company's website.

The principle is not applied.

Years of practical experience by the Company have shown that proposals of a shareholder (pursuant to the shareholder's rights arising from the Commercial Partnerships and Companies Code) of candidates to the Supervisory Board usually occur during the course of a General Meeting, i.e. in breach of principle 4.9.1. In the Company's opinion, despite the fact that such announcements are made during the course of the General Meeting, candidates are assessed with due consideration, based on complete materials regarding the given candidate.

3.6 CONFLICTS OF INTEREST AND TRANSACTIONS WITH RELATED PARTIES

KGHM Polska Miedź S.A., under the principles indicated in section 5 of DPSN 2021, strives to maintain best standards of due diligence in the management of conflicts of interest and in concluding transactions with related entities under conditions of the potential arising of conflicts of interest.

3.6.1 Description of the application of DPSN 2021

The Company applies a model of verifying data on significant transactions entered into between KGHM Polska Miedź S.A. and subsidiaries of the KGHM Polska Miedź S.A. Group with entities related with KGHM Polska Miedź S.A.

The Supervisory Board shall prepare an opinion on whether a transaction with a related entity is justified, if the signing of the said transaction requires the consent of the General Meeting. In such a case the Supervisory Board evaluates the need for the prior opinion of an external entity, the task of which would be the valuation of the transaction and an analysis of its economic affects.

With respect to management and supervisory staff, a Member of the Supervisory Board or of the Management Board should immediately, but no later than at the next meeting of the Supervisory Board or of the Management Board, inform the other Members of the Supervisory Board/Management Board of an existing conflict of interest with the Company or the possibility of its arising, and should refrain from participating in matters which, in respect of his/her person, there may arise a conflict of interest, including taking part in discussions and in voting on the adoption of resolutions in this regard.

The KGHM Group has a Procedure in place for dealing with corrupt activities. The aim of the procedure is to ensure the compliance of activities and processes performed by persons working for or on behalf of Organisational Units of the KGHM Group with the adopted Anticorruption Policy. The procedure applies to all Organisational Units of the KGHM Group. The provisions of the Procedure apply to all Employees of the Organisational Units of the KGHM Group, irrespective of their position and function, as well as their Representatives, respectively. The procedure regulates, among others, the handling of actual, potential and perceived conflicts of interest and also covers members of management, control or executive bodies. In the event of the occurrence of a conflict of interest or the possibility of its occurrence, the employee is obliged to immediately complete a Declaration of Conflict of Interest/Potential Conflict of Interest, and to submit it to, among others, the Ethics and Anti-Corruption Officer responsible for the respective Organisational Unit of KGHM. The statements are subject to the review process to confirm or exclude the existence of a conflict of interest and, if applicable, to identify and assess the level of risk and implement appropriate mitigating actions.

In 2024, neither the Parent Entity nor its subsidiaries entered into related party transactions under other than arm's length conditions.

In accordance with the published Statement on the Company's compliance with the principles in section 5 of DPSN 2021, the Company applies all principles regarding conflicts of interest and transactions with related entities.

Table 87. The principles of Section V of DPSN 2021 - Conflict of interests and related party transactions applied in KGHM Polska Miedź S.A.

5.1. Members of the management board and members of the supervisory board notify the management board or the supervisory board, respectively, of any conflict of interest which has arisen or may arise, and refrain from discussions on the issue which may give rise to such a conflict of interest in their case.

The principle is applied.

The Company has introduced appropriate provisions in the Bylaws of the Management Board of KGHM Polska Miedź S.A. and the Bylaws of the Supervisory Board of KGHM Polska Miedź S.A. in this regard.

5.2. Where a member of the management board or a member of the supervisory board concludes that a decision of the management board or the supervisory board, respectively, is in conflict with the interest of the company, he or she should request that the minutes of the management board or supervisory board meeting show his or her dissenting opinion.

The principle is applied.

The Company has introduced appropriate provisions in the Bylaws of the Management Board of KGHM Polska Miedź S.A. and the Bylaws of the Supervisory Board of KGHM Polska Miedź S.A. in this regard.

5.3. No shareholder should have preference over other shareholders in related party transactions. The foregoing also concerns transactions concluded by the company's shareholders with members of the company's group.

The principle is applied.

5.4. Companies may buy back their own shares only in a procedure which respects the rights of all shareholders.

The principle is applied.

The application of the principle is of a declarative nature, as the Company has never carried out share buyback operations.

5.5. If a transaction concluded by a company with its related party requires the consent of the supervisory board, before giving its consent the supervisory board assesses whether to ask a prior opinion of a third party which can provide valuation of the transaction and review its economic impact.

The principle is applied.

In accordance with the Bylaws of the Supervisory Board of KGHM Polska Miedź S.A., the Supervisory Board draws up an opinion on the legitimacy of a related party transaction, and may commission individuals or experts from outside the Company (advisor to the Supervisory Board) to prepare the opinion.

5.6. If a related party transaction requires the consent of the general meeting, the supervisory board issues an opinion on the rationale of such transaction. In that case, the supervisory board assesses whether to ask a prior opinion of a third party referred to in principle 5.5.

The principle is applied.

In accordance with the Bylaws of the Supervisory Board of KGHM Polska Miedź S.A., the Supervisory Board shall prepare an opinion on whether a transaction with a related entity is justified, if the conclusion of the said transaction requires the consent of the General Meeting. In such a case the Supervisory Board evaluates the need for the prior opinion of an external entity, the task of which would be the valuation of the transaction and an analysis of its economic effects.

5.7. If a decision concerning the company's significant transaction with a related party is made by the general meeting, the company should give all shareholders access to information necessary to assess the impact of the transaction on the interest of the company before the decision is made, including an opinion of the supervisory board referred to in principle 5.6.

The principle is applied.

In 2024, the Company did not enter into any material transactions with a related party for which the approval of the General Meeting was required.

3.7 REMUNERATION

KGHM Polska Miedź S.A., under the principles indicated in section 6 of DPSN 2021, strives for stability in its management staff, among others by the transparent, fair, consistent and non-discriminatory principles for its remuneration, manifested among others in wage equality between women and men.

3.7.1 Description of the application of DPSN 2021

The procedure for the remuneration of Members of the Supervisory Board and Management Board of KGHM Polska Miedź S.A. is defined in the "Remuneration Policy for Members of the Management Board and Supervisory Board of KGHM Polska Miedź S.A." (the Remuneration Policy) adopted in 2020. The last amendment took place on 5 July 2024 pursuant to

Resolution No. 31/2024 of the Ordinary General Meeting of KGHM Polska Miedź S.A., and included mainly changes with respect to the inclusion of ESG sustainability factors in the objectives of the Remuneration Policy itself, but also in the management objectives and criteria for their fulfilment, while maintaining the principles of transparency, fairness, consistency and non-discrimination. When setting the remuneration of the Members of the Supervisory Board and the Management Board, the Remuneration Policy is aimed at the implementation of the business strategy of KGHM, as well as the long-term interests and stability of the Company. Moreover, the Company does not foresee the possibility of temporarily refraining from the application of the Remuneration Policy.

To determine the level of remuneration matched to the tasks and duties of the Management Board and to maintain a high level of motivation, total remuneration of Members of the Management Board consists of a fixed part and a variable part. The fixed remuneration is the basic monthly remuneration, which is supplemented by variable remuneration, whose amount may not exceed 100% of the annual fixed remuneration for the prior financial year. The management goals set for each financial year and the criteria (KPIs) for meeting these goals with respect to financial and non-financial results, representing the basis for setting variable remuneration, are set forth by the Supervisory Board for individual Members of the Management Board in a way which is consistent with the short- and long-term strategic goals of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group.

The criteria adopted in the Remuneration Policy should have a positive impact on the commitment to serving in the Company, provide motivation to achieve the business strategy and interests of the Company and affect the objective assessment of risks, opportunities and impacts of the Company related to ESG.

In connection with the remuneration policy for the management, supervisory staff and key managers, KGHM Polska Miedź S.A. applies the following principles of DPSN 2021:

Table 88. The principles of Section VI of DPSN 2021 - Remuneration, applied in KGHM Polska Miedź S.A.

6.1. The remuneration of members of the management board and members of the supervisory board and key managers should be sufficient to attract, retain and motivate persons with skills necessary for proper management and supervision of the company. The level of remuneration should be adequate to the tasks and responsibilities delegated to individuals and their resulting accountability.

The principle is applied.

6.2. Incentive schemes should be constructed in a way necessary among others to tie the level of remuneration of members of the company's management board and key managers to the actual long-term standing of the company measured by its financial and non-financial results as well as long-term shareholder value creation, sustainable development and the company's stability.

The principle is applied.

The variable remuneration of members of the Management Board depends on financial and non-financial results, including the ratio. When shaping the variable remuneration, the Company takes into account non-financial factors that relate to, among other things, the fulfilment of tasks and initiatives included in the Company's Strategy, the improvement of occupational health and safety, the reduction of adverse environmental impacts, including the achievement of climate goals and the achievement of other ESG objectives and impacts. The accepted and applied remuneration system for key managers of KGHM Polska Miedź S.A. includes, among others, the annual bonus system based on the assessment of the degree of achievement of KPIs, the basis of which are the key performance indicators of the Management Board and the objectives arising from the long-term strategy of the Company.

6.3. If the company's incentive schemes include a stock option program for managers, the implementation of the stock option program should depend on the beneficiaries' achievement, over a period of at least three years, of pre-defined, realistic financial and non-financial targets and sustainable development goals adequate to the company, and the share price or option exercise price for the beneficiaries cannot differ from the value of the shares at the time when such program was approved.

The principle is applied.

Currently, the Company does not have such a program in place, but nevertheless declares its compliance should such a program be enacted.

6.5. The level of remuneration of supervisory board members should not depend on the company's short-term results.

The principle is applied.

In accordance with the adopted principles, remuneration of Members of the Supervisory Board is fixed and does not foresee the payment of variable remuneration, bonuses or other cash benefits due to serving on the Supervisory Board of KGHM Polska Miedź S.A. It is likewise not dependent on the number of meetings held.

Additional information concerning the remuneration of the Parent Entity's governing bodies and of other key managers of the Group

Information on remuneration of Members of the Management Board of KGHM Polska Miedź S.A.

Detailed principles for setting the terms of remuneration of the Management Board Members were established by the Supervisory Board in accordance with the "Remuneration policy of Management Board and Supervisory Board Members of KGHM Polska Miedź S.A." in the templates for the management services contracts for the Company's Management Board

KGHM Polska Miedź S.A.

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The Management Board's Report on the activities of the Company and the Group in 2024

Translation from the original Polish version

(set forth in the form of resolutions, separately for the President of the Management Board and for the Vice Presidents of the Management Board).

The management services contracts were signed for the time Members of the Management Board serve in the Management Board, within one term. This means that the termination of a contract will occur on the final day on which the function is served, with no notice period and without the need to take additional actions.

Total remuneration received on their basis consists of a fixed part in the form of basic monthly remuneration, as well as variable remuneration representing supplementary remuneration for the Company's financial year.

The fixed monthly remuneration for individual members of the Company's Management Board was determined by the Supervisory Board (in the form of a resolution) and amounts to fourteen to fifteen times the average monthly salary in the corporate sector, excluding payments from profit in the fourth quarter of the previous year, announced by the President of the Central Statistical Office of Poland.

The variable remuneration depends on the level of achievement of the management goals set by the Supervisory Board for a given financial year and may not exceed 100% of the annual fixed remuneration. In the case of a member of the Management Board exercising the subject matter of the agreement for a period of less than one full reporting year, with the provision that the contract was performed for a period of at least three months, the variable remuneration is calculated proportionally.

Based on the Statutes of KGHM Polska Miedź S.A., the Bylaws of the Supervisory Board, the management services contracts, the provisions of the Remuneration policy of Management Board and Supervisory Board Members of KGHM Polska Miedź S.A. and the Act on the terms of setting the remuneration of individuals managing certain companies, the Supervisory Board set management goals for the Management Board of KGHM Polska Miedź S.A. for 2024.

Management goals whose execution is a contingent condition to receive variable remuneration for the financial year of the Company:

- forming and applying remuneration principles for members of management and supervisory bodies in line with the provisions of the Act of 9 June 2016 on the principles of shaping the remuneration of persons managing certain companies in all Group companies;
- implementation of the obligations referred to in Articles 17-20, Article 22 and Article 23 of the Act of 16 December 2016 on the principles of state assets management.

The Supervisory Board also established additional management goals for individual members of the Management Board according to their competence, split into common and individual objectives.

Information on the way of applying the performance criteria for the variable remuneration of members of the Management Board (including the assessment of management objectives for 2023 and the management objectives determining a possibility to receive a variable part of remuneration for 2024) is presented in the Report on remuneration of the Management Board and Supervisory Board of KGHM Polska Miedź S.A. for 2024.

Payment of variable remuneration is made following the submission by individual members of the Management Board of reports on the achievement of the management goals. Payment of the variable part depends on the achievement by a member of the Management Board of the aforementioned goals, approval of the Management Board's report on the activities of the Company and the Company's financial statements for the prior financial year, and on the General Meeting approving the fulfilment of duties by a given member of the Management Board. On this basis, the Supervisory Board evaluates the execution of the management goals and sets the amount of the variable remuneration due by adopting appropriate resolutions.

Table 89. Potentially due remuneration of Members of the Management Board of KGHM Polska Miedź S.A. for 2024

Name and surname	Position	Potentially due variable remuneration for 2024 under the agreement on the provision of management services (in PLN thousand)
Andrzej Szydło	Member of the Management Board - President of the Management Board	1,149.6
Piotr Stryczek	Member of the Management Board - Vice President of the Management Board	1,149.6
Piotr Krzyżewski	Member of the Management Board - Vice President of the Management Board	1,111.3
Zbigniew Bryja	Member of the Management Board - Vice President of the Management Board	1,073.0
Mirosław Laskowski	Member of the Management Board - Vice President of the Management Board	1,111.3
Iga Lis	Member of the Management Board - Vice President of the Management Board	435.0
Mirosław Kidoń	Member of the Management Board - Vice President of the Management Board	38.6
Total		6,068.4

A Member of the Management Board may join the Employee Pension Scheme under the terms of the Company Agreement in force in this regard, provided that the amount of the monthly basic contribution in this Scheme is included in the amount of the fixed remuneration due for this period.

Covering the Member of the Management Board - at the Company's expense - by a life insurance agreement under the group life insurance policies already in place at the Company is permitted, including in the event of death, accident or

illness. The coverage corresponds to that provided to the management staff, with the only difference being that if the Member of the Management Board chooses a pension fund-linked life insurance, the portion of the premium relating to this option will not be funded by the Company.

Management services contracts also regulate matters concerning the application (use) of any resources (means) of the Company required to perform contractual obligations and to maintain security requirements as to the collection and transmission of data, including in particular:

- office space together with the equipment and technical facilities, including a portable personal computer with wireless Internet access and other necessary equipment, means of communication including a mobile phone;
- local housing appropriate to the Function served (in respect of which the Company covers the cost of such housing to the net amount of PLN 5 000);
- a company car;
- participation in conferences, seminars or meetings of a business nature related to the Company's scope of operations and, insofar as necessary for the performance of such obligations, travel in the country and abroad;
- incurring or refinancing costs of individual training for the Management Board Member related to the Contract in question and the contractual obligations, in each case with the prior consent of the Chairperson of the Supervisory Board of the Company.
- incurring the costs of civil liability insurance for the Member of the Management Board related to serving in the function;
- other benefits, in particular such as those ensured by the Company to the Company's management staff in appropriate internal regulations or resolutions of Company bodies – under the condition that the principles for the granting of such benefits to the Management Board Member, or the utilisation of such, are set forth by the Supervisory Board in resolutions.

The Contracts also provide that if the Management Board Member serves as a member of a body in a subsidiary of the Company within the Group, the Management Board Member will not receive additional remuneration for this function. In addition, the Management Board Member is obliged to inform the Supervisory Board of the possession of shares in publicly-listed companies and to gain its consent for accepting a position or serving in a function in the body of another commercial law company – excluding companies of the Group or the acquisition or possession of shares in another commercial law company, as well as performing work or services on behalf of other entities based on an employment contract, mandate contract or based on any other legal relationship.

The contracts signed with the Members of the Management Board regulate the question of compensation in the case of termination, with or without notice, of the management services contract for reasons other than breach of the contract's basic obligations. It stipulates that the Company will provide severance pay of no higher than three times the amount of the monthly fixed remuneration (if the contract was in force for at least 12 months).

The contracts with the Members of the Management Board – both during the period of employment as well as following the period of employment – deal with the question of forbidding competition. In particular, they establish that for a period of six months from the date when employment in the function ceases, the Management Board Member is not allowed to engage in any competing activities. For adherence to the clause on forbidding competitive activities, KGHM pays the Management Board Member compensation throughout the period during which competitive activities are banned in the amount of 50% (and in the case of the President of the Management Board 100%) of the monthly fixed remuneration. The payment of compensation is conditional on the Management Board Member's having served in the function for at least six months and having provided the Company with the relevant written declaration. A Member of the Management Board who breaches the provisions of the aforementioned contract will be required to pay a contractual penalty equal to the total compensation received. Payment of the contractual penalty shall not exclude the Company's right to claim damages in excess of the amount of the penalty on general terms.

Information on the remuneration of Members of the Supervisory Board of KGHM Polska Miedź S.A.

The remuneration of members of the supervisory body was set on 7 June 2019 by the General Meeting based on the Act dated 9 June 2016 on the terms of setting the remuneration of individuals managing certain companies. According to the "Remuneration policy of Management Board and Supervisory Board Members of KGHM Polska Miedź S.A." the amount of monthly remuneration of individual members of the Supervisory Board depends on the function served and is set as 2.2x or twice the average monthly remuneration in the corporate sector excluding payments from profit in the fourth quarter of the previous year, announced by the President of Statistics Poland. Members of the Supervisory Board are not remunerated for any month in which they did not attend any of the formally convened meetings for unjustified reasons, which are assessed and qualified by the Supervisory Board.

Apart from the above-mentioned remuneration, Members of the Supervisory Board are not entitled to receive any additional remuneration components, including bonuses or other cash benefits.

According to the Commercial Partnerships and Companies Code, the Company also covers or reimburses costs related to participation in the work of the Supervisory Board.

Detailed information on the amount of remuneration and other benefits for Supervisory Board and Management Board members can be found in note 12.10 of the separate and consolidated financial statements and in the "Report on the remuneration of members of the Management Board and Supervisory Board KGHM Polska Miedź S.A. for 2024".

General information on the adopted and applied remuneration system for key managers of KGHM Polska Miedź S.A.

The principles of the remuneration of key managers of KGHM Polska Miedź S.A. – the Executive Directors of the Head Office and the Executive Directors of the Company's divisions – is set by the Company's Management Board.

The employment contracts concluded with the above-mentioned directors provide that they are entitled to the following components of remuneration and benefits:

- the basic monthly remuneration, which amounts – depending on the function served – from 7- to 12-times the average monthly remuneration in the corporate sector, excluding payments from profit, in the fourth quarter of the previous year, announced by the President of Statistics Poland.
- an annual bonus up to 40% of the annual fixed part of remuneration, paid in accordance with the principles for bonuses based on:
- part A – evaluation of the degree of achievement of business KPIs and individual goals (up to 30%) - the system is based on collective and individual KPIs, the basis of which are the key performance indicators of the Management Board and goals resulting from the Company's strategy;
- part B - evaluation of the work of a given director (up to 10%) reflecting among others their attitude, initiative, engagement, innovation and creativity;
- additional benefits, such as life insurance, the Employee Pension Program, a Health Care Package,
- a company car,
- severance pay of three times the amount of the basic monthly remuneration, in the case of termination of the contract by the Employer prior to the lapse of the contractual period
- (if the work was performed for a period of at least three months).

3.7.2 Explanations on the waiver of the application of DPSN 2021

In accordance with the published Statement on the Company's compliance with the principles in section VI of DPSN 2021, the following principle is partially applied:

Table 90. Principles in section VI of DPSN 2021 applied partially or not applied in KGHM Polska Miedź S.A.

6.4. The supervisory board performs its responsibilities on a continuous basis, the remuneration of supervisory board members cannot depend on the number of meetings held. The remuneration of members of committees, in particular the audit committee, should take into account additional workload on the committee.

The Company partially applies the principle.

The members of the Supervisory Board are remunerated regardless of the number of meetings officially convened and held in a given calendar month and takes into account the additional workload in the individual committees of the Supervisory Board. The Members of the Supervisory Board do not however receive remuneration if, for unjustified reasons, they do not take part in any of the meetings of the Supervisory Board officially convened and held in a given month. In accordance with the Remuneration Policy for Members of the Management Board and Supervisory Board of KGHM Polska Miedź S.A., adopted by a resolution of the General Meeting of KGHM Polska Miedź S.A., apart from basic remuneration, "the Supervisory Board does not receive additional remuneration components, including bonuses or other cash benefits". As a result of the actions of shareholders, art. 10 section 2 of the Act on the principles for setting remuneration for persons who manage certain companies has not been implemented in the internal regulations of the Company, and the members of the existing committees of the Supervisory Board of KGHM Polska Miedź S.A. will not receive additional remuneration for performing these functions.

4 SUSTAINABILITY REPORTING OF THE KGHM POLSKA MIEDŹ S.A. GROUP

4.1 GENERAL INFORMATION

4.1.1 [ESRS 2] General disclosures

[BP-1] General basis for the preparation of the sustainability statements

The formal basis for the preparation of this statement is the Accounting Act of 29 September 1994 (Journal of Laws of 2023, item 120 as amended) which implements the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting. (OJ L of 2022. No. 322, p. 15) (Corporate Sustainability Reporting Directive - CSRD). This directive has been implemented into the national legal system through the provisions of the Act of 6 December 2024 amending the Accounting Act, the Act on statutory auditors, audit firms and public supervision and certain other acts (Journal of Laws of 2024, item 1863).

This statement has been prepared in accordance with the European Sustainability Reporting Standards (ESRS), set out in Annex I - "European Sustainability Reporting Standards (ESRS)" of Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (OJ L of 2023, item 2772, as amended), as corrected by Corrigendum to Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (Official Journal of the European Union L, 2023/2772, 22 December 2023) (OJ L of 2024, item 90431).

The statement also includes taxonomy disclosures compliant with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088 (OJ L of 2020, No. 198, p. 13 as amended)

In addition, the statement includes information on climate change issues pursuant to TCFD (Task Force on Climate-Related Financial Disclosures) guidelines.

This statement has been prepared in consolidated form for the KGHM Group. The scope of consolidation is equivalent to the financial statements. The structure of the KGHM Polska Miedź S.A. Group and the structure of the KGHM INTERNATIONAL LTD. Group as at 31 December 2024, including domestic and foreign companies that have been consolidated under sustainability reporting, are presented in Diagram 44. and Diagram 45.

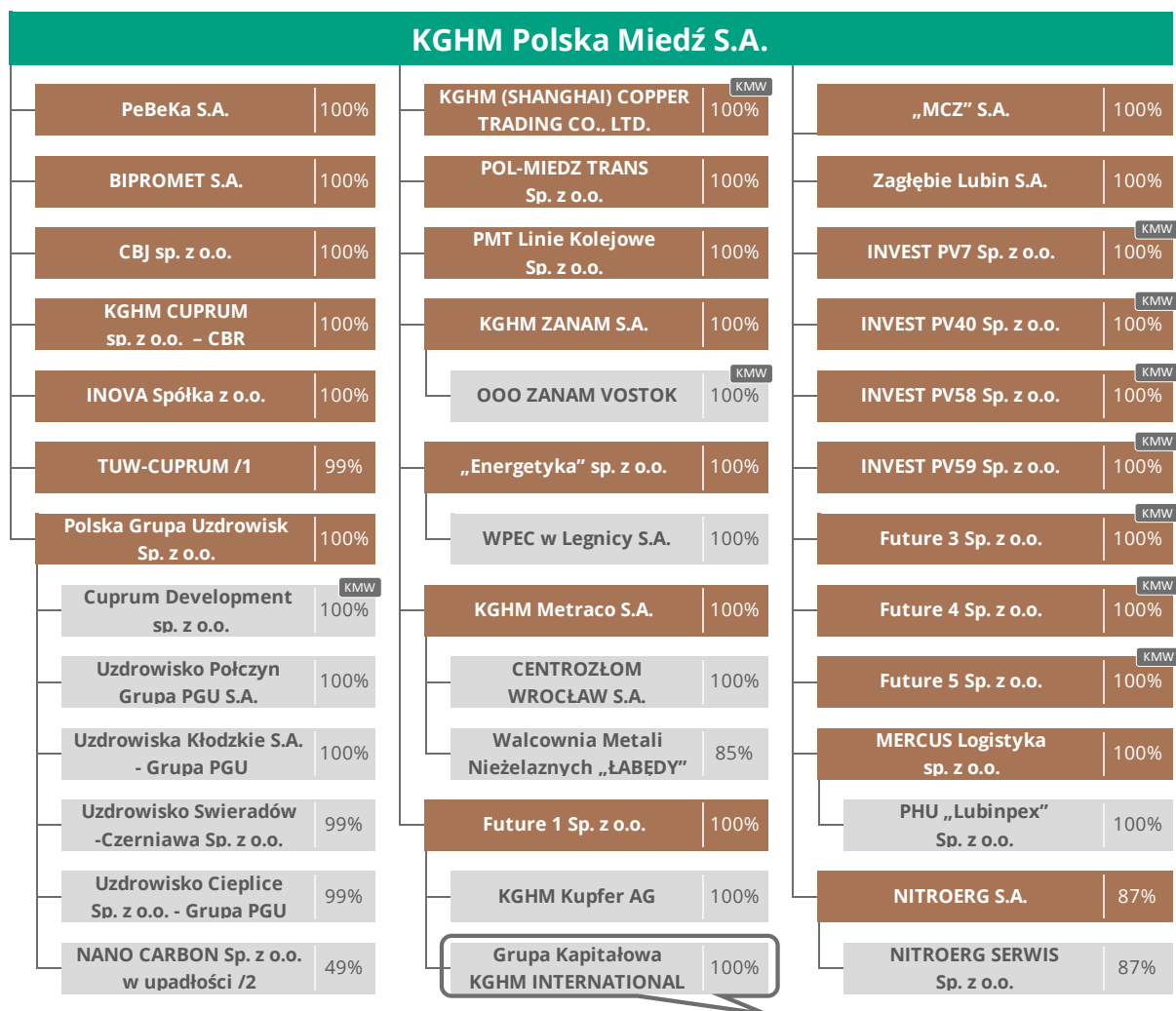
To provide for the completeness and compliance with the requirements of the ESRS standards, the estimation method based on a reference company has been applied in this Statement. This method was used for subsidiaries of the KGHM Group which have an insignificant impact on environmental, social and governance aspects. The acquisition of full data for these entities would be unjustified both from a cost perspective and in terms of the materiality principle. At the same time, as these companies are financially consolidated, they have also been included in the non-financial section to ensure the consistency between the two reports.

The statement takes into account key information concerning the KGHM Group's value chain comprising own operations excluding joint ventures in which the Group does not have operational control), key information from the value chain, including both upstream and downstream segments (in the scope of direct suppliers and recipients), key products and significant business relationships. In particular, the following areas of operations were included: exploration, mining, smelting and refining, activities supporting mining and smelting processes, electricity generation and other services which are not directly related to the main activities of the KGHM Group. For more information on the value chain, see subsection [\[SBM-1\] Strategy, business model and value chain](#).

The KGHM Group did not exercise the option to omit specific information regarding intellectual property, know-how or innovation results, which were fully disclosed in accordance with the ESRS requirements.

The KGHM Polska Miedź S.A. Group has not used the exemption from the obligation to disclose information on expected events or matters under negotiation in accordance with Article 63x sec. 7 of the Accounting Act of 29 September 1994 (Journal of Laws of 2023, item 120, as amended).

Diagram 44. Structure of the KGHM Polska Miedź S.A. Group as at 31 December 2024⁴⁷



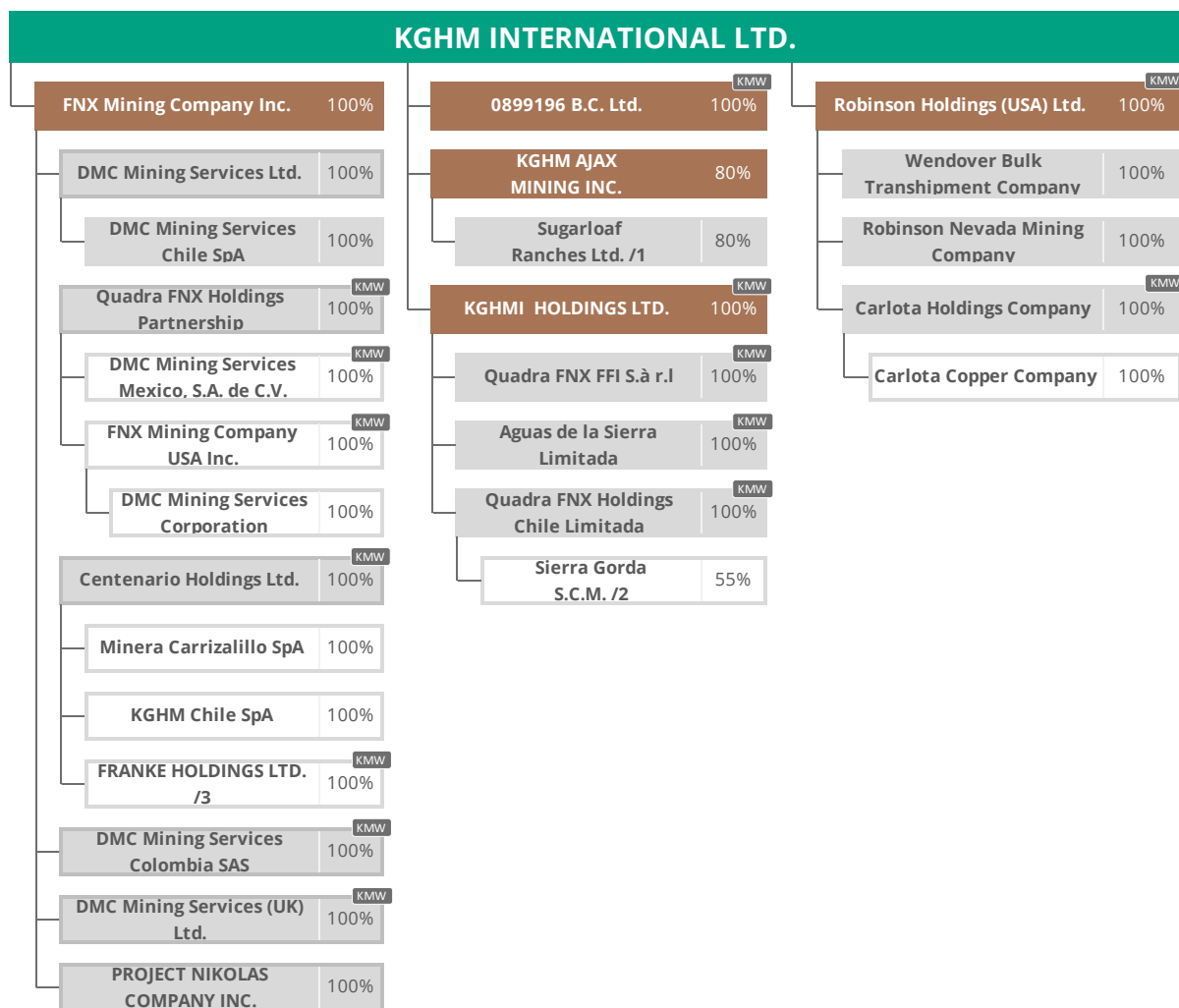
- 1/ wspólne przedsięwzięcie wyceniane metodą praw własności
 2/ jednostka zależna niepodlegająca konsolidacji

Struktura Grupy przedstawiona na odrębnym schemacie

KMW Spółki zależne konsolidowane metodą wskaźnikową

⁴⁷ Percentages represent the total share of the Group.

Diagram 45. Struktura Grupy Kapitałowej KGHM INTERNATIONAL LTD. na 31 grudnia 2024 r.⁴⁸



1/ wspólne przedsięwzięcie wyceniane metodą praw własności

2/ udziały w spółce FRANKE HOLDINGS LTD. posiadają odpowiednio: Centenario Holdings Ltd. 66,2%, KGHM International Ltd. 30,3% i FNX Mining Company Inc. 3,5%

3/ rzeczywisty udział Grupy 80%

^{KMW} Spółki zależne konsolidowane metodą wskaźnikową

[BP-2] Disclosure in relation to specific circumstances

Disclosures incorporated by reference

The following information is incorporated by reference into the Consolidated Financial Statements for 2024:

- The financial results of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group by product and geographical segmentation - Part 2 - Operating segments and information on income, and Part 4 - Explanatory notes to the statement of profit or loss.

References are presented in individual sections of the Sustainability Report of the KGHM Polska Miedź S.A. Group.

⁴⁸ Percentages represent the total share of the Group

[GOV-1] The role of the administrative, supervisory and management bodies

Diagram 46. Structure of the entity's administrative, management and supervisory bodies and the distribution of competence of the Management Board Members, taking into account the areas of sustainability as at 31 December 2024.

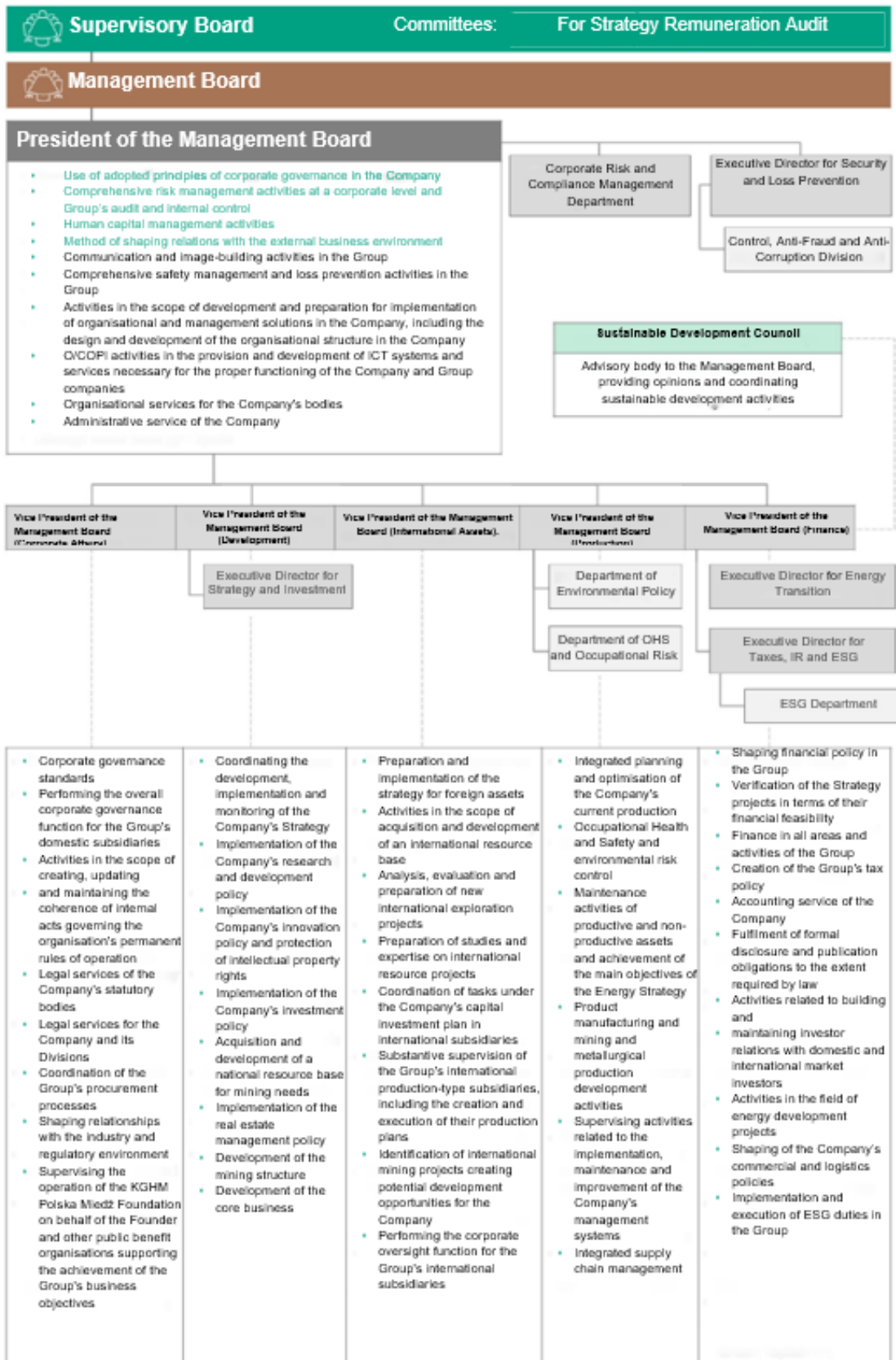


Table 91. Information regarding the experience of individual members of the Management Board and Supervisory Board related to the sectors, products and geographical location of the entity

Management Board							
<p>Andrzej Szydło</p> <p>President of the Management Board</p>	<p>A graduate of the Faculty of Mechanical and Power Engineering at Wrocław University of Science and Technology, as well as the School for Managers in Industry and Studies in Strategic and Operational Corporate Management. Completed post-graduate studies in managing corporate value at the SGH Warsaw School of Economics.</p> <p>An experienced manager specialising in management and the implementation of innovative solutions, as well as the realisation of investment and maintenance projects. Among others he has been involved in implementing ISO-based management and also Integrated Management Systems. Skilled in conducting negotiations and managing projects using Prince2 and Ten Step methodology. He has enhanced his know-how during training in the areas of strategy, labour law and HR. He participated in the KGHM Executive Academy organised by IMD.</p> <p>Since 2021 he has been a member of the management board of Hyundai Engineering Poland, and previously a member of the management board of SPS Inskon Sp. z o.o. Since the beginning of his professional career he has been involved with KGHM Polska Miedź S.A., where he progressed from shift master at the Głogów Copper Smelter and Refinery, to manager of the heat and power plant, head of the power unit, technical director and executive director of this division. In the years 2010-2014 he worked in the Head Office of KGHM Polska Miedź S.A. as a director of the production infrastructure department, a director of the technology department and a director of the Pyrometallurgy Modernisation Program. He was also chairman and later secretary of the Supervisory Board of one of the KGHM Polska Miedź S.A. Group's companies, Energetyka Sp. z o.o.</p>						
<p>Scope of competence of the President of the Management Board from 1 January 2024 to 31 July 2024.</p>							
Management of corporate risk, compliance and internal audit and control	The Company's Strategy and Sustainable Development Policy	Security and preventing losses	The activities of the Central Information Processing Center	Corporate governance	Activities related to communications and corporate image-building and relations with the external business environment	Human capital management	Providing legal services to the Company's bodies with the exception of the Supervisory Board
<p>Scope of competence of the President of the Management Board from 1 August 2024 to 31 December 2024.</p>							
Management of corporate risk, compliance and internal audit and control	Security and preventing losses	Corporate governance	Organisational services provided to the Company's bodies;	Activities related to communications and corporate image-building and relations with the external business environment	Human capital management	The activities of the Central Information Processing Center	Administrative services for the Company.
<p>Zbigniew Bryja</p> <p>Vice President of the Management Board (Development)</p>	<p>An experienced manager specialising in the mining sector, especially in the management of companies, production oversight, and supervision of investment activities as regards mining and metallurgy, as well as oversight of mine operations.</p> <p>Working for KGHM since the start of his professional career. In the years 1995-1997 he served in the Rudna mine of KGHM Polska Miedź S.A. as the Chief Engineer for Orebody Mechanics and Development, subsequently in the years 1997-2002 as the Director for Development and Production Preparation in this mine. He held the position of Executive Director of the Polkowice Sieroszowice mine in the years 2002-2003. From 2003 to 2006 he worked in the Office of the Management Board of KGHM Polska Miedź S.A. (currently the Head Office) as the Executive Director for Mining, and later as the Executive Director for Investments and Development. In recent years he was President of the Management Board of the following companies: PAK KWB Adamów S.A., PAK KWB Konin S.A., PAK Górnictwo sp. z o.o.</p> <p>He has many years of professional experience in managing corporations, production and in the area of mining technology. He gained experience in improving production processes and investment projects both in KGHM and outside of the Group.</p> <p>He is a graduate of the Mining Faculty of Wrocław University of Science and Technology with a specialty in deposits mining technology, as well as mine geophysical studies at the AGH University of Science and Technology in Kraków. He completed a variety of managerial courses in international academic institutions involving the improvement of investment and financial processes in companies.</p> <p>He is the author and co-author of numerous articles and publications in areas in which he specialises.</p>						
<p>Scope of competence of the Vice President of the Management Board (Development) from 1 January 2024 to 31 July 2024.</p>							
R&D policy, innovation and intellectual property protection	Investment and development processes	Managing projects and programs	Development of the national resource base for the mining industry, development of mining structures and core business				

Scope of competence of the Vice President of the Management Board (Development) from 1 August 2024 to 31 December 2024.

Company Strategy	R&D policy, innovation and intellectual property protection	Investment and development processes	Managing projects and programs	Development of the national mining resources base	Development of the mining and production structure	Real estate
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Mirosław Laskowski
Vice President of the Management Board (Production)

Since the beginning of his professional career, i.e. since 1987 he has been connected with KGHM Polska Miedź S.A. In the years 2015-2016 he served as Vice President of the Management Board (Production) of KGHM Polska Miedź S.A. He was a Director in the following Divisions of the Company: the Rudna mine and the Polkowice-Sieroszowice mine. An experienced manager with successes in the management of large employee teams, responsible for implementing solutions supporting business efficiency and optimising company costs. Responsible among others for planning the development of the core business and for seeking and implementing new technologies and methods for managing organisational structures in the copper company.

He has many years of experience in preparing corporate development plans with a 40-50 year outlook. Actively participated in the implementation of Lean Management systems based on 5S and TPM. He is a co-creator of several copper ore deposit mining systems and is the originator and co-creator of KGHM's unified safety system based on 3 pillars: education, environment and health. He created in the copper company solutions involving the prevention of mine-related threats. He was also responsible for leading numerous rescue operations.

A graduate of the Faculty of Mining, with specialisation in deposit mining technology at Wrocław University of Science and Technology. Also completed post-graduate studies in financial management and organisation and management at Wrocław University of Economics. He gained experience in the Leadership Academy and the Innovation Academy of the ICAN Institute and in the TenStep Academy in Warsaw.

Scope of competence of the Vice President of the Management Board (Production) from 1 January 2024 to 31 July 2024.

Planning, current production and the development of mine and metallurgical production	Occupational health and safety and control over the environmental risk	Maintaining readiness of the production and non-production assets and achievement of the main objectives of the Energy Strategy	Management systems	Integrated supply chain management
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Scope of competence of the Vice President of the Management Board (Production) from 1 August 2024 to 31 December 2024.

Planning, current production and the development of mine and metallurgical production	Occupational health and safety and control over the environmental risk	Maintaining readiness of the production and non-production assets and achievement of the main objectives of the Energy Strategy	Management systems	Integrated supply chain management
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Piotr Stryczek
Vice President of the Management Board (Corporate Affairs)

He holds experience in the conduct of business activities, strategic consultancy and corporate supervision. Specialises in corporate developmental restructuring and equity investments.

From 2015 he was president of the management board of Automatyka Spółka z o.o., a company involved in the comprehensive implementation of new, and the maintenance of existing, production line control systems based on modern solutions by global producers. Involved with KGHM Polska Miedź S.A., where he worked among others as director of the corporate supervision department. Carried out the processes of asset and equity restructuring in KGHM and supervised Group companies. In the years 2002-2006 he was a vice president of a company from the KGHM Group, Pol-Miedź Trans Sp. z o.o. During his professional career he also held managerial functions in the companies Telefonika S.A. and TELBESKID.

A graduate of the Faculty of Law and Administration at Wrocław University majoring in law and administration, specialising in management. He is an Attorney-at-law. He has completed a variety of courses and training in the areas of accounting, strategic communication and equity acquisitions.

He was a member of the supervisory boards and management boards of many limited companies, including in the Legnica Special Economic Zone, Zagłębie Lubin, KGHM Metale and Krakowska Fabryka Kabli.

Scope of competence of the Vice President of the Management Board (Corporate Affairs) from 1 January 2024 to 31 July 2024.

Corporate oversight over subsidiaries in Poland and abroad	Uniformity of internal regulations to maintain consistent operating principles	Legal services for the statutory bodies of the Company with regard to the Supervisory Board	Supervision of the functioning of the KGHM Polska Miedź Foundation as well as other organisations serving the public	Coordination of procurement processes
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Scope of competence of the Vice President of the Management Board (Corporate Affairs) from 1 August 2024 to 31 December 2024.

Corporate governance standards	Corporate oversight over subsidiaries in Poland	Legal services to the statutory bodies, the Company and the Divisions	Purchasing processes	Oversight of the operation of the KGHM Polska Miedź S.A. Foundation
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Piotr Krzyżewski
Vice President of the Management Board (Finance)

A manager with many years of experience in both the production and investment sectors. He has experience in the management of companies, groups and finance in developed groups at a company and group level, in the evaluation of the profitability of investments, restructuring, optimising processes, managing financial risk, managing liquidity and developing and executing financing strategies. Manager at Luma Holding (a family office), responsible for finance of the entire holding company and individual group companies.

He created a business model, created and managed a second-round fund in Poland. He built and obtained the first Sustainability Linked-Loan (SLL) in Central and Eastern Europe, and one of the first in the European mining sector. He gained experience as a manager in the mining and metallurgical sector in Europe and Africa. He carried out numerous trade finance transactions with partners on various continents.

He is experienced in negotiations, due diligence and the conduct and supervision of acquisitions of companies in Poland and abroad. A member of Supervisory Boards and Investment Committees – responsible for the processes of merger, restructuring and optimisation as well as the setting of development directions.

He is a graduate of the SGH Warsaw School of Economics with a major in finance and banking as well as international economic relations. Completed doctoral studies in economics. Holds a broker license and completed numerous courses and training.

Scope of competence of the Vice President of the Management Board (Finance) from 1 January 2024 to 31 July 2024.

Financial and taxation policy	Accounting services	Disclosure and publishing obligations	Investor relations	Activities related to development projects in the power generation area.
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Scope of competence of the Vice President of the Management Board (Finance) from 1 August 2024 to 31 December 2024.

Financial and taxation policy	Financial verification of the Strategy projects	Finances in all of the Group's operations and activities	Accounting services	Disclosure and publishing obligations	Investor relations	Development projects in the field of energy transition	Commercial and logistics policies	ESG
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Iga Dorota Lis
Vice President of the Management Board (International Assets)

Graduate of the Faculty of Law and Administration at University of Warsaw, lecturer at Lazarski University at postgraduate studies in the fields of new technologies and environmental protection law. She passed the bar exam at the District Bar Council in Warsaw.

Experienced manager associated with the industrial sector, with multiannual experience in management and consultancy in the area of investments, including energy, petrochemical, chemical and metallurgical industry. In the past, she acted as an advisor to KGHM Polska Miedź S.A. on projects related to modernisation of the pyrometallurgical processes at the Głogów Copper smelter, the development of smelting at the Głogów and Legnica Copper Smelters and investments at the Tailings Storage Facility, as well as the restructuring of the energy project. Involved in providing legal services for the largest investments implemented in Poland, including the construction of a refinery in Gdańsk, the construction of petrochemical and energy facilities for the Orlen S.A. Group.

Associated with the energy market for many years in the scope of construction of conventional and renewable sources as well as in the expansion of transmission networks. Since 2020, she has been associated with Hyundai Engineering Poland sp. z o.o., where she initially worked, among others, as the General Counsel and Director for Investment and Development, and subsequently as a Member of the Management Board since 2021.

She has extensive experience in conducting and supervising technologically complex investment processes of international range.

Scope of competence of the Vice President of the Management Board (International Assets) from 1 January 2024 to 31 July 2024.

Strategy for the international assets	Developing the international resource base	International exploration and resource projects	Substantive oversight over the international production subsidiaries	Shaping of commercial and logistics policies	Identification of international development opportunities
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Scope of competence of the Vice President of the Management Board (International Assets) from 1 August 2024 to 31 December 2024.

Strategy for the international assets	Developing the international resource base	International exploration and resource projects	Substantive oversight over the international production subsidiaries	Identification of international development opportunities	Corporate oversight over international subsidiaries
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Supervisory Board

Tadeusz Kocowski Chairman of the Supervisory Board	<p>Professor, habilitated doctor of law. Professor and a former Head of the Department of Economics Law of the Faculty of Management of the Wrocław University of Economics and Business. A retired professor of the Wrocław University, a former director of the Institute of Administrative Studies and a Head of the Department of Public Economic Law of the Faculty of Law, Administration and Economics of Wrocław University.</p> <p>He is the author or co-author of around 200 academic publications, among others: Administracyjne prawo gospodarcze (Administrative economic law), Publiczne prawo gospodarcze (Public economic law), Reglamentacja działalności gospodarczej w polskim administracyjnym prawie gospodarczym (Rationing of economic activities in Polish administrative economic law), Prawo dla ekonomistów (Law for economists), Zamówienia publiczne jako przedmiot regulacji prawnej (Public procurement as a subject of regulations), Prawo geologiczne i górnicze (Mining and geological law). He promoted 10 doctors of law, prepared 11 reviews of doctoral theses and participated in 4 postdoctoral dissertations. Co-author of joint studies of the Wrocław University and Wrocław University of Economics and Business, the graduates of which receive diplomas of both universities, entitled Legal and Economic Consulting.</p> <p>At the turn of the twentieth century, and currently as well, he actively participates in the process of economic transformation. Initially in affairs of a self-governing state-owned company and the self-government of its employees, restitution of commercial companies and local self-governments engaged in economic activities and subsequently in economic freedom and organisational-ownership changes. In the years 90-92 he cooperated with KGHM Polska Miedź S.A. in the process of transforming the business.</p> <p>He was an advisor in the Economic Development Section of the Voivodeship Office in Wrocław, a member of the Self-Government Appeal Court. He is an arbitrator in the Wrocław Centre of Arbitration at the District Barristers Council in Wrocław. He is related with the issues of public procurement and public-private partnerships. He participated in the creation of regulations on safety and fire protection, organiser of many academic conferences on this topic.</p>
Marian Noga	<p>Professor of economic sciences, he served as Rector of the Wrocław University of Economics and Dean of the Faculty of National Economy at the same university. In the years 2000-2004 he was a Senator of the 4th and 5th terms of the Republic of Poland. He was a member of the Monetary Policy Council in the years 2004-2010. Chairman of the Committee on Economic Sciences of the Polish Academy of Sciences in the years 2007-2014. In 2010, he was awarded the badge of honour "For merits to banking in the Republic of Poland". Author of 34 monographs and more than 170 scientific articles published in Poland, Germany, Ukraine and the United Kingdom. He is a regular economic commentator on television, radio and the press.</p>
Bogusław Szarek Secretary of the Supervisory Board, member of the Supervisory Board elected by the employees of the Group	<p>Since 1982 at the Sieroszowice Mine of KGHM Polska Miedź S.A. as a mining machinery and tools mechanic. Secondary technical education.</p> <p>Since 1992 – Chairman of the Plant Committee of the trade union NSZZ „Solidarność” in the Sieroszowice Mine. Following the merger of the Polkowice mine with the Sieroszowice mine, since 1996 – Chairman of the Plant Committee of the trade union NSZZ „Solidarność” in the Polkowice – Sieroszowice mine. Since 2012 – employee-elected Member of the Supervisory Board of KGHM Polska Miedź S.A.</p> <p>Chairman of the Board of the trade union Krajowa Sekcja Górnictwa Rud Miedzi NSZZ „Solidarność” in Lubin. Vice-Chairman of the Board of the Secretariat for Mining and Energy of the trade union NSZZ „Solidarność” in Katowice. Member of the National Committee of the trade union NSZZ „Solidarność”.</p>
Aleksander Cieśliński Deputy Chairman of the Supervisory Board	<p>Legal counsel with over 20 years of experience in developing legal and expert opinions in the area of EU law and international protection of human rights for entities in the public and private sectors, international law, as well as experience in participating in proceedings before the European Court of Human Rights and the Court of Justice of the European Union.</p> <p>Moreover, he engaged in economic activity related to international trade and has experience in trade negotiations with foreign entities.</p> <p>He is a graduate of the Faculty of Law and Administration of Wrocław University. He received recognition by the Council of the aforementioned Faculty for his doctorate in international law. He is a professor in the International and European Law Department of the Faculty of Law, Administration and Economics of Wrocław University. He conducts seminars and lectures on full-time and postgraduate studies, as well as English speaking studies such as LMM (Large Language Model).</p> <p>He has many years of experience in lecturing and teaching, among others for legal trainees, legal advisers and judges. He was a lecturer in the Department of Economic Law of Wrocław University of Economics, in the Copper Basin Vocational University in Lubin and in the Higher School of Trade in Wrocław. He is the author and co-author of many academic publications and scientific publications, among others in the area of EU and economic law, including "System prawa UE" (European Union law system) and "Komentarz do Traktatu o Unii Europejskiej" (Commentary to the Treaty on the European Union).</p>
Józef Czyczerski	<p>Secondary technical education. Since 1979 at the Sieroszowice Mine of KGHM Polska Miedź S.A. underground electromechanic. Chairman of the trade union Krajowa Sekcja Górnictwa Rud Miedzi NSZZ</p>

Member of the Supervisory Board elected by employees of the Group	Solidarność. Employee-elected member of the Supervisory Board of KGHM Polska Miedź S.A. in the years 1999-2011, and then from 2014.
Przemysław Darowski Member of the Supervisory Board elected by employees of the Group	<p>Has higher technical education. Professional work commenced in 1997 as a metallurgist, next as a railways rolling stock Specialist in Pol- Miedź Trans Sp. z o.o. From 2003 Head of the Unit responsible for maintenance planning and settlement as well as Maintenance Control, subsequently Head of the Railways Operations Unit in Głogów. From 2006, Senior Specialist / Commissioner of the Railway Cars Maintenance Handover Unit. Cooperated with the Gmina (municipality) of Legnica, on behalf of which Zespół Szkół Technicznych i Ogólnokształcących im. (Henryk Pobożny Technical and General School Complex) in Legnica acts as regards the operation of a training and examinations center for train drivers and candidates for train drivers.</p> <p>Former member of the railways commissions in Pol-Miedź Trans which review railway accidents and incidents. Moreover, in the years 2017-2019 served as an Employee Labour Inspector. Currently Chairman of the Interdivisional Commission of the NSSZ „Solidarność” trade union in Pol-Miedź Trans. Member of the trade union Sekcja Krajowa Górnictwa Rud Miedzi NSZZ „Solidarność”. Member of the Management Board of Region Zagłębie Miedziowe of the trade union NSSZ „Solidarność”.</p>
Zbysław Dobrowolski	<p>Professor of the Jagiellonian University in Kraków, Ph.D in Economics: economics and corporate organisation, with the status of habilitated doctor in the area of management.</p> <p>He has more than 30 years of experience in research and the evaluation of enterprises involving public property, including resulting from more than 25 years of work at the supreme national control body, among others as a manager of one of the delegations. Engaged in internal auditing activities. Author of numerous scientific publications on controlling, auditing and implementation of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) guidelines. Expert in many international programs, including those financed by the International Organization of Supreme Audit Institutions (INTOSAI), Organisation for Economic Co-operation and Development (OECD) and EU. A speaker during the Organization for Security and Co-operation in Europe (OSCE) conference.</p> <p>In 1998 he took part in a prestigious internship aimed at the management of the highest governmental control bodies: the GAO International Auditor Fellowship Program of the U.S. Government Accountability Office. Since 2008 he had been involved with INTOSAI, where in the role of expert he trained employees of the highest governmental control bodies from several dozen countries, and co-founded three global standards and audit guidance. He is an expert involved in a dozen or so international enterprises, including those organised by the OECD or the European Union, aimed at improving the management of international organisations in other countries.</p>
Dominik Januszewski	<p>An experienced manager, an expert in the areas of management and finance. For more than 25 years he worked in the companies Ernst&Young and Arthur Andersen. In the years 2005-2019 he was a Partner in Ernst&Young responsible for projects involving business consultancy, transactional consultancy and privatisation, as well as the auditing of financial statements. As a Partner, he managed a team of more than 200 consultants. His clients included the largest financial institutions in Poland. Currently he is responsible for a strategic consulting team at JLL involved in developing and implementing an ESG strategy as well as a strategy to optimize the energy aspects of companies. He is a Polish Certified Auditor, and has taken numerous professional courses in the areas of auditing, consultancy and management. In 2022 he received a Certificate from the University of Cambridge: “Business Sustainability Management”. He is a graduate of the University of Łódź, Faculty of Economics-Sociology, specializing in Finance and Banking.</p>
Piotr Prugar	<p>He is a graduate of the Faculty of Law and Administration of Wrocław University. Legal counsel, with many years of experience in the area of legal services and management of economic entities. Co-worked as and served as the receiver, liquidator and proxy for company management boards. Served as a representative of creditors in insolvency and restructuring proceedings, among others in GetBack S.A w restrukturyzacji, Hawe Telekom S.A. w restrukturyzacji, Fakos sp. z o.o. [subsidiary of Kopex SA], Technical Glassworks (Huta Szkła Technicznego), Paper Mill in Dąbrowica (Fabryka Papieru w Dąbrowicy), Julia Glassworks (Huta Julia) and others.</p>
Joanna Zakrzewska	<p>Qualified manager with many years' experience in management, audit and finance. For years, she has held management positions in both Polish and international companies, i.e. Amazon, Deloitte, KPMG, LOT or Noble Bank, pursuing her passion for improving organisational effectiveness also as an external advisor. Expert in internal audit, corporate governance and risk. Advocate for sustainable development. Practitioner of the development, implementation and attestation of internal control systems.</p> <p>She started her career in the field of financial auditing, specialising in the analysis and audit of financial statements. She served as coordinator for SOX implementation in Europe. As Director of Internal Audit, she created and reorganised the internal audit function, working closely with the supervisory boards.</p> <p>She studied at universities in Poland and abroad. Graduate of the Faculty of Economics, majoring in Organisation and Management. Scholarship holder of the Hogeschool voor Economisch Administratief Onderwijs. She completed postgraduate studies in "Business Psychology" (L. Koźmiński Academy). She holds international qualifications in the areas of finance and internal audit: Association of Chartered Certified Accountants (FCCA) and the Institute of Internal Auditors (CIA).</p> <p>Chair of the ACCA Council Poland. She is a member of the Association of Independent Supervisory Board Members, the Programme Council of the "Financial Director Forum", the Institute of Internal Auditors and Chapter Zero Poland.</p> <p>Speaker. Author or co-author of publications, training courses, reports and analyses on internal audit, risk, sustainability and the luxury goods market. Lecturer.</p>

Table 92. Information on the composition and diversity of the administrative, management and supervisory bodies of KGHM Polska Miedź S.A. as at 31 December 2024.

Number of executive and non-executive members	<ul style="list-style-type: none"> – Management Body - 6 executive members – Supervisory Body - 9 non-executive members (until 31 December 2024) – Supervisory Body - 10 non-executive members (after 31 December 2024)
Representation of employees and other persons providing work and percentage of independent members of the bodies	3 Members of the Supervisory Board (non-executive) elected by employees of the KGHM Group
Percentage according to gender and other aspects of diversity	Management Board: <ul style="list-style-type: none"> – Number of women - 1 (accounting for 16.7%) – Number of men - 5 (accounting for 83.3%) Supervisory Board <ul style="list-style-type: none"> – Number of men - 9 (accounting for 100%)
Percentage of independent members of the body	Supervisory Board - 5 independent members (accounting for 55%)
After the balance sheet date, i.e. from 8 January 2025	Supervisory Board
Percentage according to gender and other aspects of diversity	<ul style="list-style-type: none"> – Number of women - 1 (accounting for 10%) – Number of men - 9 (accounting for 90%)

Information on the roles and responsibilities of the administrative, management and supervisory bodies in the scope of supervising impacts, risks and opportunities

The Members of the Management Board are in charge for the areas defined in the Organisational Regulations of KGHM Polska Miedź S.A. and in the resolutions of the Supervisory Board of the Company, taking decisions independently in their respective areas of responsibility. In accordance with the Organisational Regulations of KGHM Polska Miedź S.A., members of the Management Board manage and supervise subordinate organisational units in order to fulfil their duties.

The Supervisory Board consists of standing committees (including the Audit Committee and the Strategy Committee), which support the Supervisory Board in preparing assessments, opinions and other activities aimed at preparing the decisions made by the Supervisory Board. Internal regulations on the basis of which the following Committees organize their work and their changes are adopted by the Supervisory Board.

The Management Board of KGHM Polska Miedź S.A. is ultimately responsible for the risk management system and the oversight of its individual elements. The system also includes ESG risk, as an integral part of the corporate risk management process in the KGHM Polska Miedź S.A. Group.

The Supervisory Board performs an annual assessment of the effectiveness of the risk management process and monitors the level of risk and the way it is handled (Audit Committee), evaluates and monitors the Company's strategic initiatives, including the risks and opportunities associated with long-term development (Strategy Committee). The Director of the Enterprise Risk Management and Compliance Department is responsible for overseeing the maintenance and development of a comprehensive enterprise risk management system within the KGHM Polska Miedź S.A. Group, where ESG risk is an integral part. As part of the second line of defence, tasks are performed by the Corporate Risk Management and Compliance Department and the Corporate Risk and Compliance Committee is established within the governance structures.

The Director of Strategy Department reports to the Executive Director for Strategy and Investment and is responsible for maintaining and developing the strategic management process and procedures, including ESG opportunities. Ongoing activities related to the management of individual impacts are performed through specific managerial positions, in accordance with the responsibilities assigned under the Organisational Regulations of KGHM Polska Miedź S.A.

Roles have been assigned to individuals in specific management level positions and supervision is provided according to the principles of subordination in compliance with the scheme in place.

The appointed Enterprise Risk Management and Compliance Committee is responsible for issuing recommendations regarding the update of the KGHM Group's List of Key Risks (including KGHM Group Risk Maps), with the aim of submitting it to the Management Board for approval and issuing Recommendations regarding Risk Response Plans and Adjustment Measures for KGHM or the KGHM Group addressed to the Committee. The Corporate Risk and Compliance Committee is managed by its Chairman. In accordance with the Best Practices for WSE-listed Companies, persons responsible for risk management and compliance report directly to the President of the Management Board. The Supervisory Board is the body whose overriding task is to exercise continuous supervision over the Company's activities in all its areas. The risk management and compliance function is subject to the assessment of its effectiveness by internal and external audit.

As part of the Enterprise Risk Management process, where ESG risk is an integral part and the Compliance process, the Director of the Enterprise Risk Management and Compliance Department prepares Quarterly Risk Management Reports and a the Compliance Management Report, which are submitted to the Enterprise Risk and Compliance Committee for analysis. The Corporate Risk and Compliance Committee issues recommendations to the Management Board of the Company regarding the approval of these reports. After the approval by the Management Board, the reports are sent to the meeting of the Audit Committee of the Supervisory Board of KGHM Polska Miedź S.A. In accordance with the strategic

management process in place, the Strategy Risk Map is updated annually as a graphical presentation of the results of risk assessment and strategic opportunities, including the ESG.

The processes of management of corporate risk, opportunities and impacts form an integral part of activities carried out by the Organisational Units of the KGHM Polska Miedź S.A. Group. The results of work in the above-mentioned areas serve as input data for other business processes operating in the Group (core and supporting processes).

The Supervisory Board of KGHM Polska Miedź S.A. sets objectives, weights and measurable criteria (indicators and KPIs) for Members of the Management Board. The catalogue of management goals is described in the Remuneration Policy. In determining the management goals for a given year, the current significant impacts, risks and opportunities within the activities conducted are taken into account. The variable remuneration for the ended financial year depends, among other things, on: the General Meeting discharging the Member from his/her duties in the financial year ended, the submission of a report to the Supervisory Board on the fulfilment of the management goals and the assessment of the fulfilment of these goals. Based on this, the Supervisory Board determines the amount of variable remuneration payable to the Management Board Member concerned.

Once the Supervisory Board has adopted the management goals for the year concerned, the Management Board determines the major directions of action, performance indicators and solidarity measures for senior management. The Goal Cards are approved by the members of the Management Board according to their duties. The annual evaluation of the achievement of these goals and work takes place after the publication of the consolidated annual report by the Company.

The skills and expertise of the Members of the Management Board affect their ability to properly analyse and assess impacts and associated risks and to take them into account in the conduct of the Company's affairs and in making management decisions on how to respond to events that may relate to both impacts and risks, taking into account the Company's organisational, financial and production capacity.

In accordance with the corporate governance principles in force in the Company in the scope of the risk management and compliance function, risk ownership is determined on the basis of assigned duties and responsibilities within subordinate areas of competence. Consequently, the KGHM Group has a transparent and consistent risk management system adapted to its specific nature and provides strong support for decision-making at all levels of the organisation.

In connection with the management board's duties arising from the contract for the provision of management services, including the duty to act with the utmost care and professionalism, Members of the Management Board of KGHM Polska Miedź S.A. are obliged to participate in conferences, seminars, business meetings related to the Company's activities, as well as in individual training sessions.

In 2024, Members of the Management Board of KGHM Polska Miedź S.A. participated in the dedicated ESG training entitled "Sustainability reporting - the Management Board's perspective". Moreover, Members of the Management Board represented the Company at national and international conferences and fora where sustainability issues and non-financial reporting is discussed, including KGHM's contribution to global sustainability challenges. These events included:

- Seminar on "Health and safety protection of workers in the raw materials industry. Be responsible for others." (organiser: Polska Miedź Employers' Association)
- Debate "A Clean Industrial Deal What's in it for industry. What's in it for climate?" (organiser: Business and Science Poland)
- EuroPOWER & RES POWER Conference (organiser: MM Conferences S.A.)
- Wall Street 28 conference (organiser: Individual Investors Association)

The Supervisory Board and the Management Board of KGHM Polska Miedź S.A. also have an access to specialists in the ESG Division, created in 2023, in 2024 converted into the Department which supports them in the area of sustainable development. Moreover, the Company cooperates with external companies specialising in sustainable development, thus providing access to current knowledge and expertise in this area.

In addition, in 2024, Members of Supervisory Boards, Management Boards of domestic Group's companies and Executive Officers participated in the dedicated ESG presentation entitled "Sustainability reporting - the Management Board's perspective. New EU regulatory requirements vs. the reporting process" as part of one of the KGHM Polska Miedź S.A. Group's Board Meetings.

Individual selected competences of the administrative, management and supervisory bodies in terms of supervising sustainability issues:

Joanna Zakrzewska (Member of the Supervisory Board appointed as of 8 January 2025)

- Expert in the scope of internal audit, corporate governance and risk.
- Author or co-author of publications, training courses, reports and analyses in the scope of internal audit, risk, sustainable development and the luxury goods market.
- Chairwoman of the ACCA Poland Board and member of Chapter Zero Poland - a programme for the development of competence of management and supervisory bodies in the area of climate.

Dominik Januszewski (Member of the Supervisory Board)

- Holder of the University of Cambridge Certificate „Business Sustainability Management.
- Experienced in strategic consulting at JLL: developing and implementing an ESG strategy as well as a strategy to optimize the energy aspects of companies.

Aleksander Cieśliński (Member of the Supervisory Board)

- Experience in developing legal and expert opinions in the area of EU law, international protection of human rights for entities in the public and private sectors, international law, including the participation in proceedings before the European Court of Human Rights and the Court of Justice of the European Union.

Andrzej Szydło (President of the Management Board)

- Experience in the implementation of Integrated Management Systems, including ISO-based.
- Specialising in management and the implementation of innovative solutions as well as the realisation of investment and maintenance projects.

Piotr Krzyżewski(Vice President of the Management Board (Finance)

- He built and obtained the first Sustainability Linked-Loan (SLL) in Central and Eastern Europe in the mining sector.
- He completed numerous courses and training in the areas of team management, crisis management, communication and international cooperation.

Iga Dorota Lis - Vice President (International Assets)

- A lecturer under post-graduate studies in the area of new technologies and environmental protection law.
- Experience in the energy, petrochemical, chemical and metallurgical sectors.

Mirosław Laskowski(Vice President of the Management Board (Production))

- Originator and co-creator of KGHM's unified safety system based on 3 pillars: education, environment and health as well as solutions in the scope of combating mine-related threats.

[GOV-2] Information provided to the entity's administrative, management and supervisory bodies and the sustainability issues they undertake

In the KGHM Group, communication with administrative, management and supervisory bodies, as well as with various types of committees, is carried out in a systematic manner, ensuring effective information flows and support for decision-making. Meetings are organised on a regular basis, according to an agreed work schedule, at a monthly or quarterly frequency. Ad hoc meetings are also organised in response to emerging needs, new challenges or urgent issues.

Information provided as part of this collaboration is tailored to the specific topics and needs discussed. Forms of communication used include written reports, presentations, face-to-face meetings or transmission via digital platforms. This approach supports agile management, enables ongoing monitoring of key issues and fosters rapid decision-making in a dynamically changing business environment.

The administrative, management and supervisory bodies are informed of significant impacts, risks and opportunities, as well as the implementation of due diligence and the results and effectiveness of the policies, actions, measures and targets adopted to address them through the following Committees:

- Risk Committee - at least on a quarterly basis
- Audit Committee - not less frequently than four times a year
- Development Committee - the Committee works on a continuous basis. Meetings of the Committee are held as required
- Strategy Committee - not less frequently than twice a year
- Remuneration Committee - not less frequently than twice a year

Moreover, information is also provided through audit reports and internal control reports, as well as within weekly management meetings.

Administrative, management and supervisory bodies take into account impacts, risks and opportunities when overseeing the entity's strategy, making decisions on key transactions and in the risk management processes. This process includes, among others, the analysis of potential trade-offs associated with the identified impacts, risks and opportunities and the

assessment of their relevance to the achievement of strategic objectives. In particular, these bodies assess the long-term consequences of business decisions, taking into account not only financial, but also environmental, social and corporate governance issues.

In mid-2024, the assessment of the materiality of impacts, risks and opportunities in the context of sustainability reporting was conducted in the KGHM Group. As part of this process, workshops were organised with the participation of senior management to discuss the perspective of ESG (environmental, social and corporate governance) aspects in terms of the substantive units of the KGHM Group. These workshops were aimed at identifying and assessing sustainability impacts, risks and opportunities associated with sustainable development in key areas throughout the value chain.

In parallel, in the same period, work was carried out on updating of the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040. All information on identified impacts, risks and opportunities identified during the materiality assessment and stakeholder dialogue, was included in the analysis process for the purposes of the update of the KGHM Group's Strategy. However, it should be noted that not every identified impact, risk and opportunity will be directly addressed in the KGHM Group's Business Strategy.

In accordance with applicable legal regulations and internal procedures, the Management Board of the Group performs a key operational and decision-making function in respect of the Company's strategy and operations, taking into account environmental, social responsibility and corporate governance issues. Responsibility for these areas was distributed amongst individual Members of the Management Board, who supervised and managed activities in line with the defined strategic objectives.

Table 93. The Management Board's responsibility for the achievement of ESG goals - as at 31 December 2024.

Strategic direction	Responsible Member of the Management Board	Area related to:		
		Environment	Social	Governance
Core business				
1.1 Advanced technology and R&D forming a smart production chain	Vice President of the Management Board (Development)	x	x	-
1.2 Optimisation of mine production domestically and abroad ensuring long-term operational continuity	Vice President of the Management Board (Production)	x	-	-
	Vice President of the Management Board (International Assets)			
1.3. Leader in the development of low-emissions mining capacity for new metals and mineral deposits in Poland	Vice President of the Management Board (Development)	x	-	-
1.4. Development of metallurgy utilising efficient processing based on Circular Economy assumptions.	Vice President of the Management Board (Production)	x	-	-
New activities				
2.1. One of the leading producers of environmentally-friendly electricity - supporting Poland's energy transformation	Vice President of the Management Board (Finance)	x	x	-
2.2. Expansion along the value chain through the development of new products from copper and other metals (including establishing cooperation with partners in Poland and abroad).	President of the Management Board	x	-	-
	Vice President of the Management Board (Production)			
Supporting activities				
3.1. Major supplier of Smart Mining solutions for products and services sold in Poland and globally.	Vice President of the Management Board (Development)			
	Vice President of the Management Board (Corporate Affairs)	x	x	-
3.2. Ensuring the financial stability of the KGHM Group and implementing systemic solutions aimed at increasing the Group's value	Vice President of the Management Board (Finance)	-	-	x
	Vice President of the Management Board (Corporate Affairs)			
Health				
4.1. Development of pro-health activities and health resorts as a contribution to extending the length and quality of life of citizens	Vice President of the Management Board (Corporate Affairs)	-	x	-
Prosociality				
5.1. Growth based on the idea of sustainability and safety	President of the Management Board	x	x	x

Parallel to the activities of the Management Board, the Supervisory Board fulfils the supervision role, providing an ongoing analysis of the Company's approach to key risk categories related to the achievement of business objectives, through the Audit Committee of the Supervisory Board, including the monitoring of the risk management function. The Company informs the Supervisory Board of the exposure of its activities to key risks, presenting the assessment of the vulnerability to individual risk factors, as well as an assessment of the impact and likelihood of materialisation of negative events. However, it should be emphasised that the risk management process involves a certain degree of uncertainty in terms of effectiveness of risk mitigation measures, particularly in areas beyond the direct control of the KGHM Group.

The list of material impacts, risks and opportunities that were subject to analyses and actions undertaken by the Company's administrative and management bodies in the reporting period is presented in [section SBM-3 Significant impacts, risks and opportunities and their links with the strategy and business model](#), as it is equivalent to the list of identified material impacts, risks and opportunities in 2024.

Impacts and opportunities were not subject to analyses and actions undertaken by the supervisory authorities in the reporting period. The Supervisory Board, through the Audit Committee of the Supervisory Board, performed the annual assessment of the effectiveness of the risk management process and monitored the level of risk and the method of its addressing.

[GOV-3] Incorporating sustainability-related results into incentive schemes

The basic legal act regulating the remuneration rules for members of the Management Board and the Supervisory Board of the Company is the Remuneration Policy for Members of the Management Board and the Supervisory Board of KGHM Polska Miedź S.A., adopted by the General Meeting.

The remuneration procedure for members of the Management Board and the Supervisory Board defined in the Remuneration Policy takes into account the rules arising from the Act on the principles of shaping the remuneration of persons managing certain companies (Journal of Laws 2020, item 1907). In accordance with the Commercial Partnerships and Companies Code and the Statutes of KGHM Polska Miedź S.A., setting the remuneration and other terms of management service contracts for members of the Management Board is the responsibility of the Supervisory Board. The Supervisory Board concludes management service contracts with members of the Management Board based on the rules set out in the Remuneration Policy.

The targets for the Management Board and the criteria for their implementation in terms of financial and non-financial performance are defined by the Supervisory Board, with reference to the level of implementation of the KGHM Group's strategy. In particular, the key performance indicators (KPIs) are linked to the strategic objectives that fit into individual pillars and areas of the Strategy, taking into account the key measures of success assigned to them. Target-setting criteria adopted:

- have a positive impact on the commitment of the members of the Management Board to their functions in the Company,
- motivate the members of the Management Board to pursue the Company's business strategy and interests,
- affect the adequate assessment of risks by members of the Management Board, including the assessment of the Company's ESG-related risks, opportunities and impacts.

The management objectives, including those determining the possibility of acquiring rights to variable remuneration by members of the Management Board of KGHM Polska Miedź S.A., are set on a case by case basis by the Supervisory Board in the form of a resolution.

The variable remuneration for the completed financial year shall be due to the Management Board member concerned, after the General Meeting has approved the Management Board's report on the Company's operations and the financial statements for the completed financial year, and the General Meeting has approved the fulfilment of duties to that member for the completed financial year, after submitting a report to the Supervisory Board on the fulfilment of management goals in the past financial year and if the Supervisory Board determines that they have been fulfilled.

While determining the degree of achievement of management goals, the Supervisory Board sets the amount of variable remuneration due to the respective Member of the Management Board.

In the case of fulfilment of the conditional objectives, the basis for calculating the variable remuneration for individual Management Board Members is the degree of fulfilment of the management goals set out in the objective cards. Management goals are cascaded in the form of KPIs to Head Office and Division directors in the form of a Management Board resolution.

As part of the incentive scheme, goals as regards sustainable development have been assigned to members of the Management Board of KGHM Polska Miedź S.A. as presented in the table below.

Table 94. Management and strategic goals of members of the Management Board of KGHM Polska Miedź S.A. in terms of sustainable development for 2024.

Member of the Management Board	Management and strategic goals regarding sustainable development	Contribution of the goal to the general objectives for 2024
President of the Management Board	– Review and update of the KGHM Group's Strategy	15%
	– Energy strategy in the scope of renewable energy development in the KGHM Group	5%
Vice President of the Management Board (Finance)	– Review and update of the KGHM Group's Strategy	5%
	– Energy strategy in the scope of renewable energy development in the KGHM Group	5%
	– Building a funding concept for the energy strategy	10%
Vice President of the Management Board (Development)	– Review and update of the KGHM Group's Strategy	5%
	– Concept of tailings management for depletion of resources based on the current ZTE*	10%
	– Metallurgy development directions	5%
	– Renewable energy - technology overview	5%
Vice President of the Management Board (Production)	– Review and update of the KGHM Group's Strategy	5%
	– Metallurgy development directions	5%
	– Maintaining work safety in KGHM	5%
Vice President of the Management Board (International Assets)	– Review and update of the KGHM Group's Strategy	5%
	– Maintaining work safety in KGHM	10%
Vice President of the Management Board (Corporate Affairs)	– Review and update of the KGHM Group's Strategy	5%

*A document entitled *Technical and economic assumptions (ZTE)*

The subsidiaries of the KGHM Group apply remuneration principles corresponding to those adopted in KGHM Polska Miedź S.A. In accordance with the provisions of the Commercial Partnerships and Companies Code and other applicable legislation, the remuneration of the management bodies is approved by the supervisory board, while the remuneration of members of the supervisory board is approved by the general meeting of shareholders or the partners' meeting. In the domestic and international assets of the KGHM Group, in accordance with applicable laws and corporate governance principles, members of the supervisory boards do not receive variable remuneration nor are they covered by incentive systems and incentive schemes linked to sustainable development.

With the exception of the following cases, the operating companies of the KGHM Group have not introduced any strategic sustainability goals into their incentive and remuneration systems for members of the Management Board:

- In KGHM ZANAM S.A., the management goals comprise activities related to the development of machines equipped with low-emission engines, including the production of machines that meet at least the STAGE V exhaust emission standard and the development of a prototype blasting vehicle with this type of engine.
- PMT Linie Kolejowe sp. z o.o. pursues circular economy objectives by focusing on the recovery and reuse of railway aggregate from track surface replacement.
- In "Energetyka" sp. z o.o., investments in the development of renewable energy sources (RES), with a weight of 10%, and the reduction of process and mine water used at the Żelazny Most Tailings Storage Facility, also with a weight of 10%, are included in the management goals.
- In KGHM INTERNATIONAL, management goals include activities in the area of "Zero Harm", with an assigned weight of 15%.
- The management goals in KGHM Chile are related to the "Zero Harm" area with an assigned weight of 10%, the environment area with a weight of 6%, and the human resources management (HR) area with a weight of 9%.
- In DMC Mining Services Ltd, management goals relate to HSE (health, safety, environment) results and are assigned a weight of 15%.

[GOV-4] Due diligence declaration

The KGHM Group acts with due diligence in managing sustainability issues. Detailed information related to this issue is included, among others, in the following sections of this document:

Table 95. Basic elements of the due diligence process included in the sustainability reporting

Key elements of the due diligence process	Items in the sustainability reporting
Incorporation of due diligence into governance, strategy and business model	<ul style="list-style-type: none"> – [GOV-2] Information provided to the entity's administrative, management and supervisory bodies and the sustainability issues they undertake – [GOV-3] Reflecting sustainability-related results in incentive schemes – [SBM-3] Significant impacts, risks and opportunities and their links with the strategy and business model
Cooperation with stakeholders affected by the entity at all key stages of the due diligence process	<ul style="list-style-type: none"> – [SBM-2] Interests and views of stakeholders
Identification and assessment of adverse impacts	<ul style="list-style-type: none"> – [SBM-3] Significant impacts, risks and opportunities and their links with the strategy and business model – [IRO-1] Description of the process to identify and assess significant impacts, risks and opportunities – [GOV-5] Risk management and internal controls over sustainability reporting
Taking action to reduce identified adverse impacts	<ul style="list-style-type: none"> – [E1-3] Activities and resources in relation to climate policy – [E2-2] Pollution-related activities and resources – [E3-2] Activities and resources related to water and marine resources – [E4-3] Activities and resources related to biodiversity and ecosystems – [E5-2] Activities and resources related to the use of resources and circular economy – [S1-4] Addressing the significant impacts on own staff resources and applying approaches to manage material risks and opportunities related to own staff resources and the effectiveness of these actions – [S2-4] Addressing the significant impacts on workers in the value chain and applying approaches to manage material risks and using opportunities related to workers in the value chain and the effectiveness of these actions – [S3-4] Addressing the significant impacts on affected communities and applying approaches to manage material risks and opportunities related to these communities and the effectiveness of these actions – [S4-4] Addressing the significant impacts on consumers and end users and applying approaches to manage material risks and opportunities related to consumers and end users and the effectiveness of these actions
Monitoring the effectiveness of these efforts and providing relevant information in this regard	<ul style="list-style-type: none"> – [E1-4] Goals related to climate change mitigation and adaptation to it – [S1-5] Goals related to managing significant negative impacts, enhancing positive impacts and managing significant risks and opportunities – [S2-5] Objectives related to managing significant negative impacts, enhancing positive impacts and managing material risks and significant opportunities – [S3-5] Goals related to managing significant negative impacts, enhancing positive impacts and managing significant risks and opportunities – [S4-5] Objectives related to managing significant negative impacts, enhancing positive impacts and managing material risks and significant opportunities

[GOV-5] Risk management and internal controls over sustainability reporting

Risk management in the area of sustainable development

Risk management is consistent across the KGHM Group and supports the resistance of the corporate structure. Actions were taken in the reporting period regarding ESG risks, comprising environmental, social and corporate governance aspects. The compliance management process supports the achievement of sustainable development goals. More information is presented in [section SBM-3 Significant impacts, risks and opportunities and their links with the strategy and business model](#) and in [\[IRO-1\] Description of the process to identify and assess significant impacts, risks and opportunities](#).

Internal controls over sustainability reporting

The ESG Department has been established in the organisational structures of the KGHM Group, which acts as a coordinator of sustainability reporting, ensuring the consistency and quality of the reporting processes. The ESG department is

responsible for integrating data from the Group's various business areas and for supervising the compliance of the reports with applicable standards, including the requirements arising from the ESRS.

In order to increase the effectiveness of the reporting process, ESG coordinators were appointed in the KGHM Group's subsidiaries, who are responsible for the collection, analysis and initial verification of the data. The management boards of individual subsidiaries have been directly committed as bodies responsible for the verification and completeness of the sustainability data reported, thus strengthening the internal control process and ensuring accountability at the decision-making level.

The data provided by the subsidiaries is then verified at the ESG Department level or in dedicated substantive units that specialise in particular aspects of sustainability reporting (e.g. environment, human resources, corporate governance). This model of organising the reporting process allows for accurate analysis and elimination of potential errors at an early stage of report drafting.

The completeness of ESRS disclosures is verified at two levels. The initial verification takes place at the level of the business units, and subsequently by the ESG Department of the Company.

The KGHM Group uses a specialised IT tool to aggregate sustainability data. This tool streamlines the reporting process, mitigating the risk of errors due to manual data processing, ensures the consistency of the information reported and its adequate archiving for audit purposes.

The key stages in the sustainability reporting process, such as:

- final confirmation of the subjects of the double materiality test,
- final approval of the disclosures by the substantive units,
- final approval of the materials by the Management Board or the Supervisory Board,

involve the Company's top management. The involvement of key decision-makers at these stages ensures that the reporting process is carried out in accordance with the highest standards and highlights the strategic importance of sustainability issues for the Group.

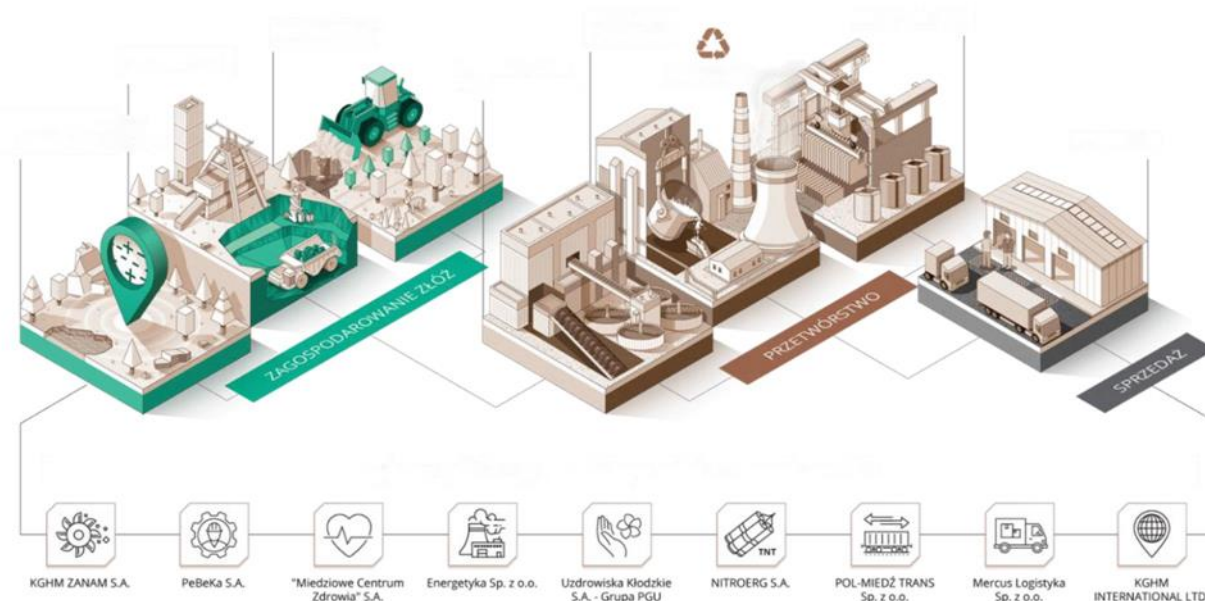
[SBM-1] Strategy, business model and value chain

Description of the business model and value chain

The KGHM Polska Miedź S.A. Group is one of the ten largest producers of mined copper worldwide and the second largest producer of silver⁴⁹. It has over 35,000 employees in more than 60 companies on four continents - Europe, North America, South America and Asia. The activity of the KGHM Group is based on seven key segments that form a complete value creation chain. They include areas such as exploration of raw materials, their mining, production, transport and delivery of products to customers and stakeholders, as well as responsible waste management, in order to mitigate the adverse impact on the environment.

⁴⁹ Source: CRU, December 2024 and World Silver Survey, April 2024, based on 2023 production

Diagram 47. Business model of the KGHM Polska Miedź S.A. Group



The KGHM Group's business model also includes complementary subsidiaries, extending the core business (CB) in areas such as manufacturing of mining machinery, explosives and metal recycling, among others. Production in the KGHM Group is a fully integrated technological process in which the end product of one phase becomes an intermediate product used in the next phase. This structure allows for efficient use of raw materials and cost optimisation.

Table 96. Description of the business model of the KGHM Polska Miedź S.A. Group

Segment	What does it involve?	Why is it important?
Exploration and evaluation	The stage of geological work associated with the evaluation of new areas of potential mineralisation, known as exploration. This stage aims to document new, economically viable deposits and ends with the preparation of geological documentation for the particular concession area.	Safeguarding the perspective of continued mining of documented ore resources is one of the cornerstones of KGHM's development and the growth of the Company's value.
Ore mining	Mining of deposits is performed with the use of the open-pit method or, as in the case of the Parent Entity, the underground method using blasting technology and battery-powered mining machinery.	Ore mining is the basic element of KGHM's business which enables the production of metals and sales on the market.
Ore enrichment	Copper ore enrichment is the mechanical processing resulting in the production of a concentrate with copper content enabling its metallurgical processing.	The enrichment process is necessary as the copper ore deposits mined by KGHM in Poland have an average copper content of approximately 1.5 per cent. Cu. The technology used allows for the effective recovery of copper and silver and other elements from the excavated ore, up to 90 per cent.
Smelting and refining	Production in the smelters and refineries of KGHM Polska Miedź S.A. is based mainly on the processing of own copper concentrates, but it also uses purchased raw materials. Among other things, electrolytic copper as well as silver and gold bars are produced at this stage.	Due to the production capacity of Polish copper smelters, the KGHM Group is one of the world leaders in the metallurgical industry.
Processing	The copper cathodes produced in KGHM's smelters and refineries are processed into copper wire rod, oxygen-free wire and low-alloy wire (Cedynia Wire Rod Division).	Processed products of a consistent high quality respond to market needs and find buyers worldwide.
Sales and trading	Sales are carried out while ensuring the safety of trading, taking into account the principles contained in the sales, credit risk management and market risk policies. One of the solutions aimed at providing the security of trading is the appropriate diversification of sales - both product and geographic - or diversification of customers.	Ensuring the sale of manufactured products guarantees a sustainable and stable income. Trade is based on the Fair Trade principles.
Restoration	Safe and environmentally-friendly closure of mines, sand pits and other industrial facilities.	An element of KGHM's environmental policy and the basis for responsible business conduct.
CE/recycling	Product lifecycle based on the circular economy - the Circular Economy approach at every stage of the value chain.	A responsibility whose fulfilment builds trust and reliability.

+ complementary value chain:

Stakeholders	Customers, consumers and partners as a determinant of the KGHM Group's responsible business standards.
Activities supporting the CE	R&D activities, provision of energy and heat, including from RES, production of explosives, production and servicing of mining machinery, transport services, sales and recycling services
Other	Sponsoring and CSR activities, among others, through the KGHM Foundation, as well as therapeutic and spa activities

The Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040 takes into account issues related to sustainable development, as presented in the table below:

Table 97. Issues of sustainable development as part of the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040.

	KGHM for the environment	KGHM for society	Corporate governance in KGHM
Development directions	<ul style="list-style-type: none"> - Ecology - Energy - Efficiency 	<ul style="list-style-type: none"> - Elasticity/Flexibility - Efficiency - Energy 	<ul style="list-style-type: none"> - E-industry - Efficiency
Pillars of the Strategy	<ul style="list-style-type: none"> - Pillar 1. Core business - Pillar 2. New activities - Pillar 5. Pro-sociality 	<ul style="list-style-type: none"> - Pillar 4. Health - Pillar 5. Pro-sociality 	<ul style="list-style-type: none"> - Pillar 1. Core business - Pillar 3. Supporting activities - Pillar 5. Pro-sociality
Strategic objectives	<ul style="list-style-type: none"> - Optimisation of mine production domestically and abroad ensuring long-term operational continuity, - Leader in the development of low-emissions mining capacity for new metals and mineral deposits in Poland" - Development of metallurgy utilising efficient processing based on CE assumptions - One of the leading producers of environmentally-friendly electricity - supporting Poland's energy transformation - Growth based on the idea of sustainability and safety 	<ul style="list-style-type: none"> - Development of pro-health activities and health resorts as a contribution to extending the length and quality of life of citizens" - Growth based on the idea of sustainability and safety 	<ul style="list-style-type: none"> - Advanced technology and R&D forming a smart production chain - Ensuring the financial stability of the KGHM Group and implementing systemic solutions aimed at increasing the Group's value - Growth based on the idea of sustainability and safety

Table 98. Status of progress of strategic success ratios - level in 2024

Strategic success ratio (Strategic KPI)	Baseline value of the ratio in 2020	Targets for 2030	Value of the ratio in 2024
Energy produced	22% of consumption	Minimum 50% of consumption (approx. 1.5 TWh)	656.9 GWh (21.04% of consumption)
<p>In 2024, an increase in the volume of energy generated from own generation sources was recorded compared to 2023 (2023 - 578 GWh / 2024 - 656.9 GWh). 2024 saw an increase in the share of electricity produced in the company's own generation assets relative to the volume of electricity consumed in the KGHM Group (2023 - 18.36% / 2024 - 21.04%).</p>			

Reduction in estimated CO₂ emission from electricity consumption⁵⁰	~1.6 million t eCO₂	1.0 million t eCO₂	~1.42 million t eCO₂
	In 2024, GHG emissions resulting from electricity consumption amounted to approx. 1.42 million t eCO ₂ , a decrease of approx. 0.34 million t eCO ₂ compared to 2023. The reduction in emission compared to the previous year resulted from the reduction in electricity consumption and a lower emission factor for electricity. Achieving climate neutrality by 2050 is the overarching goal of the Climate Policy of KGHM Polska Miedź S.A., compliant with the objectives of the Strategy.		
Scrap recycling	~124 kt of copper scrap	~350 kt of copper scrap	159 kt of copper scrap (dry weight)
	The Company is systematically increasing the quantity of copper scrap processed in the copper smelters. The highest result was achieved in 2024 compared to the base year (2020).		
LTIFR⁵¹ i TRIR⁵²	LTIFR 7.31	Target: 0 accidents	6.64
	TRIR 0.52	Target: 0 accidents	0.30
	The Company is continuously pursuing its strategic ambition to achieve the lowest possible accident rate.		
Level of support to the Health Area implemented by the KGHM Polska Miedź Foundation	~PLN 11.5 million⁵³	~PLN 7 million	PLN 8.07 million (total for institutions and natural persons)
	The level of support for the Health Area implemented by the KGHM Polska Miedź Foundation was higher than the level adopted as the strategic goal for 2030.		
Number of volunteer projects advanced	25 volunteer campaigns	30 volunteer campaigns	137 voluntary campaigns (including 38 shares in KGHM Group)
	The "Copper Heart" employee volunteer programme, launched in KGHM in 2014, was consistently implemented.		
Level of support provided for culture, sport and health	~PLN 38.5 million	~PLN 48 million	PLN 48.15 million
	The level of support provided for culture, sport and health was close to the value of the strategic target adopted for 2030.		

Significant groups of products or services offered and markets or customer groups

The primary products offered by the Group are copper concentrates, cathodes and copper wire rod. These products are the result of various stages of processing copper ore and recycling of copper scrap. They are used extensively in a wide range of industries, including the electrical, construction and automotive industries and the power sector, particularly in the manufacture of cables, electric wires and electronic components. Copper is also used in renewable energy technology, including photovoltaics and wind turbines. Copper products, such as cathodes with a purity of 99.99%, are used for further processing in metallurgical plants, while copper wire rod is an intermediate product in manufacturing of wires and electric cables. Depending on the degree of processing, copper can be used in a variety of forms adjusted to specific industrial

⁵⁰ For KGHM Polska Miedź S.A., location-based methodology.

⁵¹ LTIFR (ang. Lost Time Injury Frequency Rate) - the total number of accidents at work, within the meaning of the Act of 30 October 2002 on social insurance due to accidents at work and occupational diseases (Journal of Laws of 2025, item 257, as amended) standardised to 1 million hours worked. Indicator calculated for KGHM Polska Miedź S.A.

⁵² TRIR (ang. Total Recordable Incident Rate) - the ratio of accidents at work that meet the conditions for registration as defined by the ICMM (International Council on Mining & Metals) standard. Indicator calculated for international assets.

⁵³ Due to the epidemic conditions, the area of activity of the KGHM Polska Miedź Foundation - "Health and Safety" was the particular priority in 2020, thus the significantly higher financing in this area in the base year.

needs. The Group, as one of the key copper producers, supplies copper products to a wide range of industries, supporting global production and infrastructure.

Table 99. Significant groups of products offered, markets serviced and customer groups in the KGHM Polska Miedź S.A. Group.

Product category	Entity and region	Downstream (customer segments)	Key product categories	Support to sustainable development goals
Copper				
Copper cathodes	KGHM Polska Miedź S.A. (Poland) KGHM INTERNATIONAL LTD. - Carlota (Arizona, USA)	London Metal Exchange (LME), manufacturers of: wire rod, other rods, flat bars, pipes, sheets and profiles	The basic product of KGHM Polska Miedź S.A. are copper cathodes made of electrolytic copper with a minimum copper content of at least 99.99%. They meet the highest quality requirements and are registered as grade "A" on the London Metal Exchange (LME).	Development of energy infrastructure (RES) and electromobility. Support for reduction of carbon footprint.
Copper wire rod	KGHM Polska Miedź S.A. (Poland)	Industry: cable manufacturing, electromechanical, electrical engineering	Production is mainly based on the use of own cathodes manufactured in the divisions of KGHM Polska Miedź S.A. Copper wire rod is the second copper product in terms of the volume manufactured by KGHM taking into consideration the volume of production. The Cedynia Wire Rod Plant produces copper wire rod in five classes of quality, adjusted to various needs of customers.	
Copper concentrate	KGHM INTERNATIONAL LTD - Robinson (Nevada, USA)	Copper smelters, raw material traders	Copper concentrate is a product of the Robinson mine in the USA, part of the KGHM INTERNATIONAL LTD. Group, containing about 20% of copper, as well as silver and gold.	
Oxygen-free copper rod	KGHM Polska Miedź S.A. (Poland)	Industry: cable industry for the production of thin, enamelled, and fire-resistant cables as well as cables transmitting sound and images. Oxygen-free copper rod is also an ideal material for the process of extrusion into flat profiles and for processing through the Conform® process. In addition, oxygen-free, silver-bearing rod is used in the manufacture of trolleys and commutators.	KGHM Polska Miedź S.A. The Cedynia Wire Rod Plant Division produces two types of rod using UPCAST® technology: Cu-OFE oxygen-free rod and CuAg (OF) oxygen-free, silver-bearing rod. Depending on customers' demand, the rod is produced in several diameters: 8 mm, 12.7 mm, 16 mm, 20 mm, 22 mm, 24 mm and 25 mm with possible silver content.	
ETP/OFE nuggets	KGHM Polska Miedź S.A. (Poland)	Producers of alloy, also used in electroplating processes	Copper grain is obtained from Cu ETP1 wire rod (99.90% Cu) and Cu OFE wire (99.99% Cu). Sample sizes of grain produced by KGHM Polska Miedź S.A.: diameter of 8 mm, 12.7 mm; length of 10-35 mm.	
Silver				
Silver	KGHM Polska Miedź S.A. (Poland)	Financial institutions, industries: jewellery, electronic and electric, photovoltaic, catalyst manufacturers as well as coin, bar and medal producers	Electrolytic silver is mainly produced by KGHM Polska Miedź S.A. The product has a form of bars (ingots) and granules with a silver content of 99.99%. Silver bars with the weight of approx. 32 kg have a certificate registered on COMEX in New York (New York Mercantile Exchange) as well as a Good Delivery certificate issued by the London Bullion Market Association. Silver grains are packed in bags of 25 kg or 500 kg weight.	Development of renewable energy (photovoltaics) and emission reduction through catalytic converters.
Other product groups				

Molybdenum concentrate	KGHM INTERNATIONAL LTD - Robinson (Nevada, USA)	Industry: metallurgical, chemical, energy, electronics, automotive, catalyst manufacturers	Molybdenum concentrate is another commercial product (apart from copper concentrate) produced by the Robinson mine in the USA, part of the KGHM INTERNATIONAL LTD. Group. Production of molybdenum concentrate is derivative of the process of copper concentrate production.	Support of advanced industries and responsible management of raw materials.
Gold	KGHM Polska Miedź S.A. (Poland)	Sector: jewellery, mints, banks and electrical industry	Gold in the form of bars weighing approx. 0.5 kg, 1 kg, 4 kg, 6 kg and 12 kg, containing 99.99% of gold.	No impact.
Polymetallic ore	KGHM INTERNATIONAL LTD. - Sudbury (Ontario, Canada)	The total ore extracted from the mines is processed at the Clarabelle plant in Sudbury, owned by Vale	Ores containing copper, nickel and TPM are produced by the mines in the Sudbury Basin in Canada, part of the KGHM INTERNATIONAL LTD. Group.	Support of energy transformation, electromobility and low-emission technologies.
Sulphuric acid	KGHM Polska Miedź S.A. (Poland)	Industry: chemical, fertilizer, petrochemical, metallurgical, pharmaceutical, automotive and energy	Sulphuric acid is produced at the Legnica Copper Smelter and Refinery (approx. 100 thousand tonnes per year) and Głogów Copper Smelter and Refinery (approx. 550 thousand tonnes per year). Sulphuric acid used at the Polkowice unit of the Mine Concentrator Division in the enrichment process as a factor enabling decarburisation of one of the process intermediates.	Promoting circular economy by reusing the by-product of metallurgical processes.
Refined lead	KGHM Polska Miedź S.A. (Poland)	Industry: batteries, chemicals, metals, construction, armaments, electronics, automotive and aerospace	Refined lead (approximately 30,000 tonnes per year) is produced at the Legnica Copper Smelter and Refinery. The lead produced meets the requirements of the PN-EN 12659 standard.	Support for energy storage systems.

Assessment of the Group's current significant products or services and significant markets and customer groups in relation to its sustainability goals

The KGHM Group focuses its activities on the production of copper and silver as key raw materials in the energy and digital transformation processes. Contemporary technologies, such as renewable energy sources, electric vehicles or digital infrastructure, require stable access to these metals. They are the cornerstone of global efforts aimed at reaching climate neutrality.

It is therefore crucial for sustainability to find environmentally-friendly ways of producing these metals. To meet these expectations, the Institute of Mineral Raw Materials and Energy Management of the Polish Academy of Sciences was commissioned in 2021 to prepare an analysis of the environmental impact and carbon footprint of the main products manufactured by KGHM Polska Miedź S.A.

The life cycle analysis was carried out in accordance with ISO 14040, ISO 14044, ISO 14067. In addition, environmental declarations (type II - so-called self-declared environmental statements) were prepared for selected products in accordance with PN-EN ISO 14021, which were independently verified - the certificates are valid until March 2026. The carbon footprint of KGHM Polska Miedź S.A. products is lower than the market average, as shown for individual products in the table below.

Table 100. Key products of the KGHM Polska Miedź S.A. Group and their carbon footprint compared to industry averages

Product	Carbon footprint of KGHM product (data: 2020)	Average product carbon footprint (data: 2019, unless otherwise indicated)
HMG 1 cathode	2 961 kg CO ₂ eq/t	3 965 kg CO ₂ eq/t (2023, ICA global average ⁵⁴)
HMG 2 cathode	2 149 kg CO ₂ eq/t	3 965 kg CO ₂ eq/t (2023, ICA global average)
HML cathode	1 552 kg CO ₂ eq/t	3 965 kg CO ₂ eq/t (2023, ICA global average)

⁵⁴ Source: [Copper Environmental Profile - International Copper Association](#)

OFE rod	3 091 kg CO ₂ eq/t	3 622 kg CO ₂ eq/t (2024, ICA global average ⁵⁵)
Copper wire rod	2 288 kg CO ₂ eq/t	3 622 kg CO ₂ eq/t (2024, ICA global average)
CuAg rod	3 207 kg CO ₂ eq/t	3 622 kg CO ₂ eq/t (2024, ICA global average)
Silver	90 kg CO ₂ eq/kg	448 kg CO ₂ eq/kg

The analyses performed confirmed that KGHM's metallurgical plants (Legnica Copper Smelter and Refinery, Głogów Copper Smelter and Refinery, Cedynia Wire Rod Plant) produce metals in a responsible manner and in accordance with the highest standards (which is also confirmed by The Copper Mark certification for metallurgical plants in the KGHM Group).

Moreover, to meet market expectations, for two of KGHM's key products - wire rod and wire, type III Environmental Product Declarations will be prepared in accordance with EN 15804+A2 in the first quarter of 2025. Type III environmental declarations are international, independent and certified documents that provide transparent and reliable information about the environmental impact of a product. They are based on the Life Cycle Assessment (LCA) which covers all stages of a product's life from sourcing of raw materials, through production, use to disposal or recycling. Once verified and certified, the declaration will be registered in the EPD system, enabling public access to the declaration and increasing its reliability.

The Group's copper cathodes demonstrate low CO₂ emission indicators in the industry, e.g. HML cathodes achieved emissions of 1.552 kg CO₂/t in 2020, well below the global average of 3.965 kg CO₂/t. Silver, another key product, also stands out for its significantly reduced carbon footprint – 90 kg CO₂/kg in 2020 versus the global average of 448 kg CO₂/kg. Such parameters enable the company to meet the rising demands of the technology and energy sectors, while reducing its environmental impact.

KGHM operates in global markets. Almost a quarter of product sales reaches the domestic market, while the largest customers in the export market include China, Germany and the United Kingdom (see more in the Consolidated Financial Statements for 2024 in „Section 2 – Information on segments and revenues” and „Section 4 – Explanatory notes to the statement of profit or loss”). KGHM also maintains its strong position in the European Union which is increasingly dependent on imports of critical raw materials. KGHM's products support the EU's efforts aimed at reducing the risk of supply disruptions and securing the stability of energy transition. The customer groups are specified in detail in Table 101. Significant groups of products offered, markets operated and customer groups in the KGHM Polska Miedź S.A. Group.. ”

Limitations in value chain reporting

In accordance with the transitional provisions defined in ESRS 1 in section 10.2 “Transitional provision related to section 5, Value Chain”, in the first years of reporting, entities may limit the scope of disclosures to internally available data and publicly available information. Therefore, in this annual report, the KGHM Group presents information on the value chain based on the data it holds, while the full report on the value chain will be prepared and presented in subsequent reporting years.

Given the extent of the Group's activities - comprising more than 60 companies within the KGHM Polska Miedź S.A. Group, employing in total over 35 thousand employees and conducting mining, production, service and sales support activities on four continents - obtaining complete data on the value chain requires the implementation of consistent processes and analytical tools. In the current year, the Group will take measures to obtain comprehensive upstream and downstream information on the value chain, in line with the principle of due diligence. After the closure of the reporting period, it is planned to set up a team responsible for developing procedures for data collection and cooperation with partners within the Group. These measures will allow the Group's sustainability impact to be presented in more detail in future reports.

⁵⁵ Source: [Copper and Copper Alloy Semi-Fabricated Products LCA - International Copper Association](#)

Description of the main characteristics of the upstream and downstream value chain and the position of companies in the value chain

Table 101. Position of companies and customer groups in the key value chain of the KGHM Polska Miedź S.A. Group

Upstream (main raw materials, products, services used by the KGHM Group companies)	KGHM Group entity and region	Downstream (products)	Downstream (customers)	Downstream (product use)	Downstream (major categories of waste)
I. Exploration (exploration and evaluation)					
Design of drilling wells, drilling, sampling and testing, storage of cores	KGHM Cuprum sp. z o.o. Research and Development Centre (Poland)	Cores, samples for deposit exploration and evaluation. Testing of mechanical and deformation parameters (strength tests, notifications).	KGHM Polska Miedź S.A.	Core production business (CPB): Tests of KGHM products - testing of copper samples. Programming of mine operations and production of CPB's own resources.	Water consumption, scrubber, water with chemicals (e.g. with acids). Acid-related air emission. Municipal waste.
Service providers (geology, surveying, design, engineering)	CBJ sp. z o.o. (Poland) PeBeKa S.A. (Poland)			Outside the KGHM Group, i.e. outside CPB: tests of water, food, etc. (e.g. for LGUs, micro-enterprises or individuals).	Hazardous waste (associated with food testing services, i.e. bio-waste or medical waste).
Installation services	Central Core Warehouse at CBZ Mercus Logistyka sp. z o.o. (Poland)				
Suppliers of energy resources, water					
Component suppliers					
II. Ore mining and enrichment					
Specialised heavy equipment and its servicing	Polkowice-Sieroszowice underground mine (Poland)	Copper ore, polymetallic ore containing mainly copper and silver, copper concentrate, molybdenum, nickel including precious metals.	Metallurgical sector, including KGHM's metallurgical plants	Description below.	Flotation tailings (the largest stream of waste; it is non-hazardous waste).
Water, energy and fuels	Rudna underground mine (Poland)				
Transport services	Lubin underground mine (Poland)				
Service providers in the scope of geology, surveying, engineering, equipment maintenance and repair, rescue, construction, maintenance, safety	Carlota open pit mine - mining region, desert and mountain terrain (USA) Robinson open pit mine - 3 large pits; currently in operation: Ruth and Liberty, plus Tripp-Veteran, where no mining activity is currently carried out (USA)				The supernatant water collected at the Żelazny Most Tailings Storage Facility is returned to the Concentrators and used in the flotation process, while the excess water is discharged into the Oder river.
Suppliers of construction raw materials, energy commodities, equipment, components, spare parts	Sudbury underground mine (Canada)				
Suppliers of technical materials and consumables	Concentrators - Lubin, Rudna, Polkowice-Sieroszowice regions (Poland)				

Upstream (main raw materials, products, services used by the KGHM Group companies)	KGHM Group entity and region	Downstream (products)	Downstream (customers)	Downstream (product use)	Downstream (major categories of waste)
III. Smelting and refining, processing					
<p>Predominantly own copper concentrates (mined by other KGHM Group entities)</p> <p>Copper scrap</p> <p>Electricity</p> <p>Water</p> <p>Suppliers of process raw materials - chemicals, technical materials and consumables, energy commodities</p> <p>Providers of technological, analytical, engineering services related to security and production continuity</p>	<p>Głogów Copper Smelter and Refinery (Poland)</p> <p>Legnica Copper Smelter and Refinery (Poland)</p> <p>Cedynia Wire Rod Plant (Poland)</p>	<p>In addition to copper, silver and gold, KGHM smelters produce, among others, raw lead, refined lead, sulphuric acid, nickel sulphate, selenium</p> <p>Technical sulphuric acid is produced as a result of the smelter gas desulphurisation process in Głogów Copper Smelter and Refinery I and II and Legnica Copper Smelter and Refinery.</p>	<p>Business customers</p> <p>Intermediaries</p> <p>Wholesalers</p> <p>Distributors</p>	<p>Copper cathodes: production of semi-finished copper products such as wire rod, wire, ingots, pipes, sheets and profiles, and copper alloys.</p> <p>Copper rod: for the construction of conductive conductors in electrical cables and wires (e.g. enamelled cables, car cables, power cords, etc.)</p> <p>Sulphuric acid: mineral fertiliser industry, synthetic fibre industry, hydrometallurgical processes, production of dyes, water conditioners, cellulose, batteries, etc.</p> <p>Refined lead: manufacture of batteries and lead oxides.</p> <p>Copper sulphate: flotation of zinc ores, production of fertilisers and other chemicals and compounds.</p> <p>Selenium: used in glass, feed, pharmaceutical and cosmetic industry.</p> <p>Molybdenum: used in the aerospace, defence, oil, nuclear and electronics industry.</p>	<p>The stage of the core production business generating the second largest group of waste in the KGHM Group is the pyrometallurgical process, which produces a large amount of smelter slag.</p> <p>Dust and sludge from flue gas dust removal.</p>

IV. Sales

<p>Products and services of KGHM Polska Miedź S.A. Group's companies.</p>	<p>Head Office of KGHM Polska Miedź S.A.</p> <p>KGHM INTERNATIONAL LTD.</p> <p>KGHM Shanghai Copper Trading Co., Ltd.</p> <p><i>Other KGHM Group companies</i></p>	<p>Products and services of KGHM Polska Miedź S.A. Group companies.</p>	<p>Business customers</p> <p>Intermediaries</p> <p>Wholesalers</p> <p>Distributors</p> <p>Mining sector, including KGHM Group's companies</p>	<p>See above.</p>	<p>Recycling: Copper is one of few materials that can be recycled multiple times without losing its properties.</p>
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V. Activities supporting mining and/or metallurgical processes - key companies

Upstream (main raw materials, products, services used by the KGHM Group companies)	KGHM Group entity and region	Downstream (products)	Downstream (customers)	Downstream (product use)	Downstream (major categories of waste)
Steel, plastics and machine components, raw materials used in refurbishment and construction (including but not limited to concrete) Fuels, electricity	KGHM ZANAM S.A. (Poland)	Machinery and equipment for the mining sector. Equipment used in transshipment systems, transport teams, quarrying and open-pit mining. Steel and iron castings. Maintenance and repairs, transport and shipping and specialised services at underground mining sites.	Mining sector, KGHM Group companies	Mining sector processes.	
Raw materials used in construction (including but not limited to concrete) Fuels and electricity	PeBeKa S.A. (Poland)	Mining construction (construction of shafts and drifts), construction of roadway/railway tunnels; specialist construction, drilling services (geological/exploration drilling).	Mining sector, KGHM Group companies	Mining sector processes.	Mining waste, construction waste such as rubble, soil and earth waste, drilling mud (smaller quantities: iron and steel).
Scrap Industrial waste Chemical reagents Shaft slag Electricity	KGHM Metraco S.A. (Poland)	Trade and processing of non-ferrous metals scrap; rhenium recovery from acidic industrial waste; processing of shaft slag into road-building material and sale; trading in salt; recovery of copper and silver from smelter tiles; trading in chemical factors.	Mining sector, KGHM Group companies, customers outside the KGHM Group's core business (salt and aggregates used in road construction)	Mining sector processes. Storage and logistics services (sulphuric acid terminal in Szczecin).	*CE - product-waste penetration Rhenium from acid industrial waste, aggregates - slag pits (from the production line), salt in side activities, copper-plated lining.
Rolling stock vehicles (locomotives, wagons) and rolling stock maintenance equipment Electricity, fuels	POL-MIEDŹ TRANS sp. z o.o. (Poland)	Railway cargo transport	Mining sector, KGHM Group's companies, their suppliers and customers	Mining and metallurgical sector processes.	Steel and iron scrap. Oily rags, waste oil.

VI. Power industry

Hard coal Natural gas Other fuels Water	Wojewódzkie Przedsiębiorstwo Energetyki Ciepłej w Legnicy S.A. (WPEC Legnica) (Poland)	Production, transmission, distribution and trading in heat. The network operated by the company includes the district heating systems of the following cities: Legnica,	7 Lower Silesian cities - industrial and municipal customers in the region	Heat used by consumers.	Furnace waste resulting from the generation of heat using non-renewable raw materials (slags).
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Upstream (main raw materials, products, services used by the KGHM Group companies)	KGHM Group entity and region	Downstream (products)	Downstream (customers)	Downstream (product use)	Downstream (major categories of waste)
		Lubin, Głogów, Złotoryja, Chojnów, Chocianów and Ścinawa.			
	"Energetyka" sp. z o.o. (Poland)	Generation, transmission and distribution of electrical and heating energy; water- effluents management; trade in oil-based products.	Lubin - industrial customers (including KGHM Polska Miedź S.A.) and municipal customers in the region. KGHM Polska Miedź S.A., WPEC in Legnica S.A., Group's companies	Energy, heat and water used by their consumers. Wastewater treatment service.	Sludge from "Energetyka" sp. z o.o. wastewater treatment plant (the third largest waste stream related to the activities of KGHM Polska Miedź S.A.) Furnace waste resulting from the generation of energy from non-renewable raw materials (slags).

VII. Other services (not related to the core business of the KGHM Group) provided to entities outside the Group, institutional and individual clients (health services, catering and accommodation services)

Equipment and substances (e.g. gases for acid and carbon bath, raw materials for mud bath, etc.) for the provision of spa services and cleaning products Renovation services necessary for the maintenance of spa equipment and buildings Food products Electricity, water Wellness and rehabilitation services Packaging of "Staroplanka" mineral water (glass and plastic bottles)	Polska Grupa Uzdrawisk (Polish Spa Group - PGU) (Uzdrawiska Kłodzkie, Uzdrawisko Połczyn, Uzdrawisko Świeradów, Uzdrawisko Cielice) (Poland)	Medical services - sanatorium treatments (in total, more than 3,500 beds are available to PGU guests in over 40 facilities). "Staropolanka" bottled mineral water produced in Polanica Zdrój (Uzdrawiska Kłodzkie)	National Health Fund (NFZ) and patients referred under the NFZ to spas Individual commercial patients, external companies (organised stays)	Medical services provided in spas and sanatoria. Hotel industry. Bottled mineral water.	Municipal, post-consumer and food waste. Treatment mud. Medical waste. Post-production waste.
Food products, cleaning products, water, electricity, fuels.	PHU "Lubinpex" sp. z o.o. (Poland)	Restaurant and catering services (4 restaurants, 35 catering establishments), hotel services (2 hotels)	Institutional - KGHM service, individual/retail customers	Restaurant and catering services.	Municipal, post-consumer and food waste.

Upstream (main raw materials, products, services used by the KGHM Group companies)	KGHM Group entity and region	Downstream (products)	Downstream (customers)	Downstream (product use)	<i>Downstream (major categories of waste)</i>
Medical products and reagents, drugs and medical equipment. Professional cleaning products. Electricity, water	„MIEDZIOWE CENTRUM ZDROWIA” S.A.(“MCZ” S.A.) (Poland)	The core business of “MCZ” S.A. is healthcare. The services include medical services provided at the multispecialist Hospital of "MCZ" S.A. in Lubin and at the Outpatient Clinics and Facilities of "MCZ" S.A. in Lubin, Legnica, Głogów and Grębocice.	Patients within the performance of contracts concluded with: NFZ (National Health Fund - universal health insurance), MZ (Ministry of Health - drug and prevention programs), business entities (occupational medicine), KGHM Group's companies (subscription for medical care), individuals (commercial services)	Medical services in the scope of hospital treatment, specialist outpatient treatment, primary healthcare, occupational medicine, medical rehabilitation, imaging diagnostics, laboratory diagnostics.	Municipal waste, medical waste, including hazardous waste.

Breakdown of total revenues by significant ESRS sectors

In accordance with the footnote to the ESRS 2 SBM-1 disclosure requirement, the entity shall report the information set out in ESRS 2 SBM-1 paragraph 40(b) (breakdown of total revenues by significant ESRS sectors) and 40(c) (list of additional significant ESRS sectors) as from the date of application specified in the Commission delegated act to be adopted pursuant to Article 29b(1), paragraph 3(ii) of Directive 2013/34/EU (as amended). The referenced article provides that by 30 June 2026, the European Commission will determine "the information to be reported by entities relating to the sector in which they operate."

Breakdown of total revenues from selected sectors

The KGHM Polska Miedź S.A. Group does not operate and does not earn revenues from fossil fuels (coal, oil and gas), the production of chemicals, controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons) or the cultivation or production of tobacco.

Obtaining performance in terms of current and expected benefits for customers, investors and other stakeholders

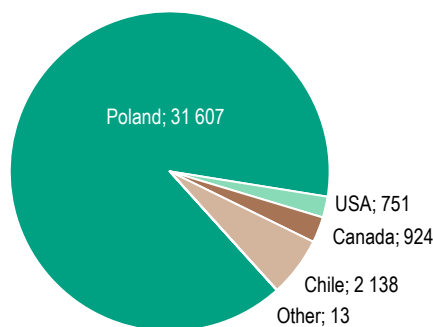
The financial results of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group in accordance with the product and geographical segmentation are presented in "Part 2 – Operating segments and revenue information" and "Part 4 – Explanatory notes to the income statement" of the Consolidated Financial Statements for 2024.

Table 102. Current and expected benefits for key stakeholder groups

Clients	<ul style="list-style-type: none">– Providing high quality products - products such as copper cathodes, electrolytic silver and oxygen-free copper rod meet the highest quality standards (e.g. LME and Good Delivery certificates) and are manufactured in a responsible manner, as confirmed by The Copper Mark certificates for the metallurgical plants of KGHM Polska Miedź S.A.– Clients in industrial sectors such as energy, electrical machinery or jewellery gain access to reliable and durable materials, while being assured of a product made with respect for human rights and the environment.– Supporting innovation and technology - materials used in photovoltaics, catalysts or advanced cable systems enable clients to develop sustainable technologies.
Investors	<ul style="list-style-type: none">– Increase in company value - regular growth of yield from core products such as copper cathodes, wire rod and silver in ingots translates into stable revenue and increases investor sentiment.– Dividend.– Transparency and responsibility - ESRS-compliant reporting provides investors with full transparency on the company's financial, environmental and social performance.– Sustainability as a cornerstone of the strategy - investment in a circular economy, reduction of GHG emissions, protection of biodiversity reduce investment risks associated with environmental regulations.
Local communities	<ul style="list-style-type: none">– Creation of jobs in the regions of operation, particularly in the Copper Basin, Sudbury Basin and White Pine County, Nevada, affects the development of local economies.– CSR projects supporting education, health and social infrastructure benefiting communities around KGHM's plants.– Impact on local budgets: local governments and territories and provinces as well as counties.
Suppliers	<ul style="list-style-type: none">– Partnership, especially with local suppliers, supports the development of regional businesses and also promote market stability. It enables joint implementation of sustainable practices, raising environmental and ethical standards and creating added value for both parties.
Regulators and environmental organisations	<ul style="list-style-type: none">– The application of best environmental practices, such as water management or reduction of CO₂ emissions, contributed to (emission reduction - BATAs program) and contributes to the achievement of sustainable development goals and climate policy assumptions of KGHM Polska Miedź S.A.

In 2025, the Company will carry out work related to operationalisation of the Strategy, whereby a comprehensive Sustainable Development Policy for the KGHM Group will be prepared on the basis of the identified strategic directions and ESG priorities. The policy will define specific strategic objectives and metrics to support responsible development and long-term stakeholder value.

Chart 36. Average employment in the KGHM Polska Miedź S.A. Group by geographical location



[SBM-2] Interests and views of stakeholders

The KGHM Group is a global entity with a significant role in the national economy maintaining strong links with local communities. As a company listed on the Warsaw Stock Exchange, it actively engages in communication with stakeholders, both domestic and international, ensuring their access to reliable and transparent information.

Trust and mutual understanding are the cornerstones of the Group's relationship with its stakeholders, which are crucial to the success of the organisation. The activities of the KGHM Group have a significant impact on the economic, social and environmental environment, which requires responsibility and transparency. Cooperation with stakeholders is integral to the long-term Group's Strategy while open dialogue allows for better understanding of mutual expectations.

Key stakeholders are parties who have influence on the entity or who can be affected by the entity. According to the ESRS definition, stakeholders are divided into two main groups:

- Stakeholders affected by the entity: persons or groups whose interests are affected or likely to be affected, positively or negatively, by the entity's actions and its direct and indirect business relationships throughout its value chain.
- Users of sustainability statements: primary users of financial reporting for general purposes, such as investors, lenders, asset managers, insurance companies, as well as other users including business partners, trade unions, social partners, NGOs, governments, analysts and scientists.

Some stakeholders may belong to both groups.

The stakeholder mapping process of the KGHM Polska Miedź S.A. Group has been carried out for many years and includes two levels: Head Office and subsidiaries. At the level of subsidiaries, both domestic and international, stakeholder groups are identified including an assessment. The process involves assessing two key parameters for each group of stakeholders:

- Strength of impact - impact of a particular stakeholder group on the KGHM Group in terms of environmental, social and corporate governance issues
- Level of interest - interest of a particular stakeholder group in activities of the KGHM Group in terms of environmental, social and corporate governance issues

Both parameters are rated on a scale from 1 to 5, where 5 indicates the highest strength of impact or level of interest. Based on such assessment, stakeholders are divided into two categories: key stakeholders and other stakeholders.

The next step in the mapping process is the verification performed at the Head Office level, using experience and expertise. The aim is to determine whether a particular stakeholder group is relevant from the perspective of the entire Group or only at the level of the specific subsidiary.

In 2024, the KGHM Group Stakeholder Map included 18 stakeholder groups, of which 10 were key groups and 8 were categorised as other groups. The stakeholder map is updated on an annual basis.

The table below presents the key stakeholders.

Table 103. Map of Key Stakeholders of the KGHM Polska Miedź S.A. Group in 2024

Stakeholder type	Specification
Employees, including trade union members	Including former and potential employees.
Representatives of local and national government	Local governments of the municipalities where the company operates; State Treasury.
Local community members	Social groups other than non-governmental organizations, or e.g. social assistance centres
Suppliers	Suppliers of the entire value chain, including JV partners cooperating with KGHM
Clients	Domestic and international.
Regulators	Including, among others, the legislator, the judiciary, standardization/metrological units
Stock exchange environment	Shareholders, bondholders, rating agencies.
Supervisory authorities	E.g. Polish Financial Supervision Authority, State Labour Inspectorate, certification bodies, industry authorisation bodies (e.g. District Sanitary and Epidemiological Station, District Veterinary Institute - State Research Institute).
Exchanges in Warsaw and London	London Metal Exchange and Warsaw Stock Exchange
Financial markets	Among others, lending banks, institutions involved in factoring, and insurance companies.

The KGHM Polska Miedź S.A. Group uses various communication channels which are adapted to the specific nature and individual needs of particular stakeholder groups. Such a diversified communication model aims to build relationships effectively based on trust and cooperation.

The table below provides examples of the forms of communication with key stakeholder groups used in the KGHM Group. Moreover, each of these groups was invited to participate in the dialogue during the double materiality assessment process. This offered stakeholders the opportunity to express their opinions and expectations on key issues.

Table 104. Channels of communication with selected key stakeholders

Stakeholder group	Approach to dialogue	Goal	Main communication channels
Employees, including trade union members	<ul style="list-style-type: none"> – permanent open communication between employees and the employer – dialogue with trade unions 	<ul style="list-style-type: none"> – increasing employee engagement – building understanding of the implementation of the strategy and strategic objectives – dialogue in the scope of working conditions – preparation and adaptation to changes and crisis situations – raising awareness and engaging in initiatives in the scope of ESG issues – maintaining transparency in the scope of decisions related to the company business – activating employees to participate in new initiatives – promotion of best practice 	<ul style="list-style-type: none"> – meetings and consultations with employee representatives regarding important decisions or events – the Intranet, internal publications and television, newsletters, electronic communication – company events, competitions, employee volunteering, training, engagement research – publications in local and national media regarding activities and projects implemented by the Company – engagement survey – internal team meetings – inviting trade unions to participate in consultation processes and arrangements – whistleblowing system
Owners, KGHM Group	<ul style="list-style-type: none"> – corporate governance over subsidiaries – appointed coordinators in subsidiaries 	<ul style="list-style-type: none"> – effective cooperation with subsidiaries from the KGHM Group 	<ul style="list-style-type: none"> – exchange of experience, meetings, reports – participation of representatives of KGHM Polska Miedź S.A. in the supervisory boards of the KGHM Group entities – consistent approach to the management standards in key areas of the KGHM Group's operations – cooperation on the basis of adopted policies
Representatives of local and national administration, Regulators, Supervisory authorities	<ul style="list-style-type: none"> – cooperation in the framework of debates and conferences; – ongoing dialogue and incorporation of recommendations; 	<ul style="list-style-type: none"> – ensuring compliance with the requirements and regulations – supporting the development of best market practice – ensuring the fulfilment of regulatory and supervisory requirements – co-shaping the regulatory environment – Identification of actual and potential impacts resulting from 	<ul style="list-style-type: none"> – meetings and consultations – traditional correspondence and e-mail – the Internet

		the implementation of new regulations, including legislation and recommendations, both at a level of European Union and national legislation	
Members of local community	<ul style="list-style-type: none"> - ongoing direct communication - employee volunteering - development support for local communities 	<ul style="list-style-type: none"> - encouraging employees to participate in social and environmental actions - employee volunteering - supporting the development of local communities, 	<ul style="list-style-type: none"> - publications in local and social media, - the naMiedzi mobile phone app, - meetings, conferences and seminars, events (sports, cultural) sponsored by KGHM - CSR programs , e.g. Eco-Health - participation of KGHM representatives in events and ceremonies organized in the municipalities and districts of the Copper Basin
KGHM's stock market environment, Markets in Warsaw and London, Financial markets	<ul style="list-style-type: none"> - permanent bilateral communication - between the management board of the company and capital market participants - based on best practice 	<ul style="list-style-type: none"> - building investor sentiment - transparency of action - equal access to information that affects investment decisions - activation of shareholders to participate in making key decisions - Communicating information on the business model, strategy and value creation of the KGHM Group - activation of shareholders to participate in making key decisions - increase in the KGHM Group's capitalisation - Informing on the dividend policy and profit distribution plans 	<ul style="list-style-type: none"> - General Meetings of Shareholders, - regulatory filings and periodic reports, newsletter, - conferences, including international, meetings and study visits (Investor Days, Analyst Days), cyclical results conferences - e-mail correspondence, telephone contact, investor chats, - Internet and social media (LinkedIn), information posted on www.kghm.com
Suppliers	<ul style="list-style-type: none"> - ongoing cooperation 	<ul style="list-style-type: none"> - transparent rules for selecting and cooperating with suppliers - shaping business and ethical standards - ensuring timely delivery - quality monitoring and assessment - improving the quality of the supply of goods and services - increasing the knowledge of suppliers about the needs of the KGHM Group - Increased awareness of ESG issues and - integrating ESG rules into business and procurement processes 	<ul style="list-style-type: none"> - current and periodic meetings and negotiations with new and existing suppliers; - direct communication with suppliers on relevant cooperation issues - on-line meetings, video conferences, e-mail - procurement management platforms
Clients	<ul style="list-style-type: none"> - constant and open communication with customers - quality and adjustment of products and services - 	<ul style="list-style-type: none"> - creation of transparent terms and conditions of offers and contracts - awareness of customer needs and expectations - building trust and loyalty - communicating new products and services - awareness of customer needs and expectations - building trust and loyalty - collecting feedback - customising the offer - satisfaction monitoring 	<ul style="list-style-type: none"> - conferences and trade fairs - meetings, traditional and electronic correspondence - corporate website www.kghm.com - social media

The Company understands the interests and opinions of key stakeholders through systematic dialogue and analysis of their expectations in relation to the strategy and business model. This process is carried out as part of the company's due

diligence and materiality assessment, which allows these aspects to be effectively taken into account in decision-making processes.

- Integration of results in the strategy - The collected feedback and interests of stakeholders are analysed and taken into account in decision-making processes, especially in the areas of sustainability strategy, environmental protection and community relations.
- Prioritisation - The results of the consultation help to identify the most significant topics, which are then included in the reports.
- Shaping operational measures - Based on the feedback collected, remedying, adaptive or proactive measures are taken, such as modifying CSR programs, investing in local infrastructure or changing environmental policies.
- Feedback communication - Results included in the measures are communicated to stakeholders to maintain transparency and confidence in the relationships.

Means of informing the administrative, management and supervisory bodies of the opinions and interests of stakeholders

In the KGHM Polska Miedź S.A. Group, the Management Board and top management is regularly informed about the most relevant opinions and interests of key stakeholders in the context of sustainability impacts. This process takes place through several key communication channels, including:

- Periodic reports and regulatory findings
- Meetings and consultations with stakeholders
- Conferences and trade fairs
- Traditional and electronic correspondence
- Videoconferences
- Participation in events and celebrations

In addition, in 2024, the Management Board and the top management received a dedicated Stakeholder Outlook Survey Report at the final stage of the double materiality assessment. This report contained all the key findings of the survey and interviews, as well as detailed information on the assessment of the company's activities in terms of its contribution to sustainability. The report also identifies priorities in the environmental and social area.

Members of the Supervisory Board are regularly informed on the progress in the scope of implementation of key impacts affecting the KGHM Group's business. Such information is provided in the form of reports and analyses, which are discussed at meetings of the Supervisory Board and the Audit Committee of the Supervisory Board. These reports take into account the current needs of stakeholders and changing regulatory and legal requirements.

[SBM-3] Significant impacts, risks and opportunities and their links with the strategy and business model

Table 105. List of material impacts, risks and opportunities considered by the administrative and governing bodies in 2024

Subtopic	Impacts Positive, Negative, <i>potential, actual</i> / Risks / Opportunities	
ESRS E1 - Climate change		
Adapting to climate change	Impacts	<p>Positive Actual Production of key metals for a low-carbon economy and technological transformation Support for the adaptation of economic sectors working towards transformation and low-emissions goals, indirectly leads to mitigation of their effects on climate change as well as supports the energy transition. At the same time, the Group's efforts to increase production of these metals responds to growing market expectations associated with the transition to sustainable development.</p>
	Risks	<p>Violent physical climate risk Associated with the occurrence of severe weather events resulting from climate change. Chronic physical climate risk Related to the occurrence of permanent changes in weather patterns as a result of climate change</p>
	Opportunities	<p>Development of new technologies in the field of mining, energy, automation The implementation of new technologies and solutions to improve the efficiency of construction and the efficiency of operation of the facilities under construction (better use of resources, automation of processes, reduction of workers' exposure to onerous working conditions in the mine) can help avoid possible additional costs resulting from new emissions regulations. Availability of external funding sources Grants or loans for climate change adaptation measures (e.g. energy transformation) can provide support in ensuring financial stability as well as optimise and diversify the Company's sources of funding.</p>
Adapting to climate change / Mitigating climate change	Impacts	-
	Risks	<p>Regulatory climate risk Regulatory risk related to changes in legal requirements concerning climate change and adaptation to its effects. Technological climate risk Technological risk related to the technological progress towards a low-emission economy. Reputation climate risk Reputation risks related to the perception of customers and other stakeholders as a result of climate change. Market climate risk Market risk associated with changes in demand for and supply of certain products and services of the Company.</p>
	Opportunities	<p>Extension of the value chain The construction of a new process line (extending the product range and increasing production capacity) and a facility to melt copper scrap (CE; lowering the environmental footprint of the product) can contribute to an increase in the company's revenues, an improvement in the margin of copper sales, a reduction in the unit cost of production due to economies of scale and greater energy efficiency of the new facilities, as well as diversification and a reduction in the cost of production inputs through the expansion of processed production based on copper scrap. Raw material diversification of development areas The gradual development towards the exploration of deposits not directly related to copper, but used in electromobility, may in the long term contribute to an increase in sales revenue, especially if the decision is made to diversify raw materials towards metals necessary for the production of components for electric vehicles.</p>
Climate change mitigation	Impacts	<p>Negative Actual Direct emissions of greenhouse gases (Scope 1) KGHM Polska Miedź S.A. generates considerable Scope 1 greenhouse gas emissions, mainly due to the activities of the parent entity and its subsidiaries (mining and smelting). The other companies in the group demonstrate lower emissions compared to the parent entity. Negative Actual Indirect emissions of greenhouse gases (Scope 2) as a result of purchasing electricity from third parties where the energy mix is largely based on fossil fuels such as coal, lignite and natural gas Electricity produced from fossil fuels, such as coal (hard coal and lignite) and natural gas, is one of the main sources of greenhouse gas emissions, including carbon dioxide (CO₂). The use of such energy sources by external suppliers contributes to an increase in overall CO₂ emissions, which can significantly affect the Group's carbon footprint.</p>

Subtopic	Impacts Positive, Negative, <i>potential, actual</i> / Risks / Opportunities	
		Negative Actual Indirect emissions of greenhouse gases (Scope 3) related to the purchase of raw materials and fuels from external suppliers Purchase of raw materials from external suppliers using carbon-intensive production technologies and fossil fuels, such as coal, natural gas or oil, contributes significantly to the carbon footprint of a company's value chain.
	Risks	-
	Opportunities	Increasing the organisation's competitiveness by reducing indirect CO2 emissions Reorganisation of the model for meeting energy needs, assuming that by 2030, 50% of procured electricity capacity will originate from own low- and zero-carbon sources, could reduce the amount of CO ₂ emission allowances and guarantees of origin purchased, and reduce the cost of electricity through a more favourable price from its own generation assets. "Green copper", "green concentrate" The development of a concept and separation of part of the Company's copper product range with a reduced carbon footprint, as well as securing recycled concentrate for direct use in the wire rod and wire plant, could contribute to the retention and acquisition of customers and associated sales revenue and the realisation of additional margin from recycled copper.
Energy	Impacts	Negative Actual Consumption of large quantities of energy from non-renewable fossil sources The Group consumes significant amounts of energy from non-renewable fossil sources.
	Risks	Risk of increase in the costs of KGHM Polska Miedź S.A. as a result of further increases in the prices of energy carriers Risk of lack of access to required energy utilities
	Opportunities	Opportunity to increase the use of electricity and heat from own low- and zero-carbon energy sources The construction of high-efficiency co-generation sources of electricity and heat/cooling using RES and low-carbon fuels (biomethane, hydrogen, syngas, etc.) can contribute to savings through self-generation of electricity, including the reduction or elimination of distribution costs, as well as cost reductions through the production of heat and cooling in their own installations and a reduction in CO ₂ emissions and expenditure on the purchase of emission allowances. Taking advantage of the forms of funding offered by funds, banks, and other financing institutions for energy transition, decarbonisation, energy efficiency improvement projects. Utilising the available forms of funding for energy transformation, decarbonisation and energy efficiency improvement projects by analysing initiatives and programs for external funding opportunities, reviewing and revising project assumptions, with the active involvement of all the Company's organisational units, can make it possible to obtain low-interest loans and a financial return at a certain CAPEX level.
ESRS E2 - Pollution		
Air pollution	Impacts	Negative Actual Air emissions of dust and gases The Group's operations involve emissions of pollutants into the air, including dusts (containing metals) and gases.
	Risks	Risk of non-compliance with air quality standards (including arsenic)
	Opportunities	-
Soil contamination	Impacts	Negative Actual Soil contamination resulting from breakdowns Failure of a transmission pipeline could lead to the leakage of chemicals or other materials transported through the pipeline, resulting in soil contamination. Such contamination can adversely affect local ecosystems and require intervention in the form of and corrective and remediation measures. KGHM Polska Miedź S.A. has remediation plans in place for areas where historical contamination occurs.
	Risks	-
	Opportunities	-
Water pollution / Soil pollution	Impacts	Negative Potential No possibility of further storage of waste and damage to the protective layers of landfills Potential damage to the protective and insulating layers of landfills, including landfills next to the metallurgical plants. Secondary emissions of heavy metals into human environment.
	Risks	-

Subtopic	Impacts Positive, Negative, <i>potential, actual</i> / Risks / Opportunities	
	Opportunities	-
Water discharges	Impacts	<p>Negative Actual Discharges of industrial effluents from the hydrotechnical management of mine-technological water from the Żelazny Most Tailings Storage Facility and from technological water circulation The discharge of industrial effluents from the hydrotechnical management of mine-technological water from the Żelazny Most Tailings Storage Facility and from technological water circulation, is carried out in accordance with the restrictive permits in force. An uncontrolled discharge could affect the river's chemical composition.</p> <p>Negative Actual Exceeded nitrite nitrogen limit values in water discharges The discharge of industrial effluents from the hydrotechnical management of mine-technological water from the Żelazny Most Tailings Storage Facility and from technological water circulation is carried out in accordance with the permits in force, but in one of the measurements (in the summer period) exceeded nitrite nitrogen limits were recorded.</p> <p>Negative Actual Discharge of treated metallurgical effluent In the Głogów Copper Smelter and Refinery, metallurgical effluent is treated and discharged into the Odra river, while in the Legnica Copper Smelter and Refinery, effluent is discharged into the Kaczawa river basin. Despite the potential risks associated with such discharge, no abnormal situations have been recorded in measurements to date.</p>
	Risks	-
	Opportunities	-
Water pollution / Soil pollution / Contamination of living organisms and food resources	Impacts	-
	Risks	Risk associated with the ability to store, discharge, sell or manage waste Risk of environmentally hazardous spills (KGHM INTERNATIONAL LTD.)
	Opportunities	-
Potentially hazardous substances / substances of very high concern	Impacts	<p>Negative Actual Use / generation of hazardous substances KGHM Polska Miedź S.A.'s production process uses copper concentrates and auxiliary substances that may exhibit potential hazardous properties in accordance with the ESRS definition. Substances recognised as SVHCs (Substances of Very High Concern) which pose a particular risk are also used in the production process.</p> <p>Negative Potential Environmental contamination by hazardous or potentially hazardous substances The Group uses hazardous substances. In the event of a potential failure, there is a risk of environmental contamination, as well as of potential contamination as a result of poor waste management by recipients.</p> <p>Positive Potential Use of industrial dusts to produce refined lead Metallic lead is a product obtained from the management of industrial dusts. Copper production is accompanied by the generation of dust, from which lead is recovered.</p>
	Risks	-
	Opportunities	-
Other	Impacts	Negative Potential Negative environmental impact on the supply chain resulting from significant pollution generated by suppliers The extent and diversity of entities in the Group's supply chain is associated with the risk of substantial pollution generated by suppliers, which could negatively impact the environment. The potential impact depends on the sector cooperating with mining and metallurgy, the location and the environmental practices of individual entities in the supply chain
	Risks	-

Subtopic	Impacts Positive, Negative, <i>potential, actual</i> / Risks / Opportunities	
	Opportunities	-
ESRS E3 – Water and marine resources		
Water consumption	Impacts	Negative Potential Water consumption in production processes The Company uses large volumes of water in its production processes (mostly mine water) for process purposes.
	Risks	Risk of inability to manage increased mine water inflows Risk of interruption in the supply of key utilities - industrial water
	Opportunities	-
Water intake	Impacts	Negative Potential Water needed for technological purposes (floatation, hydrotransport) comes from mine dewatering - this is more than 50% of water intake
	Risks	Risk of inability to manage increased mine water inflows Risk of interruption in the supply of key utilities - industrial water
	Opportunities	-
Water discharges	Impacts	Negative Potential Discharges of industrial effluents from the hydrotechnical management of mine-technological water from the Želazny Most Tailings Storage Facility and from technological water circulation The company discharges industrial effluents from the hydrotechnical management of mine-technological water from the Želazny Most Tailings Storage Facility and from technological water circulation. Failure to comply with the provisions of the permit could entail negative consequences.
	Risks	-
	Opportunities	-
ESRS E4 - Biodiversity and ecosystems		
Direct factors of impact on biodiversity loss	Impacts	Negative Actual Impact of mining on flora and fauna and animal habitats Negative Potential Impact of water discharges from mine dewatering on surface ecosystems The company discharges industrial effluents from the hydrotechnical management of mine-technological water from the Želazny Most Tailings Storage Facility and from technological water circulation. Failure to comply with the provisions of the permit could entail negative consequences. Negative Potential Other types of pollution (e.g. air, soil) impairing the condition or resulting in loss of species/ecosystems Emissions to the air or soli related to breakdowns can have a significant impact on the condition of species and ecosystems. Their presence can lead to biodiversity impairment and loss of habitats. These pollutants can also result in long-term difficulties in restoring biodiversity.
	Risks	Risk of inability to manage increased mine water inflows
	Opportunities	-
Impact on the extent and condition of ecosystems	Impacts	Negative Actual Land development, including clearing and land conversion Tree felling, development of land for new facilities or storage of materials (e.g. waste rock) can lead to changes in the structure of ecosystems. These activities involve the loss of vegetation, changes of animal habitats and affect biodiversity in the area. Positive Actual Protecting biodiversity in the areas of operation of the Company

Subtopic	Impacts Positive, Negative, <i>potential, actual</i> / Risks / Opportunities	
		KGHM Polska Miedz S.A. carries out a number of initiatives and projects aimed at protecting biodiversity, both in the areas where mining and metallurgical activities are carried out and outside them. The Company takes measures to support the conservation and restoration of biodiversity in its areas.
	Risks	Risk of inability to manage increased mine water inflows
	Opportunities	-
Direct drivers of biodiversity loss / Impact on the extent and condition of ecosystems	Impacts	Negative Potential Supply chain impact on biodiversity and ecosystems Some raw materials and products are sourced internally, supplied by Group companies. However, the purchase of raw materials and semi-finished products from external suppliers may involve negative impacts on biodiversity and ecosystems.
	Risks	Risk of inability to manage increased mine water inflows
	Opportunities	-
Impact on the condition of species	Impacts	Negative Potential Impact of suppliers and customers on biodiversity Suppliers and customers can contribute to changes in populations of valuable natural species - both through the supply of raw materials and the demand for products whose production may have an impact on the environment.
	Risks	Risk of inability to manage increased mine water inflows
	Opportunities	-
ESRS E5 – Utilisation of resources and the circular economy		
Resources introduced, including the use of resources	Impacts	Negative Actual Use of fossil and non-renewable raw materials The Group's business model is mostly based on the use of fossil raw materials such as copper, silver, molybdenum, nickel, gold, platinum or palladium. The use of these raw materials is associated with serious environmental impact that may be difficult or even impossible to reverse. Positive Potential Increasing efficiency in the use of non-renewable raw materials Due to its heavy reliance on non-renewable raw materials, the Group has significant potential to improve the efficiency of their use. The optimisation of mining and processing processes, as well as the development of material recycling and reuse technologies can significantly contribute to reducing environmental impact.
	Risks	-
	Opportunities	Use of process water in core business processes Urban Mining The fulfilment of customers' expectations regarding the share of recycling in final products may contribute to increasing or maintaining sales margins, lowering the cost of production inputs at the Cedyňa Wire Rod Plant and increasing the scale of copper production, thus supporting the development of the Company's business.
Discharged resources related to products and services	Impacts	-
	Risks	Risk associated with the ability to store, discharge, sell or manage waste
	Opportunities	-
Waste	Impacts	Negative Actual Generation of non-recyclable waste and other recovery processes The Group generates certain quantities of waste that is not recyclable or reusable as part of the circular economy. Waste such as certain industrial waste, chemical waste and process waste can create waste management challenges. Positive Actual Optimisation of waste management in accordance with the waste handling hierarchy The Group implements solutions to recover valuable materials from waste, supports the implementation of innovative recycling technologies and cooperates with entities that process waste into secondary raw materials. Positive Actual Copper Recycling - Supporting circular economy and reducing waste

Subtopic	Impacts Positive, Negative, <i>potential, actual</i> / Risks / Opportunities	
		Copper recycling supports circular economy, reducing the demand for primary raw materials and reducing metal waste. By recovering copper from final products it is possible to use existing resources efficiently, leading to reduction in the environmental burden associated with the extraction and processing of primary raw materials.
	Risks	Risk associated with the ability to store, discharge, sell or manage waste Risk of inability to manage increased mine water inflows Lack of relevant permits for waste collection and treatment, or loss of those already held
	Opportunities	-
ESRS S1 - Own Staff Resources		
Employment security	Impacts	Positive Actual Providing stable jobs and employment security The Group recognises the great importance of ensuring stable jobs, which translates into low employee turnover and no collective redundancies. Positive Actual Social protection and benefits for employees Group companies offer an extensive package of social and in-kind benefits to their employees to improve their quality of life and ensure social stability.
	Risks	Changes in Occupational Exposure Limits (OEL) and Maximum Allowable Biological Concentration (MAC) (OHS)
	Opportunities	-
Working time	Impacts	Negative Actual Dissatisfaction with overtime and shift work Working time in the mining and metallurgical industry involves significant pressure related to the continuity of production processes. For some employees, overtime can be perceived as a burden, despite being paid for the extra work.
	Risks	
	Opportunities	-
Work and life balance	Impacts	Positive Actual Employee support and work-life balance The Group offers a number of benefits and subsidies. Office workers can request flexible working hours. Negative Actual Work-related stress and impact on employees' private lives Workers, especially those at risk of serious accidents (e.g. in mines), feel the stress of having to work in a high-risk environment.
	Risks	OHS: Changes in the limit values of the Occupational Exposure Limits (OELs) and Maximum Allowable Biological Concentration (MAC)
	Opportunities	-
Social dialogue (dialogue with employees);	Impacts	Negative Potential Failure to adequately consider employees' opinions and needs The Group takes steps to listen to employees and take their opinions into account. However, there are challenges related to meeting all the needs that may arise in the dialogue. Positive Actual Expanded methods of social dialogue (focus on dialogue with employees) Regular surveys and monitoring mechanisms give employees the opportunity to submit their opinions and concerns.
	Risks	OHS: Changes in the limit values of the Occupational Exposure Limits (OELs) and Maximum Allowable Biological Concentration (MAC)
	Opportunities	-
	Impacts	Positive Actual Cooperation with trade unions and employee councils

Subtopic	Impacts Positive, Negative, <i>potential, actual</i> / Risks / Opportunities	
Freedom of association, existence of employee councils and workers' rights to information, consultation and participation		The Group has numerous trade unions. The company recognises great importance of dialogue and cooperation with trade union representatives. In addition, an employee council operates in the Company, providing another channel of communication between employees and the Management Board.
	Risks	OHS: Changes in the limit values of the Occupational Exposure Limits (OELs) and Maximum Allowable Biological Concentration (MAC)
	Opportunities	-
Collective bargaining, including percentage of employees covered by collective agreements	Impacts	Positive Actual Functioning of collective agreements The Group has collective bargaining agreements in place that regulate the terms and conditions of employment, ensuring a balance between the interests of the employer and employees.
	Risks	-
	Opportunities	-
Health and Safety indicators	Impacts	Negative Actual Fatal and/or serious accidents at the workplace Accidents at work are predominantly of a minor nature, but serious and fatal accidents also occur. Negative Actual Occupational diseases Occupational diseases in the mining and metallurgical industry pose a serious threat to the health of workers, due to the specific working conditions and exposure to a variety of harmful factors. Positive Actual Comprehensive physical and mental health support programs for employees The Group implements comprehensive measures to care for the health and well-being of its employees. Health programs provide, among others, access to medical care, regular preventive examinations and psychological support.
	Risks	Changes in the limit values of OELs and MAC (OHS)
	Opportunities	Possibility of obtaining external support for innovations in the field of OHS Making efforts to increase use of public funds for the transformation of KGHM Polska Miedź S.A. may contribute to the optimisation of operating expenses. Potential of the Company and selected dedicated R&D centres in the area of health and safety capable of diagnosing and adapting the Group to changes The preparation of a long-term cooperation plan with reference entities for the Company may enable the Group to better adapt to changes in the area of health and safety, which may translate into optimised operating costs.
Gender equality and equal pay for work of equal value	Impacts	Negative Potential Gender pay gap monitoring The Group monitors the gender pay gap by analysing the pay gap between men and women. The Group strives to carry out in-depth analyses and apply fair remuneration policies to minimise financial discrimination in the workplace.
	Risks	-
	Opportunities	-
Diversity	Impacts	Negative Potential Low representation of vulnerable groups at risk of exclusion Failure to adequately manage diversity can affect the loss of talent, cause a decline in engagement and innovation among employees.
	Risks	-
	Opportunities	-
Measures aimed at preventing violence and harassment in the workplace	Impacts	Negative Potential Inadequate prevention of workplace abuse and violence and its psychological effects on employees Transparent rules are in place to deal with suspected abuse, including the availability of channels to report such situations. Potential incidents can involve serious psychological strain on employees. Negative Potential Situations of discrimination and abuse in the workplace

Subtopic	Impacts Positive, Negative, <i>potential, actual</i> / Risks / Opportunities	
		Due to its large scale of employment, the Group assumes a continuous need for prevention of abuse and violence in the workplace.
	Risks	-
	Opportunities	-
Training and skills development	Impacts	Positive Potential Opportunities to develop skills/competence The Group provides a wide range of training activities tailored to employees' expectations, impacting career development and increasing their commitment to the work performed.
	Risks	-
	Opportunities	Potential of implementing a long-term follow-up program in the Company and occupational adaptation programs Building an effective and inclusive organisational culture that supports the acquisition and development of employee competencies, including the implementation of development programs for new key skills for the organisation and an age management program, can contribute to the optimisation of operating costs by better matching competencies to the Company's needs and increasing work efficiency.
ESRS S2 - Working conditions		
Employment security	Impacts	Positive Actual High impact on the local economy and employment The Group has a significant influence on the stability and financial performance of its suppliers through procurement, especially in the regions where the companies' main divisions are located.
	Risks	-
	Opportunities	-
Working time / Adequate wages	Impacts	Negative Potential Unintentional indirect support to unethical practices in suppliers' companies As it is not possible to fully verify the labour practices of every supplier, including small and medium-sized enterprises (SMEs), there is a risk that some of them may apply unethical practices non-compliant with the Company values.
	Risks	-
	Opportunities	-
Adequate pay	Impacts	Positive Actual Impact on decent employment conditions in direct suppliers' companies The Group's market presence contributes to the creation of jobs in its partner companies, supporting employment growth in the region. Stable cooperation with suppliers and timely payment of liabilities ensure financial liquidity in the supply chain, enabling them to maintain employment and ensure that employees are paid at least the statutory minimum wage..
	Risks	-
	Opportunities	-
Social dialogue (dialogue with employees in the value chain)	Impacts	Negative Potential Unethical practices in the supply chain The lack of adequate verification mechanisms, insufficient communication concerning available whistleblowing channels and low levels of awareness among both employees and contractors about violations of human rights and ethical standards can lead to the continuation of unethical practices in the supply chain.
	Risks	-
	Opportunities	-
	Impacts	Negative Potential Lack of sufficient practical verification of suppliers in terms of respect for human rights, including freedom of association

Subtopic	Impacts Positive, Negative, <i>potential, actual</i> / Risks / Opportunities	
Freedom of association, including the existence of employee councils / collective bargaining		Currently, KGHM Polska Miedz S.A., apart from declarative statements by suppliers, does not conduct audits to confirm respect for human rights, including freedom of association. Lack of audits and verification throughout the supply chain can lead to human rights violations at suppliers' plants.
	Risks	-
	Opportunities	-
Work and life balance	Impacts	Negative Potential Cooperation with suppliers who apply unlawful or unethical work-life balance practices Cooperation with suppliers who do not adhere to work-life balance principles can lead to violations of both ethical and legal standards. Negative Potential Work-related stress (overtime, shift work, high responsibility) Work-related stress resulting from overtime, shift work and accident-exposed conditions can negatively affect employees' private lives. Consequently, it can lead to professional burnout, health problems and disruptions of the work-life balance.
	Risks	-
	Opportunities	-
Health and Safety indicators	Impacts	Negative Potential Collaboration with suppliers using illegal or unethical health and safety practices (violation of law and risk of accidents) Working with suppliers using unlawful or unethical health and safety practices can lead to violation of law and an increased risk of accidents. Negative Potential Collaboration with suppliers using illegal or unethical health and safety practices (fatal and/or serious accidents in the workplace) Working with suppliers using illegal or unethical health and safety practices includes a deterioration of workplace safety standards, which can contribute to serious incidents, including fatal accidents. This can also have a negative impact on the Group as a whole, leading to legal, financial and reputation consequences.
	Risks	-
	Opportunities	-
Measures aimed at preventing violence and harassment in the workplace	Impacts	Negative Potential Collaboration with suppliers using illegal or unethical practices in the scope of prevention of violence and harassment in the workplace Collaboration with contractors using illegal or unethical practices to prevent violence and harassment in the workplace can lead to violation of ethical standards and legal regulations. It can also damage the Company's reputation, affect the legal position and lead to the loss of trust, higher staff turnover and lower morale.
	Risks	-
	Opportunities	-
Gender equality and equal pay for work of equal value	Impacts	Negative Potential Collaboration with suppliers using illegal or unethical practices in the scope of gender equality and equal pay for work of equal value The negative impact could be a deterioration of the Company's reputation, legal position, loss of stakeholder confidence and a decrease of employee morale, which may perceive the Company as supporting inequality in treatment of its employees. Such circumstances can lead to increased employee turnover and decline in involvement in the Company.
	Risks	-
	Opportunities	-
Diversity	Impacts	Negative Potential Collaboration with suppliers using illegal or unethical practices in the scope of diversity Collaboration with contractors using illegal or unethical practices in the scope of diversity can lead to discrimination and lack of inclusiveness in the workplace.
	Risks	-

Subtopic	Impacts Positive, Negative, <i>potential, actual</i> / Risks / Opportunities	
	Opportunities	-
Training and skills development indicators	Impacts	Negative Potential Collaboration with suppliers using illegal or unethical practices in the scope of training and development of skills Collaboration with suppliers using illegal or unethical practices can lead to the lack of appropriate professional development opportunities for employees, which reduces their motivation and effectiveness.
	Risks	-
	Opportunities	Availability of specialised global corporations implementing large investments The development of competence and access to highly qualified specialists, best practices and modern management methods can support the maintenance or growth of revenues, the stabilisation of costs and the containment of cost growth.
Employment and integration of people with disabilities	Impacts	Negative Potential Collaboration with suppliers using illegal or unethical practices in the scope of employment and integration of people with disabilities Collaboration with contractors using illegal or unethical practices in the scope of employment and integration of people with disabilities can lead to discrimination and inequality in employment, which negatively affects the Company's image.
	Risks	-
	Opportunities	-
Child labour	Impacts	Negative Potential Collaboration with suppliers using illegal or unethical practices in the scope of using child labour Collaboration with suppliers using illegal or unethical practices such as using child labour can lead to serious legal and ethical violations, affecting reputation, legal and financial issues.
	Risks	Risk of non-compliance with legal regulations and human rights rules and procedures adopted at KGHM Polska Miedź S.A.
	Opportunities	-
Forced labour	Impacts	Negative Potential Collaboration with suppliers using illegal or unethical practices such as forced labour Collaboration with suppliers using illegal or unethical practices such as forced labour can lead to serious legal and ethical violations, affecting reputation, legal and financial issues.
	Risks	-
	Opportunities	-
Adequate housing conditions	Impacts	Negative Potential Collaboration with suppliers who provide substandard staff accommodation to employees Collaboration with contractors with illegal or unethical practices, from the scope of providing substandard staff accommodation to employees, affecting legal and ethical housing issues.
	Risks	-
	Opportunities	-
Water and sanitary conditions	Impacts	Negative Potential Collaboration with suppliers who do not provide workers with access to clean water and adequate sanitary conditions Collaboration with contractors using unlawful or unethical practices, from the scope of providing employees with access to clean water and adequate sanitary conditions, can lead to violation of fundamental human rights and personal data protection regulations.
	Risks	-
	Opportunities	-

Subtopic	Impacts Positive, Negative, <i>potential, actual</i> / Risks / Opportunities	
Privacy	Impacts	Negative Potential Collaboration with suppliers who violate employees' right to privacy Collaboration with contractors using unlawful or unethical practices, from the scope of providing employees with access to clean water and adequate sanitary conditions, can lead to violation of fundamental human rights and personal data protection regulations.
	Risks	-
	Opportunities	-
ESRS S3 - Affected communities		
Adequate housing conditions	Impacts	Negative Actual Noise - impact on neighbourhood (metallurgical facilities and mines) The Group complies with the standards set by law; however, in some cases, residents may experience noise associated with the activities of Group's companies. Negative Actual Unpleasant odours (metallurgical facilities and mines) Under certain weather conditions, such as a specific wind direction, odour emitted from the metallurgical facilities can reach urban areas.
	Risks	-
	Opportunities	-
Impact on land	Impacts	Negative Actual Mining and post-mining damages Mining activities resulting in damage to local infrastructure.
	Risks	-
	Opportunities	-
Impact on safety	Impacts	Negative Potential Negative impact on the safety of residents in the event of failure or disaster in facilities Potential threat to health, life and damage to property in surrounding areas.
	Risks	-
	Opportunities	-
Other	Impacts	Positive Actual Positive impact on health of local communities The Group actively supports health of local communities by funding preventive programs , organising sports events and working with municipalities to improve the health condition of residents. Negative Potential Impact of arsenic emissions from metallurgical operations on human health Modern process management technologies make arsenic emissions negligible, compliant with the permits held by the company. Positive Actual Positive impact on social, cultural, sports and educational life (social capital) The Group is involved in the social life of the region through cultural, educational and sports activities that strengthen the integration of local communities. Positive Actual Positive impact on development of local communities through taxes and scale of employment The Group generates revenue for local authorities through the payment of taxes, which enables public investment and infrastructure development in the region. The Group creates jobs, which has the effect of reducing unemployment and increasing employment among local residents. Positive Actual Positive impact on local nature, environmental campaigns, environmental education and ecological awareness building The Group is committed to the implementation of environmental programs such as planting trees, protecting green spaces and improving air quality. The Group organises educational activities for local communities, including schools.
	Risks	Risk that inadequate management of stakeholder relations will contribute to the lack of support for the Company's activities or taking action against the Company's activities

Subtopic	Impacts Positive, Negative, <i>potential, actual</i> / Risks / Opportunities	
	Opportunities	-
Prior, free and informed consent	Impacts	Negative Potential Failure to provide opportunities for voluntary and informed consent of indigenous peoples (applies to international assets) Current activities do not result in infringement of rights. However, the lack of dialogue and the development of a "common path" with local communities may result in difficulties in building trust and acceptance among indigenous peoples, which may ultimately delay the project's progression to the next phase.
	Risks	-
	Opportunities	-
Self-determination	Impacts	Negative Potential Violation of the right of self-determination (applies to international assets) Current activities do not cause a direct risk of violating the right of indigenous people to self-determination. However, the lack of constructive dialogue and the development of acceptable solutions can increase the risk of escalating social conflicts, lead to project delays, reputational damage and make it difficult to obtain the necessary approvals and continue activities in subsequent phases of the project.
	Risks	-
	Opportunities	-
Cultural rights	Impacts	Negative Potential Violation of the cultural rights of indigenous peoples (applies to international assets) Current activities do not cause a direct negative impact on the cultural rights of indigenous peoples. However, the lack of dialogue and solutions that take into account the protection of cultural heritage and traditions may lead to escalating social conflicts, loss of trust of local communities, delays in project implementation and exposure of Group companies to criticism, which will negatively affect reputation and hinder further stages of the project.
	Risks	-
	Opportunities	-
ESRS S4 - Consumers and end-users		
Privacy	Impacts	Negative Potential Loss of sensitive personal data The loss of sensitive data from Miedziowe Centrum Zdrowia and the Group's spa companies, including medical data of patients and spa guests could lead to serious legal and reputation consequences. A violation of data protection legislation (GDPR) in such a case would result in imposing financial penalties and a loss of trust of both patients and the general public.
	Risks	-
	Opportunities	-
Occupational Health and Safety / Personal safety	Impacts	Negative Potential Positive Actual Positive Impact on health status of patients and spa guests The positive impact is due to the high quality of medical services and the comprehensive care they receive during their stay in a sanatorium or a hospital. High-quality medical services and monitoring of health progress helps to improve the health condition of patients. Many people return to our facilities, which demonstrates the effectiveness of the therapy and satisfaction with the care received.
	Risks	-

Subtopic	Impacts Positive, Negative, <i>potential, actual</i> / Risks / Opportunities	
	Opportunities	-
ESRS G1 - Business conduct		
Corporate culture	Impacts	<p>Negative Potential Lack of clarity of rules and unacceptable behaviour among office workers Insufficient clarity of rules and behaviours unacceptable to the Group (presented among others in the Code of Ethics) can lead to non-compliance with ethical standards in the organisation. As a consequence, this may result in Group companies being perceived as less reliable or not caring about business ethics, which in turn may negatively affect the Group's reputation and business relationships.</p> <p>Negative Potential Lack of clarity of rules and unacceptable behaviour among production employees in the mining sector Insufficient clarity of rules and unacceptable behaviour among employees can lead to non-compliance with ethical standards, which increases the probability of unethical practices such as breach of security procedures, fraud or dishonest behaviour. As a consequence, this could result in breach of workplace safety rules, an increase in incidents, damage to the reputation of Group's companies and potential legal and financial consequences.</p> <p>Negative Potential Lack of clarity in rules and expectations towards counterparties Insufficient clarity of rules and unacceptable behaviour in relation to counterparties can lead to misunderstanding of expectations, misinterpretation of Group companies' policies and standards, and lead to misunderstandings and lack of cooperation. As a consequence, this can undermine the organisation's reputation and hinder building positive relationships with contractors.</p> <p>Negative Potential Lack of clarity of the rules and expectations towards social environment Insufficient legibility of rules and behaviours unacceptable for the company in relation to the social environment can lead to unsatisfied information needs of this stakeholder group. Consequently, this can result in weakening of relations with local communities, the risk of a lack of acceptance of the company's actions, a decline in trust, as well as potential conflicts.</p>
	Risks	Failure to comply with established rules and standards of ethical conduct within the Group
	Opportunities	<p>New technologies and IT management systems Integrated solutions in the areas of projects, portfolios, risks and strategy, can increase the efficiency of organisational units, seal sales procedures in the context of fraud risks, and contribute to lower capital expenditure and cost stabilisation.</p>
Whistleblower protection	Impacts	<p>Negative Potential Inadequate whistleblower protection and negative consequences of reporting concerns or irregularities Inadequate whistleblower protection may result in a decline in trust in the Company's internal systems, escalation of irregularities, deterioration of the Company's organisational culture and reputation.</p>
	Risks	-
	Opportunities	-
Supplier relationship management, including payment practices	Impacts	<p>Negative Actual Negative impact of the Company on the condition and/or liquidity of suppliers (especially SMEs) through long payment terms Long payment terms can adversely affect the liquidity of suppliers, especially small and medium-sized enterprises (SMEs), which may find it difficult to maintain financial stability, meet ongoing obligations or develop.</p> <p>Negative Potential Contracts with suppliers that do not comply with business ethics, including anti-corruption rules With regard to external suppliers, the Group mainly relies on declarative statements. The lack of adequate knowledge of supplier practices can potentially lead to unconscious support of irresponsible actions such as corruption, violation of ethical rules, etc.</p> <p>Negative Potential Contracts with suppliers who violate human and/or labour rights</p>

Subtopic	Impacts Positive, Negative, <i>potential, actual</i> / Risks / Opportunities	
		<p>Failure to monitor and verify the activities of suppliers with respect to human and labour rights can result in collaboration with companies that engage in worker exploitation, discrimination or other forms of human rights violation.</p> <p>Negative Potential Contracts with suppliers that do not meet responsible environmental impact management standards</p> <p>With regard to external suppliers, the Group mainly relies on declarative statements. Lack of adequate knowledge of the practices of external suppliers can potentially lead to unconscious support of irresponsible activities that negatively affect the environment.</p> <p>Positive Actual Positive impact on suppliers and their financial condition</p> <p>Transparency of cooperation rules, scaling of orders and certainty of payment within agreed deadlines affects the financial condition of suppliers.</p>
	Risks	<p>Risk of failing to meet social and ethical standards of the transparent and sustainable supply chain and stakeholder expectations in the scope of KGHM's compliance with responsible supply chain rules</p>
	Opportunities	<p>Optimisation of work and development of the potential of companies in the KGHM Group</p> <p>Developing a way of supporting and cooperating with the Group's companies in raising funds for selected areas and projects and the development of a catalogue of the skills and scopes of activities of the Group's companies, including the assignment of specific skills and activities, may contribute to optimising work and reducing the Group's operating expenses.</p>
Prevention and detection, including training / Incidents.	Impacts	<p>Negative Potential Potential incidents of corruption</p> <p>Corruption can occur in various areas of the Group companies' activities, including contracting, tenders or relations with suppliers and other stakeholders. Such cases can lead to unfair procurement, favouring certain entities, regulatory violations and can also have serious legal and reputation consequences.</p>
	Risks	<p>Risk of non-compliance with legal regulations and anti-corruption rules and procedures adopted in KGHM Polska Miedź S.A.</p>
	Opportunities	-
Other	Impacts	<p>Negative Potential Potential leakage of contractor, employee data and personal data protection breaches</p> <p>A potential leak could result in serious legal and financial consequences due to breaches of data protection legislation (e.g. GDPR), loss of the Company's reputation or stakeholder trust.</p>
	Risks	-
	Opportunities	-

Significant impacts and opportunities and their links with the strategy and business model

Significant sustainability impacts and opportunities result from the KGHM Polska Miedź S.A. Group's assessment of double materiality as specified in detail in section [IRO-1 - Description of the process for identifying and assessing material impacts, risks and opportunities](#).

The table below presents a list of significant impacts divided into: "E" environmental impact, "S" social impact and "G" corporate governance impact, followed by the ESRS thematic standards, indicating the links to the areas and targets of the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040 and the tools to manage these impacts, with a reasonably expected time horizon for the impacts. If an impact was identified as "potential" rather than "actual" in the materiality test, the assessment of the likelihood of its occurrence in time horizons of up to one year (short), up to five years (medium) and more than five years (long) followed.

Table 106. Significant impacts and opportunities and their links with the strategy and business model

ESRS area	Type of impact, identified opportunities and outlook	Place of impact occurrence	Strategic objectives related to the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040	Geographical areas	Impact management tools
ENVIRONMENTAL IMPACT					
ESRS E1 - Climate change					
Adapting to climate change	<p>Positive Actual Production of key metals for a low-carbon economy and technological transformation</p> <p>Opportunities</p> <ul style="list-style-type: none"> – Extension of the value chain – Raw material diversification of development areas <p>Outlook of impact - not applicable</p>	Lower level Own operations	"1.3 Leader in the development of low-emissions mining capacity for new metals and mineral deposits in Poland"	Poland, Canada, USA, Chile Contractors - worldwide	PN-EN ISO 14001 Environmental Management System; PN-EN ISO 50001 Energy Management System; Climate Policy; Energy Policy;
Adapting to climate change / Climate change mitigation	<p>Opportunities</p> <ul style="list-style-type: none"> – Development of new technologies in the field of mining, energy, automation – Availability of external funding sources <p>Outlook of impact - not applicable</p>	Higher level Lower level Own operations	"2.1 One of the leading producers of environmentally-friendly electricity - supporting Poland's energy transition"	Poland, Canada, USA, Chile Contractors - worldwide	PN-EN ISO 14001 Environmental Management System; Climate policy - declaration of neutrality in 2050; Energy policy
Climate change mitigation	<p>Negative Actual Indirect emissions of greenhouse gases (Scope 1)</p> <p>Opportunities</p> <ul style="list-style-type: none"> – „Green copper”, „green concentrate" 	Higher level	<p>"2.1 One of the leading producers of environmentally-friendly electricity - supporting Poland's energy transition"</p> <p>"1.2 Optimisation of mine production domestically and</p>	Contractors - worldwide	PN-EN ISO 14001 Environmental Management System; Climate policy - declaration of neutrality in 2050; Energy policy

ESRS area	Type of impact, identified opportunities and outlook	Place of impact occurrence	Strategic objectives related to the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040	Geographical areas	Impact management tools
	Outlook of impact - not applicable		abroad ensuring long-term operational continuity"		
Climate change mitigation	<p>Negative Actual Indirect emissions of greenhouse gases (Scope 2) as a result of purchasing electricity from third parties, where the energy mix is largely based on fossil fuels such as coal, lignite and natural gas</p> <p>Negative Actual Indirect emissions of greenhouse gases (Scope 3) as a result of purchasing raw materials and fuels from third parties</p> <p>Opportunities – Increasing the organisation's competitiveness by reducing indirect CO₂ emissions</p> <p>Outlook of impact - not applicable</p>	Higher level	<p>"2.1 One of the leading producers of environmentally-friendly electricity - supporting Poland's energy transition"</p> <p>"1.2 Optimisation of mine production domestically and abroad ensuring long-term operational continuity"</p>	Contractors - worldwide	PN-EN ISO 14001 Environmental Management System; Climate policy - declaration of neutrality in 2050; Energy policy
Climate change mitigation	<p>Negative Actual Indirect emissions of greenhouse gases (Scope 3) as a result of purchasing raw materials and fuels from third parties</p> <p>Outlook of impact - not applicable</p>	Higher level	Not applicable	Contractors - worldwide	PN-EN ISO 14001 Environmental Management System; Climate policy - declaration of neutrality in 2050; Energy policy
Energy	<p>Negative Actual Consumption of large quantities of energy from non-renewable fossil sources</p> <p>Opportunities – Energy optimisation of KGHM Taking advantage of the forms of funding offered by funds, banks, and other financing institutions for energy transition, decarbonisation, energy efficiency improvement projects.</p> <p>Outlook of impact - not applicable</p>	Own operations	<p>"1.2 Optimisation of mine production domestically and abroad ensuring long-term operational continuity"</p> <p>"2.1 One of the leading producers of environmentally-friendly electricity - supporting Poland's energy transition"</p>	Poland, Canada, USA, Chile	PN-EN ISO 14001 Environmental Management System; PN-EN ISO 50001 Energy Management System; Climate Policy; Energy Policy;

ESRS area	Type of impact, identified opportunities and outlook	Place of impact occurrence	Strategic objectives related to the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040	Geographical areas	Impact management tools
ESRS E2 - Pollution					
Air pollution	Negative Actual Air emissions of dust and gases Outlook of impact - not applicable	Own operations	"5.1 Growth based on the idea of sustainability and safety"	Poland, Canada, USA, Chile	PN-EN ISO 14001 Environmental Management System; BATAs; Environmental Policy
Soil contamination	Negative Actual Soil contamination resulting from a breakdown Outlook of impact - not applicable	Own operations	"1.2 Optimisation of mine production domestically and abroad ensuring long-term operational continuity"	Poland, Canada, USA, Chile	PN-EN ISO 14001 Environmental Management System; Corporate Risk Management Procedure of the KGHM Polska Miedź S.A. Group
Soil pollution / Water pollution	Negative Potential No possibility of further storage of waste and damage to the protective layers of landfills Impact time horizon - ongoing monitoring	Own operations	1.2 Optimisation of mine production domestically and abroad ensuring long-term operational continuity" "1.4 Development of metallurgy utilising efficient processing based on CE assumptions"	Poland, Canada, USA, Chile	PN-EN ISO 14001 Environmental Management System; Environmental Policy; Corporate Risk Management Procedure of the KGHM Polska Miedź S.A. Group; Business Continuity Management System based on the ISO 22301 standard
Water discharges	Negative Actual Discharges of industrial effluents from the hydrotechnical management of mine-technological water from the Żelazny Most Tailings Storage Facility and from technological water circulation Outlook of impact - not applicable	Own operations	"1.2 Optimisation of mine production domestically and abroad ensuring long-term operational continuity" "1.4 Development of metallurgy utilising efficient processing based on CE assumptions"	Poland - Żelazny Most Tailings Storage Facility	PN-EN ISO 14001 Environmental Management System; Environmental Policy; ZTE (Technical and Economic Assumptions); Selective management of mine and process water
Water discharges	Negative Actual Exceeded nitrite nitrogen limit values in water discharges Outlook of impact - not applicable	Own operations	Not applicable	Poland - Żelazny Most Tailings Storage Facility	PN-EN ISO 14001 Environmental Management System; Environmental Policy; Corporate Risk Management Procedure of the KGHM Polska Miedź S.A. Group
Water discharges	Negative Actual Discharge of treated metallurgical effluent Outlook of impact - not applicable	Own operations	Not applicable	Poland - Metallurgical divisions of KGHM Polska Miedź S.A.	PN-EN ISO 14001 Environmental Management System; Environmental Policy

ESRS area	Type of impact, identified opportunities and outlook	Place of impact occurrence	Strategic objectives related to the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040	Geographical areas	Impact management tools
Potentially hazardous substances / Substances of very high concern	Negative Actual Use / generation of hazardous substances Outlook of impact - not applicable	Own operations	"1.2 Optimisation of mine production domestically and abroad ensuring long-term operational continuity" "1.4 Development of metallurgy utilising efficient processing based on CE assumptions"	Poland, Canada, USA, Chile	PN-EN ISO 14001 Environmental Management System; Environmental Policy; Internal documents, such as: Exposure scenarios, Safety data sheets
Potentially hazardous substances / Substances of very high concern	Negative Potential Potential environmental contamination by hazardous or potentially hazardous substances Impact outlook - up to 1 year and over 5 years - very low likelihood	Own operations	"1.2 Optimisation of mine production domestically and abroad ensuring long-term operational continuity" "1.4 Development of metallurgy utilising efficient processing based on CE assumptions"	Poland, Canada, USA, Chile	PN-EN ISO 14001 Environmental Management System; Environmental Policy; Corporate Risk Management Procedure of the KGHM Polska Miedź S.A. Group
Substances of very high concern	Positive Actual Use of lead from dust a part of the CE Outlook of impact - not applicable	Own operations	"1.4 Development of metallurgy utilising efficient processing based on CE assumptions"	Poland - Metallurgical divisions of KGHM Polska Miedź S.A.	PN-EN ISO 14001 Environmental Management System; Environmental Policy
Other	Negative Potential Negative environmental impact on the supply chain resulting from significant pollution generated by suppliers Impact outlook - up to 1 year and over 5 years - very low likelihood	Higher level	"5.1 Growth based on the idea of sustainability and safety"	Contractors - worldwide.	Policy for a Responsible Supply Chain in the KGHM Polska Miedź S.A. Group, Procedure for Examination of the Supply Chain for Gold in KGHM Polska Miedź S.A., Procedure for Due Diligence in Examination of the Supply Chain for Copper and Lead; Principles for selection of bidders in KGHM Polska Miedź S.A.; Contractor's Charter
ESRS E3 – Water and marine resources					
Water - water consumption	Negative Actual Water consumption by production processes Outlook of impact - ongoing monitoring	Own operations	"1.2 Optimisation of mine production domestically and abroad ensuring long-term operational continuity" "1.4 Development of metallurgy utilising efficient processing based on CE assumptions"	Poland, Canada, USA, Chile	PN-EN ISO 14001 Environmental Management System; Environmental Policy
Water intake	Negative Potential Water needed for technological purposes (floatation, hydrotransport) comes from mine	Own operations	"1.4 Development of metallurgy utilising efficient processing based on CE assumptions"	Poland, Canada, USA, Chile	PN-EN ISO 14001 Environmental Management System; Environmental Policy; Corporate Risk

ESRS area	Type of impact, identified opportunities and outlook	Place of impact occurrence	Strategic objectives related to the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040	Geographical areas	Impact management tools
	dewatering – this is more than 50% of water intake Impact outlook - up to 1 year and over 5 years - very low likelihood				Management Procedure of the KGHM Polska Miedź S.A. Group
Water discharges	Negative Actual Discharges of industrial effluents from the hydrotechnical management of mine-technological water from the Żelazny Most Tailings Storage Facility and from technological water circulation Outlook of impact - ongoing monitoring	Own operations	“1.2 Optimisation of mine production domestically and abroad ensuring long-term operational continuity” “1.4 Development of metallurgy utilising efficient processing based on CE assumptions”	Poland - Extension of Żelazny Most Tailings Storage Facility	PN-EN ISO 14001 Environmental Management System; Environmental Policy
ESRS E4 - Biodiversity and ecosystems					
Direct drivers of biodiversity loss	Negative Actual Impact of mining activity on flora and fauna and animal habitats Outlook of impact - up to 1 year and over 5 years - low likelihood	Own operations	“1.4 Development of metallurgy utilising efficient processing based on CE assumptions” “5.1 Growth based on the idea of sustainability and safety”	Poland, Canada, USA, Chile	PN-EN ISO 14001 Environmental Management System; Code of Ethics of the KGHM Polska Miedź S.A. Group; Environmental policy;
Direct drivers of biodiversity loss	Negative Potential Impact of water discharges from mine dewatering on surface water ecosystems Impact outlook - up to 1 year and over 5 years - low likelihood	Own operations	“1.4 Development of metallurgy utilising efficient processing based on CE assumptions” “5.1 Growth based on the idea of sustainability and safety”	Poland - Extension of Żelazny Most Tailings Storage Facility	PN-EN ISO 14001 Environmental Management System; Environmental Policy
Direct drivers of biodiversity loss	Negative Potential Other types of pollution (e.g. air, soil) impairing the condition or loss of species/ecosystems Outlook - up to 1 year and over 5 years - low likelihood	Own operations	“1.4 Development of metallurgy utilising efficient processing based on CE assumptions” “5.1 Growth based on the idea of sustainability and safety”	Poland, Canada, USA, Chile	PN-EN ISO 14001 Environmental Management System; Environmental Policy; Code of Ethics of the KGHM Polska Miedź S.A. Group

ESRS area	Type of impact, identified opportunities and outlook	Place of impact occurrence	Strategic objectives related to the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040	Geographical areas	Impact management tools
Impact on the extent and condition of ecosystems	<p>Negative Actual</p> <p>Land development, including clearing and land conversion</p> <p>Outlook of impact - not applicable</p>	Own operations	<p>"1.2 Optimisation of mine production domestically and abroad ensuring long-term operational continuity"</p> <p>"1.3 Leader in the development of low-emissions mining capacity for new metals and mineral deposits in Poland"</p> <p>"1.4 Development of metallurgy utilising efficient processing based on CE assumptions"</p> <p>"5.1 Growth based on the idea of sustainability and safety"</p>	Poland, Canada, USA, Chile	PN-EN ISO 14001 Environmental Management System; Code of Ethics of the KGHM Polska Miedź S.A. Group; Environmental policy; Energy policy
Impact on the extent and condition of ecosystems	<p>Positive Actual</p> <p>Protecting biodiversity in the areas of operation of the Company</p> <p>Outlook of impact - not applicable</p>	Own operations	"5.1 Growth based on the idea of sustainability and safety"	Poland, Canada, USA, Chile	PN-EN ISO 14001 Environmental Management System; Environmental Policy
Direct drivers of biodiversity loss / Impact on the extent and condition of ecosystems	<p>Negative Potential</p> <p>Impact of supply chain on biodiversity</p> <p>Impact outlook - up to 1 year and over 5 years - low likelihood</p>	Higher level	"5.1 Growth based on the idea of sustainability and safety"	Poland, Canada, USA, Chile Contractors - worldwide.	PN-EN ISO 14001 Environmental Management System; Environmental Policy; Policy for a Responsible Supply Chain in the KGHM Polska Miedź S.A. Group, Procedure for Examination of the Supply Chain for Gold in KGHM Polska Miedź S.A., Procedure for Due Diligence in Examination of the Supply Chain for Copper and Lead; Principles for selection of bidders in KGHM Polska Miedź S.A.; Contractor's Charter
Impact on the status of species	<p>Negative Potential</p> <p>Impact of suppliers and customers on biodiversity</p> <p>Impact outlook - up to 1 year and over 5 years - low likelihood</p>	Higher level Own operations Lower level	"5.1 Growth based on the idea of sustainability and safety"	Poland, Canada, USA, Chile Contractors - worldwide.	PN-EN ISO 14001 Environmental Management System; Policy for a Responsible Supply Chain in the KGHM Polska Miedź S.A. Group, Procedure for Examination of the Supply Chain for Gold in KGHM Polska Miedź S.A., Procedure for Due Diligence in Examination of the Supply Chain for Copper and Lead; Principles for selection of bidders in KGHM Polska Miedź S.A.; Contractor's Charter

ESRS area	Type of impact, identified opportunities and outlook	Place of impact occurrence	Strategic objectives related to the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040	Geographical areas	Impact management tools
ESRS E5 Use of resources and circular economy					
Impact of resources, including the use of resources	<p>Negative Actual Use of fossil fuels and non-renewable raw materials</p> <p>Opportunities</p> <ul style="list-style-type: none"> - Use of process water in core business processes - Urban Mining <p>Outlook of impact - not applicable</p>	Higher level Own operations	<p>"1.2 Optimisation of mine production domestically and abroad ensuring long-term operational continuity"</p> <p>"1.3 Leader in the development of low-emissions mining capacity for new metals and mineral deposits in Poland"</p> <p>"1.4 Development of metallurgy utilising efficient processing based on CE assumptions"</p>	Poland, Canada, USA, Chile Contractors - worldwide.	PN-EN ISO 14001 Environmental Management System; PN-EN ISO 50001 Energy Management System; Climate Policy; Energy Policy;
Impact of resources, including the use of resources	<p>Positive Potential Increasing efficiency in the use of non-renewable raw materials</p> <p>Impact outlook - up to 1 year - very low likelihood up to 5 years - medium likelihood; over 5 years - high likelihood</p>	Higher level Own operations	<p>"1.2 Optimisation of mine production domestically and abroad ensuring long-term operational continuity"</p> <p>"1.3 Leader in the development of low-emissions mining capacity for new metals and mineral deposits in Poland"</p> <p>"1.4 Development of metallurgy utilising efficient processing based on CE assumptions"</p> <p>"2.1 One of the leading producers of environmentally-friendly electricity - supporting Poland's energy transition"</p>	Poland, Canada, USA, Chile Contractors - worldwide.	PN-EN ISO 14001 Environmental Management System; PN-EN ISO 50001 Energy Management System; Climate Policy; Energy Policy;
Waste	<p>Negative Actual Generation of non-recyclable waste and other recovery processes</p> <p>Opportunities</p> <ul style="list-style-type: none"> - Multi-resource, including rare earth elements - 	Own operations	<p>"1.2 Optimisation of mine production domestically and abroad ensuring long-term operational continuity"</p> <p>"1.4 Development of metallurgy utilising efficient processing based on CE assumptions"</p>	Poland, Canada, USA, Chile	PN-EN ISO 14001 Environmental Management System;

ESRS area	Type of impact, identified opportunities and outlook	Place of impact occurrence	Strategic objectives related to the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040	Geographical areas	Impact management tools
	Outlook of impact - not applicable				
Waste	Positive Actual Optimisation of waste management in accordance with the waste handling hierarchy Outlook of impact - not applicable	Own operations Lower level	"1.2 Optimisation of mine production domestically and abroad ensuring long-term operational continuity" "1.4 Development of metallurgy utilising efficient processing based on CE assumptions"	Poland, Canada, USA, Chile Contractors - worldwide.	PN-EN ISO 14001 Environmental Management System;
Waste	Positive Actual Copper Recycling - Supporting circular economy and reducing waste Outlook of impact - not applicable	Own operations Lower level	"1.4 Development of metallurgy utilising efficient processing based on CE assumptions" "3.1 Major supplier of Smart Mining solutions for products and services sold in Poland and globally.	Poland - Metallurgical divisions of KGHM Polska Miedź S.A. Contractors - worldwide	PN-EN ISO 14001 Environmental Management System;
IMPACT ON SOCIETY					
ESRS S1 - Own Staff Resources					
Employment security	Positive Actual Providing stable jobs and employment security Outlook of impact - not applicable	Own operations	"4.1 Development of pro-health activities and health resorts as a contribution to extending the length and quality of life of citizens" "5.1 Growth based on the idea of sustainability and safety"	Poland, Canada, USA, Chile	HR Policy of KGHM Polska Miedź S.A.; Code of Ethics of the KGHM Polska Miedź S.A. Group; Human Rights Policy of KGHM Polska Miedź S.A.; PN-ISO 45001 Occupational Health and Safety Management System
Employment security	Positive Actual Social protection and benefits for employees Outlook of impact - not applicable	Own operations	"4.1 Development of pro-health activities and health resorts as a contribution to extending the length and quality of life of citizens" "5.1 Growth based on the idea of sustainability and safety"	Poland, Canada, USA, Chile	HR Policy of KGHM Polska Miedź S.A.; Regulations of the Company Social Benefits Fund; Company Collective Labour Agreement; Code of Ethics of the KGHM Polska Miedź S.A. Group; Human Rights Policy of KGHM Polska Miedź S.A.;
Working time	Negative Actual Dissatisfaction with overtime and shift work Outlook of impact - not applicable	Own operations	Not applicable	Poland, Canada, USA, Chile	HR Policy of KGHM Polska Miedź S.A.; Company Collective Labour Agreement; Whistleblower Platform; Code of Ethics of the KGHM Polska Miedź S.A. Group; Human Rights Policy of KGHM Polska Miedź S.A.; PN-ISO 45001 Occupational Health and Safety Management System

ESRS area	Type of impact, identified opportunities and outlook	Place of impact occurrence	Strategic objectives related to the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040	Geographical areas	Impact management tools
Work and life balance	Positive Actual Employee support and work-life balance Outlook of impact - not applicable	Own operations	"4.1 Development of pro-health activities and health resorts as a contribution to extending the length and quality of life of citizens" "5.1 Growth based on the idea of sustainability and safety"	Poland, Canada, USA, Chile	HR Policy of KGHM Polska Miedź S.A.; Regulations of the Company Social Benefits Fund; Human Rights Policy of KGHM Polska Miedź S.A.; Code of Ethics of the KGHM Polska Miedź S.A. Group;
Work and life balance	Negative Actual Work-related stress and impact on employees' private lives Outlook of impact - not applicable	Own operations	"4.1 Development of pro-health activities and health resorts as a contribution to extending the length and quality of life of citizens" "5.1 Growth based on the idea of sustainability and safety"	Poland, Canada, USA, Chile	HR Policy of KGHM Polska Miedź S.A.; Regulations of the Company Social Benefits Fund; Human Rights Policy of KGHM Polska Miedź S.A.; Code of Ethics of the KGHM Polska Miedź S.A. Group;
Social dialogue (dialogue with employees)	Negative Potential Failure to adequately consider employees' opinions and needs Impact outlook - up to 1 year and over 5 years - very low likelihood	Own operations	"5.1 Growth based on the idea of sustainability and safety"	Poland, Canada, USA, Chile	HR Policy of KGHM Polska Miedź S.A.; Code of Ethics of the KGHM Polska Miedź S.A. Group; PN-ISO 45001 Occupational Health and Safety Management System; Occupational Health and Safety Policy
Social dialogue (dialogue with employees)	Positive Actual Well-developed methods to engage in social dialogue (pressure to have a dialogue with employees) Outlook of impact - not applicable	Own operations	"5.1 Growth based on the idea of sustainability and safety"	Poland, Canada, USA, Chile	HR Policy of KGHM Polska Miedź S.A.; Code of Ethics of the KGHM Polska Miedź S.A. Group; PN-ISO 45001 Occupational Health and Safety Management System; Occupational Health and Safety Policy
Freedom of association, existence of employee councils and workers' rights to information, consultation and participation	Positive Actual Cooperation with trade unions and employee councils Outlook - not applicable	Own operations	Not applicable	Poland, Canada, USA, Chile	Company Collective Labour Agreement; HR Policy of KGHM Polska Miedź S.A.; Code of Ethics of the KGHM Polska Miedź S.A. Group; Human Rights Policy of KGHM Polska Miedź S.A.
Working conditions - Collective bargaining, including percentage of employees covered by collective agreements	Positive Actual Functioning of collective labour agreements Outlook of impact - not applicable	Own operations	Not applicable	Poland, Canada	Company Collective Labour Agreement; HR Policy of KGHM Polska Miedź S.A.; Code of Ethics of the KGHM Polska Miedź S.A. Group; Human Rights Policy of KGHM Polska Miedź S.A.

ESRS area	Type of impact, identified opportunities and outlook	Place of impact occurrence	Strategic objectives related to the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040	Geographical areas	Impact management tools
Occupational health and safety	<p>Negative Actual Fatal and/or serious accidents in the workplace</p> <p>Opportunities</p> <ul style="list-style-type: none"> – Possibility of obtaining external support for innovations in the field of H&S – Potential of the Company and selected dedicated R&D centres in the area of health and safety capable of diagnosing and adapting the Group to changes <p>Outlook of impact - not applicable</p>	Own operations	"4.1 Development of pro-health activities and health resorts as a contribution to extending the length and quality of life of citizens"	Poland	PN-ISO 45001 Occupational Health and Safety Management System; Occupational Health and Safety Policy
Occupational health and safety	<p>Negative Actual Occupational diseases</p> <p>Outlook of impact - not applicable</p>	Own operations	"4.1 Development of pro-health activities and health resorts as a contribution to extending the length and quality of life of citizens"	Poland, Canada, USA, Chile	PN-ISO 45001 Occupational Health and Safety Management System; Occupational Health and Safety Policy
Occupational health and safety	<p>Positive Actual Comprehensive physical and mental health support programs for employees</p> <p>Outlook of impact - not applicable</p>	Own operations	"4.1 Development of pro-health activities and health resorts as a contribution to extending the length and quality of life of citizens"	Poland, Canada, USA, Chile	PN-ISO 45001 Occupational Health and Safety Management System; Occupational Health and Safety Policy
Gender equality and equal pay for work of equal value	<p>Negative Potential Gender pay gap monitoring</p> <p>Impact outlook - up to 1 year and over 5 years - very low likelihood</p>	Own operations	Not applicable	Poland, Canada, USA, Chile	Company Collective Labour Agreement; HR Policy of KGHM Polska Miedź S.A.; Code of Ethics of the KGHM Polska Miedź S.A. Group; Human Rights Policy of KGHM Polska Miedź S.A.; Diversity Declaration
Diversity	<p>Negative Potential Low representation of vulnerable groups at risk of exclusion</p> <p>Impact outlook - up to 1 year and over 5 years - very low likelihood</p>	Own operations	Not applicable	Poland, Canada, USA, Chile	Code of Ethics of the KGHM Polska Miedź S.A. Group; Human Rights Policy of KGHM Polska Miedź S.A.; Diversity Declaration

ESRS area	Type of impact, identified opportunities and outlook	Place of impact occurrence	Strategic objectives related to the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040	Geographical areas	Impact management tools
Measures to prevent violence and harassment in the workplace	<p>Negative Potential</p> <p>Inadequate prevention of workplace abuse and violence and their psychological effects on employees</p> <p>Impact outlook - up to 1 year and over 5 years - very low likelihood</p>	Own operations	Not applicable	Poland, Canada, USA, Chile	Anti-Abuse Policy in the KGHM Group; Whistleblower Platform; HR Policy of KGHM Polska Miedź S.A.; Code of Ethics of the KGHM Polska Miedź S.A. Group; Human Rights Policy of KGHM Polska Miedź S.A.; Diversity Declaration
Measures to prevent violence and harassment in the workplace	<p>Negative Potential</p> <p>Cases of discrimination and abuse in the workplace</p> <p>Impact outlook - up to 1 year and over 5 years - very low likelihood</p>	Own operations	Not applicable	Poland, Canada, USA, Chile	Anti-Abuse Policy in the KGHM Group; Whistleblower Platform; HR Policy of KGHM Polska Miedź S.A.; Code of Ethics of the KGHM Polska Miedź S.A. Group; Human Rights Policy of KGHM Polska Miedź S.A.; Diversity Declaration
Training and skills development	<p>Positive Potential</p> <p>Opportunities to develop skills/competence</p> <p>Opportunities</p> <p>Potential of implementing a long-term follow-up program in the Company and occupational adaptation programs</p> <p>Outlook of impact - not applicable</p>	Own operations	"5.1 Growth based on the idea of sustainability and safety"	Poland, Canada, USA, Chile	HR Policy of KGHM Polska Miedź S.A.; Training policy
ESRS S2 - Workers in the value chain					
Employment security	<p>Positive Actual</p> <p>High impact on the local economy and employment</p> <p>Outlook of impact - not applicable</p>	Higher level	<p>"3.2 Ensuring the financial stability of the KGHM Group and implementing systemic solutions aimed at increasing the Group's value"</p> <p>"5.1 Growth based on the idea of sustainability and safety"</p>	Contractors - worldwide	Code of Ethics, Procurement Policy, Contractor's Charter

ESRS area	Type of impact, identified opportunities and outlook	Place of impact occurrence	Strategic objectives related to the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040	Geographical areas	Impact management tools
Working time / Adequate wages	Negative Potential Involuntary indirect support of unethical practices in the supply chain Impact outlook – ongoing monitoring	Higher level	Not applicable	Contractors - worldwide	Code of Ethics, Policy for a Responsible Supply Chain in the KGHM Polska Miedź S.A. Group, Procedure for Examination of the Supply Chain for Gold in KGHM Polska Miedź S.A., Procedure for Due Diligence in Examination of the Supply Chain for Copper and Lead, Procurement Policy, Contractor’s Charter
Adequate wages	Positive Actual Impact on decent employment conditions in direct suppliers’ companies Outlook of impact - not applicable	Higher level	Not applicable	Contractors - worldwide	Code of Ethics, Procurement Policy, Contractor’s Charter
Social dialogue (dialogue with employees in the supply chain)	Negative Potential Unethical practices in the supply chain Impact outlook - up to 1 year and over 5 years - very low likelihood	Higher level	Not applicable	Contractors - worldwide	Code of Ethics, Policy for a Responsible Supply Chain in the KGHM Polska Miedź S.A. Group, Procedure for Examination of the Supply Chain for Gold in KGHM Polska Miedź S.A., Procedure for Due Diligence in Examination of the Supply Chain for Copper and Lead, Procurement Policy, Contractor’s Charter
Freedom of association, existence of works councils / Collective bargaining	Negative Potential Lack of sufficient practical verification of suppliers in terms of respect for human rights, including freedom of association Impact outlook - up to 1 year and over 5 years - very low likelihood	Higher level	Not applicable	Contractors - worldwide	Code of Ethics, Policy for a Responsible Supply Chain in the KGHM Polska Miedź S.A. Group, Procedure for Examination of the Supply Chain for Gold in KGHM Polska Miedź S.A., Procedure for Due Diligence in Examination of the Supply Chain for Copper and Lead, Procurement Policy, Contractor’s Charter
Working conditions - Work and life balance	Negative Potential Cooperation with suppliers who apply unlawful or unethical work-life balance practices Impact outlook - up to 1 year and over 5 years - very low likelihood	Higher level	Not applicable	Contractors - worldwide	Code of Ethics, Policy for a Responsible Supply Chain in the KGHM Polska Miedź S.A. Group, Procedure for Examination of the Supply Chain for Gold in KGHM Polska Miedź S.A., Procedure for Due Diligence in Examination of the Supply Chain for Copper and Lead, Procurement Policy, Contractor’s Charter
Work and life balance	Negative Potential Work-related stress (overtime, shift work, high responsibility) Outlook of impact - not applicable	Higher level	“4.1 Development of pro-health activities and health resorts as a contribution to extending the length and quality of life of citizens” “5.1 Growth based on the idea of sustainability and safety”	Contractors - worldwide	Code of Ethics, Policy for a Responsible Supply Chain in the KGHM Polska Miedź S.A. Group, Procedure for Examination of the Supply Chain for Gold in KGHM Polska Miedź S.A., Procedure for Due Diligence in Examination of the Supply Chain for Copper and Lead,

ESRS area	Type of impact, identified opportunities and outlook	Place of impact occurrence	Strategic objectives related to the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040	Geographical areas	Impact management tools
					Procurement Policy, Contractor's Charter; Occupational Health and Safety Policy
Occupational health and safety	<p>Negative Potential</p> <p>Collaboration with suppliers using illegal or unethical health and safety practices (violation of law and risk of accidents)</p> <p>Impact outlook - up to 1 year and over 5 years - very low likelihood</p>	Higher level	Not applicable	Contractors - worldwide	Code of Ethics, Policy for a Responsible Supply Chain in the KGHM Polska Miedź S.A. Group, Procedure for Examination of the Supply Chain for Gold in KGHM Polska Miedź S.A., Procedure for Due Diligence in Examination of the Supply Chain for Copper and Lead, Procurement Policy, Contractor's Charter; Occupational Health and Safety Policy
Occupational health and safety	<p>Negative Potential</p> <p>Collaboration with suppliers using illegal or unethical health and safety practices (fatal and/or serious accidents in the workplace)</p> <p>Outlook of impact - not applicable</p>	Higher level	Not applicable	Contractors - worldwide	Code of Ethics, Policy for a Responsible Supply Chain in the KGHM Polska Miedź S.A. Group, Procedure for Examination of the Supply Chain for Gold in KGHM Polska Miedź S.A., Procedure for Due Diligence in Examination of the Supply Chain for Copper and Lead, Procurement Policy, Contractor's Charter; Occupational Health and Safety Policy
Measures to prevent violence and harassment in the workplace	<p>Negative Potential</p> <p>Collaboration with suppliers using illegal or unethical practices in the scope of prevention of violence and harassment in the workplace</p> <p>Impact outlook - up to 1 year and over 5 years - very low likelihood</p>	Higher level	Not applicable	Contractors - worldwide	Code of Ethics, Policy for a Responsible Supply Chain in the KGHM Polska Miedź S.A. Group, Procedure for Examination of the Supply Chain for Gold in KGHM Polska Miedź S.A., Procedure for Due Diligence in Examination of the Supply Chain for Copper and Lead, Procurement Policy, Contractor's Charter
Gender equality and equal pay for work of equal value	<p>Negative Potential</p> <p>Collaboration with suppliers using illegal or unethical practices in the scope of gender equality and equal pay for work of equal value</p> <p>Impact outlook - up to 1 year and over 5 years - very low likelihood</p>	Higher level	Not applicable	Contractors - worldwide	Code of Ethics, Policy for a Responsible Supply Chain in the KGHM Polska Miedź S.A. Group, Procedure for Examination of the Supply Chain for Gold in KGHM Polska Miedź S.A., Procedure for Due Diligence in Examination of the Supply Chain for Copper and Lead, Procurement Policy, Contractor's Charter
Diversity	<p>Negative Potential</p> <p>Collaboration with suppliers using illegal or unethical practices in the scope of diversity</p> <p>Impact outlook - up to 1 year and over 5 years - very low likelihood</p>	Higher level	Not applicable	Contractors - worldwide	Code of Ethics, Policy for a Responsible Supply Chain in the KGHM Polska Miedź S.A. Group, Procedure for Examination of the Supply Chain for Gold in KGHM Polska Miedź S.A., Procedure for Due Diligence in Examination of the Supply Chain for Copper and Lead, Procurement Policy, Contractor's Charter;

ESRS area	Type of impact, identified opportunities and outlook	Place of impact occurrence	Strategic objectives related to the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040	Geographical areas	Impact management tools
					Human Rights Policy in KGHM Polska Miedź S.A.
Training and skills development	<p>Negative Potential Collaboration with suppliers using illegal or unethical practices in the scope of training and development of skills</p> <p>Opportunities Availability of specialised global corporations implementing large investments</p> <p>Impact outlook - up to 1 year and over 5 years - very low likelihood</p>	Higher level	Not applicable	Contractors - worldwide	Code of Ethics, Policy for a Responsible Supply Chain in the KGHM Polska Miedź S.A. Group, Procedure for Examination of the Supply Chain for Gold in KGHM Polska Miedź S.A., Procedure for Due Diligence in Examination of the Supply Chain for Copper and Lead, Procurement Policy, Contractor's Charter
Employment and integration of people with disabilities	<p>Negative Potential Collaboration with suppliers using illegal or unethical practices in the scope of employment and integration of people with disabilities</p> <p>Impact outlook - up to 1 year and over 5 years - very low likelihood</p>	Higher level	Not applicable	Contractors - worldwide	Code of Ethics, Policy for a Responsible Supply Chain in the KGHM Polska Miedź S.A. Group, Procedure for Examination of the Supply Chain for Gold in KGHM Polska Miedź S.A., Procedure for Due Diligence in Examination of the Supply Chain for Copper and Lead, Procurement Policy, Contractor's Charter; Human Rights Policy in KGHM Polska Miedź S.A.
Child labour	<p>Negative Potential Collaboration with suppliers using illegal or unethical practices, such as using child labour</p> <p>Impact outlook - up to 1 year and over 5 years - very low likelihood</p>	Higher level	Not applicable	Contractors - worldwide	Regulations of international law; Code of Ethics of the KGHM Polska Miedź S.A. Group; Human Rights Policy of KGHM Polska Miedź S.A.
Forced labour	<p>Negative Potential Collaboration with suppliers using illegal or unethical practices such as forced labour</p> <p>Impact outlook - up to 1 year and over 5 years - very low likelihood</p>	Higher level	Not applicable	Contractors - worldwide	Regulations of international law; Code of Ethics of the KGHM Polska Miedź S.A. Group; Human Rights Policy of KGHM Polska Miedź S.A.

ESRS area	Type of impact, identified opportunities and outlook	Place of impact occurrence	Strategic objectives related to the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040	Geographical areas	Impact management tools
Adequate housing conditions	<p>Negative Potential</p> <p>Collaboration with suppliers who provide substandard staff accommodation to employees</p> <p>Impact outlook - up to 1 year and over 5 years - very low likelihood</p>	Higher level	Not applicable	Contractors - worldwide	Code of Ethics of the KGHM Polska Miedź S.A. Group; Human Rights Policy of KGHM Polska Miedź S.A.
Water and sanitary conditions	<p>Negative Potential</p> <p>Collaboration with suppliers who do not provide workers with access to clean water and adequate sanitary conditions</p> <p>Outlook of impact - not applicable</p>	Higher level	Not applicable	Contractors - worldwide	Regulations of international law; Code of Ethics of the KGHM Polska Miedź S.A. Group; Human Rights Policy of KGHM Polska Miedź S.A.; Procurement Policy; Contractor's Charter
Privacy	<p>Negative Potential</p> <p>Collaboration with suppliers who violate employees' right to privacy</p> <p>Impact outlook - up to 1 year and over 5 years - very low likelihood</p>	Higher level	Not applicable	Contractors - worldwide	Code of Ethics of the KGHM Polska Miedź S.A. Group; Human Rights Policy of KGHM Polska Miedź S.A.; Procurement Policy
ESRS S3 - Affected communities					
Adequate housing conditions	<p>Negative Actual</p> <p>Noise - impact on neighbourhood (smelters and mines)</p> <p>Outlook of impact - not applicable</p>	Own operations	Not applicable	Poland - Mining, metallurgical divisions of KGHM Polska Miedź S.A.	Corporate Risk Management Procedure of the KGHM Polska Miedź S.A. Group; PN-EN ISO 14001 Environmental Management System; Environmental Policy
Adequate housing conditions	<p>Negative Actual</p> <p>Unpleasant odours (smelters and mines)</p> <p>Outlook of impact - not applicable</p>	Own operations	<p>"1.4 Development of metallurgy utilising efficient processing based on CE assumptions"</p> <p>"5.1 Growth based on the idea of sustainability and safety"</p>	Poland - Legnica Copper Smelter and Refinery	Corporate Risk Management Procedure of the KGHM Polska Miedź S.A. Group; PN-EN ISO 14001 Environmental Management System; Environmental Policy

ESRS area	Type of impact, identified opportunities and outlook	Place of impact occurrence	Strategic objectives related to the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040	Geographical areas	Impact management tools
Impact on land	<p>Negative Actual</p> <p>Mining and post-mining damage</p> <p>Outlook of impact - not applicable</p>	Own operations	Not applicable	Poland - Mining divisions of KGHM Polska Miedź S.A.	Corporate Risk Management Procedure of the KGHM Polska Miedź S.A. Group; "Uniform procedures related to mining damage removal and construction prevention carried out in connection with anticipated impacts of mining exploitation; Guidelines for design and coordination of mining works in neighbouring fields in mining plants of KGHM Polska Miedź S.A."
Impact on safety	<p>Negative Potential</p> <p>Negative impact on the safety of residents in the event of failures or disasters in plants</p> <p>Impact outlook - up to 1 year and over 5 years - very low likelihood</p>	Own operations	Not applicable	Poland, Canada, USA, Chile	Corporate Risk Management Procedure of the KGHM Polska Miedź S.A. Group; PN-EN ISO 45001 Occupational Health and Safety Management System; PN-EN ISO 14001 Environmental Management System
Other	<p>Positive Actual</p> <p>Positive impact on health of local communities</p> <p>Outlook of impact - not applicable</p>	Own operations	<p>"4.1 Development of pro-health activities and health resorts as a contribution to extending the length and quality of life of citizens"</p> <p>"5.1 Growth based on the idea of sustainability and safety"</p>	Poland, Canada, USA, Chile	PN-EN ISO 45001 Occupational Health and Safety Management System; PN-EN ISO 14001 Environmental Management System
Other	<p>Negative Potential</p> <p>Impact of arsenic emissions from metallurgical activities on human health</p> <p>Impact outlook - up to 1 year and over 5 years - very low likelihood</p>	Own operations	<p>"1.4 Development of metallurgy utilising efficient processing based on CE assumptions"</p> <p>"5.1 Growth based on the idea of sustainability and safety"</p>	Poland - Metallurgical divisions of KGHM Polska Miedź S.A.	PN-EN ISO 14001 Environmental Management System; BATAs; Environmental Policy
Other	<p>Positive Actual</p> <p>Positive impact on social, cultural, sports and educational life (social capital)</p> <p>Outlook of impact - not applicable</p>	Own operations	<p>"4.1 Development of pro-health activities and health resorts as a contribution to extending the length and quality of life of citizens"</p> <p>"5.1 Growth based on the idea of sustainability and safety"</p>	Poland, Canada, USA, Chile	Code of Ethics of the KGHM Polska Miedź S.A. Group; Human Rights Policy of KGHM Polska Miedź S.A.; Sponsorship Policy of KGHM Polska Miedź S.A.; Regulations of the Volunteer Program "Copper Heart"

ESRS area	Type of impact, identified opportunities and outlook	Place of impact occurrence	Strategic objectives related to the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040	Geographical areas	Impact management tools
Other	<p>Positive Actual</p> <p>Positive impact on development of local communities through taxes and scale of employment</p> <p>Outlook of impact - not applicable</p>	Own operations	<p>"3.2 Ensuring the financial stability of the KGHM Group and implementing systemic solutions aimed at increasing the Group's value"</p> <p>"5.1 Growth based on the idea of sustainability and safety"</p>	Poland, Canada, USA, Chile	Integrated Management System, HR Policy of KGHM Polska Miedź S.A.
Other	<p>Positive Actual</p> <p>Positive impact on local nature, environmental campaigns, environmental education and ecological awareness building</p> <p>Outlook of impact - not applicable</p>	Own operations	"5.1 Growth based on the idea of sustainability and safety"	Poland, Canada, USA, Chile	Regulations of the volunteer program "Copper Heart"; Environmental policy
Prior, free and informed consent	<p>Negative Potential</p> <p>Failure to provide opportunities for voluntary and informed consent of indigenous peoples (applies to international assets)</p> <p>Impact outlook - up to 1 year and over 5 years - very low likelihood</p>	Own operations	Not applicable	Canada	Code of Ethics of the KGHM Polska Miedź S.A. Group; Human Rights Policy of KGHM Polska Miedź S.A.; National and provincial regulations (Canada); Statement on Respect for the Rights of First Nations and Indigenous Peoples
Self-determination	<p>Negative Potential</p> <p>Violation of the right of self-determination (applies to international assets, indigenous peoples)</p> <p>Impact outlook - up to 1 year and over 5 years - very low likelihood</p>	Own operations	Not applicable	Canada	Code of Ethics of the KGHM Polska Miedź S.A. Group; Human Rights Policy of KGHM Polska Miedź S.A.; National and provincial regulations (Canada); Statement on Respect for the Rights of First Nations and Indigenous Peoples
Cultural rights	<p>Negative Potential</p> <p>Violation of the cultural rights of indigenous peoples (applies to international assets, indigenous peoples)</p>	Own operations	Not applicable	Canada	Code of Ethics of the KGHM Polska Miedź S.A. Group; Human Rights Policy of KGHM Polska Miedź S.A.; National and provincial regulations (Canada); Statement on Respect for the Rights of First Nations and Indigenous Peoples

ESRS area	Type of impact, identified opportunities and outlook	Place of impact occurrence	Strategic objectives related to the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040	Geographical areas	Impact management tools
	Impact outlook - up to 1 year and over 5 years - very low likelihood				
ESRS S4 - Consumers and end-users					
Privacy	<p>Negative Potential</p> <p>Loss of sensitive personal data</p> <p>Impact outlook - up to 1 year and over 5 years - very low likelihood</p>	Own operations	"1.1 Advanced technology and R&D forming a smart production chain"	Poland PGU Spas: Kłodzko, Świeradów Zdrój - Czerniawa, Połczyn; MCZ Lubin	Security Policy in the KGHM Polska Miedź S.A. Group; Privacy Policy (GDPR);
OHS/health and personal security	<p>Positive Actual</p> <p>Positive Impact on health status of patients and spa guests</p> <p>Outlook of impact - not applicable</p>	Own operations	"4.1 Development of pro-health activities and health resorts as a contribution to extending the length and quality of life of citizens"	Poland PGU Spas: Kłodzko, Świeradów Zdrój - Czerniawa, Połczyn; Lubin mine	Code of Ethics; Code of Conduct; Occupational Health and Safety Management System
IMPACT ON CORPORATE GOVERNANCE					
ESRS G1 Business conduct					
Corporate culture	<p>Negative Potential</p> <p>Lack of clarity of rules and unacceptable behaviour among office workers</p> <p>Opportunities</p> <p>New technologies and IT management systems</p> <p>Impact outlook - up to 1 year - high likelihood; over 5 years - very low likelihood</p>	Own operations	Not applicable	Poland, Canada, USA, Chile	Code of Ethics; Code of Conduct; Integrated Management System; Whistleblower Platform; Work Regulations; Purchasing Policy; Contractor's Charter
Corporate culture	<p>Negative Potential</p>	Own operations	Not applicable	Poland - Mining divisions of KGHM Polska Miedź S.A.	Code of Ethics; Code of Conduct; Integrated Management System; Whistleblower Platform; Work Regulations; Purchasing Policy; Contractor's Charter

ESRS area	Type of impact, identified opportunities and outlook	Place of impact occurrence	Strategic objectives related to the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040	Geographical areas	Impact management tools
	Lack of clarity of rules and unacceptable behaviour among production employees in the mining sector Impact outlook - up to 1 year - high likelihood; over 5 years - very low likelihood				
Corporate culture	Negative Potential Lack of clarity in rules and expectations towards counterparties Impact outlook - up to 1 year and up to 5 years - medium likelihood; over 5 years - very low likelihood	Higher level Own operations Lower level	Not applicable	Poland, Canada, USA, Chile Contractors - worldwide	Code of Ethics; Code of Conduct; Integrated Management System; Whistleblower Platform; Work Regulations; Purchasing Policy; Contractor's Charter
Corporate culture	Negative Potential Lack of clarity of the rules and expectations towards social environment Impact outlook - up to 1 year and up to 5 years - medium likelihood; over 5 years - low likelihood	Own operations	Not applicable	Poland, Canada, USA, Chile	Code of Ethics; Code of Conduct; Integrated Management System; Whistleblower Platform; Work Regulations
Whistleblower protection	Negative Potential Inadequate whistleblower protection and negative consequences of reporting concerns or irregularities Impact outlook - up to 1 year and over 5 years - very low likelihood	Own operations	Not applicable	Poland, Canada, USA, Chile	Integrated Management System; Whistleblower Platform, Procedure for Receiving Internal Reports of Violations of Law and Follow-up; Code of Ethics
Supplier relationship management, including payment practices	Negative Actual Negative impact of the Company on the condition and/or liquidity of suppliers (especially SMEs) through long payment terms	Higher level	"3.2 Ensuring the financial stability of the KGHM Group and implementing systemic solutions aimed at increasing the Group's value"	Contractors - worldwide	Integrated Management System; Competition Law Policy in the KGHM Polska Miedź S.A. Group; Procurement Policy; Code of Ethics; Code of Conduct

ESRS area	Type of impact, identified opportunities and outlook	Place of impact occurrence	Strategic objectives related to the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040	Geographical areas	Impact management tools
	<p>Opportunities</p> <p>Optimisation of work and development of the potential of companies in the KGHM Group</p> <p>Outlook of impact - not applicable</p>				
Supplier relationship management, including payment practices	<p>Negative Potential</p> <p>Contracts with suppliers that do not comply with the principles of business ethics, including anti-corruption rules</p> <p>Impact outlook - up to 1 year and over 5 years - very low likelihood</p>	Higher level	Not applicable	Contractors - worldwide	Anti-Corruption Management System (SZDA) in accordance with PN-ISO37001; Integrated Management System; Competition Law Policy in the KGHM Polska Miedź S.A. Group; Procurement Policy; Code of Ethics, Human Rights Policy
Supplier relationship management, including payment practices	<p>Negative Potential</p> <p>Contracts with suppliers who violate human and/or labour rights</p> <p>Impact outlook - up to 1 year - low likelihood; up to 5 years and over 5 years - very low likelihood</p>	Higher level Own operations	Not applicable	Poland, Canada, USA, Chile Contractors - worldwide	Integrated Management System; Competition Law Policy in the KGHM Polska Miedź S.A. Group; Procurement Policy; Code of Ethics; Human rights policy
Supplier relationship management, including payment practices	<p>Negative Potential</p> <p>Contracts with suppliers that do not meet responsible environmental impact management standards</p> <p>Impact outlook - up to 1 year - low likelihood; up to 5 years and over 5 years - very low likelihood</p>	Higher level	Not applicable	Contractors - worldwide	Integrated Management System; Competition Law Policy in the KGHM Polska Miedź S.A. Group; Procurement Policy; Code of Ethics; Environmental policy
Supplier relationship management, including payment practices	<p>Positive Actual</p> <p>Positive impact on suppliers and their financial condition</p> <p>Outlook of impact - not applicable</p>	Higher level	"3.2 Ensuring the financial stability of the KGHM Group and implementing systemic solutions aimed at increasing the Group's value"	Contractors - worldwide	Integrated Management System; Competition Law Policy in the KGHM Polska Miedź S.A. Group; Procurement Policy
Prevention and detection, including training / Incidents	<p>Negative Potential</p> <p>Potential incidents of corruption</p> <p>Impact outlook - up to 1 year and over 5 years - medium likelihood</p>	Higher level Own operations Lower level	Not applicable	Poland, Canada, USA, Chile Contractors - worldwide	Anti-corruption Management System (SZDA) in accordance with PN-ISO37001; Anti-Money Laundering and Anti-Fraud and Deception Prevention Procedure in Commercial Transactions Concerning the Sale of Products and Purchase of Bullion and Copper-bearing

ESRS area	Type of impact, identified opportunities and outlook	Place of impact occurrence	Strategic objectives related to the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040	Geographical areas	Impact management tools
					Materials at KGHM Polska Miedź S.A. Procurement Policy; Code of Ethics, Human Rights Policy
Other	<p>Negative Potential</p> <p>Potential leakage of contractor, employee data and personal data protection breaches</p> <p>Impact outlook - up to 1 year and over 5 years - low likelihood</p>	<p>Higher level</p> <p>Own operations</p> <p>Lower level</p>	"1.1 Advanced technology and R&D forming a smart production chain"	Poland, Canada, USA, Chile Contractors - worldwide	Security Policy in the KGHM Polska Miedź S.A. Group; Privacy Policy (GDPR); Integrated Management System

The Group has preliminarily defined material, potential and opportunities in accordance with the methodology described in section [IRO-1 Description of the process used to identify and assess material impacts, risks and opportunities](#). An in-depth analysis is required to confirm the validity of these opportunities and to assess their impact on financial results. The results of this analysis will be presented in the coming years. This analysis will be continued as part of the operationalisation of the strategy in the subsequent reporting periods.

Detailed references to individual impacts and risks and their potential links to the business model, value chain and/or strategy are included in the relevant sections describing each ESRS sub-topic. Where appropriate, the possibility of adjusting the strategy or business model has been flagged if the analyses have shown such a need. Nevertheless, in most situations, it was found that the business model and the Group's Strategy were designed to provide their stability and resilience to the factors mentioned above, which is due, among other things, to the application of appropriate processes and procedures and the implementation of mitigating actions.

Significant impacts and their links with the strategy and business model

A list of significant risks by ESG factors is presented below, along with a detailed description of individual risks, their potential effects and information on mitigation (the manner of response or the planned manner of response to potential effects).

Table 107. Risk associated with the environmental factor

ESRS issue	Risk	Assessment	Place of risk concentration in the value chain
E1 - Climate change	<p>Risk related to the lack of availability of required energy sources.</p> <p><u>Risk and description of potential effects</u></p> <p>The Group is exposed to the risk of lack of availability of utilities, among others, energy carriers for its operations. Potential disruption in the supply of key utilities (mainly energy carriers) is primarily related to risk factors on the part of external suppliers and breakdowns of their distribution infrastructure. Risk is also related to the suspension of delivery of energy carriers as a result of long-lasting droughts, leading to periodically lower water levels in rivers, which could cause restrictions in the operations of power plants belonging to KGHM's suppliers. Amongst internal factors, the most important involve questions of maintaining operations, utilisation and investments and modernisation work. The potential impacts relate to losses associated with reduced/suspended production. Potential financial losses are related to reduced or suspended production if the risk materialises.</p> <p><u>Mitigation</u></p> <p>Ensuring back-up systems for the supply of critical utilities and on-going assessment of the security of the power network. Conducting investment projects aimed at strengthening energy security. Framework agreements with utility suppliers increasing the security of supplies. Systematic limitation of energy consumption under the implemented, ISO 50001 compliant Energy Management System. The planned increase in the efficiency and flexibility of the Group in terms of its Polish and international assets, among others by partially satisfying the demand for electricity from its own sources as well as from renewable energy sources ("RES").</p>		Own operations, Upstream
	<p>Risk of increase in KGHM costs as a result of further increases in the prices of energy carriers</p> <p><u>Risk and description of potential effects</u></p> <p>The Group is exposed to risks from external and internal factors, significantly linked to the increase in operating costs due to the rise in prices of energy carriers. In 2024, general uncertainty in the financial markets related to the armed conflict in Ukraine was a factor that could affect the risk exposure. No significantly negative impact on this account was recorded during the reported period.</p> <p><u>Mitigation</u></p> <p>The purchase of electricity is carried out within bilateral contracts, framework agreements or the Polish Power Exchange (TGE).</p> <p>Securing the supply of electricity in various periods and on many levels, using in-house generation, which considerably increases the energy security of the Company. The Group also carries out ongoing activities to optimise</p>		Own operations, Upstream

the rise in electricity costs through, for example, the purchase of energy-saving equipment.

The purchasing policy for electricity and gas fuel has been implemented for years in the framework of the Standing Purchasing Committee for electricity, gas fuel and property rights established pursuant to the Regulation of the President of the Management Board.

Physical climate risk related to adverse climate changes

Risk and description of potential effects

The Group is exposed to climate risk related to the adverse impact of factors resulting from specific events, in particular those related to rapid (acute) and chronic weather events resulting from climate change, such as storms, floods, fires or heat waves as well as permanent changes in weather patterns, which may disrupt the value chain and the business continuity of the Group.

The risk is associated with the changes in the conditions of running business activity or disturbances in the operation of the core production business, resulting from climate changes and adaptation to such changes. Permanent changes in weather patterns as a consequence of climate change may also have the effect of making work more onerous and increasing operational costs directly related to business activities.

Mitigation

More in [Chapter \[E1\] - Climate change \(SMB-3\)](#) and [\[IRO-1\]](#)



Own operations, Upstream, Downstream

Climate risk arising from transitioning to a low-carbon economy that is resilient to climate change.

Risk and description of potential effects

The Group is exposed to risks arising from the necessity for the economy to adapt to gradual climate changes, in particular by using low-emission solutions. The transition risk category includes issues related to legal requirements, how clients and other stakeholders perceive climate issues, technological progress towards a zero-emission economy, as well as changes in demand for and supply of certain products and services whose production has an adverse impact on climate.

Risks relate to changes in business conditions due to climate change and adaptation to these changes in the context of the observed challenges faced by the mining and steel industry.

Mitigation

More in [Chapter \[E1\] - Climate change \(SMB-3\)](#) and [\[IRO-1\]](#)



Own operations, Upstream, Downstream

Risk associated with the ability to store, discharge, sell or manage waste

Risk and description of potential effects

The Parent Entity is exposed to the risk of a lack of sufficient tailings storage capacity at the Želazny Most Tailings Storage Facility. Risk factors involve the management and control of the facility, maintaining the technological regime and meeting environmental requirements. Another source of risk are external factors with respect to administrative bodies and the requirement to obtain the necessary administrative decisions for the functioning of the facility. Some risk exposure is also linked to the possible unscheduled shutdowns resulting from infrastructure breakdowns, which may impact the continuity of operation of the Core Production Business (GCT).

The risk is also related to the increase in waste volume, including the increase in the weight of raw materials processed in the context of content of metals and substances processed to products. The limitation or inability to continue the storage/ management of tailings may result in restrictions or suspension of operations of the entire facility (or a part thereof).

Mitigation

Preventive measures are taken to ensure that all formal and legal requirements are met in order to obtain the required administrative decisions with regard to the implementation of the Želazny Most Tailings Storage Facility expansion project. The monitoring of the implementation of the procedures by offices is carried out and realistic timetables have been developed for the implementation of activities with the involvement of specialised staff and management. At the same time, a number of activities are in progress related to the development of the most optimal and effective



Own operations, Downstream

E2 Pollution

model of cooperation with the local community and other stakeholders in the project.

As part of GCT's operations, work is carried out to upgrade the tailings transport infrastructure and ensure that the layout is adequately backed up with the right technological regime during execution.

Advance preparation of landfills and storage sites that comply with legal requirements is carried out. Segregation of tailings. Research and development work on further ways of using and managing tailings. Ongoing monitoring of waste stocks is carried out in order to comply with the regimes determined by the integrated permits, i.e. within certain limits and specific rules. Waste records, reports, external reporting and compliance assessments are carried out.

Risk of exceeding the permissible emission limits set forth in permits

Risk of environmentally hazardous spills

Risk and description of potential effects

The KGHM Group is exposed to the risk of impact on individual components of the natural environment resulting from the mining activity, followed by its processing at all stages of the production process, which could lead to exceeding of permissible emissions limits. The risk also relates to leakages which can extend beyond the company and result in negative environmental impacts, leading to penalties and compensation for potential environmental damage. The financial effects simultaneously represent the costs associated with investments enabling, among other things, the detection of environmental leakages in multiple locations or the costs associated with the need to stop a leakage, e.g. as a result of an accident and in the extreme case, the costs of shutting down the operation of an installation as a result of an administrative decision. Materialisation of the risk may also adversely affect KGHM's reputation.

Mitigation

The smelter divisions of KGHM Polska Miedź S.A. have been included in the Air Protection Programme (POP) since 2015. In view of the legal requirements in force, KGHM Polska Miedź S.A. has developed the BATAs investment program adapting metallurgical installations to the requirements contained in the BAT conclusions, thereby reducing emissions of pollutants, in particular arsenic emissions. The installations belonging to the Group are obliged to monitor emissions of pollutants to the extent established in the relevant permits, which now also include the requirements of the BAT Conclusions. Emission monitoring allows to confirm that installations are emitting pollutants in quantities admitted by the permits.

Preventive measures include leakage detection kits available at each site, an environmental incident management system and a standard of operations, maintenance and surveillance for facilities management. Relevant equipment standards and leakage detection protocols also apply.

Risk of inability to manage increased mine water inflows

Risk and description of potential effects

The Company is exposed to the risk of natural hazards and force majeure in the form of underground water hazards resulting from breakdowns of the main drainage equipment, human error (actions contrary to the project or technology) or mistaken geological conclusions.

Unfavourable hydrogeological conditions may lead to a reduction in activity (e.g. a reduction in mining) or increased costs associated with, among others, the management of increased water inflows at the Żelazny Most facility. Exposure to risk is increased by climate factors associated with periodic droughts and the low level of the Odra River.

Mitigation

The Company carries out extensive risk mitigation on many levels by, among other things, recognising hydrogeological conditions and water hazards, carrying out a water balance from inflow to mine workings, carrying out mining work in accordance with the technology for safe mining work in underground mines, systematic inspection of workings at risk of water intrusion, controlling the condition of water flow paths and water dams according to a specific schedule. The activities of the Water Hazard Team continue, among other things, with regard to the ongoing assessment of the



Own operations



Own operations

water hazard status for mining works and the adaptation of prevention. Rock mass injection is carried out to reduce inflow and stabilise the layers above the workings. Measures have been taken to adjust the drainage capacity to the expected projected (updated) inflows. A reserve of main drainage pumps is built to maintain operating continuity of the pumping station.

Development of regional pump stations and the piping system, construction of water dams aimed at stopping water inflow, drilling exploratory holes to stabilise uncontrolled water inflow. In order to mitigate the risk, the project entitled "Construction of the main drainage system in the area of the SW-4 shaft" is continued, which should ultimately increase the capacity of mine draining.

Securing access to system functionality and preventing data loss as part of the approach used in the area of IT/OT systems.

Conducting the monitoring of hydro-technical conditions and the technical performance of facilities and infrastructure. Ongoing modernisation, refurbishment, procedure in accordance with the operating instructions. Exploring technological and organisational options for reducing the amount of water retained in the Želazny Most facility and for alternative management of this water. With the current level of underground water inflows, in order to maintain the safety of the Želazny Most Tailings Storage Facility and consequently mitigate risks, water discharges are carried out in accordance with and within the limits of the water rights permits held.

Interruption in the supply of key utilities - industrial water

Risk and description of potential effects

The Group is exposed to the risk associated with the lack of availability of utilities for its operations. Amongst internal factors, the most important involve issues of maintaining operations, utilisation and investments and modernisation work. The potential impacts relate to losses associated with reduced/suspended production. As a result of risk materialisation, industrial water supply interruptions and the inability of water-using installations and units to operate (e.g. cooling of metallurgical units) may occur. The risk is associated with the physical climate risk, which includes risks resulting from the low level of the Odra River. Potential financial losses are related to reduced or suspended production if the risk materialises.

Mitigation

Activities in the framework of the water permit and care for the technical condition of the transmission infrastructure. Reliable design of water networks for new developments, renovations. Safeguarding the operation of water systems during freezing weather. Research and development activities aimed at reducing industrial water consumption. Securing the transmission infrastructure against accidental damage during construction, earthworks (work not directly related to infrastructure maintenance). Emergency procedures including the description of the procedure to be followed in the event of the low level of the Odra River.



Own operations, Upstream

E3
Water and marine resources

Risk related to the lack of availability of required energy sources.

Risk and description of potential effects

The Group is exposed to the risk of lack of availability of utilities, among others, energy carriers for its operations. Potential disruption in the supply of key utilities (mainly energy carriers) is primarily related to risk factors on the part of external suppliers and breakdowns of their distribution infrastructure. Risk is also related to the suspension of delivery of energy carriers as a result of long-lasting droughts, leading to periodically lower water levels in rivers, which could cause restrictions in the operations of power plants belonging to KGHM's suppliers. Amongst internal factors, the most important involve questions of maintaining operations, utilisation and investments and modernisation work. The potential impacts relate to losses associated with reduced/suspended production. Potential financial losses are related to reduced or suspended production if the risk materialises.

Mitigation

Ensuring back-up systems for the supply of critical utilities and on-going assessment of the security of the power network. Conducting investment projects aimed at strengthening energy security. Framework agreements with utility suppliers increasing the security of supplies. Systematic limitation of energy consumption under the implemented, ISO 50001



Own operations, Upstream

	compliant Energy Management System. The planned increase in the efficiency and flexibility of the Group in terms of its Polish and international assets, among others by partially satisfying the demand for electricity from its own sources as well as from renewable energy sources ("RES").	
E4 Biodiversity and ecosystems	Risk of inability to manage increased mine water inflows See above: E3 Water and marine resources	Own operations
E5 Circular economy	Lack of relevant permits for waste collection and treatment, or loss of those already held See above: E2 Pollution	Own operations, Upstream, Downstream
	Risk associated with the ability to store, discharge, sell or manage waste See above: E2 Pollution	Own operations, Upstream
	Risk of inability to manage increased mine water inflows See above: E4 Biodiversity and ecosystems	Own operations

Table 108. Risk associated with the social factors


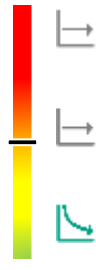
ESRS issue	Risk	Assessment	Place of risk concentration in the value chain
S1 Own employees	<p>Changes in the Changes in Occupational Exposure Limits (OEL) and Maximum Allowable Biological Concentration (MAC) for lead and its inorganic compounds as well as for diisocyanates.</p> <p><u>Risk and description of potential effects</u></p> <p>Risk associated with the published Directive 2024/869 amending Directive 2004/37/EC of the European Parliament and of the Council and Council Directive 98/24/EC as regards the limit values for lead and its inorganic compounds and for diisocyanates. The Directive published new reduced values of hygienic standards for lead. The risk implies, among others, an increase in the costs of providing workers with Personal Protective Equipment, an increase in the costs of monitoring the occupational environment and the costs of adapting the installations of KGHM Polska Miedź S.A. to the new requirements. At the same time, an interim period was established to allow Member States sufficient time to effectively update their production processes and implement the necessary preventive and protective measures.</p> <p><u>Mitigation</u></p> <p>A team was appointed to coordinate the activities related to the preparation of the divisions of KGHM Polska Miedź S.A. for the changes in the hygienic standards for factors hazardous to health. In connection with the amendment to the Directive, the team prepared a new "Programme for the reduction of lead absorption by the employee's body" at the KGHM Polska Miedź S.A. smelters.</p>		

Table 109. Risk associated with the corporate governance factors

ESRS issue	Risk	Assessment	Place of risk concentration in the value chain
G1 Business conduct	<p>Risk of non-compliance with established rules and standards of conduct in the area of anti-corruption</p> <p><u>Risk and description of potential effects</u></p> <p>The Group is exposed to the risk of harmful actions taken by external entities participating in the procurement, sales and investment processes. The threat refers to potential losses by the Group resulting from the intentional actions of external entities, e.g. collusion on prices, the insufficient technical and economic potential of contractors, falsification of documentation, fictional contractors, conflicts of interest. Other important risk factors include threats as regards all types of irregularities related to breaching anti-corruption and ethical standards (such as corruption, conflicts of interest, abuse,</p>		Own operations, Upstream, Downstream

discrimination, illegality, nepotism) and human rights violations (such as child labour, forced labour, modern slavery, womens' rights).

Mitigation

Implementation of the Code of Ethics of the KGHM Polska Miedź S.A. Group as the main tool in the corporate culture of the Group, and other appropriate policies and procedures ensuring the efficiency of implemented principles and values. Application under the Responsible Supply Chain Policy of guarantees of the selection of responsible suppliers, especially in the case of acquiring so-called conflict minerals and ensuring that the goods and services acquired by the Group will not be used to finance terrorism, and that they will be manufactured or provided while respecting human rights, labour standards, environmental protection and counteracting corruption. Proactive monitoring and analysis of procurement processes in terms of identifying abuse and threats of corruption within the organisation and the supply chain, as well as undertaking actions with respect to ethics and counteracting corruption along with the implementation of corrective actions. Internal control with respect to the identification and detection of fraud, abuse and corruption in the Group's entities and prevention of such phenomena based on the Internal Control Procedure in order to eliminate risk at the level of prevention. Compliance management as part of a comprehensive compliance management system. The Group implemented the Anti-Corruption Management System (SZDA) compliant with the ISO 37001 standard, resulting in the adoption of an Anti-Corruption Policy and a number of procedures regulating, inter alia, the principles of handling business gifts, situations bearing the features of corruption or conflicts of interest.

Moreover, the Group has procedures in place with respect to violation of the law resulting from the Act of 14 June 2024 on the protection of whistleblowers in conjunction with the provisions of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of whistleblowers reporting the violation of the Union law.

With regard to the current financial impacts related to the ESG risks described above, expenditure was recorded in 2024 as part of investments and ongoing preventive measures regarding the management of increased water inflows from mines (Tailings Division). The activities were carried out within available financial resources and did not have a material impact on KGHM's financial position, financial performance or cash flows.

At the same time, no material ESG risks have been identified where a significant risk of a material adjustment exists in the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.

The goals of Corporate Risk Management in the KGHM Polska Miedź S.A. Group are consistent with the adopted Strategy of the KGHM Polska Miedź S.A. Group. They are shaped by global megatrends and determine the environmental challenges to be faced by the KGHM Polska Miedź S.A. Group. Risk identification as part of the strategic management process aims to consider the context of the organisation in an integrated way and provide information on the risks associated with the implementation of the Strategy in specific areas. In accordance with the process in place, the Strategy Risk Map is updated annually as a graphical representation of the results of the risk assessment. Identified risks at the strategic level are decomposed into a corporate risk level and a project and program risk level, allowing for effective management of individual risks. As part of the strategic management on the subject of analysing the resilience of the strategy in terms of its counteraction to material ESG risks, it is planned to take into account systematically the results of the dual materiality assessment made over three time horizons (following the approach described in section [IRO-1 Description of the process used to identify and assess material impacts, risks and opportunities](#)). Moreover, it is intended to introduce periodic analysis of information on the impact of ESG trends on KGHM, including information on their potential impact on KGHM's business model.

As part of the corporate risk management process, an element that provides another important tool to enable KGHM to adapt and adjust its strategy and business model to issues associated with material ESG risks are the Adaptation Measures under Stage IV of the process (Analysis and Response). The Adaptation Measures are understood as a change of conduct in the scope of the specific risk management, i.e. organisational, process, system, strategic and other changes aimed at reducing the level of that risk.

The approach applied allows the strategy and business model to be appropriately aligned and updated to address material ESG risks and related activities in this area associated with the selection of the scope of individual strategic initiatives and projects.

Linking receipts to the entity's ongoing strategy and business model

KGHM Polska Miedź S.A. takes into account the impact of its activities on the environment and society in its strategy and business model, aiming at sustainable development in the context of both environmental protection and care for social interests. The Company's positive and negative impact on the environment and society is directly related to the business model that shapes it. At the same time, the Company strategy is developed with the key elements of this model in mind, penetrating through the stages of the value chain. As a result, the business model and strategy remain in a close, dynamic relationship, interacting with each other and forming an interdependent and continuously interacting system.

The strategic planning and strategy development process is preceded by a comprehensive analysis of the environment, impacts, opportunities and challenges, so that the final document responds to these aspects. At the same time, the current shape of the business model as well as the value chain and associated impacts, significantly determine the nature of the strategy.

Table 110. Key aspects related to KGHM's impact on the environment and society

Category/Area	Scope of operations
Sustainable development and decarbonisation	KGHM is committed to green transformation, which is reflected in the Company's strategy. One of the main objectives is to reduce CO ₂ emissions by improving energy efficiency and investing in renewable energy sources. The drive towards decarbonisation is an integral part of the Group's development plans, and the Company is also committed to designing production processes with low climate impact.
Environmental protection	As part of its activities, KGHM is committed to mitigating its negative impact on the environment, including through appropriate management of waste, wastewater and emissions from production processes. The Group implements innovative technologies to reduce the consumption of natural resources and improve energy efficiency. As part of its environmental protection activities, KGHM also undertakes initiatives related to the rehabilitation of post-mining areas.
Community involvement and cooperation with stakeholders	KGHM aims to build sustainable and responsible relationships with stakeholders, including local communities, employees, NGOs, public administration and customers. The Group conducts consultations and engages with local communities, supporting education, health and community initiatives. KGHM organises social support and development programs, including through creation of new jobs, and supports projects to improve the quality of life in the regions where it operates.
Addressing risks and transparency	The Group is committed to transparency and accountability in order to minimise the risks associated with industrial activities and their impact on the environment. The Company regularly reports on its corporate social responsibility (CSR) and environmental impact activities. KGHM cooperates with external organisations and institutions to ensure compliance with environmental and social standards.

Table 111. Analysis of the impacts, both positive and negative, of KGHM's activities by stage in the value chain

Value chain stage	Positive impact	Negative impact
Exploration	<ul style="list-style-type: none"> Effects resulting in expansion of the resource base are a major factor in maintaining/increasing mining levels in the long term. At the same time, the results of exploration determine the level of employment in the Group and in local companies cooperating with the Group. 	<ul style="list-style-type: none"> Exploration basically does not have a significant negative impact on the environment and the local community. In 2024, no habitat disturbance, land erosion, water pollution, dust or noise emissions occurred at the indicated phase. In the longer term, exploration may lead to displacement or impacts on the landscape; however, the Company assesses the risk of their occurrence as low.
Mining	<ul style="list-style-type: none"> Conducting mining, processing and smelting activities in 2024 allowed for maintaining and creating new jobs, both in KGHM and in cooperating companies. The operation of the company therefore directly translates into an economic contribution, supporting local development (e.g. through the expansion of infrastructure by the local government, to which taxes are paid, education of young people - future employees) and national development (e.g. tax on extraction of certain minerals). 	<ul style="list-style-type: none"> The mining and processing of copper ores involves negative environmental impacts. Natural habitats may suffer, which in turn can translate into a loss of biodiversity and the disruption of the population of fauna and flora.
Ore enrichment	<ul style="list-style-type: none"> Copper is the key material in renewable energy technologies such as wind turbines, solar panels and electric vehicles. The development of these sectors is supported by copper mining as it provides the raw material needed for these technologies, contributing to the transition towards a more sustainable energy future. 	<ul style="list-style-type: none"> Copper acquisition can result in the release of heavy metals and other pollutants into nearby water sources. On the other hand, the disposal of mining waste, including flotation waste, can lead to soil degradation.
Smelting and refining	<ul style="list-style-type: none"> The production of electrolytic copper enabled marketing of a top quality raw material with application in many fields, including green transformation projects, electronics or medicine. 	<ul style="list-style-type: none"> The processing and smelting processes used to extract copper from ore can result in the release of air pollutants. In some cases, activities directly and indirectly related to mining may require the clearing of forests for infrastructure development. Deforestation contributes to landscape disturbance, loss of carbon sinks, increases greenhouse gas emissions and has a negative impact on biodiversity. Pollutant emissions are maintained under the relevant environmental permits.

	<ul style="list-style-type: none"> – The by-products of the copper production process (e.g. precious metals, molybdenum, rhenium) offer a range of products that are indispensable to many industries in contemporary economy. – Parallel to its technological activities, KGHM supported initiatives in the area of corporate social responsibility, investing, among other things, in educational or pro-health projects. 	<ul style="list-style-type: none"> – KGHM's technological processes require substantial amounts of energy, which still mainly originates from fossil fuels, translating into the consumption of non-renewable resources. – Furthermore, pollution associated with mining may pose health risks to workers and local communities. – In addition, the dominant role of mining in the region is conducive to reduced economic diversification, which may negatively affect economic stability in the long term.
Processing	<ul style="list-style-type: none"> – The processing of copper into new forms allows a wider range of uses for the raw material by diverse groups of users. – The advancement of processing in KGHM allows access to markets close to the end customer (cooperation with, among others, manufacturers of cables, wires, flat bars and copper profiles). 	<ul style="list-style-type: none"> – During the processing of electrolytic copper into further forms, emissions of pollutants to the environment occur, accompanied by high energy consumption, with coal still prevailing in the energy mix in Poland.
Sales	<ul style="list-style-type: none"> – Sales of the Group's main products in 2024 provided steady, stable revenue allowing high-grade raw material to be made available for a wide range of applications. – Moreover, the company's activities translated into the economic development of the country through the payment of due taxes. 	<ul style="list-style-type: none"> – Logistics associated with the sale of bulk products can have a negative impact on the environment (carbon footprint of transport) or local communities (noise, dust).
Restoration	<ul style="list-style-type: none"> – The overarching goal of restoration is to improve the quality of the environment, at best beyond the framework imposed by regulations. – Responsibly planned and executed reclamation is key to restoring a degraded site and can deliver significant benefits to the natural environment and the local community. 	<ul style="list-style-type: none"> – Introducing plant or animal species as part of restoration can disrupt local ecosystems and pose a threat to natural biodiversity. – Temporary disruptions associated with, for example, the operation of heavy equipment may occur when conducting the work involving restoration processes. Inadequately performed rehabilitation may lead to destabilisation of the ground - land settlement/slumping.

Anticipated financial impact of material risks and opportunities in the context of strategy and governance

The Company, in accordance with its decision, is exercising its option in the current year to omit the disclosure set out in ESRS 2 SBM-3 point 48(e) regarding the anticipated financial impact of significant risks and opportunities on the Company's financial position, financial performance and cash flows in the short, medium and long term, including a reasonably expected time horizon for these impacts.

Significant climate risks and their links with the strategy and business model

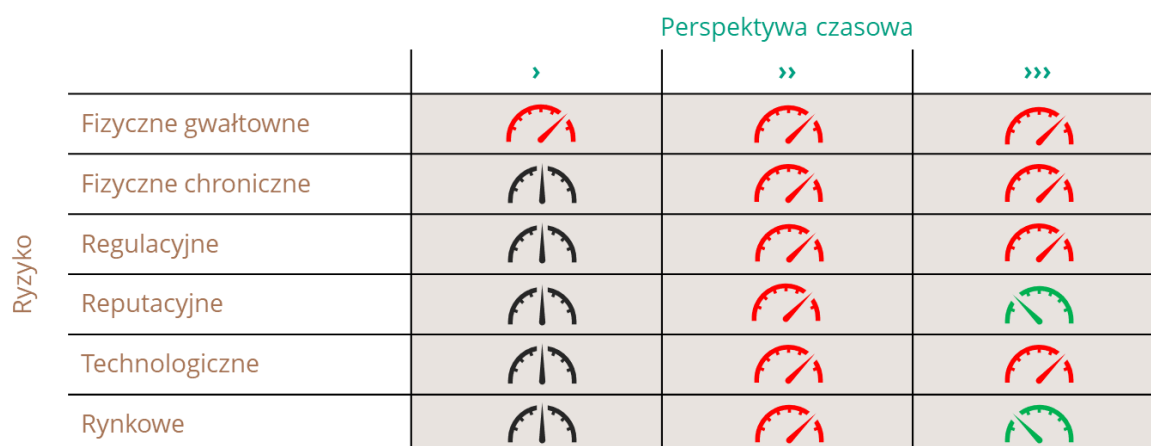
As part of the third stage of the risk management process (Analysis and Response), an in-depth cause-and-effect analysis is carried out, part of which is, among other things, a resilience analysis containing ways of dealing with the risks which, in line with the assumptions of the corporate risk management process, is intended to enable a decision to maintain or possibly change the current management. The directional decision is called Risk Response and, in the case of climate risk, is related to an individual's ability to adapt to the uncertainty associated with climate change, in other words to climate resilience and mitigation of that risk.

The analysis covered all key types of risks identified in the climate risk category associated with the adverse impact of climate change on the activities of KGHM Polska Miedź S.A. The results of the analysis reflect the status as at 31 December 2024, while the analysis was carried out taking into account the three time horizons shown in the table below. The time perspectives applied are adjusted to the scenario analyses used.

Table 112. Time perspectives used in the analysis

Symbol	Time perspective	Period	Years
›	Short	up to 1 year	2025-2026
››	Medium	1 to 5 years	2026-2031
›››	Long	over 5 years	2031-2050

Diagram 48. Potential change in the level of impact of climate risk on KGHM by time horizon



- impact unchanged
- potential increase in impact
- potential decrease in impact

Below a description of the identified key risks in the climate risk category associated with the adverse impact of climate change on the activities of KGHM Polska Miedź S.A. is presented. The table presents detailed information taking into account, among other things, the results of the resilience analysis, including the results of applying the scenario analysis.

Physical climate risk

Table 113. Acute physical risk related to sudden weather events resulting from climate change.

Risk	Description of risks and risk factors	Mitigation																
Acute physical risk related to sudden weather events resulting from climate change.	<table border="1"> <thead> <tr> <th>Temperature risk</th> <th>Water and rainfall risk</th> <th>Wind risk</th> <th>Other</th> </tr> </thead> <tbody> <tr> <td>Heatwaves</td> <td>Accumulated dry days (draught)</td> <td>Strong</td> <td>Lightning</td> </tr> <tr> <td>Very frosty days</td> <td>Heavy daily rainfall</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Thick snow cover</td> <td></td> <td></td> </tr> </tbody> </table> <p> Material (key) risk factors</p>	Temperature risk	Water and rainfall risk	Wind risk	Other	Heatwaves	Accumulated dry days (draught)	Strong	Lightning	Very frosty days	Heavy daily rainfall				Thick snow cover			<ul style="list-style-type: none"> - Monitoring of weather forecasts (also the status of the Odra River). Current readings of water quality status at the Żelazny Most Tailings Storage Facility. Constant maintenance of pumps and the need to maintain reserves. - Ongoing and planned measures to reduce the quantity and improve the quality of industrial water in process circuits. - Ongoing and planned measures to reduce process and mine water in the Żelazny Most Tailings Storage Facility. - Monitoring the compliance of the activities undertaken with the permits issued. - Appointment of task forces and expert teams in the area of counteracting the effects of the materialized 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
	Temperature risk	Water and rainfall risk	Wind risk	Other														
Heatwaves	Accumulated dry days (draught)	Strong	Lightning															
Very frosty days	Heavy daily rainfall																	
	Thick snow cover																	
<p>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 value chain (e.g. utility supply, logistics disruption). In relation to the KGHM core business, the material (key) factors include:</p> <ul style="list-style-type: none"> - days without precipitation (droughts) due to, among other things: potential limitations in access to water for the needs of the core business and the level of the Odra river, which affects the quantity and method of utilising process water; 																		

- strong/violent winds that may cause interruptions in the supply of electricity or other utilities (e.g. as a result of damage to transmission networks).

For KGHM International, the greatest exposure relates to factors associated with very cold days, thick snow cover, heavy daily precipitation, days without precipitation (droughts) and strong/fierce winds. 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.

production continuity and application of crisis response procedures.

- Active search for technical and technological solutions to reduce the negative impact of operations on the climate, including technologies that enable remote control and reduce response times.
- 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 Emergency Mine-Smelter 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.

Chronic physical risk related to permanent changes in weather patterns resulting from climate change

In the scope of corporate risk management process (including the analysis of physical scenarios - medium and high emission), factors have been identified that may cause materialisation of chronic physical risk.

Temperature risk	Water and rainfall risk	Wind 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	

■ Material (key) risk factors

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.

- 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. Planned increase in the efficiency and flexibility of the KGHM Polska Miedź S.A. Group in terms of 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").
- Development of own zero- and low-emission sources in the short and medium term including construction and acquisition of photovoltaic and wind power plants.
- Diversification and the pursuit of sustainable development through the construction of own generation capacity from low-emission sources is also one of the initiatives of the adopted Strategy of the KGHM Polska Miedź S.A. Group.

Transition-related climate risk

Table 114. Transition-related climate risk

Risk	Description of risks and risk factors	Mitigation
Regulatory risk related to changes in legal requirements concerning climate change and adaptation to its effects.	<p>The increasingly stringent legal requirements governing climate change issues can directly and indirectly affect the operations of 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, taking into consideration:</p> <ul style="list-style-type: none"> – Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment - technical criteria for the copper mining and smelting industry for the Sustainable Finance Platform are to be prepared on the basis of the adopted regulation, – Clean Industrial Deal - currently as a general EU policy for European industry to develop into a package of legislation, – EU Action Plan for a Circular Economy - The new EU Action Plan for Circular Economy, as announced by the President of the European Commission, is expected to be adopted by 2029. <p>Closely linked to regulatory risk are the reputational, technological and market risks described in the following section. The costs of complying with the aforementioned legal requirements can therefore relate to both investment and operational expenses related to, inter alia, technology, ensuring the appropriate standards expected and/or required in the market or building the company's image.</p>	<ul style="list-style-type: none"> – 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 participation of KGHM employees in commenting on draft legislation and providing positions and opinions as part of membership of organisations at the national and EU level. – Exercising due diligence in monitoring changes in regulations, reporting standards for greenhouse gas emissions and climate issues and the direction of climate change reported by scientific institutions. – Identification and taking pre-emptive actions in order to adapt to organisational, infrastructural and technological changes.
Technological risk related to the technological progress towards a low-emission economy	<p>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, associated with the core business operation. 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. One of the factors determining the possibility of implementing the developed solutions is the redirection of financial resources in the private and public (subsidy) market, which follows climate targets, which may favour companies quickly implementing pro-environmental innovations (including KGHM's competitors), thus</p>	<ul style="list-style-type: none"> – 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 decarbonization effects in the direct emissions area, will be effected in 2030-2050.

	<p>increasing their competitiveness against KGHM. 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.</p> <p>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.</p>	<ul style="list-style-type: none"> - A key area is the reduction of greenhouse gas emissions from smelting processes that use KGHM's own concentrate. The planned solution in this respect is the construction and commissioning of a carbon capture facility, i.e. a CCS plant. To this end, analyses are being carried out on technologies for capturing carbon dioxide from industrial installations, which are expected to enable significant reductions in its emissions from the Company's smelting processes. In 2024, as a result of technical analyses and study visits to various functioning CO2 capture installations in Europe, a CO2 capture technology that could be used in the smelting processes of one of the divisions of KGHM Polska Miedź S.A. was selected. Work and analysis on the feasibility of implementation continues. - Ability to use external sources of funding/financing for projects and R&D work in the implementation or exploration of new technologies and systems that will reduce the environmental impact of GCT processes through their implementation. - Acquisition and construction of own emission-free electricity generation sources in order to use the electricity produced in them to reduce carbon dioxide emissions in scope 2 and shorten the carbon footprint of final products supplied to the market by KGHM Polska Miedź S.A. (wire rod, cathodes, silver, gold, lead, etc.). - Implementation of projects consistent with the KGHM Strategy, Decarbonisation Program or assumptions of the Energy Transformation in cooperation with both commercial partners and scientific and research centres (domestic and international). - Establish an effective organisational structure within KGHM that ensures comprehensive handling of identified technology risks
<p>Market risk associated with changes in demand for and supply of certain products and services.</p>	<p>The increase in stakeholder expectations and awareness of ESG (including climate) issues raises risks in aligning offerings with these requirements:</p> <ul style="list-style-type: none"> - The possibility of losing part of the market if the adaptation of the offer to the new standards is not effective. - Linked to regulatory risk - an increase in ESG-related regulation (e.g. CO2 emissions, environmental standards, ethical labour standards) can affect companies' ability to offer compliant products. These changes may include new provisions on sustainability, social responsibility or transparency in governance. Companies that do not manage to comply with the new regulations may lose market shares, face financial penalties and encounter difficulties in accessing markets and sources of finance. - Linked to technology risk - high investment and operating costs of sustainable technologies and changes in production processes. - Linked to reputational risk - potential criticism from consumers, investors or the media can affect changes in demand. 	<ul style="list-style-type: none"> - Continuous analysis of stakeholder expectations (e.g. trading partners, investors, financial institutions) regarding ESG issues (including climate and environmental issues) and consideration of these issues in a long-term, strategic perspective. - Alignment with ESG regulations (reporting and reporting, emissions disclosures, ESG certifications at both organisational and individual product level). - Mainstreaming sustainability (including climate change issues) into investment processes. - Monitoring of supply chains on ESG topics. - Education campaigns within the organisation on sustainability and stakeholder engagement to adapt offerings to changing consumer preferences.
<p>Reputation risk related to perception of clients and other stakeholders – how they view the activity of the KGHM</p>	<p>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.</p> <p>Potential difficulties in attracting customers, employees, business partners and investors if the</p>	<ul style="list-style-type: none"> - Care and due diligence in identification of expectations and requirements of external stakeholders concerning the climate and environmental issues. - Establishing commercial and business relationships with entities who declare an attitude of caring about environmental protection and compliance with existing laws in this regard.

Polska Miedź S.A. Group in the context of climate change.	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.	<ul style="list-style-type: none"> – Increasing the 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. – Implemented and improved effective system for resolving sustainable development themes (ESG) in the form of regular meetings of the Sustainable Development Council. – An organisational unit operates in KGHM's structure responsible for ESG issues.
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The goals of Corporate Risk Management in the KGHM Polska Miedź S.A. Group are consistent with the adopted Strategy of the KGHM Polska Miedź S.A. Group. They are shaped by global megatrends and determine the environmental challenges faced by the KGHM Polska Miedź S.A. Group. The Strategy of the KGHM Polska Miedź S.A. Group identifies, among others, the climate objectives related to KGHM Polska Miedź S.A.'s emissions reduction, which are consistent with the Climate Policy of KGHM Polska Miedź S.A., i.e:

- the overarching goal: to achieve climate neutrality by 2050 by the Company, as the parent entity of the KGHM Group, with respect to Scope 1 and Scope 2 greenhouse gas emissions,
- the interim target: to reduce combined Scope 1 and Scope 2 emissions by 30% by 2030 compared to 2020 emissions.

The strategic management process is accompanied by an appropriate risk analysis that takes climate risks into account. Risk identification as part of the strategic management process aims to consider the context of the organisation in an integrated way and provide information on the risks associated with the implementation of the Strategy in specific areas. In accordance with the process in place, the Strategy Risk Map is prepared and presented annually as a graphical representation of the results of the risk assessment. The Strategy Risk Map incorporating climate risks, evaluates the impact of the climate change risks identified in KGHM on the individual strategic areas over the three time horizons within the scenario analyses used. The approach applied allows the strategy and business model to be appropriately aligned and updated to climate change and related activities in this area associated with the selection of the scope of individual strategic initiatives and projects.

Identified risks at the strategic level are decomposed into a corporate risk level and a project and program risk level, allowing for effective management of individual risks. As part of the corporate risk management process, an element that provides another important tool to enable KGHM to adapt and adjust its strategy and business model to climate change are the Adaptation Measures under Stage IV of the process (Analysis and Response). The Adaptation Measures are understood as a change of conduct in the scope of the specific risk management, i.e. organisational, process, system, strategic and other changes aimed at reducing the level of that risk.

Significant impacts, risks and opportunities and their links with the strategy and business model in the area of biodiversity

The KGHM Group, when embarking on an analysis of its material impacts, risks and opportunities and their interrelationship with its strategy and business model, identified biodiversity-sensitive areas in the vicinity of which the

Group conducts business. The identification of the sites in question was based on the definition of the term 'biodiversity sensitive areas' in the ESRS standard.

Areas of high natural habitat or landscape value, covered by various forms of protection schemes, are located from a few to over a dozen kilometres away from the Group's operating sites, amongst which it is worth noting the following:

Nature 2000 Special Bird Protection Areas:

- "Łęgi Odrzańskie" PLB020008 (11 km - Tailings Division, 2 km - Cedynia Wire Rod Plant, 7 km - Głogów Copper Smelter and Refinery, KGHM Metraco S.A., "Energetyka" Sp. z o.o.).

Nature 2000 Special Habitat Conservation Areas:

- Kozióróg in Czarna PLH020100 (2.7 km - Głogów Copper Smelter and Refinery, KGHM Metraco, "Energetyka" Sp. z o.o.),
- "Łęgi Odrzańskie" PLH020018 (11 km - Tailings Division, 2 km - Cedynia Wire Rod Plant, 7 km - Głogów Copper Smelter and Refinery, KGHM Metraco S.A., "Energetyka" Sp. z o.o.).
- "Pątnów Legnicki" PLH020052 (9 km - Legnica Copper Smelter and Refinery, KGHM Zanam, KGHM Metraco S.A., "Energetyka" Sp. z o.o.).
- Tarnowskie Góry-Bytom Underground Area PLH240003 (13.5 km - Walcownia Metali Nieżelaznych "Łabędy" S.A.)
- Ponds in Brzeszcze PLB120009 (4.6 km - Nitroerg S.A.)
- Mała Panew Valley PLH160008 (0.5 km - Nitroerg S.A.)

Nature reserves

- Buczyna Jakubowska (within the licensed area of the Polkowice-Sieroszowice Mine),
- Uroczysko Obiszów (within the licensed area of the Polkowice-Sieroszowice Mine),
- Żukowskie Śnieżyce (within the licensed area of the Rudna Mine),
- Skarpa storczyków (approx. 1 km - the Cedynia Wire Rod Plant),
- Dalkowskie jary (6 km - Głogów Copper Smelter and Refinery).

Nature and landscape conservation areas

- Grodowiec (within the licensed area of the Rudna Mine),
- Guzicki Potok (within the licensed area of the Rudna Mine),
- Trzebcz (within the licensed area of the Rudna Mine),
- Dąbrowa Forest (4 km - Walcownia Metali Nieżelaznych „Łabędy” S.A.)
- Żubrowisko (5.8 km - Nitroerg S.A.)

Ecological sites

- Łęgi głogowskie (former protection zone of the Głogów Copper Smelter and Refinery)
- Glinki in Lasek Złotoryjski (1 km - Legnica Copper Smelter and Refinery, KGHM Zanam, KGHM Metraco, "Energetyka" Sp. z o.o.)
- Lena (in the vicinity of areas managed by the Tailings Division)
- Jedlina Ponds (4 km - Nitroerg S.A.)
- Paprocany (7.1 km - Nitroerg S.A.)
- Animate and inanimate nature monuments (all divisions)

Parks (North America):

- Ward Charcoal Ovens State Historical Park (22.5 km - RNMC)
- Cave Lake State Park (19 km - RNMC)
- Wanapitei Provincial Park (8 km - Sudbury: Podolsky Mine)
- Windy Lake Provincial Park (3,2 km - Sudbury: McCreedy West Mine, 5,6 km – Sudbury – Levack Mine)
- Fairbank Provincial Park (7,1 km - Sudbury: Victoria Project)
- McConnell Lake Provincial Park (10 km – Ajax)
- Lac Du Bois Provincial Park (17 km – Ajax)
- Tonto National Forest (neighbouring with Carlota)

Operations of KGHM Polska Miedź S.A. and protected areas

The KGHM Group's activities can be divided into the following areas, which differ in terms of their potential dependencies and impacts on the ecological status of the areas comprising:

- Areas of underground mining activities - mining activities with negligible impact on biodiversity status due to limited conversion of land to industrial use. Shafts and their accompanying infrastructure have been operating in a confined

- area for many decades. The spoil created during their construction is waste rock, which has no hazardous properties. Underground mining activities are carried out in Poland and Canada (Sudbury basin, Victoria project).
- Areas of open pit mining activities - mining activities with limited impact on biodiversity. Its impact is related to the physical transformation of the areas where mining takes place and the occupation of space for the storage of waste rock. Potentially negative impacts that exclude specific areas from current use may favour the creation of new habitat types, e.g. through reclamation or natural succession of landforms or the creation of convenient nesting sites (e.g. the disused workings of Robinson Mine have been used as breeding sites for golden eagles). The activities in question are carried out in Canada, the USA and Chile. In addition, in order to minimise the negative impacts of underground mining on the land surface, there is mining activity in Poland (Lubin district, Lower Silesia voivodeship), involving the open-pit mining of sand, which is used to backfill disused pits.
 - Areas of copper ore processing activities, including tailings storage - ore processing activities generate significant amounts of tailings. These are collected at the Mining Waste Disposal Facilities. The KGHM Group manages such facilities. The leading facility of this type is the Żelazny Most Tailings Storage Facility recently extended with the so-called South Quarters. The expansion was carried out on forested land, necessitating compensatory measures - this issue is described in detail in ESRS section [IRO-1 Description of the process used to identify and assess material impacts, risks and opportunities](#). The tailings activity involves the operation of a production infrastructure that is used to crush and flotation or leaching of metal-containing compounds. The flotation processes carried out in Poland, as well as at Robinson Mine, are carried out in plants whose location has not changed for many decades. Operations at the Carlota mine, carried out by leaching copper on heap leach pads, do not generate the need to occupy new land, beyond that used by open-pit mining.
 - Metallurgical activity areas - due to the complexity of the technological processes and their nature, require the occupation of relatively large areas. Smelting operations also generate some quantities of waste subject to disposal by landfill. This type of activity is carried out by KGHM at two locations - the Głogów Copper Smelter and Refinery and the Legnica Copper Smelter and Refinery. KGHM's efforts to minimise its waste footprint are outlined in [section \[E5\] Use of resources and circular economy](#). Metallurgical activities generate pollutants with the potential to affect biodiversity. Efforts to mitigate this aspect of KGHM's operations are described in detail in [sections E1](#) and [E2](#).
 - Copper processing - activities involving the smelting of copper and the production of semi-finished copper products are carried out at the Cedyňa Wire Rod Division and the Łabędy non-ferrous metals smelter. Due to the processing of raw materials with a high Cu content (more than 99.95 % Cu), the absence of refining processes and the use of natural gas and electricity as energy carriers, the activities carried out at these plants do not have a significant impact on biodiversity. In addition to the above-mentioned activities, within the KGHM Group, emissions generated in the energy sector could have a potential impact on biodiversity. The successive investments to reduce atmospheric emissions, the effects of which are described in [sections E1](#) and [E2](#), were assessed as not having a significant impact on the natural world. Other business operations carried out in the KGHM Polska Miedź S.A. Group were considered negligible from the point of view of impact on biodiversity.

The Domestic Companies of the KGHM Group carried out an inventory of sites where risk-causing substances have been identified whose concentrations exceed regulatory standards. The land has been notified to the competent authorities. Measures have also been taken to prepare and agree remediation plans. The issue of land degradation is discussed in detail in ESRS E2 in the section on soil contamination.

The activities of KGHM that contribute to desertification have not been identified.

Sealing of soils used by the KGHM Group's entities is caused by:

- mining use, which has resulted in, among other things, the creation of waste rock dumps,
- ore processing activities, resulting in the need to store significant amounts of tailings at adapted mine waste facilities,
- metallurgical activities, generating waste and the need to occupy land for production infrastructure.

It should be noted that in some cases soil sealing is a desirable and legally required phenomenon. It serves to protect the soil and water environment from the migration of contaminants. The measures in question apply, among other things, to the construction and expansion of landfill sites and storage areas, warehouses and production facilities. Relevant provisions on the necessity of securing sealed surfaces can be found in the applicable KGHM technical guidelines and administrative decisions (e.g. integrated permits).

The operations of the KGHM Group's companies have or may have an impact on endangered species such as the golden eagle and sharp-tailed prairie eagle (Robinson Mine, Nevada State, USA) and the peregrine falcon. KGHM's activities can have both negative (interference with habitats, physical hazards generated by transport) and positive (anthropogenic habitats) impacts. A detailed description of impacts that mitigate adverse impacts and support beneficial impacts is included in [section E4-3](#).

[IRO-1] Description of the process to identify and assess significant impacts, risks and opportunities

As part of the implementation of the double *materiality* assessment process, a detailed analysis of sustainability issues was carried out in accordance with the guidelines contained in the “Double Materiality Implementation Guide” developed by EFRAG (European Financial Reporting Advisory Group). The process consisted of four basic stages:

- Stage 1 - Understanding the context of the organisation and identifying topics for analysis
- Stage 2 - Identification of actual and potential impacts, risks and opportunities related to sustainability issues
- Stage 3 - Assessment and identification of significant impacts, risks and opportunities related to sustainability issues
- Stage 4 - Preparation of the final list of impacts, risks and opportunities and its approval by the Management Board of the Company.

Stage 1 - Understanding the context of the organisation and identifying topics for analysis

The following activities were carried out as part of this stage:

1. Analysis of activities of the KGHM Group and its business relationships

Analysis of the KGHM Group’s Strategy, business model, production process and key policies in the area of sustainable development

The analysis of the mission, vision and strategic development directions of the KGHM Group was carried out, including the key assumptions and main objectives contained in the Strategy. The analysis also takes into account the key achievements of the KGHM Group in terms of implementation of its strategic development activities in 2023.

The analysis of the business model and production processes was carried out for KGHM Polska Miedź S.A. and KGHM INTERNATIONAL LTD. whose activities are based on ore management (exploration and identification and ore mining), processing (ore enrichment, smelting and refining, processing) as well as sales and trading.

The highly integrated value chain of the KGHM Group was analysed, where the end product of one technological phase is the input (intermediate product) used in the next phase. This chain comprises activities in areas ranging from exploration, searching and sourcing of raw materials, through extraction, production, transport, delivery to customers and stakeholders, up to responsible waste management.

The KGHM Group's key policies on environmental protection, social responsibility and corporate governance were analysed.

Analysis of the entity's activities, key products and services and geographical locations

The key activities of the KGHM Group are based on the mining, processing and sale of a wide range of products, the most significant of which are copper cathode, copper wire rod, silver, copper concentrate, molybdenum concentrate, gold, nickel copper ore and TPM, oxygen-free copper wire, ETP/OFE nuggets, sulphuric acid and refined lead. These products have important application in various industries such as energy, automotive, electronics and construction.

The materiality analysis included not only the identification of key products and services, but also their link to relevant geographical locations, markets served and key business relationships, including how own operations impact the environment and society.

Detailed information on the product groups offered, markets served and business relationships can be found in [section \[SBM-1\] Strategy, business model and value chain](#).

Mapping of the entity's business relationships and value chain upwards and/or downwards, including the type and nature of business relationships

Activities in this area included:

- Analysis of the domestic and foreign companies of the KGHM Group in the context of their role in the value chain and the nature of their links with other entities within and outside the Group.
- A breakdown of the analysis by the Group's main business types, which enabled an understanding of the impact of individual elements of the business. The analysis included:
 - Purchasing data on key raw materials, products and services, including direct business relationships with suppliers and the geographical locations from which key supplies are sourced.
 - As part of downstream: identification of key customers of Group companies, the destination of KGHM Group's products and the main categories of waste generated by the companies.

2. Other background information

A market analysis and a review of relevant information about the company and its business environment was carried out, focusing on sustainability aspects. The analyses included:

- Analysis of the current sustainable development practices applied in the KGHM Group
- Preparation of a benchmark which was based on the analysis of publicly available strategies, reports and publications on competition and the market environment of the KGHM Group

This analysis was based on the following documents and indicators:

- Responsible Mining Foundation (RMF) Report, 2022
- EY report - Top 10 business risks and opportunities for mining and metals, 2024
- MSCI World Metals and Mining Indices and MSCI ESG Industry Materiality Map
- SASB Metals & Mining industry report, 2014 and the SASB standard for the Metals & Mining sector
- ISS Governance publication: Copper or Robber: Supply Risks and ESG Issues
- ESG strategies of selected commodity, metallurgical and industrial companies, including global leaders in the scope of copper, wires, industrial materials and metal mining and processing

3. Stakeholder understanding

The KGHM Group carried out the stakeholder mapping process aimed at identifying key stakeholder groups and conducting a dialogue to enable their opinions to be taken into account in the materiality assessment, reporting and decision-making processes in the area of sustainable development. A detailed description of this process is provided in [section SBM-2](#).

Stage 2 - Identification of actual and potential impacts, risks and opportunities related to sustainability issues

Due diligence in the process of identifying impacts, risks and opportunities, and in the selection of topics relevant to the sustainability reporting of the KGHM Group, based on the ESRS guidelines, has taken into account the stakeholder perspective gained from the framework:

- Conclusions collected by the substantive units of the KGHM Group based on reviews, reports and statements resulting from the systematic dialogue with stakeholder groups.
- Conclusions from the review of the publicly available whistleblowing channels that the KGHM Group regularly monitors to identify key issues.
- Dedicated survey of the stakeholder perspective of the KGHM Polska Miedź S.A. Group, carried out by an external consulting company.

Continuous dialogue with selected stakeholder groups

In order to develop a list of subjects of importance for stakeholders, available reports and statements collected by the KGHM Group as part of its continuous dialogue with employees, investors and local communities were used, including:

- Condensed comments provided by KGHM Group's IR Team, including conclusions from meetings with investors, representatives of investment funds and rating agencies.
- Conclusions of the KGHM Group employee engagement survey.
- Lessons from dialogue with local communities.

In the KGHM Group, local communities represent an important stakeholder group. Due to the differences in management structure between domestic and foreign assets, the dialogue with this group is divided into:

- Domestic assets - ESG coordinators have been appointed within the subsidiaries to provide information on dialogue with local communities, taking into account the specific activities of each company.
- International assets - all information regarding the dialogue with foreign stakeholders is provided in cooperation with the ESG Coordinator in International Assets and the Human Resources Department in International Assets. Dialogue with the local communities of the international companies is carried out on an ongoing basis, based on permanent communication and cooperation in the area of environmental and social aspects in the locations of the KGHM Group's operations. These activities include, but are not limited to: permanent cooperation with indigenous peoples, participation and support in the organisation of a range of local socio-cultural initiatives, the exchange of knowledge and experience with a view to expanding each other's traditions and culture, the provision of training.

Whistleblowing channels

The KGHM Group places particular importance on stakeholder relationship management, based on the principles of dialogue and transparent communication that take into account their needs and ensure equal access to information.

Accordingly, in its daily operational activities, the KGHM Group provides access to a variety of channels for reporting concerns and irregularities that can be used by different stakeholder groups, including:

- The Confidential Whistleblower Form (online), available at: <https://formularzsygnalisty.kghm.com/report>, enabling the reporting of irregularities occurring in KGHM Group Companies, both anonymously and personally.
- Dedicated email addresses: liniaetyki@kghm.com, antykorupcja@kghm.com.
- Anonymous phone line: +48 76 74 80777 - call recording available 24 hours a day, 7 days a week.
- For notifications outside Poland:
 - North America and Canada: +1 866 921 6714, kghm@integritycounts.ca
 - Chile: +56 123 0020 3914, kghm@integritycounts.ca
 - China: +86 186 1639 3022, antykorupcja@kghm.com
 - Russia: +48 76 747 8282, antykorupcja@kghm.com

Notification of mining damages

Proceedings on compensation for damage shall be initiated on the basis of a written application by the affected party submitted to the relevant KGHM mine. In emergency situations where the health, life or property of a victim is at risk and immediate remedial action is necessary, a telephone call can be made.

Regular review and analysis of the information obtained through the above-mentioned breach reporting channels leads to the formulation of conclusions and their evaluation. The data obtained is taken into account in the process of identifying and assessing the impacts, risks and opportunities (IRO) of the KGHM Group.

Stakeholder opinion survey

The stakeholder survey was carried out using the following methods:

- Questionnaires - in two versions: longer and shorter. Participants of the survey included management board members of subsidiaries in the KGHM Group in Poland and abroad, ESG coordinators in subsidiaries, customers and suppliers, banks and insurance institutions, representatives of public administration at the local level, representatives of the local community, schools and universities, and the media.
- Individual interviews - with experts, representatives of industry organisations, community organisations and foreign clients.
- Online focus group meetings - with representatives of key stakeholders, including experts, representatives of industry organisations, community organisations and foreign clients.

The stakeholder survey process included the perspective of all stakeholder groups (key and other), with the exception of competitors. For selected stakeholder groups, questionnaires were used, in other cases interviews were conducted, focus group meetings were organised or the conclusions of the KGHM Group's ongoing dialogue were used.

Reference to the list of sustainability issues contained in ESRS Standard 1, paragraph AR16

In its analysis, the KGHM Group took into account the list of sustainability issues contained in ESRS 1, paragraph AR16. As a result of the analysis, the KGHM Group has not identified any material sustainability issues that are not covered by the indicated list.

Stage 3 - Assessment and identification of significant impacts, risks and opportunities related to sustainability issues

Impact materiality assessment

In accordance with the requirements of the ESRS standards, the KGHM Group carried out the materiality assessment from two perspectives: impact materiality and financial materiality separately, and it subsequently discloses both information material to both perspectives and information relevant only to one of them.

To analyse the double relevance of sustainability issues, a series of evaluation workshops was held:

- Actual and potential impacts on people and the environment in the context of the themes and sub-themes identified in the list of sustainability issues contained in ESRS Standard 1, paragraph AR16.
- Risks and opportunities of the KGHM Group related to social, environmental and organisational governance issues identified in the ESRS standard.

The perspective of the key elements of the Group's value chain was taken into account in the analysis of the individual issues, with those areas considered to have the greatest impact on the Group's business operations and an increased risk of adverse impact. The analysis was focused on the areas of greatest strategic and operational importance, taking into account aspects of business relationships, geographical areas as well as potential environmental, social and corporate governance risks, in particular:

- Supply chain (including the raw materials/products and services most significant for the Group's business model).
- The Group's own operations (including mining, smelting, refining and processing for domestic companies and for the operations of international companies).
- The impact of the Group's downstream activities (contractors).

When analysing the value chain, all key stages of business and collaboration with other actors in the value chain were taken into account. Particular attention was paid to identifying significant negative impacts on environmental social and corporate governance issues, in line with the principle of prioritising key issues.

The sources of information on impacts in the value chain used in the materiality analysis of impacts included:

- Expertise and experience of the Head Office substantive units dedicated to customer relations (Commercial Division), which have knowledge of the level of compliance of customers with the KGHM Group's expectations in the scope of ESG issues. These units mainly rely on information declared by suppliers in their responses to KGHM's questions on ESG issues related to declarative statements. Currently the KGHM Group does not audit its suppliers.
- The activities of the ESG Department, which since its creation has taken over some of the dialogue related to ESG issues. The dialogue in this regard is bilateral - counterparties and customers define and present their goals and standards, while the KGHM Group presents its requirements and expectations. In particular, this applies to large business entities such as customers, rating agencies, investors, financial institutions, suppliers, state-owned companies or subsidiaries operating mostly for KGHM.
- Assessments in ratings (e.g. EcoVadis, MSCI ESG Industry Materiality Map) and the conclusions of the assessment carried out by an independent third party for The Copper Mark certification (<https://coppermark.org>).
- Expertise of the ESG Department and an external consulting firm specialising in ESG issues, which provided substantive support to KGHM in the analysis of impacts.

Materiality of impacts

In its analysis of impacts, risks and opportunities, the KGHM Group has included the likelihood of occurrence of a given impact/influence with a breakdown into time horizons

- short-term (up to 1 year),
- medium-term (1 to 5 years),
- long-term (over 5 years).

The adopted time horizons are consistent with those presented in the financial statements.

Impact severity

The severity of an impact refers to the scale, extent and nature (reversibility) of the impact concerned. During the workshop, each aspect was analysed according to the following criteria:

Scope of impact

The geographical extent of the impact and the universality of the impact was assessed at all stages of the KGHM Group value chain, applying the following scale:

- 1 - No noticeable environmental, social or economic impact occurs. The activity or process does not generate consequences that are material to stakeholders.
- 2 - Impact limited to the specific, limited geographical area (e.g. city, municipality, region). Consequences affecting local communities or at a particular business location.
- 3 - Impact that is perceived at the national level and has material economic, environmental or social significance on a national scale.
- 4 - European impact - Impact beyond Poland, but limited to the countries of Europe.
- 5 - Global impact - Impact that comprises the whole world or is of global significance.

Scale of impact

Scale of impact means the effects of an impact (both negative and positive), such as the damage caused to the natural environment, the number of people affected by an impact, the effects on particular stakeholder groups or individuals (ESRS 1 Appendix A, AR 10). The following qualitative thresholds were adopted for the assessment of the scale:

- 1 - None - no impact / not applicable
- 2 - Low scale - minimum impact (low intensity impact)

- 3 - Moderate scale - moderate effects of the impact (medium intensity impact; analysed against other impacts that were discussed during the workshop)
- 4 - High scale - severe impact (high intensity impact)
- 5 - Very high scale - very severe impact (very high intensity impact)

Reversibility of impact

The reversibility of an impact refers to the possibility and level of difficulty in reversing the negative consequences of an impact concerned. The reversibility analysis refers to the exclusion of negative impacts and is classified according to a five-point scale:

- 1 - Not applicable
- 2 - Easily reversible - can be reversed with minor effort and within a short period of time
- 3 - Moderately reversible - requires a moderate amount of resources and a longer period of time
- 4 - Difficult to reverse - requires significant investment and a long period of time
- 5 - Irreversible - causes permanent, irreversible losses or damages

Likelihood of impact

Likelihood of impact means an assessment of whether the impact:

- Materialised (marked as real)
- May occur in the future (marked as potential)

The assessment refers to the impacts identified in the entire key value chain of the KGHM Group, taking into account both domestic and international companies.

For potential impacts, the assessment was carried out using a five-point scale:

- 1 - very low likelihood
- 2 - low likelihood
- 3 - medium likelihood
- 4 - high likelihood
- 5 - very high likelihood

The assessment was broken down by time horizon:

- Short-term (0 to 12 months),
- Medium-term (1 to 5 years),
- Long-term (over 5 years).

Determining the materiality and cut-off thresholds

The materiality threshold was set at 50% of the maximum score in each impact category, for both potential and actual impacts, in positive and negative terms.

This approach strikes a balance between identifying significant issues and eliminating less significant factors to effectively manage risks and opportunities. The cut-off threshold adopted reflects best practice in impact assessment and allows a consistent comparison between different aspects of the activity.

Prioritisation of impacts

The sum of the impact severity and impact likelihood scores determines the prioritisation of impacts considered within the ESRS topics concerned.

Monitoring of impacts

The individual impacts considered in the double materiality test are monitored individually by the substantive units responsible for the area concerned, in accordance with the responsibilities assigned in the Organisational Regulations. The frequency of monitoring varies according to the topics or sub-topics identified by the ESRS.

Quality filter

In order to ensure that no significant impact was overlooked when applying the quantitative impact assessment method, all identified impacts were additionally subject to a qualitative analysis based on a substantive, subjective assessment and the experience of specialists, with additional qualitative arguments reflecting the nature of the Group's activities.

Where an impact met the materiality criterion in the quantitative analysis, but was not reflected in the nature of the Group's business, it was omitted from the report as an irrelevant topic from an information value perspective.

Description of the process used for identification and assessment of material risks

Considering the importance that ESG risk may have for the Company and its environment, KGHM Polska Miedź S.A. considers it as an integral part of the process of Corporate Risk Management of the KGHM Polska Miedź S.A. Group, including:

- a description of the decision-making process and related internal control procedures,
- the way the entity assesses the likelihood, magnitude and nature of the effects associated with the risks identified,
- input parameters, data sources and assumptions used as part of risk identification and assessment.

Diagram 49. Management of sustainable development risk



The corporate risk management process in the KGHM Polska Miedź S.A. Group consists of four stages: (I) Context definition, (II) Identification and Assessment, (III) Analysis and response, (IV) Monitoring and communication. From the perspective of the consideration of ESG risks the second step of key importance should be indicated, where ESG risks are also considered in the risk identification and assessment, which, due to their broad and complex scope covering many areas related to the environment, society or corporate governance, are not understood as a separate risk category or subcategory, but as a factor that can affect one or more risks. Moreover, each identified corporate risk is assessed in terms of its multiple impacts in order to identify its potential impact as widely as possible, e.g. reputation and stakeholder, environmental, regulatory and legal, health and safety. As part of the third stage and in-depth cause and effect analysis, issues related to ESG risk factors are also taken into account in order to develop ways to mitigate against the individual factors and consequently manage ESG risks effectively.

The assessment of financial materiality was performed using the corporate risk management process in place in the KGHM Polska Miedź S.A. Group and taking into account the results of the materiality impact assessment.

Assessment process

The following steps were included in the financial materiality assessment process to identify, assess, prioritise and monitor material risks:

- Sustainability issues were identified as part of the identified corporate risks:
 - corporate risks identified within the KGHM Group (including as part of international assets) were used for the analysis,
 - within the individual categories/subcategories of the Risk Model of the KGHM Polska Miedź S.A. Group, sustainability issues were identified - assignment of a given corporate risk to the specific topic/subtopic within the ESRS (analysis comprising all topics/subtopics).
- A determination was made as to whether the risks assigned should be analysed in the context of financial materiality (impact of climate change and sustainability issues on KGHM) and/or impact materiality (impact of KGHM on people and the environment). During the work, the linkages of impacts and relationships with risks were taken into account:

- as part of the analysis of the impact assessment results, taking into account sustainability issues, it was verified whether the identified impact should also be attributed a risk meeting the criteria of financial materiality,
- at the same time, it was verified whether a new risk not yet identified should be identified in connection with the identification of the impact concerned.

Likelihood of risk occurrence

For corporate risks included in the financial materiality analysis, a likelihood and financial impact rating was performed for KGHM on a scale of 1 to 5:

- the assessment of likelihood in a short-term perspective was transferred from the assessment of the respective corporate risk or consolidated risk (if the risk is consolidated at the KGHM Group level) and an assessment of the trend in the medium and long term was performed.
- time horizons consistent with the methodology adopted in the materiality impact assessment were adopted:
 - short-term (likelihood/uncertainty up to one year),
 - medium-term (likelihood/uncertainty within the perspective of one to five years),
 - long-term (likelihood/uncertainty within the perspective over five years),
- a scale of likelihood of materialisation of a given risk consistent with the approach used in corporate risk management was adopted:
 - 1 - very low likelihood
 - 2 - low likelihood
 - 3 - medium likelihood
 - 4 - high likelihood
 - 5 - very high likelihood

Assessment of financial impact

The assessment of the financial impact has been transferred from the assessment of the respective corporate risk or consolidated risk (if the risk is consolidated at the KGHM Group level), The scale of financial effects in the case of materialisation of a given risk consistent with the approach used in corporate risk management was adopted:

- 1 - very low financial effect for the organisation,
- 2 - low financial effect for the organisation,
- 3 - medium financial effect for the organisation,
- 4 - high financial effect for the organisation,
- 5 - very high financial effect for the organisation.

Quantitative threshold and identification of material risks

Based on the assessment performed, risks relevant to financial materiality were identified:

- quantitative threshold adopted: probability and financial impact score ≥ 3 or probability < 3 and impact ≥ 4 ,
- taking into account the qualitative assessment resulting, inter alia, from the information contained in the Risk Cards or interim reports of the entities,
- the approach applied is consistent with the corporate risk management process in place in the KGHM Polska Miedź S.A. Group.

No higher or lower priority risks were identified within the risks assessed and recognised as material, in line with the corporate risk management approach used and adopted for the financial materiality assessment. All material risks are equivalent for KGHM.

Results of the financial materiality assessment represented the element of the decision in the selection of material topics. The list of risks was revised by the Management Board of KGHM Polska Miedź S.A. in consultation with the top management.

Criteria for assessing the materiality of ESG opportunities for materiality analysis according to the ESRS reporting standard

Assessment process

The selection of material opportunities in the double materiality analysis was based on the process of reviewing the strategic initiatives proposed in the strategic workshops conducted during the work on the Group's strategy update - in H2 2024. Using the knowledge and experience of the teams responsible for each business area, including the Company's top management, combined with analysis of financial data, stakeholder consultation and thematic workshops, a list of

strategic issues/initiatives was specified in detail and classified according to ESRS themes, assigned to the relevant strategic areas and directions proposed from the updated strategy, and assessed the nature and scale of their financial impact on the Group, as well as the likelihood of the opportunity being realised in the short, medium and long term.

Review of strategic initiatives and objectives:

- Identification of the issue in the context of ESRS topics and sub-topics.
- Assigning a person responsible for analysing and implementing activities related to the opportunity concerned.
- Determining whether and how the topic concerned can benefit the organisation, e.g. increased revenue, improved reputation, cost savings.

Assessment and nature of the financial impact

The nature of the financial impact was assessed by:

- The analysis of the impact of the opportunity on the company's financial performance, e.g. increased revenue, reduced costs, resulting from the innovation implemented.
- Financial impact (PLN): an estimate of the order of magnitude of the potential financial benefits arising from the opportunity concerned (e.g. annual savings).

Likelihood of materialisation of the opportunity

Likelihood of materialisation of the opportunity was analysed in three time perspectives. Both the probabilities and time horizons for assessing opportunities correspond to the criteria for assessing impacts.

Final Opportunity Assessment

The final assessment of the opportunity (significant/insignificant) and the decision on the importance of the opportunity for the organisation, was performed on the basis of the financial impact and an expert assessment of the likelihood of implementation, taking into account currently available technologies and capabilities. The limit of the minimum financial impact of the opportunity was assumed at a level similar to the assessment of the financial materiality of the impact of social and environmental issues on the KGHM Polska Miedź S.A. Group.

An important point to note is the specific nature of the industry and its long-term projects, the long preparation period - analysis, geological studies, environmental impact, feasibility studies, exploration, etc. For this reason, potential opportunities with a time horizon of five years and above were not rejected, which were assessed to have a low or moderate/average probability of materialisation, but their estimated financial impact was significant.

The potential opportunities identified for the topic of decarbonisation and energy efficiency critical for the Group were reassessed by the top management responsible for the Company's energy transition. Number of identified significant opportunities subject to disclosure: 21.

Stage 4 - Preparation of the final list of impacts, risks and opportunities and its approval by the Management Board of the Company.

Once the list of impacts, risks and opportunities was identified, the consultations with the Management Board and the Top Management were carried out to approve the IRO. During the discussion, the results of the double materiality analysis were presented. All comments and observations made were taken into account and the final version of the list was approved.

Description of the processes for identifying and assessing material climate-related impacts, risks and opportunities

As part of establishing the processes for identifying and assessing significant climate-related impacts, risks and opportunities, an analysis was conducted covering key aspects of the KGHM Group's operations.

The analysis took into account the decarbonisation plan, reduction targets and emissions generated along the value chain (upstream, downstream). The energy policy with its objectives was analysed, as well as the climate policy assumptions and the energy strategy for the development of renewable energy in the Company. Particular emphasis was placed on identifying the impacts of activities on climate change, including greenhouse gas emissions (in line with the GHG Protocol). This included direct and indirect emissions (Scope 1, 2 and 3), covering the entire KGHM Group's operations.

Preventing and minimizing the environmental and climate impact and rational management of natural resources is of fundamental importance for KGHM Polska Miedź S.A. in respect to sustainable development, satisfaction of stakeholder expectations and accountability to future generations.

At the same time, KGHM Polska Miedź S.A., as an organisation aware of the impact of climate change on business activity, has fully integrated the Climate Risk Management process with the Corporate Risk Management Process of the KGHM Polska Miedź S.A. Group. As a result of these measures, KGHM identifies a new category: climate risk, with importance equivalent to other main risk categories in the Company, i.e. value chain, technological, external, internal and market risk.

The corporate risk management process in the KGHM Polska Miedź S.A. Group consists of four stages: (I) Context definition, (II) Identification and Assessment, (III) Analysis and response, (IV) Monitoring and communication. The critical stages in the recognition of climate risks include the first stage (scenario analyses as part of Context Definition) and the second stage (taxonomy of climate risk as part of Identification and Assessment). Scenario analyses in climate risks are described in more detail later in this chapter, as they provide the key foundation for identifying and assessing climate risks as part of the second stage of the process, taking into account the climate risk categories which, according to the classification adopted, are divided into the following subcategories.

Diagram 50. Categories of climate risk



With regard to climate risk, at this stage of the process, risks are identified taking into account whether assets and business activities may be exposed to climate risk and whether it may affect the achievement of targets at the KGHM Polska Miedź S.A. Group level. The extent to which assets and business activities are likely to be exposed (impact and likelihood) and vulnerable (susceptibility) to identified climate-related risks is subsequently assessed in accordance with the applicable Risk Assessment Matrix. The remaining stages of the climate risk management process are consistent with the general corporate risk management process in the KGHM Polska Miedź S.A. Group. As part of the applicable approach to climate risk management, roles and responsibilities for individual stages of the process have been indicated and indicators to measure and manage climate risk have been developed.

It should be mentioned that in KGHM Polska Miedź S.A. the Decarbonisation Program of KGHM Polska Miedź S.A. was adopted in 2024, in which the key areas of the Company's core business responsible for greenhouse gas emissions are presented. Based on this information and the Company's development plans, tasks have been defined and areas for which action is needed to ensure the transition to a climate-neutral economy by 2050 have been determined. The Company's activities in the 2030 horizon focus on reducing indirect emissions, i.e. emissions related to the use of electricity. The main direction of decarbonisation in this area will be a gradual withdrawal from the use of market-sourced and fossil-fuel-generated electricity to the increasing use of in-house low- and zero-carbon sources of electricity and heat. The development of own renewable sources of electricity generation will involve the construction or acquisition of renewable energy installations (photovoltaic power plants and wind power), from which the electricity generated, in accordance with the assumptions of the Company's Energy Transition, will be 100% used in the processes of the Core Business of KGHM Polska Miedź S.A. Improving energy efficiency will also play an important role in the decarbonisation process. The ISO 50001-compliant Energy Management System implemented by all Divisions has a systematic effect on reducing the Scope 2 greenhouse gas emissions.

Within the key directions for reducing the carbon footprint in the area of direct emissions, the construction of a CCS/CCU facility (Carbon Capture and Storage/Carbon Capture and Utilization) at the Głogów Copper Smelter and Refinery is being considered. In 2024, conceptual and R&D work was carried out on the development of a CO2 capture facility at the Głogów Copper Smelter and Refinery. Further work on the project concept and financing is planned. Measures to reduce Scope 1 direct emissions through the implementation of CCS/CCU facilities in the metallurgical core business will be progressively implemented in the 2050 timeframe.

In KGHM Polska Miedź S.A., consistent efforts are undertaken to reduce direct and indirect emissions. The decarbonisation plan is subject to constant review, and its upcoming review is planned in accordance with the

assumptions in the area of energy development adopted in the new updated Strategy of the KGHM Polska Miedź S.A. Group. The formulated decarbonization path, consistent with the implemented Climate Policy of KGHM Polska Miedź S.A., will be an important element of the Company's commitment to climate protection, and thus an important link in climate risk management.

Scenario analyses in climate risks

In the first step of the risk management process (Definition Context), KGHM considered climate change by performing a scenario analysis, based on recognized reports of the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA). The above analysis is currently conducted on the basis of 5 baseline scenarios: Stated Policies Scenario (STEPS), Sustainable Development Scenario (SDS), Net Zero Emissions by 2050 (NZE2050), RCP4.5 and RCP8.5. In the scenario analysis, the assumptions are considered in three time horizons: short term (2024-2025), medium term from 1 to 5 years and long term (2030), over 5 years (2050), making a number of assumptions:

- In the case of scenarios examining transition-related risks, in terms of the implementation of the adopted climate policy and the resulting changes in parameters relevant from KGHM's perspective: e.g. prices of emission allowances, energy consumption, changes in demand for copper,
- In the case of physical risk scenarios, the starting point for the analysis are the levels of greenhouse gas concentrations in the atmosphere and the resulting changes in the Earth's temperature and their consequences.

KGHM Polska Miedź S.A. is also continuing activities associated with updating of scenarios serving as a basis for analysing the impact of climate change on the organisation. In this way, the Company aims to achieve the most tailored and customised approach possible, enabling business decisions to be made in relation to assessing the organisation's resilience to potential climate change. At the same time, KGHM has been continuing its work on identifying and assessing the impact of climate risk on financial and non-financial reporting with the aim of, inter alia, determining the consistency of the climate scenarios applied with the critical climate assumptions used in financial reporting.

Description of the processes for identifying and assessing significant pollution impacts, risks and opportunities

The analysis and assessment of the impact of pollution-related risks and opportunities within the KGHM Group's operations included a number of activities that provided a more detailed understanding of the actual and potential risks and benefits of the Group's operations in terms of environmental impact.

A review of locations and activities to identify pollution-related impacts, risks and opportunities included an analysis of the KGHM Group's operations and its value chain. The work covered analyses of environmental impact reports (including the Environmental Impact Statement and the Environmental Assessment), waste management reports, as well as documents produced for specific investments. The current status and projections of future impacts, risks and opportunities were reviewed taking into account changing market, regulatory and technological conditions. The analysis does not take into account impacts resulting from the exploitation of products by end users.

The aim of the review was to determine the environmental impact of the Group's activities through emissions to air, water and soil and their impact on the various stages of the value chain. Consultations with affected communities also included the topic of pollution. The Parent Entity conducted a stakeholder perspective study for the materiality assessment, which analysed environmental aspects, including issues related to emissions. The results of these activities are taken into account in the evaluation process.

The analysis of pollution impacts, risks and opportunities included the identification of risks and benefits arising from the Group's activities. Account was taken of existing pollution policies, European Commission regulations, including BAT conclusions for the non-ferrous metals industry, air protection investments from previous years, water permits held and emission reduction targets.

The work also included an analysis of the installations operated by the Group's domestic companies, which are subject to the obligation to report releases and transfers to the KRUiTZ (National Pollutant Release and Transfer Register), and an assessment of significant emissions in the country and abroad. The standards and methods for determining emissions for installations subject to reporting to the KRUiTZ and emissions according to the European Pollutant Release and Transfer Register were reviewed. Potentially hazardous substances and SVHCs present in the Group in 2024 are also included.

Description of the processes for identifying and assessing significant impacts, risks and opportunities related to water and marine resources

The analysis and evaluation of the impacts, risks and opportunities associated with water and marine resources included the identification and assessment of the actual and potential effects of activities, taking into account the Group and operations in the value chain at higher and lower levels.

The analysis also covered water and marine resource policies and targets, the water cycle within the integrated technology chain, and issues related to water intake and consumption and wastewater disposal.

Potential risks associated with the use of water and marine resources were assessed, taking into account, among other things, climate change, use of water, water pollution and potential changes in the availability of water resources. The review used, among others, environmental impact reports, waste management reports, as well as documents prepared for specific investments in specific locations.

The aim of the work was to identify how the Group's operations, both in its own processes and in its business relationships, may impact on water and marine resources in the regions in which it has operations. Among other things, water use in production processes, water emissions and impacts on marine ecosystems were analysed. Consultations with the affected communities allowed to obtain the opinions on the impact of the Group's activities on water resources, while learning about their concerns and expectations in terms of protecting these resources.

Currently, apart from the declarations from suppliers, the Group does not have any information or tools to verify downstream and upstream issues of water consumption and impacts on water and marine resources, hence the assessment of water-related IROs presents the perspective of its own operations and locations.

Description of the processes for identifying and assessing significant impacts, risks and opportunities related to biodiversity and ecosystems

The assessment of impacts, risks and opportunities related to biodiversity and ecosystems was based on the value chain including all Group's companies covered by the financial statements and information on purchases of raw materials/products/services key to the Group's business model. Suppliers with a direct supplier-customer business relationship with the Group companies and the aspect of geographical regions were also taken into account.

Impacts, risks and opportunities in relation to biodiversity and ecosystems arising from the Group's activities were identified and assessed. The review used, among others, environmental impact reports, waste management reports, as well as documents prepared for specific investments in specific locations. The raw materials fundamental to the Group's business model are mainly sourced by KGHM Group companies with mining operations, which makes it possible to have data on the impact of key raw materials on biodiversity and to assess impacts, risks and opportunities.

Biodiversity and ecosystem dependencies were identified and assessed, taking into account local and global dependencies. The analysis of biodiversity impacts, risks and opportunities takes into account the context of migration towards more sustainable activities and the physical and transitional risks of biodiversity loss. All topics and sub-topics contained in the ESRS were considered in the context of the entire Group's value chain.

The analysis of systemic risks included the impact of biodiversity change on natural and social systems. The analyses performed did not demonstrate a biodiversity factor or an indication of systemic risk.

Consultation with stakeholders, including communities affected by impacts on biodiversity and ecosystems, included the identification of biodiversity-sensitive areas in or near which the Group operates. The identification of these sites was based on the definition of biodiversity sensitive areas. Areas within a few kilometres to several kilometres from the sites of the Group's entities were analysed, and sites where risk-causing substances were identified whose concentrations exceed the standards set by law were reviewed. The sealing of the soils used by the Group's entities, the impact of the activity on endangered species and issues relating to biodiversity and ecosystem policies were taken into account. The impact of emissions on biodiversity, including aquatic ecosystems, was analysed and biodiversity conservation and enhancement projects such as ecological grasslands, conservation species measures and forest management were considered.

Currently, apart from the declarations of contractors, the Group does not have any information or tools to verify the impact on biodiversity and ecosystems downstream and upstream in the value chain, which does not allow us to exclude the negative impact of elements of the supply chain.

Description of the processes for identifying and assessing material impacts, risks and opportunities in the context of circular economy and use of resources

The double materiality analysis in the context of circular economy and use of resources covered both the pollution and resource efficiency aspects of the Group's operations and its value chain. The activities were aimed at identifying and assessing impacts, risks and opportunities related to resource use, waste as well as production and utilisation processes.

The analysis included policies related to the circular economy, the Group's own production assets in terms of resource utilisation, the Group's waste streams by location (including mining waste, metallurgical process waste and waste recovery), targets related to resource utilisation and the circular economy, and information on resource inputs and outputs.

Actual and potential impacts, risks and opportunities associated with resource use were identified, including raw materials and waste generated. Both the Group's internal operations were included in the analysis. The assessment of the impacts, risks and opportunities in this area was performed for the company's own operations and locations, and the value chain relied on declarative information. The resources, raw materials and materials used in the Group's operations were reviewed, identifying the actual and potential impacts arising from their use, as well as the risks associated with over-consumption of resources, waste generation, environmental pollution and inadequate waste management. The review used, among others, environmental impact reports, waste management reports, as well as documents prepared for specific investments in specific locations.

Stakeholders and communities affected by the Group's activities were consulted, taking into account the results of surveys of the perspectives of the parties involved in the context of environmental issues.

Currently, apart from declarative data collected from supplier surveys, the Group does not have the information or tools to verify the issue of resource use and the circular economy upstream and downstream of the value chain.

Description of the processes for identifying and assessing material impacts, risks and opportunities in the context of business conduct

The process of identifying significant impacts, risks and opportunities in relation to business conduct issues included an analysis of business conduct policies, codes of conduct and ethics, whistleblowing systems in place in the Group, payment practices, political and lobbying involvement and corruption and bribery issues.

As part of the process, existing policies and codes of conduct and their compliance with national and international regulations were reviewed. The extent of the implementation of these documents in the individual Group's entities was assessed. The analysis took into account the location of the business, the operating sector and the transaction structure, including interactions with external parties, in particular suppliers and business partners. The review of whistleblowing systems included an assessment of the mechanisms for reporting ethics and anti-corruption violations, the functionality of reporting channels and the effectiveness of remedial actions taken.

Payment practices were analysed in the context of the timeliness of settlements with counterparties. An assessment was made of the Group's political and lobbying involvement in light of the applicable law. The analysis of corruption and bribery issues focused on the identification of potential risks present in the Group's business areas, the assessment of preventive mechanisms and the effectiveness of the procedures implemented to minimise risks.

[IRO-2] Requirements in ESRS covered by the undertaking's sustainability statements

The following tables present all the disclosure requirements compliant with ESRS 2 and the ESRS E1 to G1 thematic standards that were considered relevant to the KGHM Group and which formed the basis for the preparation of this sustainability statement.

These tables also indicate the location of information relating to the specific disclosure requirement outside the sustainability report and incorporated by reference into the financial statements in this annual report or a separate section of this sustainability report.

Table 115. ESRS 2 horizontal standard. General disclosures

Disclosure requirement	Page	Additional comments
BP-1 General basis for the preparation of the sustainability statement	145	-
BP-2 Disclosure in relation to special circumstances	147	-
GOV-1 The role of the administrative, management and supervisory bodies	148	-
GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	156	-
GOV-3 Integration of sustainability-related performance in incentive schemes	158	-
GOV-4 Statement on sustainability due diligence	160	-
GOV-5 Risk management and internal controls over sustainability reporting	160	-

SBM-1	Market position, strategy, business model(s) and value chain	162	ESRS 2 SBM-1 point 40(b) and (c) omitted (in accordance with ESRS 1 Appendix C list)
SBM-2	Interests and views of stakeholders	174	-
SBM-3	Significant impacts and opportunities and their links with the strategy and business model	178	ESRS 2 SBM-3 point 48(e) in year 1 of sustainability reporting omitted; qualitative disclosures made
IRO-1	Description of the process to identify and assess significant impacts, risks and opportunities	228	-
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statements	240	-

Table 116. ESRS E1 thematic standard - Climate change

Disclosure requirement	Page	Additional comments	
E1-1	Plan of transition to climate change mitigation needs	275	-
E1-2	Policies related to climate change mitigation and adaptation to it	276	-
E1-3	Measures and resources in relation to climate policy	278	-
E1-4	Goals related to climate change mitigation and adaptation to it	279	-
E1-5	Energy consumption and mix	281	-
E1-6	Gross Scope 1, 2 and 3 greenhouse gas emissions and total greenhouse gas emissions	282	-
E1-7	Greenhouse gas elimination and mitigation projects financed through carbon credits	299	-
E1-8	Internal carbon pricing	299	-
E1-9	Expected financial effects resulting from material physical and transition risks and potential climate-related opportunities	299	-

Table 117. ESRS E2 thematic standard - Pollution

Disclosure requirement	Page	Additional comments	
E2-1	Policies related to pollution	299	-
E2-2	Actions and resources related to pollution	300	-
E2-3	Targets related to pollution	304	-
E2-4	Pollution of air, water and soil	305	-
E2-5	Potentially hazardous substances and substances of very high concern	310	-
E2-6	Anticipated financial effects arising from pollution risks and opportunities	311	Omitted in year 1 of preparation of the sustainability reporting

Table 118. ESRS E3 thematic standard - Water and marine resources

Disclosure requirement	Page	Additional comments	
E3-1	Policies related to water and marine resources	311	-
E3-2	Activities and resources related to water and marine resources	312	-
E3-3	Goals related to water and marine resources	316	-
E3-4	Water consumption	316	-
E3-5	Anticipated financial effects resulting from impacts, risks and opportunities related to water and marine resources	317	Omitted in year 1 of preparation of the sustainability reporting

Table 119. ESRS E4 thematic standard - Biodiversity and ecosystems

Disclosure requirement	Page	Additional comments	
E4-1	Biodiversity and ecosystem transition plan and integration of biodiversity and ecosystems in the strategy and business model	317	-
E4-2	Policies related to biodiversity and ecosystems	318	-
E4-3	Activities and resources related to biodiversity and ecosystems	319	-
E4-4	Goals related to biodiversity and ecosystems	323	-

E4-5	Impact measures related to changes in the scope of biodiversity and ecosystem	323	-
E4-6	Anticipated financial effects arising from risks and opportunities related to biodiversity and ecosystems	323	Omitted in year 1 of preparation of the sustainability reporting

Table 120. ESRS E5 thematic standard - Use of resources and circular economy

Disclosure requirement	Page	Additional comments	
E5-1	Policies related to the use of resources and circular economy	323	-
E5-2	Activities and resources related to the use of resources and circular economy	324	-
E5-3	Goals related to the use of resources and circular economy	328	-
E5-4	Resources contributed	328	-
E5-5	Resources discharged	329	-
E5-6	Anticipated financial effects resulting from impacts, risks and opportunities related to the use of resources and circular economy	332	Omitted in year 1 of preparation of the sustainability reporting

Table 121. ESRS S1 thematic standard - Own Staff Resources

Disclosure requirement	Page	Additional comments	
S1-1	Policies related to own staff resources	333	-
S1-2	Procedures of cooperation with own staff resources and staff representatives on issues of impacts	337	-
S1-3	Processes for remedying the effects of negative influences and channels for raising concerns through own staff resources	339	-
S1-4	Addressing the significant impacts on own staff resources and applying approaches to manage material risks and opportunities related to own staff resources and the effectiveness of these actions	341	-
S1-5	Goals related to managing significant negative impacts, enhancing positive impacts and managing significant risks and opportunities	346	-
S1-6	Characteristics of the entity's employees	347	-
S1-7	Characteristics of non-employees forming the entity's own staff resources	348	Omitted in year 1 of preparation of the sustainability reporting
S1-8	Scope of collective bargaining and social dialogue	348	-
S1-9	Diversity measures	348	-
S1-10	Adequate wage	349	-
S1-11	Social protection	349	-
S1-12	Persons with disabilities	349	-
S1-13	Training and skills development metrics	350	-
S1-14	Occupational health and safety metrics	350	Omitted in year 1 of sustainability reporting (rate of reportable work-related accidents; disclosure regarding non-employees in the first year of preparation of the sustainability statement)
S1-15	Work and life balance metrics	351	-
S1-16	Remuneration metrics (pay gap and total remuneration)	351	-
S1-17	Incidents, complaints and serious impacts on adherence to human rights	352	-

Table 122. ESRS S2 thematic standard - Workers in the value chain

Disclosure requirement	Page	Additional comments
S2-1 Policies related to workers in the value chain	352	-
S2-2 Processes of collaboration with workers in the value chain in the scope of impacts	353	-
S2-3 Processes for remedying the effects of negative impacts and channels for raising concerns through workers in the value chain	353	-
S2-4 Addressing the significant impacts on workers in the value chain and applying approaches to manage material risks and using opportunities related to workers in the value chain and the effectiveness of these actions	354	-
S2-5 Goals related to managing significant negative impacts, enhancing positive impacts and managing significant risks and opportunities	356	-

Table 123. ESRS S3 thematic standard - Affected communities

Disclosure requirement	Page	Additional comments
S3-1 Policies related to affected communities	356	-
S3-2 Cooperation processes in the scope of impacts with affected communities	357	-
S3-3 Processes to remedy negative impacts and channels for raising concerns by affected communities	360	-
S3-4 Addressing the significant impacts on affected communities and applying approaches to manage material risks and opportunities related to these communities and the effectiveness of these actions	361	-
S3-5 Goals related to managing significant negative impacts, enhancing positive impacts and managing significant risks and opportunities	363	-

Table 124. ESRS S4 thematic standard - Consumers and end users

Disclosure requirement	Page	Additional comments
S4-1 Policies related to consumers and end users	364	
S4-2 Cooperation processes in the scope of impacts with consumers and end users	365	
S4-3 Processes to remedy negative impacts and channels for raising concerns by consumers and end users	367	
S4-4 Addressing the significant impacts on consumers and end users and applying approaches to manage material risks and opportunities related to consumers and end users and the effectiveness of these actions	367	ESRS S4 standard relevant to selected Group companies
S4-5 Goals related to managing significant negative impacts, enhancing positive impacts and managing significant risks and opportunities	369	

Table 125. ESRS G1 thematic standard - Business conduct

Disclosure requirement	Page	Additional comments
G1-1 Business conduct policies and corporate culture	369	-
G1-2 Management of relationships with suppliers	376	-
G1-3 Counteracting and detection of corruption and bribery	378	-
G1-4 Incidents of corruption or bribery	380	-
G1-5 Political influence and lobbying activities	381	Topic considered as irrelevant
G1-6 Payment practices	381	-

List of data points contained in horizontal and thematic standards arising from other EU legislation

In the table below, all data points resulting from other EU legislation listed in Annex B to ESRS 2 are included. The table identifies the locations of these points in the report and indicates points assessed as “insignificant”.

Disclosure requirement/data point	SFDR	Pillar 3	Benchmark Regulation	EU Climate Law	Comments	Page
ESRS 2 GOV-1 21d Gender diversity of management board members	x		x			154
ESRS 2 GOV-1 21e Percentage of body members who are independent			x			154
ESRS 2 GOV-4 30 Due diligence declaration	x					160
ESRS 2 SBM-1 40d (i) Participation in fossil fuel activities	x	x	x		Not applicable	
ESRS 2 SBM-1 40d (ii) Participation in activities related to production of chemicals	x		x		Not applicable	
ESRS 2 SBM-1 40d (iii) Participation in activities related to controversial weapons	x		x		Not applicable	
ESRS 2 SBM-1 40d (iv) Participation in tobacco cultivation and production activities			x		Not applicable	
ESRS E1-1 14 Transformation plan to achieve climate neutrality by 2050.				x		275
ESRS E1-1 16g Entities excluded from the scope of the reference indices adapted to the Paris Agreement		x	x		Not applicable	
ESRS E1-4 34 Greenhouse gas emission reduction targets	x	x	x			275
ESRS E1-5 38 Fossil energy consumption disaggregated by source (applicable only to sectors with significant climate impact)	x					281
ESRS E1-5 37 Energy consumption and energy mix	x					281
ESRS E1-5 40-43 Energy intensity associated with activities undertaken in sectors with significant impacts on climate	x					281
ESRS E1-6 44 Scope 1, 2, 3 gross and total greenhouse gas emissions	x	x	x			283-284
ESRS E1-6 53-55 Gross greenhouse gas emission intensity	x	x	x			285
ESRS E1-7 56 Greenhouse gas removal and carbon credits				x		299
ESRS E1-9 66 Reference portfolio exposure to physical climate risk			x		Postponement	
ESRS E1-9 66a Disaggregation of monetary amounts according to acute and permanent physical risk		x			Postponement	
ESRS E1-9 66c Location of significant physical risk assets		x			Postponement	
ESRS E1-9 67c Breakdown of real estate book value by energy efficiency class		x			Postponement	
ESRS E1-9 69 Degree of exposure of the portfolio to climate-related opportunities			x		Postponement	
ESRS E2-4 28 Amount of each pollutant listed in Annex II of the Regulation on E-PRTR emitted to air, water and soil	x					309
ESRS E3-1 9 Water and marine resources	x					311
ESRS E3-1 13 Special policy	x				Not applicable	
ESRS E3-1 14 Sustainable practices for oceans and seas	x				Not applicable	
ESRS E3-4 28c Total amount of water recycled and reused	x					317
ESRS E3-4 29 Total water consumption in m ³ per net income from own operations	x					317
ESRS 2 SBM 3 (E4) 16a	x					181
ESRS 2 SBM 3 (E4) 16b	x					181
ESRS 2 SBM 3 (E4) 16c	x					181
ESRS E4-2 24b Sustainable land/agriculture practices or policies	x					318
ESRS E4-2 24c Sustainable ocean/sea practices or policies	x				Not applicable	

Disclosure requirement/data point		SFDR	Pillar 3	Benchmark Regulation	EU Climate Law	Comments	Page
ESRS E4-2	24d Policies against deforestation	x					318
ESRS E5-5	37d Non-recycled waste	x					332
ESRS E5-5	39 Hazardous and radioactive waste	x					332
ESRS 2 SBM-3 (S1)	14f Risk of incidents of forced labour	x				Not applicable	
ESRS 2 SBM-3 (S1)	14g Risk of incidents of child labour	x				Not applicable	
ESRS S1-1	20 Commitments in the scope of human rights policy	x					334
ESRS S1-1	21 Due diligence strategies in relation to issues covered by the International Labour Organisation's relevant conventions				x		334
ESRS S1-1	22 Procedures and measures to prevent trafficking in human beings	x					334
ESRS S1-1	23 Policy or management system for the prevention of accidents at work	x					335
ESRS S1-3	32c Complaint Mechanisms	x					339
ESRS S1-14	88c, 88d Number of work-related deaths and number and rate of work-related accidents	x			x		350
ESRS S1-14	88e Number of days lost due to injuries, accidents, fatalities or illnesses	x					350
ESRS S1-16	97a Unadjusted gender pay gap	x			x		351
ESRS S1-16	97b Excessive remuneration of the chief executive officer	x					351
ESRS S1-17	103a Cases of discrimination	x					352
ESRS S1-17	104a Non-compliance with UN Guiding Principles on Business and Human Rights and OECD Guidelines	x			x	Not applicable	
ESRS 2 SBM-3 (S2)	11b Significant risk of incidents of child or forced labour in the value chain	x				Not applicable	
ESRS S2-1	17 Commitments in the scope of human rights policy	x					352
ESRS S2-1	18 Policies related to male and female employees in the value chain	x					352
ESRS S2-1	19 Non-compliance with UN Guiding Principles on Business and Human Rights and OECD Guidelines	x			x	Not applicable	
ESRS S2-1	19 Due diligence strategies in relation to issues covered by the ILO basic conventions				x		352
ESRS S2-4	36 Human rights issues and incidents related to upstream and downstream value chain	x					354
ESRS S3-1	16 Commitments in the scope of human rights policy	x					356
ESRS S3-1	17 Non-compliance with UN Guiding Principles on Business and Human Rights, ILO rules or OECD Guidelines	x			x	Not applicable	
ESRS S3-4	36 Issues and incidents related to human rights	x					361
ESRS S4-1	16 Policy related to consumers and end-users	x					364
ESRS S4-1	17 Non-compliance with UN Guiding Principles on Business and Human Rights and OECD Guidelines	x			x	Not applicable	
ESRS S4-4	35 Issues and incidents related to human rights	x					367
ESRS G1-1	10b United Nations Convention against Corruption	x					369
ESRS G1-1	10d Protection of whistleblowers	x					369
ESRS G1-4	24a Fines for violations of anti-corruption laws and laws on combating bribery	x			x		380
ESRS G1-4	24b Standards on anti-corruption and bribery	x					380

4.2 ENVIRONMENTAL INFORMATION

4.2.1 Disclosures in accordance with the European Union taxonomy for sustainable activities in 2024

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088 (hereinafter: "EU Environmental Taxonomy", "EU Taxonomy", "Taxonomy"), requires companies to disclose whether, and to what extent, their business activities comply with the assumptions of the Taxonomy, classifying, and describing environmentally sustainable activities.

For the period from 1 January 2024 to 31 December 2024, the mandatory disclosures of non-financial companies involve a percentage share of the economic activity that is taxonomy-eligible, and of the economic activity that is taxonomy-non-eligible, in terms of the total:

- turnover,
- capital expenditure (CAPEX),
- and operating expenditure (OPEX),

as well as the related qualitative (explanatory) information - specified pursuant to the Commission Delegated Regulation (EU) 2021/2178⁵⁶, taking into account Commission Delegated Regulation (EU) 2022/1214⁵⁷, amending the above regulation and Commission Delegated Regulations (EU) 2023/2486⁵⁸ and 2023/2485⁵⁹.

The first annual reporting period covered 2021, for which eligibility indicators were reported for two first goals. For 2022, eligibility and compliance indicators were reported for the first two goals. Reporting for 2023 additionally included eligibility indicators for the four remaining goals and new activities assigned to the first two goals of the taxonomy (climate change mitigation and climate change adaptation). For 2024, eligibility and compliance indicators for all six goals are reported in accordance with the guidelines.

The process of preparing taxonomic disclosures in the KGHM Polska Miedź S.A. Group

Responsibility for the preparation of taxonomic disclosures is assigned to the Group's Parent Entity. Responsibility for the preparation and provision of data for the preparation of taxonomic disclosures (the Process) is assigned to the Management Boards of the subsidiaries of KGHM Polska Miedź S.A. (hereinafter: "Subsidiaries") and, in the case of Divisions of the Parent Entity, the Division Finance Directors/Executive Directors. In the case of Head Office business units, responsibility is assigned to their Executive Directors.

Within the Company at a level of Divisions or organisational units of the Head Office and, in the case of the Group, at the level of Subsidiaries (hereinafter collectively: "Reporting Units"), Taxonomy Coordinators have been appointed as a permanent function. The Taxonomy Coordinators' main responsibility is to provide reliable, complete and factually correct information and data necessary for the Process, in particular information on eligible activities and financial data from the Reporting Unit level.

The Process involves various stages presented below:

- Organisational preparation (Service order and work schedule)

⁵⁶ Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation ("Delegated Act related to Article 8 of the Taxonomy").

⁵⁷ Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

⁵⁸ Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023. supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing technical qualification criteria to determine the conditions under which an economic activity qualifies as contributing significantly to the sustainable use and conservation of water and marine resources, to the transition towards a circular economy to the prevention and control of pollution, or to the protection and restoration of biodiversity and ecosystems, and whether that economic activity does not cause serious harm to any other environmental objective, and amending Commission Delegated Regulation (EU) 2021/2178 as regards the public disclosure of specific information in relation to those economic activities.

⁵⁹ Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending Delegated Regulation (EU) 2021/2139 establishing the additional technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental goals.

- Identification of eligible activities (sheets for eligible activities with instructions)
- Acquisition of financial data for eligible activities (completion of financial data in sheets submitted to Reporting Entities)
- Aggregation of financial data for eligible activities (numerators)
- Conducting compliance assessments in terms of material contribution criteria and DNSH for selected activities (carried out by expert teams in the respective Reporting Unit)
- Conducting a study on minimum guarantees
- Allocation of numerator values to eligible compliant and eligible non-compliant activities
- Determining data for denominators
- Preparation of disclosures (calculation of taxonomic indicators, preparation of explanatory content in accordance with Commission Delegated Regulation (EU) 2021/2178)

Taxonomy-eligible activities

As part of the verification of eligibility, an assessment was carried out in terms of a significant contribution to one or more of the six environmental goals for which technical eligibility criteria have been published. The objectives include:

- Climate change mitigation (CCM)
- Climate change adaptation (CCA)
- Sustainable use and protection of water and marine resources (WTR),
- Transition to a circular economy (CE)
- Pollution prevention and control (PPC),
- Protection and restoration of biodiversity and ecosystems (BIO).

For the purposes of the disclosures for 2024, companies of the KGHM Polska Miedź S.A. Group and Divisions of the Parent Entity conducted an in-depth analysis of their economic activities, as a result of which, taxonomy-compliant activities have been identified, i.e. the activities compliant with the description of activities included in the regulation.

The financial data for compliant activities presented in the disclosures below include both the revenues (turnover) from the taxonomy-compliant economic activities, the related capital expenditure or operating expenditure, as well as purchases from the compliant activities. The eligibility of an activity was based on a comparison of the respective actual activity with the description of the activity listed under Annex I or Annex II of Commission Delegated Regulation (EU) 2021/2139, taking into account Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending the above Regulation and the description of the activities contained in Commission Delegated Regulation (EU) 2023/2486. The individual types of the conducted activities have been assigned to only one taxonomy-eligible activity. No part of the revenues, CAPEX and OPEX has been double-counted. The Parent Entity of the Group oversaw the disclosure process, also verifying the financial data to be attributed to the individual activities, in order to avoid double-counting.

The KGHM Group conducts its business activity outside of the European Union as well. These activities were assessed for eligibility and compliance in the same manner as all the activities conducted in the EU.

Table 126. The list of activities in 2024 qualified for the taxonomy on the basis of the legal regulations cited at the outset includes the following activities:

Type of activity		Turn over	CAPEX	OPEX
I Climate change mitigation (CCM)	1.3	Forest management	x	
	3.1	Manufacture of renewable energy technologies		x x
	3.3	Manufacture of low carbon technologies for transport:	x	x x
	3.6	Manufacture of other low carbon technologies		x
	4.1	Electricity production using solar photovoltaic technology	x	x x
	4.15	District heating/cooling systems distribution	x	x x
	4.25	Production of heat/cool using waste heat	x	x
	4.30	High-efficiency co-generation of heat/cooling and electricity from gaseous fossil fuels		x x
	4.9	Transmission and distribution of electricity	x	x x
	5.1	Construction, extension and operation of water collection, treatment and supply systems	x	x x
	5.2	Renewal of water collection, treatment and supply systems		x
	5.3	Construction, extension and operation of waste water collection and treatment	x	x x
	5.5	Collection and transport of non-hazardous waste in source segregated fractions	x	x x
	5.9	Material recovery from non-hazardous waste:	x	x x
	6.13	Infrastructure for personal mobility, cycling logistics		x
	6.14	Infrastructure for rail transport	x	x x
6.2	Freight rail transport	x	x x	
6.3	Urban and suburban transport, road passenger transport	x	x x	

	6.5	Transport by motorbikes, passenger cars and light commercial vehicles	x	x
	6.6	Freight transport services by road	x	x
	7.1	Construction of new buildings	x	x
	7.2	Renovation of existing buildings	x	x
	7.3	Installation, maintenance and repair of energy efficiency equipment	x	x
	7.4	Installation, maintenance and repair of electric vehicle charging stations in buildings (and in car parks at buildings)	x	x
	7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings		x
	7.6	Installation, maintenance and repair of renewable energy technology systems	x	
	7.7	Acquisition and ownership of buildings	x	x
	8.1	Data processing, hosting and related activities	x	x
III Sustainable use and protection of water and marine resources	2.1	Water supply		x
WTR				
IV Transition to a circular economy (CE)	3.5	Application of concrete in civil engineering		x
	4.1	Provision of data-driven IT/OT solutions		x
VI Protection and restoration of biodiversity and ecosystems (BIO)	2.1	Hotels, holiday homes, camping grounds and similar establishments	x	x

Assessment of compliance with the Taxonomy

As part of the preparation of the taxonomic disclosures, a compliance analysis of the selected qualifying activities in terms of meeting the technical qualification criteria was carried out.

For those activities assessed as eligible, expert teams in the respective Reporting Entity assessed compliance in terms of the criteria of significant contribution and “do no significant harm” (DNSH) by analysing and confirming the individual technical eligibility criteria. The compliance assessment sheets prepared for the assessment of an activity provide justification for meeting a criterion by means of an appropriate comment, enumeration or the inclusion of additional documentation. To confirm that the “climate change adaptation” criterion is met, climate risk assessment documents and exposure to climate risk have been prepared for selected activities in each unit.

As a result of the analysis, seven activities, all relating to the climate change mitigation target, were classified as taxonomy compliant (meeting the technical criteria for classification).

Table 127. Activities recognised as compliant in 2024:

Activity	Description of activity according to the EU Taxonomy	Description of activity in the KGHM Polska Miedź S.A. Group	Comments on compliance assessment
1. CCM 4.1 Electricity production using solar photovoltaic technology	Construction or operation of a photovoltaic electricity generation facility.	Generation of renewable energy from photovoltaic farms located in several cities in Poland.	KGHM operates as described in Regulation 2021/2139, which is a sufficient condition to meet the objective of making a significant contribution to climate change mitigation.
2. CCM 4.15 Heating/cooling distribution	Construction, modernisation and operation of the heat and cooling distribution network and associated infrastructure, the termination of which is at a substation or heat exchanger.	Heat production and sales made to external parties.	For this activity, the criterion of significant contribution is met provided that at least one of the criteria indicated in Regulation 2021/2139 is fulfilled. In the case of KGHM, compliance was confirmed for the criterion of an efficient heating and cooling system.
3. CCM 4.25 Production of heating/cooling energy using waste heat	Construction and operation of plants generating heat/cooling energy from waste heat.	Generation of waste heat and its sale.	KGHM operates as described in Regulation 2021/2139, which is a sufficient condition of making a significant contribution.
4. CCM 5.1 Construction, extension and operation of water	Construction, extension and operation of water collection, treatment and supply systems	Operation of water intake systems and distribution (sale) of circulating water to third parties. The activity also includes expenditures related to the	For this activity, the criterion of significant contribution is met provided that at least one of the criteria indicated in Regulation 2021/2139 is fulfilled. In the case of KGHM, compliance was

collection, treatment and supply systems		modernisation and extension of water intake infrastructure.	confirmed for the criterion of average net energy consumption for off-take.
5. CCM 5.5 Collection and transport of non-hazardous waste in source segregated fractions	Selective collection and transport of non-hazardous waste in individual or mixed fractions for preparation for reuse or recycling.	The business of buying metal waste that does not qualify as hazardous waste. Activities include the preparation and separation of scrap metal for further recycling.	KGHM operates as described in Regulation 2021/2139, which is a sufficient condition of making a significant contribution.
6. CCM 5.9 Material recovery from non-hazardous waste	Construction and operation of a facility for sorting and converting into secondary raw materials selectively collected non-hazardous waste streams by mechanical conversion, for purposes other than pit filling.	The business of acquiring copper scrap and copper-bearing materials, which, after evaluation and testing, are supplied as charge material for smelter furnaces. Dedicated facilities for separate collection, sorting and mechanical processing are operated in connection with this activity.	This activity has confirmed a significant contribution in terms of converting collected (non-hazardous) waste into secondary raw materials that are suitable for replacing primary raw materials in production processes.
7. CCM 6.2 Freight rail transport	Purchase, financing, leasing, rental and operation of freight transport vehicles on main line and short line freight railways.	The activity concerns the maintenance of in-service tank wagons.	The activity is in line with the definition of taxonomic activity 6.2. In this case, it was deemed to be in line with the EU Taxonomy, based, among other things, on the technical documentation of the wagons, which shows that the wagons are not powered and therefore do not emit CO2 into the atmosphere.

For all of the above-mentioned activities, the analysis of the DNSH criteria confirmed that these activities do not cause serious damage to other environmental objectives. Conducting an examination of the material contribution criteria and DNSH in parallel precludes a situation where an environmental objective would be pursued at the expense of or in contradiction to another.

As part of the process, the compliance of the business with the minimum social guarantees was also assessed, which was carried out by an organisational unit at a level of the Head Office of KGHM Polska Miedź S.A., responsible for managing ESG issues within the Group.

In this respect, the following areas were investigated: disclosure of strategic and internal affairs, human rights, labour rights, anti-corruption and anti-bribery, consumer protection, competition, tax policy.

The survey was divided into four stages:

- Procedure-based test, i.e. examination of the KGHM Polska Miedź S.A. Group's internal regulations and procedures in the context of compliance with the applicable regulations and guidelines in each area.
- Outcome-based test, i.e. the survey based on final convictions/ administrative sanctions against Group Companies or management staff in relation to each of the areas examined, taking into account their materiality. This stage was carried out on the basis of statements by individual management bodies of the KGHM S.A. Polska Miedź S.A. Group and generally-available information.
- An analysis of the databases of the Business and Human Rights Resource Center and the National Contact Point established in accordance with the OECD Guidelines for Multinational Enterprises, which was carried out on the basis of publicly available records of the designated organisations.
- General survey of publicly available press information on the activities of the KGHM Polska Miedź S.A. Group.

The examination of each of the stages presented showed that the KGHM Polska Miedź S.A. Group had adopted the policies and procedures necessary to fulfil the minimum social safeguards.

Changes in the Group structure

The taxonomy indicators were calculated based on the structure of the KGHM Polska Miedź S.A. Group as at 31 December 2024. Changes in the composition of the Group are presented in [section 1.2](#) of this Report. Among the changes affecting the level of taxonomic indicators, the acquisition of 100% of the companies' shares should be highlighted: INVEST PV40 sp. z o.o., INVEST PV58 sp. z o.o., INVEST PV59 sp. z o.o., whose business is the production of electricity using photovoltaic technology.

Commentary on the results including the background information

The share of turnover, capital expenditure and operating expenditure from activities consistent with the taxonomy system in the KGHM Polska Miedź S.A. Group in 2024 is summarised below:

	31.12.2024
Turnover from compliant activities	PLN 308.10 million
Consolidated revenue	PLN 35,319.98 million
Indicator of turnover related to compliant activities	0.87%
Capital expenditures related to compliant activities	PLN 240.23 million
Total capital expenditures	PLN 6,120.87 million
Indicator of capital expenditures related to compliant activities	3.92%
Operating expenses related to compliant activities	PLN 43.49 million
Total operating expenses	PLN 2,134.27 million
Indicator of operating expenses related to compliant activities	2.04%

The low percentage of turnover, capital expenditure and operating expenses from the Group's systematic activities is mainly due to the low proportion of activities eligible for the classification.

Copper production is not included in Annexes I and II of Commission Delegated Regulation (EU) 2021/2139. Accordingly, the disclosures in terms of taxonomy indicators for 2024 do not include the core business activities carried out by the KGHM Polska Miedź S.A. Group. Also for this reason, the Group's reported activities are in many cases categorised as side activities and of little relevance to Group-wide revenues, costs and capital expenditure. Combined with the high capital intensity (due to the specific nature of the industry), the Group's reported ratios remain at a relatively low level.

Compared to 2023, there is no significant change in the taxonomic indicators. The exception is the compliance rate for capital expenditure (CAPEX), which increased from 0.61% in 2023 to 3.92% in 2024. This is a direct result of investments relating to activity 4.1 Photovoltaic power generation.

The KGHM Polska Miedź S.A. Group did not introduce any changes in its accounting policies in the 2024 reporting year.

The calculation of indicators of turnover, capital expenditure and operating expenditure was based on the definitions set out in Annex I of Commission Delegated Regulation (EU) 2021/2178. Data for the purposes of taxonomy reporting came from financial and accounting systems. The calculation of the indicators for the Group takes into account the relevant consolidation exclusions based on the methods used in the financial statements. There was therefore no need to make significant estimates or allocations for the indicators reported.

In the case of the turnover indicator, all of the assigned eligible turnover pertains to revenue from contracts with customers. For the calculation of the indicators, the denominator value is the turnover value consistent with the value provided in the Consolidated annual financial statements of the KGHM Polska Miedź S.A. Group, in Part 2 "Activity segments and revenue information", in note 2.3. The turnover indicator does not take into account data on own consumption because there were no such cases in the Group's eligible activities affecting the value of the turnover indicator numerator.

The CAPEX denominator comprises the items disclosed and described in the 2024 Consolidated financial statements of the KGHM Polska Miedź S.A. Group, in Part 9 "Non-current assets and related liabilities", in note 9.1 "Mining and metallurgical property, plant and equipment and intangible assets", and in note 9.2 "Other property, plant and equipment and intangible assets". The CAPEX denominator includes increases in self-generated or purchased tangible and intangible assets, including as a result of the acquisition of subsidiaries, and increases in right-of-use assets. There were no acquisitions of investment properties (IAS 40) or agricultural-related assets (IAS 41) during the reporting period. Included in the numerator of CAPEX are those items from the denominator that relate to compatible or eligible systematic activities, mainly resulting from increases in self-generated or purchased fixed assets (69% for qualified activities) and those arising from the acquisition of subsidiaries (31% for qualified activities). For none of the proposed activities has compliance been demonstrated on the basis of so-called CAPEX Plans.

The OPEX indicator includes expenditure on on-going operation of property, plant and equipment, i.e. the expenditure incurred on renovations and maintenance of the individual items of property, plant and equipment. In accordance with the definition of OPEX, the indicator also incorporates possible costs in the category of research and development and short-term leasing excluded from CAPEX. In the numerator of OPEX, those items from the denominator that relate to compliant or qualifying systematic activities have been included. The vast majority were the costs related to the day-to-day operation of tangible fixed assets (maintenance, repairs, overhauls, etc.).

The disclosures aligned with the Taxonomy of the KGHM Polska Miedź S.A. Group for 2024, prepared in accordance with the methodology discussed at the beginning of this chapter of the Report and in accordance with Annex II of Commission Delegated Regulation (EU) 2021/2178, taking into account Commission Delegated Regulation (EU) 2023/2486 amending the above Regulation and Commission Delegated Regulation (EU) 2023/2485, are presented in the following tables.

Table 128. Percentage share of turnover in products or services related to Taxonomy-eligible economic activity in 2024

Financial year N	Year			Criteria concerning material contribution						Criteria concerning the DNSH principle ("do no significant harm")						Minimum safeguards (17)	Participation in taxonomy-compliant activity (A.1.) or taxonomy-eligible activity (A.2.) Turnover, year 2023 (18)	Category supporting activities (19)	Category transition activities (20)
	Code or codes (2)	Turnover (3)	Turnover share, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
Economic activity (1)	Text	[PLN million]	%	Y ⁶⁰ /N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Y
A. TAXONOMY-ELIGIBLE ACTIVITY																			
A.1 Types of environmentally sustainable activities (Taxonomy-compliant)																			
	Electricity production using solar photovoltaic technology	CCM 4.1	12.91	0.04%	Y	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	N/A	Y	Y	Y	-		
	District heating/cooling systems distribution	CCM 4.15	0.81	0.00%	Y	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	N/A	Y	Y	0.00%		
	Production of heat/cool using waste heat	CCM 4.25	1.52	0.00%	Y	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	Y	Y	Y	Y	0.01%		
	Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	-	-	Y	-	-	-	-	-	-	-	-	-	-	-	0.01%		
	Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5	270.60	0.77%	Y	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	N/A	Y	N/A	Y	0.78%		
	Material recovery from non-hazardous waste	CCM 5.9	22.26	0.06%	Y	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	N/A	N/A	Y	Y	0.10%		
	Turnover due to environmentally sustainable activities (Taxonomy-compliant) (A.1)		308.10	0.87%	100.0%	0%	0%	0%	0%								0.90%		
	Including supporting activities		-	%	%	%	%	%	%								%	E	
	Including transition-related		-	%	%												%		Y
A.2 Taxonomy-eligible but not environmentally sustainable activity (activities non-compliant with the Taxonomy)																			
	Forest management	CCM 1.3	0.44	0.00%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL								0.00%		
	Hotels, holiday homes, camping grounds and similar establishments	BIO 2.1	0.87	0.00%	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
	Manufacture of renewable energy technologies	CCM 3.1	-	-	-	-	-	-	-								0.00%		
	Manufacture of low carbon technologies for transport	CCM 3.3	13.10	0.04%	EL	N/EL	N/EL	N/EL	N/EL								0.00%		
	Electricity production using solar photovoltaic technology	CCM 4.1	0.01	0.00%	EL	N/EL	N/EL	N/EL	N/EL								0.00%		
	Transmission and distribution of electricity	CCM 4.9	39.46	0.11%	EL	N/EL	N/EL	N/EL	N/EL								0.12%		
	District heating/cooling systems	CCM 4.15	88.41	0.25%	EL	N/EL	N/EL	N/EL	N/EL								0.26%		
	Production of heat/cool using waste heat	CCM 4.25	0.36	0.00%	EL	N/EL	N/EL	N/EL	N/EL								-		
	Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	3.20	0.01%	EL	N/EL	N/EL	N/EL	N/EL								-		
	Construction, extension and operation of waste water collection and treatment	CCM 5.3	1.18	0.00%	EL	N/EL	N/EL	N/EL	N/EL								0.00%		
	Freight rail transport	CCM 6.2	73.63	0.21%	EL	N/EL	N/EL	N/EL	N/EL								0.20%		

⁶⁰ Y - Yes, taxonomy-eligible activity and taxonomy-compliant activity for the corresponding environmental objective
 N - No, taxonomy-eligible activity but non-compliant with the taxonomy for the corresponding environmental objective
 EL - taxonomy-eligible activity for the corresponding environmental objective
 N/EL - taxonomy non-eligible activity for the corresponding objective

Financial year N	Year			Criteria concerning material contribution						Criteria concerning the DNSH principle ("do no significant harm")									
	Code or codes (2)	Turnover (3)	Turnover share, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Participation in taxonomy-compliant activity (A.1.) or taxonomy-eligible activity (A.2.) Turnover, year 2023 (18)	Category supporting activities (19)	Category transition activities (20)
Urban and suburban transport, road passenger transport	CCM 6.3	3.95	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.01%		
Infrastructure for rail transport	CCM 6.14	0.78	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Acquisition and ownership of buildings	CCM 7.7	5.02	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.01%		
Data processing, hosting and related activities	CCM 8.1	13.66	0.04%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.04%		
Turnover from Taxonomy-eligible but not environmentally sustainable activity (activities non-compliant with the Taxonomy) (A.2)		244.07	0.69%	99.6%	0%	0%	0%	0%	0.7%								0.66%		
A. Turnover from Taxonomy-eligible activity (A.1+A.2)		552.17	1.56%	99.8%	0%	0%	0%	0%	0.2%								1.55%		
B. TAXONOMY NON-ELIGIBLE ACTIVITY																			
Turnover from Taxonomy non-eligible activities		34,767.81	98.44%																
TOTAL		35,319.98	100%																

The total value of eligible turnover was PLN 552.17 million, of which activities with the turnover value of PLN 308.10 million were defined as the turnover of Taxonomy-eligible activities.

Table 129. Percentage share of capital expenditure in products or services related to a Taxonomy-compliant economic activity in 2024

Financial year N	Year			Criteria concerning material contribution						Criteria concerning the DNSH principle ("do no significant harm")						Minimum safeguards (17)	Participation in taxonomy-compliant activity (A.1.) or taxonomy-eligible activity (A.2.) Capital expenditure, year 2023 (18)	Category supporting activities (19)	Category transition activities (20)
	Code or codes (2)	Capital expenditure (3)	Percentage of capital expenditure, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
Economic activity (1)	Text	[PLN million]	%	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Y
A. TAXONOMY-ELIGIBLE ACTIVITY																			
A.1 Types of environmentally sustainable activities (Taxonomy-compliant)																			
	Electricity production using solar photovoltaic technology	CCM 4.1	202.24	3.30%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	N/A	Y	Y	Y	-	
	Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	0.00	0.00%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	N/A	N/A	Y	Y	0.06%	
	Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5	25.89	0.42%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	N/A	Y	N/A	Y	0.45%	
	Material recovery from non-hazardous waste	CCM 5.9	12.10	0.20%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	N/A	N/A	Y	Y	0.09%	
	Capital expenditure for environmentally sustainable activities (Taxonomy-compliant) (A.1)		240.23	3.92%	100%	0%	0%	0%	0%	0%							0.61%		
	Including supporting activities		-	%	%	%	%	%	%	%							%	E	
	Including transition-related		-	%	%												%		Y
A.2 Taxonomy-eligible but not environmentally sustainable activity (activities non-compliant with the Taxonomy)																			
					EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL									
	Water supply	WTR 2.1	13.63	0.22%	N/EL	N/EL	EL	N/EL	N/EL	N/EL								-	
	Manufacture of renewable energy technologies	CCM 3.1	1.27	0.02%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.03%	
	Manufacture of low carbon technologies for transport	CCM 3.3	1.13	0.02%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%	
	Maintenance of roads and highways	CE 3.4	-	-	-	-	-	-	-	-								0.00%	
	Electricity production using solar photovoltaic technology	CCM 4.1	0.11	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.51%	
	Transmission and distribution of electricity	CCM 4.9	30.69	0.50%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.62%	
	District heating/cooling systems	CCM 4.15	25.35	0.41%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.45%	
	High-efficiency co-generation of heat/cooling and electricity from gaseous fossil fuels	CCM 4.30	5.13	0.08%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-	
	Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	65.56	1.07%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.46%	
	Renewal of water collection, treatment and supply systems	CCM 5.2	0.55	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.04%	
	Construction, extension and operation of waste water collection and treatment	CCM 5.3	33.45	0.55%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.08%	
	Freight rail transport	CCM 6.2	37.24	0.61%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.46%	
	Urban and suburban transport, road passenger transport	CCM 6.3	0.74	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-	
	Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.27	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.01%	
	Freight transport services by road	CCM 6.6	1.27	0.02%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.02%	
	Infrastructure for personal mobility, cycling logistics	CCM 6.13	0.01	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-	
	Infrastructure for rail transport	CCM 6.14	85.46	1.40%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.27%	
	Infrastructure enabling low-carbon road transport and public transport	CCA 6.15	-	-	-	-	-	-	-	-								0.00%	

Financial year N	Year			Criteria concerning material contribution						Criteria concerning the DNSH principle ("do no significant harm")					Minimum safeguards (17)	Participation in taxonomy-compliant activity (A.1.) or taxonomy-eligible activity (A.2.) Capital expenditure, year 2023 (18)	Category supporting activities (19)	Category transition activities (20)	
	Code or codes (2)	Capital expenditure (3)	Percentage of capital expenditure, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)					Biodiversity (16)
Economic activity (1)																			
Construction of new buildings	CCM 7.1	23.48	0.38%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.11%	
Renovation of existing buildings	CCM 7.2	74.57	1.22%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.82%	
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	4.54	0.07%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.27%	
Installation, maintenance and repair of electric vehicle charging stations in buildings (and in car parks at buildings)	CCM 7.4	0.36	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									-	
Installation, maintenance and repair of renewable energy technology systems	CCM 7.6	0.01	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									-	
Acquisition and ownership of buildings	CCM 7.7	0.01	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									-	
Data processing, hosting and related activities	CCM 8.1	-	-	-	-	-	-	-	-									0.00%	
Capital expenditure from Taxonomy-eligible but not environmentally sustainable activity (activities non-compliant with the Taxonomy) (A.2)		404.83	6.61%	96.6%	0%	3.4%	0%	0%	0%									4.15%	
A. Capital expenditure from Taxonomy-eligible activity (A.1+A.2)		645.06	10.54%	97.9%	0%	2.1%	0%	0%	0%									4.76%	
B. TAXONOMY NON-ELIGIBLE ACTIVITY																			
Capital expenditure from Taxonomy non-eligible activities		5,475.81	89.46%																
TOTAL		6,120.87	100%																

The total value of eligible turnover was PLN 645.06 million, of which activities with the turnover value of PLN 240.23 million were defined as the capital expenditure of Taxonomy-eligible activities.

Table 130. Percentage share of operating expenditure from products or services related to Taxonomy-compliant economic activity in 2024.

Financial year N	Year			Criteria concerning material contribution						Criteria concerning the DNSH principle ("do no significant harm")						Minimum safeguards (17)	Participation in taxonomy-compliant activity (A.1.) or taxonomy-eligible activity (A.2.) Operating expenses, year 2023 (18)	Category supporting activities (19)	Category transition activities (20)
Economic activity (1)	Code or codes (2)	Operating expenditure (3)	Percentage of operating expenses, Year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
Text		[PLN million]	%	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Y
A. TAXONOMY-ELIGIBLE ACTIVITY																			
A.1 Types of environmentally sustainable activities (Taxonomy-compliant)																			
Electricity production using solar photovoltaic technology	CCM 4.1	0.66	0.03%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	N/A	Y	Y	Y	-		
District heating/cooling systems distribution	CCM 4.15	3.00	0.14%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	N/A	Y	Y	0.16%		
Production of heat/cool using waste heat	CCM 4.25	16.50	0.77%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	Y	Y	Y	Y	0.62%		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	8.53	0.40%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	N/A	N/A	Y	Y	0.41%		
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5	6.67	0.31%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	N/A	Y	N/A	Y	0.48%		
Material recovery from non-hazardous waste:	CCM 5.9	3.01	0.14%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	N/A	N/A	Y	Y	0.16%		
Freight rail transport	CCM 6.2	5.13	0.24%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	Y	Y	N/A	Y	0.30%		
Operating expenditure for environmentally sustainable activities (Taxonomy-compliant) (A.1)		43.49	2.04%	100%	%	%	%	%	%								2.13%		
Including supporting activities		-	%	%	%	%	%	%	%								%	E	
Including transition-related		-	%	%													%		Y
A.2 Taxonomy-eligible but not environmentally sustainable activity (activities non-compliant with the Taxonomy)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Hotels, holiday homes, camping grounds and similar establishments	BIO 2.1	0.35	0.02%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								0.00%		
Manufacture of renewable energy technologies	CCM 3.1	0.06	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Manufacture of low carbon technologies for transport needs	CCM 3.3	0.60	0.03%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.03%		
Application of concrete in civil engineering	CE 3.5	0.03	0.00%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.00%		
Manufacture of other low carbon technologies	CCM 3.6	0.63	0.03%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.03%		
Provision of data-driven IT/OT solutions	CE 4.1	0.18	0.01%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								-		
Transmission and distribution of electricity	CCM 4.9	18.75	0.88%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.69%		
District heating/cooling systems	CCM 4.15	15.15	0.71%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.73%		
Production of heat/cool using waste heat	CCM 4.25	0.22	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
High-efficiency co-generation of heat/cooling and electricity from gaseous fossil fuels	CCM 4.30	25.72	1.21%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.08%		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	5.13	0.24%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.16%		

Financial year N	Year			Criteria concerning material contribution						Criteria concerning the DNSH principle ("do no significant harm")									
Economic activity (1)	Code or codes (2)	Operating expenditure (3)	Percentage of operating expenses, Year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Participation in taxonomy-compliant activity (A.1.) or taxonomy-eligible activity (A.2.) Operating expenses, year 2023 (18)	Category supporting activities (19)	Category transition activities (20)
Construction, extension and operation of waste water collection and treatment	CCM 5.3	1.93	0.09%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.11%		
Freight rail transport	CCM 6.2	46.52	2.18%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.89%		
Urban and suburban transport, road passenger transport	CCM 6.3	1.65	0.08%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.05%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.22	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.02%		
Freight transport services by road	CCM 6.6	0.29	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.10%		
Infrastructure for rail transport	CCM 6.14	13.54	0.63%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.63%		
Infrastructure enabling low-carbon road transport and public transport	CCA 6.15	-	-	-	-	-	-	-	-								0.15%		
Construction of new buildings	CCM 7.1	0.05	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.02%		
Renovation of existing buildings	CCM 7.2	27.27	1.28%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.08%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.80	0.04%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.12%		
Installation, maintenance and repair of electric vehicle charging stations in buildings (and in car parks at buildings)	CCM 7.4	0.01	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.35	0.02%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Acquisition and ownership of buildings	CCM 7.7	-	-	-	-	-	-	-	-								0.01%		
Data processing, hosting and related activities	CCM 8.1	11.34	0.53%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.47%		
Activities related to the production of motion pictures, video recordings, television programs, sound recordings and music recordings	CCA 13.3	-	-	-	-	-	-	-	-								0.00%		
Operating expenditure from taxonomy-eligible but not environmentally sustainable activity (activities non-compliant with the Taxonomy) (A.2)		170.79	8.00%	99.7%	0%	0%	0%	0.1%	0.2%								7.40%		
		214.28	10.04%	99.7%	0%	0%	0%	0.1%	0.02%								9.53%		

Financial year N	Year		Criteria concerning material contribution							Criteria concerning the DNSH principle ("do no significant harm")									
	Code or codes (2)	Operating expenditure (3)	Percentage of operating expenses, Year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Participation in taxonomy-compliant activity (A.1.) or taxonomy-eligible activity (A.2.) Operating expenses, year 2023 (18)	Category supporting activities (19)	Category transition activities (20)
A. Operating expenditure from Taxonomy-eligible activity (A.1+A.2)																			
B. TAXONOMY NON-ELIGIBLE ACTIVITY																			
Operating expenditure from Taxonomy non-eligible activities		1,919.99	89.96%																
TOTAL		2,134.27	100%																

The total value of eligible operating expenditure was PLN 214.28 million, of which activities related to operating expenditure with the value of PLN 43.49 million were defined as the expenditure of Taxonomy-eligible activities.

Key performance indicators prepared in accordance with Delegated Regulation 2023/2486

Proportion of turnover / Total turnover

Goals	Compliance with Taxonomy by goals	Eligibility for Taxonomy by goals
CCM	0.87%	1.56%
CCA	-	-
WTR	-	-
CE	-	-
PPC	-	-
BIO	-	0.002%

Proportion of capital expenditure / Total capital expenditure

Goals	Compliance with Taxonomy by goals	Eligibility for Taxonomy by goals
CCM	3.92%	10.32%
CCA	-	-
WTR	-	0.22%
CE	-	-
PPC	-	-
BIO	-	-

Proportion of operating expenditure / Total operating expenditure

Goals	Compliance with Taxonomy by goals	Eligibility for Taxonomy by goals
CCM	2.04%	9.98%
CCA	-	-
WTR	-	-
CE	-	0.01%
PPC	-	-
BIO	-	0.02%

Annex no. 4 to this Report presents the disclosure in accordance with Annex III of Delegated Regulation 2022/1214, supplementing Delegated Regulation 2021/2178 with Annex XII, concerning standard templates for the disclosure of information referred to in Article 8(6) and (7) - i.e. for activities related to nuclear power and natural gas.

Disclosure in accordance with Annex III of Commission Delegated Regulation (EU) 2022/1214, supplementing Commission Delegated Regulation (EU) 2021/2178 with Annex XII, concerning standard templates for the disclosure of information referred to in Article 8(6) and (7) - i.e. for activities related to nuclear power and natural gas [for consolidated data]

Turnover

Table 131. Taxonomy disclosure: Turnover - Template 1 Activities related to nuclear power and natural gas.

Row		
Activities related to nuclear power		
1.	The company conducts research, development, demonstration and deployment of innovative electricity generation facilities that produce energy through nuclear processes with minimum fuel cycle waste, finances or has exposure to such activity.	NO
2.	The company conducts the construction and safe operation of new nuclear power facilities to generate electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as their modernisation in terms of safety using the best available technology, finances or has exposure to such activity.	NO
3.	The company conducts safe operation of existing nuclear power facilities generating electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as their modernisation in terms of safety, finances or has exposure to such activity.	NO
Activities related to natural gas		
4.	The company conducts the construction or operates facilities for generation of electricity using gaseous fossil fuels, finances or has exposure to such activity.	NO
5.	The company conducts the construction, modernisation or operates facilities for combines generation of heat/cooling and electricity using gaseous fossil fuels, finances or has exposure to such activity.	NO
6.	The company conducts the construction, modernisation or operates facilities for heat generation producing heat/cooling energy using gaseous fossil fuels, finances or has exposure to such activity.	NO

Table 132. Taxonomy disclosure: Turnover - Template 2 Taxonomy-compliant economic activity (denominator)

Row	Types of economic activity	Amount and share (information to be provided in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (in million PLN)	%	Amount (in million PLN)	%	Amount (in million PLN)	%
1.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
2.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
3.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
4.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
5.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
6.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
7.	Amount and share of other taxonomy-compliant economic activities not listed in rows 1-6 above in the denominator of the applicable key performance indicator	308.10	0.9%	308.10	0.9%	0.00	0%
8.	Total applicable key performance indicator	35,319.98		35,319.98		0.00	

Table 133. Taxonomy disclosure: Turnover - Template 3 Taxonomy-compliant economic activity (numerator)

Row	Types of economic activity	Amount and share (information to be provided in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (in million PLN)	%	Amount (in million PLN)	%	Amount (in million PLN)	%
1.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
2.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
3.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
4.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
5.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
6.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
7.	The amount and share of other taxonomy-compliant economic activities not listed in rows 1-6 above in the denominator of the applicable key performance indicator	308.10	100%	308.10	100%	0.00	0%
8.	Total amount and total share of other taxonomy-compliant economic activities in the denominator of the applicable key performance indicator	308.10	100%	308.10	100%	0.00	0%

Table 134. Taxonomy disclosure: Turnover - Template 4 Taxonomy-eligible but taxonomy non-compliant economic activity

Row	Types of economic activity	Amount and share (information to be provided in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (in million PLN)	%	Amount (in million PLN)	%	Amount (in million PLN)	%
1.	The amount and share of taxonomy-eligible but taxonomy non-compliant economic activity referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
2.	The amount and share of taxonomy-eligible but taxonomy non-compliant economic activity referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
3.	The amount and share of taxonomy-eligible but taxonomy non-compliant economic activity referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
4.	The amount and share of taxonomy-eligible but taxonomy non-compliant economic activity referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
5.	The amount and share of taxonomy-eligible but taxonomy non-compliant economic activity referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
6.	The amount and share of taxonomy-eligible but taxonomy non-compliant economic activity referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
7.	Amount and share of other taxonomy-eligible but taxonomy non-compliant economic activities not listed in rows 1-6 above in the denominator of the applicable key performance indicator	243.20	0.7%	243.20	0.7%	0.00	0%
8.	Total amount and total share of taxonomy-eligible but taxonomy non-compliant economic activities in the denominator of the applicable key performance indicator	243.20	0.7%	243.20	0.7%	0.00	0%

Table 135. Taxonomy disclosure: Turnover - Template 5 Taxonomy non-eligible economic activity

Row	Types of economic activity	Amount (in million PLN)	%
1.	The amount and share of taxonomy non-eligible economic activity referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
2.	The amount and share of taxonomy non-eligible economic activity referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
3.	The amount and share of taxonomy non-eligible economic activity referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
4.	The amount and share of taxonomy non-eligible economic activity referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
5.	The amount and share of taxonomy non-eligible economic activity referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
6.	The amount and share of taxonomy non-eligible economic activity referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
7.	Amount and share of other taxonomy non-eligible economic activities not listed in rows 1-6 above in the denominator of the applicable key performance indicator	34,767.81	98.4%
8.	Total amount and total share of taxonomy non-eligible economic activities in the denominator of the applicable key performance indicator	34,767.81	98.4%

Capital expenditures

Table 136. Taxonomy disclosure: Capital expenditures - Template 1 Activities related to nuclear power and natural gas.

Row		
	Activities related to nuclear power	
1.	The company conducts research, development, demonstration and deployment of innovative electricity generation facilities that produce energy through nuclear processes with minimum fuel cycle waste, finances or has exposure to such activity.	NO
2.	The company conducts the construction and safe operation of new nuclear power facilities to generate electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as their modernisation in terms of safety using the best available technology, finances or has exposure to such activity.	NO
3.	The company conducts safe operation of existing nuclear power facilities generating electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as their modernisation in terms of safety, finances or has exposure to such activity.	NO
	Activities related to natural gas	
4.	The company conducts the construction or operates facilities for generation of electricity using gaseous fossil fuels, finances or has exposure to such activity.	NO
5.	The company conducts the construction, modernisation or operates facilities for combines generation of heat/cooling and electricity using gaseous fossil fuels, finances or has exposure to such activity.	NO
6.	The company conducts the construction, modernisation or operates facilities for heat generation producing heat/cooling energy using gaseous fossil fuels, finances or has exposure to such activity.	NO

Table 137. Taxonomy disclosure: Capital expenditure - Template 2 Taxonomy-compliant economic activity (denominator)

Row	Types of economic activity	Amount and share (information to be provided in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (in million PLN)	%	Amount (in million PLN)	%	Amount (in million PLN)	%
1.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
2.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
3.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
4.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
5.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
6.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
7.	Amount and share of other taxonomy-compliant economic activities not listed in rows 1-6 above in the denominator of the applicable key performance indicator	240.23	3.9%	240.23	3.9%	0.00	0%
8.	Total applicable key performance indicator	6,120.87		6,120.87		0.00	

Table 138. Taxonomy disclosure: Capital expenditure - Template 3 Taxonomy-compliant economic activity (numerator)

Row	Types of economic activity	Amount and share (information to be provided in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (in million PLN)	%	Amount (in million PLN)	%	Amount (in million PLN)	%
1.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
2.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
3.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
4.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
5.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
6.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
7.	The amount and share of other taxonomy-compliant economic activities not listed in rows 1-6 above in the denominator of the applicable key performance indicator	240.23	100%	240.23	100%	0.00	0%
8.	Total amount and total share of other taxonomy-compliant economic activities in the denominator of the applicable key performance indicator	240.23	100%	240.23	100%	0.00	0%

Table 139. Taxonomy disclosure: Capital expenditure - Template 4 Taxonomy-eligible but taxonomy non-compliant economic activity

Row	Types of economic activity	Amount and share (information to be provided in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (in million PLN)	%	Amount (in million PLN)	%	Amount (in million PLN)	%
1.	The amount and share of taxonomy-eligible but taxonomy non-compliant economic activity referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
2.	The amount and share of taxonomy-eligible but taxonomy non-compliant economic activity referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
3.	The amount and share of taxonomy-eligible but taxonomy non-compliant economic activity referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
4.	The amount and share of taxonomy-eligible but taxonomy non-compliant economic activity referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
5.	The amount and share of taxonomy-eligible but taxonomy non-compliant economic activity referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	5.13	0.1%	5.13	0.1%	0.00	0%
6.	The amount and share of taxonomy-eligible but taxonomy non-compliant economic activity referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
7.	Amount and share of other taxonomy-eligible but taxonomy non-compliant economic activities not listed in rows 1-6 above in the denominator of the applicable key performance indicator	386.07	6.3%	386.07	6.3%	0.00	0%
8.	Total amount and total share of taxonomy-eligible but taxonomy non-compliant economic activities in the denominator of the applicable key performance indicator	391.20	6.4%	391.20	6.4%	0.00	0%

Table 140. Taxonomy disclosure: Capital expenditures - Template 5 Taxonomy non-eligible economic activity

Row	Types of economic activity	Amount (in million PLN)	%
1.	The amount and share of taxonomy non-eligible economic activity referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
2.	The amount and share of taxonomy non-eligible economic activity referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
3.	The amount and share of taxonomy non-eligible economic activity referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
4.	The amount and share of taxonomy non-eligible economic activity referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
5.	The amount and share of taxonomy non-eligible economic activity referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
6.	The amount and share of taxonomy non-eligible economic activity referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
7.	Amount and share of other taxonomy non-eligible economic activities not listed in rows 1-6 above in the denominator of the applicable key performance indicator	5,475.81	89.5%
8.	Total amount and total share of taxonomy non-eligible economic activities in the denominator of the applicable key performance indicator	5,475.81	89.5%

Operating expenditure

Table 141. Taxonomy disclosure: Operating expenditure - Template 1 Activities related to nuclear power and natural gas.

Row		
Activities related to nuclear power		
1.	The company conducts research, development, demonstration and deployment of innovative electricity generation facilities that produce energy through nuclear processes with minimum fuel cycle waste, finances or has exposure to such activity.	NO
2.	The company conducts the construction and safe operation of new nuclear power facilities to generate electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as their modernisation in terms of safety using the best available technology, finances or has exposure to such activity.	NO
3.	The company conducts safe operation of existing nuclear power facilities generating electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as their modernisation in terms of safety, finances or has exposure to such activity.	NO
Activities related to natural gas		
4.	The company conducts the construction or operates facilities for generation of electricity using gaseous fossil fuels, finances or has exposure to such activity.	NO
5.	The company conducts the construction, modernisation or operates facilities for combines generation of heat/cooling and electricity using gaseous fossil fuels, finances or has exposure to such activity.	YES
6.	The company conducts the construction, modernisation or operates facilities for heat generation producing heat/cooling energy using gaseous fossil fuels, finances or has exposure to such activity.	NO

Table 142. Taxonomy disclosure: Operating expenditure - Template 2 Taxonomy-compliant economic activity (denominator)

Row	Types of economic activity	Amount and share (information to be provided in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (in million PLN)	%	Amount (in million PLN)	%	Amount (in million PLN)	%
1.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
2.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
3.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
4.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
5.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
6.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
7.	Amount and share of other taxonomy-compliant economic activities not listed in rows 1-6 above in the denominator of the applicable key performance indicator	43.49	2.0%	43.49	2.0%	0.00	0%
8.	Total applicable key performance indicator	2,134.27		2,134.27		0.00	

Table 143. Taxonomy disclosure: Operating expenditure - Template 3 Taxonomy-compliant economic activity (numerator)

Row	Types of economic activity	Amount and share (information to be provided in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (in million PLN)	%	Amount (in million PLN)	%	Amount (in million PLN)	%
1.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
2.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
3.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
4.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
5.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
6.	The amount and share of taxonomy-compliant economic activity referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
7.	The amount and share of other taxonomy-compliant economic activities not listed in rows 1-6 above in the denominator of the applicable key performance indicator	43.49	100%	43.49	100%	0.00	0%
8.	Total amount and total share of other taxonomy-compliant economic activities in the denominator of the applicable key performance indicator	43.49	100%	43.49	100%	0.00	0%

Table 144. Taxonomy disclosure: Operating expenditure - Template 4 Taxonomy-eligible but taxonomy non-compliant economic activity

Row	Types of economic activity	Amount and share (information to be provided in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (in million PLN)	%	Amount (in million PLN)	%	Amount (in million PLN)	%
1.	The amount and share of taxonomy-eligible but taxonomy non-compliant economic activity referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
2.	The amount and share of taxonomy-eligible but taxonomy non-compliant economic activity referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
3.	The amount and share of taxonomy-eligible but taxonomy non-compliant economic activity referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
4.	The amount and share of taxonomy-eligible but taxonomy non-compliant economic activity referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
5.	The amount and share of taxonomy-eligible but taxonomy non-compliant economic activity referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	25.72	1.2%	25.72	1.2%	0.00	0%
6.	The amount and share of taxonomy-eligible but taxonomy non-compliant economic activity referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
7.	Amount and share of other taxonomy-eligible but taxonomy non-compliant economic activities not listed in rows 1-6 above in the denominator of the applicable key performance indicator	143.87	6.7%	143.87	6.7%	0.00	0%
8.	Total amount and total share of taxonomy-eligible but taxonomy non-compliant economic activities in the denominator of the applicable key performance indicator	168.69	7.9%	169.59	7.9%	0.00	0%

Table 145. Taxonomy disclosure: Operating expenditures - Template 5 Taxonomy non-eligible economic activity

Row	Types of economic activity	Amount (in million PLN)	%
1.	The amount and share of taxonomy non-eligible economic activity referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
2.	The amount and share of taxonomy non-eligible economic activity referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
3.	The amount and share of taxonomy non-eligible economic activity referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
4.	The amount and share of taxonomy non-eligible economic activity referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
5.	The amount and share of taxonomy non-eligible economic activity referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
6.	The amount and share of taxonomy non-eligible economic activity referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
7.	Amount and share of other taxonomy non-eligible economic activities not listed in rows 1-6 above in the denominator of the applicable key performance indicator	1,920.62	90.0%
8.	Total amount and total share of taxonomy non-eligible economic activities in the denominator of the applicable key performance indicator	1,920.62	90.0%

4.2.2 [E1] Climate change

[E1-1] Plan of transition to climate change mitigation needs

The Group does not have a formalised Transition Plan for climate change mitigation in place. The Group will adopt the Transition Plan by 30 June 2030, in accordance with applicable regulations.

As the majority of GHG emissions in the Group come from the technological processes of the Company (more than 68% of Scope 1 emissions and approximately 80% of Scope 2 emissions) actions related to the preparation of a decarbonisation plan for the operations of KGHM Polska Miedź S.A. were taken. In January 2024, the Decarbonisation Program of KGHM Polska Miedź S.A. was adopted by a resolution of the Management Board⁶¹, defining actions for climate change mitigation in the short-term until 2030 and in the long-term until 2050. "The Decarbonisation Program" is a formalised element of the Transition Plan, which can be regarded as an introduction to the development of the Transition Plan in the future.

The main directions and goals set forth in the Climate Policy and the Decarbonisation Program of KGHM Polska Miedź S.A. are reflected in the existing Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040.

The intermediate target adopted in the Climate Policy of KGHM Polska Miedź S.A. (reduction of Scope 1 and 2 emissions by 30%) is lower than the science-based emission reduction scenario consistent with limiting global warming to 1.5 °C amounting to 42% by 2030⁶². The target adopted is lower due to the fact that emission reductions in line with the scientific target for energy-intensive companies in countries where the national energy mix is based on fossil fuels are not feasible without a radical change in the national energy mix. Furthermore, due to the early stage of development of most decarbonisation technologies, it is not possible to significantly reduce direct emissions by 2030.

The Company's main activities up to 2030 will be aimed at reducing Scope 2 indirect emissions, while key activities to reduce Scope 1 direct emissions will be implemented successively by 2050.

The main direction of decarbonisation in the area of indirect emissions of KGHM PM S.A. (Scope 2 - by market-based method) will be a gradual withdrawal from the use of market-sourced electricity to an increasing use of own energy sources. The development of own sources will include the construction or acquisition of renewable energy installations (photovoltaic plants and wind power). These activities are included in the strategy of KGHM Polska Miedź S.A. under the Strategic Program - Energy Development Program.

Energy Development Program

The strategic goal of KGHM Polska Miedź S.A. related to energy transition in the 2030 perspective assumes covering at least 50% (i.e. approximately 1 500 GWh) of the demand for electricity from own sources, including renewable energy sources. Analysis of the market-economic-political environment of KGHM Polska Miedź S.A. indicates the need to diversify the means of covering demand for electricity. Based on the analyses carried out and the current strategic directions of KGHM Polska Miedź S.A., activities related to the achievement of strategic objectives were set, consisting, inter alia, of the acquisition of projects from the market (M&A) and the preparation and construction of own RES installations on land owned by KGHM (under own development).

Improvement of energy efficiency

Improving energy efficiency will also play an important role in the decarbonisation process. The ISO 50001-compliant Energy Management System implemented in 2017 by all Divisions of the Company has a systematic effect on reducing the Scope 2 greenhouse gas emissions.

Plans to reduce direct emissions

Within the key directions for reducing the carbon footprint in the area of direct emissions, the construction of a CCS/CCU facility (Carbon Capture and Storage/Carbon Capture and Utilisation) at the Głogów Copper Smelter and Refinery is being considered.

In 2024, conceptual and R&D work was carried out on the development of a CO₂ capture facility at the Głogów Copper Smelter and Refinery. Further work on the project concept and financing is planned. Measures to reduce Scope 1 direct emissions through the implementation of CCS/CCU facilities in the metallurgical core business will be progressively implemented in the 2050 timeframe.

⁶¹ Resolution of the Management Board of KGHM Polska Miedź S.A. No. 28/XI/2024 dated 31 January 2024 regarding approval of the „Decarbonisation Program of KGHM Polska Miedź S.A. STAGE 1 - to the year 2030 with an outlook to 2050”

⁶² based on "Pathways to Net-zero -SBTi Technical Summary" (version 1.0, October 2021)

[E1-2] Policies related to climate change mitigation and adaptation

Climate policy of KGHM Polska Miedź S.A.

The Climate Policy of KGHM Polska Miedź S.A. defines the framework for managing sustainability issues, focusing on reducing greenhouse gas emissions, adapting the Company's operations to climate change and implementing measures to minimise the impact of the organisation on the environment.

The majority of the Group's greenhouse gas emissions are attributable to the activities of KGHM Polska Miedź S.A., and therefore the Climate Policy of KGHM Polska Miedź S.A. was developed primarily for these activities.

The Group does not have a formalised climate policy. Work on a climate policy for the Group is at an early stage and will continue.

The Climate policy of KGHM Polska Miedź S.A. is a directional document, addressed to both external and internal stakeholders, whose goal is to present the climate ambitions of KGHM Polska Miedź S.A. and to specify the necessary scope of process and organisational changes for their implementation and continuous improvement. The climate policy of KGHM Polska Miedź S.A. supports the implementation of the UN Sustainable Development Goals⁶³ in terms of ensuring affordable access to stable, sustainable and modern energy for all, ensuring sustainable consumption and production patterns and taking action to combat climate change and its impacts (Goals: 7, 12, 13).

The Climate Policy of KGHM Polska Miedź S.A. takes into account both significant impacts as well as risks and opportunities arising from climate change. The main positive impacts include the production of metals that are crucial for a low-carbon economy, which supports global technological transformation and adaptation to climate change. Negative impacts, on the other hand, include high greenhouse gas emissions in Scopes 1, 2 and 3, resulting from our own production activities, electricity purchases and the supply chain.

The main risks related to climate policy include regulatory risks associated with changes in CO₂ emission regulations and physical risks, including sudden and chronic climate change that could affect operations. Moreover, the Company faces technological risks resulting from the necessity to implement new low-carbon solutions, reputational risks related to the perception of its operations by stakeholders, and market risks resulting from changes in demand for its products.

As part of the third stage of the risk management process, an in-depth cause-and-effect analysis is carried out, part of which is, among other things, a resilience analysis containing ways of dealing with the risks which, in line with the assumptions of the corporate risk management process, is intended to enable a decision to maintain or possibly change the current management. The directional decision is called Risk Response and, in the case of climate risk, is related to an individual's ability to adapt to the uncertainty associated with climate change, in other words to climate resilience and mitigation of that risk.

In the context of the physical scenario analyses, the factors related to temperature increase and drought proved critical from the Company's perspective. The exposure of KGHM Polska Miedź S.A. to the factors indicated may significantly affect the functioning of the production divisions. Among the potential consequences of changes in the factors identified on elements of the value chain, an increased demand for utilities, interruptions in their supply, potential equipment failures and nuisance work should be indicated.

As part of its strategic activities, the Company also recognises numerous opportunities, such as the development of new mining and automation technologies, access to external funding sources for the energy transition, the possibility of extending the value chain through metal recycling and increasing competitiveness by reducing indirect CO₂ emissions.

The overarching goal of the Climate Policy of KGHM Polska Miedź S.A. is for the Company to support efforts to achieve global climate neutrality by 2050. KGHM Polska Miedź S.A.'s interim target is to reduce total Scope 1 and Scope 2 emissions by 30% by 2030, compared to 2020 emission levels.

KGHM Polska Miedź S.A. emits around 3 million tonnes of CO₂ equivalent per year, where Scope 1 and Scope 2 emissions account for comparable shares according to the GHG Protocol. Scope 1 emissions are direct emissions primarily related to the Company's production activities – in particular, emissions from metallurgical processes, emissions related to the use of motor fuels by mining vehicles and machinery in mines, and emissions related to the generation of energy from our own sources using natural gas. Scope 2 emissions are indirect emissions associated with the use of electricity and heat purchased on the market. Their level depends primarily on the energy mix in the national energy system.

The main directions for reducing the carbon footprint in the area of Scope 1 direct emissions will include the use of hydrogen technologies in production processes, the development of electromobility, the implementation of advanced technologies within the production line, the gradual replacement of conventional energy sources by low- and zero-carbon sources, and the use of CCS/CCU technologies for the management of the remaining CO₂ emitted in metallurgical processes.

⁶³ The Sustainable Development Goals listed in the final document of the United Nations summit entitled "Transforming our world: The 2030 Sustainable Development Agenda", adopted by the General Assembly on 25 September 2015.

Since most of the decarbonization technology is at an 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 decarbonization effects in the direct emissions area, will be effected in 2030-2050.

The main direction of decarbonization in the area of indirect Scope 2 emissions will be a gradual shift away from the use of market-sourced electricity and heat to an increasing use of own energy sources. A key element in supporting the reduction of Scope 2 emissions will be the continued improvement of energy efficiency in production units and process improvements.

The policy implementation monitoring process is based on systematic emission reporting in accordance with the GHG Protocol, scenario analysis and ongoing assessment of compliance with the TCFD guidelines. The policy encompasses all activities of KGHM Polska Miedź S.A. and their impact on the climate, both within the upstream and downstream value chain and in the geographical areas where the Company operates. This document takes into account key stakeholder groups, including investors, local communities, employees and business partners.

Complex investment expenditures related to the realisation of activities limiting the level of greenhouse gas emissions have been determined as part of the Decarbonisation Program of KGHM Polska Miedź S.A. The Climate Policy does not contain any significant exclusions, but at the first stage it does not cover the full Scope 3 emissions, which it plans to address in the future. The Climate Policy of KGHM Polska Miedź S.A. was adopted for application by a Resolution of the Management Board⁶⁴, while the supervision over the implementation of the resolution was entrusted to the Vice President of the Management Board for Financial Affairs.

The Company is aware that improving ESG ratings relevant from the perspective of institutional investors and funding institutions will require the continuation of existing measures and the implementation of new measures, including improving the quality of reporting of climate-related information. At the same time, a well-established Climate Policy will contribute to ongoing cooperation and dialogue with local communities and municipalities, including through dedicated climate protection education programs.

All of the above-mentioned activities will not only benefit KGHM's environment, but will also have a significant impact on building long-term shareholder value for the Company.

KGHM Polska Miedź S.A. makes the Climate Policy available to all interested parties via the Company's website under the tab [Climate policy of KGHM Polska Miedź S.A. | KGHM Corporate website](#).

Energy Policy of KGHM Polska Miedź S.A.

Rational management of natural resources is of fundamental importance for KGHM Polska Miedź S.A. in respect to sustainable development, satisfaction of stakeholder expectations and accountability to future generations.

The priority is to constantly increase the share of renewable energy sources and in-house production in meeting energy demand.

The primary objective of KGHM Polska Miedź S.A. in respect to energy management, including directly related pro-climate activity, is to engage in rational energy management while ensuring the security of energy supply to facilities and installations within the Company's production line. This process is carried out in accordance with the best European and global standards, mainly in accordance with ISO 50001. The implementation of this international standard of energy utility management began with the adoption of the Energy Policy of KGHM Polska Miedź S.A. by the President of the Management Board on 28 November 2016. The third edition of the Policy, approved on 12 July 2023, is currently in force.

KGHM Polska Miedź S.A. consistently strives to continually increase the share of renewable energy sources and in-house energy production in covering energy demand. The following principles are essential to the energy management policy:

- identification and monitoring of energy streams,
- reducing energy consumption and eliminating its losses,
- continuous monitoring and improvement of energy use, including energy recovery and efficient energy production.

The Company implements its energy policy in a way that ensures that the impacts, risks and opportunities associated with energy consumption and energy transition are effectively managed. In view of the high share of energy from non-renewable sources, measures are being taken to minimise the negative impact by increasing the share of renewable energy sources, optimising consumption and investing in in-house generation.

The energy transition represents an opportunity for the Company to reduce costs and increase energy independence through the development of cogeneration facilities, raising funds for pro-efficiency projects and improving the energy

⁶⁴ Resolution of the Management Board of KGHM Polska Miedź S.A. no. 121/XI/2023 dated 08 March 2023 regarding the approval of the updated "Climate Policy of KGHM Polska Miedź S.A."

efficiency of technological processes. Optimising the cost of energy utilities is also an important part of the policy, which reduces CO₂ emissions and the cost of purchasing emission allowances.

The Energy Policy does not set specific targets and the scope and time limits for targets as required by MDR-A and MDR-T.

The Energy Policy of KGHM Polska Miedź S.A. is made available to all stakeholders through the official website of the Company.

[E1-3] Measures and resources in relation to climate policy

In November 2023, design work was commenced with the aim of developing Decarbonisation Programs for the Core Production Business of KGHM Polska Miedź S.A., taking into account the targets for reduction of greenhouse gas emissions specified in the Climate Policy with the outlook of 2030 and 2050.

KGHM Polska Miedź S.A., in terms of energy transformation with the outlook of 2030, assumes the construction of its own and the acquisition of renewable energy sources, which will systematically increase the volume of renewable electricity used in KGHM Polska Miedź S.A. in such a way as to achieve the Company's climate neutrality in 2050.

In 2024, capital expenditure is planned in the portfolio in the form of 30 projects potentially related to the implementation of GHG emission mitigation measures. It is assumed that, due to the level of development and availability of modern technology, the Company's main activities in the 2030 timeframe will be aimed at reducing indirect Scope 2 emissions, i.e. emissions associated with the use of electricity

Currently, "green energy" is produced for the needs of KGHM Polska Miedź S.A. from the company's own 47MW photovoltaic farms. Further RES installation projects that are being prepared for construction and connection to their own electricity system are at the stage of obtaining funding, designing for the possibility of connecting energy storage to these sources and preparing technical documentation. With such program, design and implementation assumptions, it is assumed that a 30% reduction will occur in Scope 1 and Scope 2 CO₂ emissions by 2030 with respect to 2020.

The Gas and Steam Units operating in high-efficiency cogeneration and powered by gas fuel from the Polish gas mine in Kościan supply electricity, heat and process steam not only to the Company's needs, but also to the district heating systems of the surrounding towns. High-efficiency gas engines installed in the Surface Climate Stations of the Rudna mine and the Polkowice-Sieroszowice mine provide electricity and ice water used for cooling workplaces in underground mine workings.

Due to KGHM Polska Miedź S.A.'s use of the support system under the Act of 19 July 2019 on the compensation system for energy-intensive sectors and subsectors, in order to fulfil its obligation for 2023, in 2024 the Company carried out a tender procedure for the transfer of Guarantees of Origin of Energy from RES to KGHM. The tender provided for the acquisition and redemption of Guarantees of Origin for the total volume of 200,000 MWh of electricity generated from renewable energy sources. RES Energy Guarantees of Origin were purchased and redeemed by KGHM in 2024. The following significant activities of the parent company, KGHM Polska Miedź S.A. were carried out during the reporting period:

- On 29 February 2024, shares in three special purpose vehicles with photovoltaic farm projects with the total capacity of 42 MW were acquired, consequently, taking into account previous project purchases, the Company owns 8 photovoltaic farms with the total capacity of 47 MW located in the Dolnośląskie, Łódzkie, Pomorskie and Wielkopolskie Voivodeships. The purchased installations generated 44 037 MWh of electricity in 2024.
- Market exploration and observations of the progress of commercialisation of small nuclear reactor module technology worldwide were conducted. A pre-feasibility study for the construction of a nuclear power plant using SMR technology to meet the Company's electricity needs was finalised. The analysis of the conclusions of this study is in progress.
- For the Głogów Copper Smelter and Refinery PV project (I-III, 7.5 MW), the tender preparation process for the selection of the General Contractor and the Supervising Inspector for each of the 3 designed PV installations with the total capacity of 7.5 MW began last year.
- For the PV Piaskownia Obora project (max. 50 MW) technical connection conditions were obtained with a capacity of 50 MW.
- Positive Decisions on Environmental Conditions were obtained for the PV Tarnówek (3 MW), PV Kalinówka (2 MW) and PV Polkowice (3.9 MW) projects. In the case of the Cedynia Wire Rod Plant (1.5 MW), the application has been submitted and development conditions have been obtained. Technical connection conditions have been obtained for the Kalinówka PV project.
- For the Wartowice PV I project (88MW), which is being implemented on own land, TAURON Dystrybucja S.A. allocated connection capacity of 88 MW as part of the technical connection conditions, based on the application submitted in 2023. The Draft Connection Agreement is subject to an intra-organisational procedure.
- For the Lubin Zachodni Mine PV project (5 MW), the Lubin Municipality has initiated a procedure to amend the local land use plan to allow the construction of the photovoltaic farm on the site of the Mine.
- The Radwanice-Żukowice WF project (20 MW) located partly on the Company's own land near Głogów Copper Smelter and Refinery is under consideration. A concept for power output to the Głogów Copper Smelter and Refinery was prepared for the wind project.
- Individual local law documents (Study, Local Spatial Development Plan, General Plans) cyclically received opinions in order to secure the possibility of implementing RES investments on KGHM's own land.
- The amount of PLN 65.4 million was spent on the above tasks.

In the subsequent years:

- KGHM will carry out a number of activities and tasks related to its involvement in the acquisition processes for renewable energy sources in the Copper Basin, with the Company's involvement in the transaction process as a business decision dependent on obtaining external financing.
- The Company plans to continue the development of investment potential on its own land with a total planned capacity of approximately 200 MW in connection with the ongoing energy transformation of KGHM Polska Miedź S.A. The key project planned for 2025 is the selection of construction contractors for the PV I-III project complex in Głogów Copper Smelter and Refinery. In addition, it is planned to obtain technical connection conditions for the PV Tarnówek, PV Polkowice and PV Cedynia Wire Rod Plant projects and to obtain a building permit decision for the following projects: PV Tarnówek (3 MW), PV Kalinówka (2 MW), PV Polkowice (3.9 MW), PV Cedynia Wire Rod Plant (1.5 MW).
- The funds allocated for the above objectives in 2025 amount to PLN 519.6 million.

With regard to activities concerning the reduction of Scope 1 emissions, activities are carried out with the aim of ultimate building of a carbon dioxide sequestration unit at the Głogów Copper Smelter and Refinery. A summary of activities during the reporting period with a plan for next year is presented below.

2024 - total costs of PLN 1,247,000.00 net were incurred for the development of a feasibility study for the CCS demonstration plant. In 2025, a net amount of PLN 455,000.00 is planned to be used for the feasibility study of a CCS installation for CO₂ transport and injection. The measures taken are expected to lead to the construction of a CCS facility at the Głogów Copper Smelter and Refinery in the 2050 timeframe, thereby reducing Scope 1 emissions for this installation by approximately 50%.

Significant activities carried out by the Companies of the KGHM Polska Miedź S.A. Group include the following projects:

- Energetyka sp. z o.o. in Lubin is implementing a renewable energy sources (RES) project in accordance with the investment plan. A photovoltaic system at the Głogów Copper Smelter and Refinery EC-3 plant, the electricity generated, estimated at around 1,300 MWh/year, will be used for the plant's own needs. In the reporting year, some preparatory work was carried out, the expenditure of approx. PLN 0.3 million was incurred, the planned expenditure in subsequent years is approx. PLN 6 million.
- WPEC Legnica S.A. is carrying out an investment project entitled Modernisation of the heat supply system in Legnica, involving the construction of a natural gas-fired source to replace a coal-fired boiler house. To date, 95% of the investment has been completed. The expenditure until the total completion of the construction work is PLN 105 million. Completion and acceptance of the investment is planned for 2025. The measurable environmental benefit is the reduction of CO₂ emissions by approximately 50%.

[E1-4] Targets related to climate change mitigation and adaptation

The KGHM Group did not have formalised climate change mitigation targets. Due to the fact that the majority of the Group's greenhouse gas emissions are attributable to emissions from the technological processes of KGHM Polska Miedź S.A., targets for these activities were developed first. Thus, the Company's Decarbonisation and Energy Transition Programs implemented focus on drastically reducing carbon dioxide emissions from technological processes and those associated with the consumption of energy utilities produced using fossil fuels (especially coal).

The overarching goal included in the Climate Policy of KGHM Polska Miedź S.A. is for the Company - as the Parent Entity of the KGHM Group - to achieve climate neutrality by 2050. The intermediate goal is to reduce the total Scope 1 and Scope 2 emissions by 30% by 2030 in relation to 2020 emission levels.⁶⁵

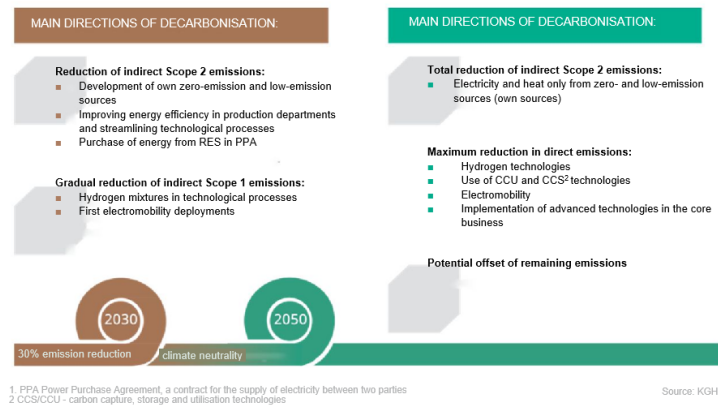
The targets set are relative in nature and are measured in percentages (%). Targets are included as indicators in relation to the base year or YoY and measured both in tonnes of CO₂ equivalent (t CO₂e) and percentage value.

2020 was adopted as the base year in determining GHG reduction progress. No interim or intermediate targets have been set for 2030. 2030 is an intermediate target for 2050.

In terms of energy management, the primary objective of KGHM Polska Miedź S.A. is to carry out rational energy management while ensuring the broadly understood energy safety of employees, machinery, equipment and installations of the Company's Core Business. The key elements which guarantee the rational use of energy utilities include the Energy Policy of KGHM Polska Miedź S.A., the Decarbonisation Program of KGHM Polska Miedź S.A. and the implemented and effectively functioning Energy Management System compliant with the PN-EN ISO 50001 standard.

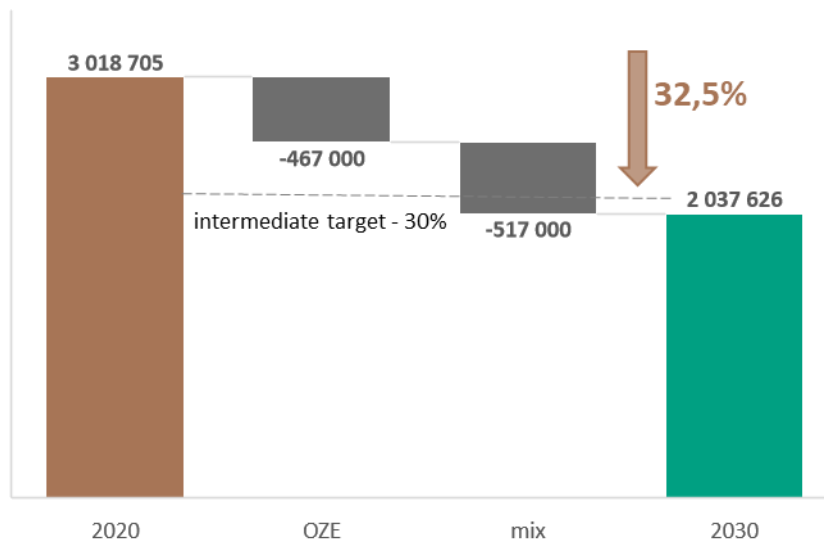
⁶⁵ GHG emissions are calculated in accordance with the GHG Protocol. The protocol indicates that companies select and report a base year for which verifiable emissions data are available. The first emission calculation according to the protocol was based on data for 2020. 2020 was therefore indicated in the Climate Policy as the base year for Scope 1 and 2 GHG emissions.

Diagram 51. Main directions of decarbonisation



2020 was adopted as the base year in the context of tracking progress in reducing greenhouse gas emissions, with emissions at a level of 3 019 thousand t CO₂e (Chart 37). The plans to reduce emissions in the 2030 timeframe mainly relate to investments in the area of RES (467 thousand t CO₂e) and in the area of purchasing electricity from an external supplier (517 thousand t CO₂e). The expected reduction in greenhouse gas emissions leads to the achievement of Scope 1 direct greenhouse gas emissions and Scope 2 indirect emissions - market-based at a level of 2038 thousand t CO₂e in 2030. Thus, the estimated reduction in emissions accounts for 32.5% and includes KGHM Polska Miedź S.A. At this stage, emissions from KGHM Group Companies are not covered by climate change mitigation targets.

Chart 37. Projected emission reductions by direction - baseline option (t CO₂e)



The annual greenhouse gas balance allows for determining emission levels for Scopes 1, 2 and 3. Any changes in emission levels are subject to analysis and identification of their source. At the same time, actions whose implementation contributes or can contribute to reducing greenhouse gas emissions are monitored. The analysis of all information available makes it possible to assess the pursuit of a set level of emission reduction. Measures that, if implemented, will significantly reduce GHG emissions per tonne of production are at a conceptual and analysis stage.

Work on the Decarbonisation Program for KGHM Polska Miedź S.A. in the long term until 2050 will continue. In parallel, work will continue on the decarbonisation program for the KGHM Group, including setting of reduction targets and the adoption of the KGHM Group Climate Policy.

[E1-5] Energy consumption and energy mix

Energy consumption and energy mix

Information on total energy consumption by the KGHM Polska Miedź S.A. Group in absolute values, recognised in MWh, is presented in the table below. In accordance with the requirements of ESRS E1-5, the following assumptions have been adopted for the disclosure of energy consumption information:

- The calculations were based on data used for the greenhouse gas emissions balance and the preparation of the PRTR Reports.
- Input data was obtained from the individual Group companies.
- For the calculation of the following indicators, the structure of fuels and other primary energy carriers published by TAURON Polska Energia S.A. (2023) was used.
- All quantitative energy figures are provided in megawatt hours (MWh), taking into account the net calorific or calorific value.

Table 146. Energy consumption and energy mix in the KGHM Polska Miedź S.A. Group [MWh]

Energy consumption and energy mix		2024
1	Consumption of fuel from coal and coal products	15 248
2	Consumption of fuel from crude oil and petroleum products	79 375
3	Consumption of fuel from natural gas	2 496 360
4	Consumption of fuel from other fossil sources	23 649
5	Consumption of purchased or acquired electricity, steam heat and cooling from fossil sources	3 950 940
6	Total consumption of energy from fossil sources (calculated as the sum of lines 1-5)	6 565 571
	<i>Share of fossil sources in total energy consumption [%]</i>	<i>99,95%</i>
7	Energy consumption from nuclear sources	0
	<i>Share of energy consumption from nuclear sources in total energy consumption [%]</i>	<i>0</i>
8	Fuel consumption in the case of renewable sources, including biomass (also comprising industrial and municipal bio-waste, biogas, renewable hydrogen, etc.)	0
9	Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	0
10	Non-fuel self-generated renewable energy consumption	3334
11	Total consumption of renewable and low-carbon energy (calculated as the sum of lines 8-10)	3334
	<i>Share of renewable sources in total energy consumption [%]</i>	<i>0,05%</i>
	Total consumption of energy (calculated as the sum of lines 7 and 11)	6 568 905

Energy intensity

By calculating the energy intensity index shown in Table 145. Energy intensity based on net revenues [MWh/PLN], the total energy consumption from activities in high climate impact sectors (expressed in MWh) was divided by net revenues from activities in high climate impact sectors (expressed in PLN).

Sectors considered as having a significant impact on climate according to the ESRS classification include those listed in Sections A-H and L of Regulation (EC) No 1893/2006, the so-called NACE Rev. 2 classification, also defined in Commission Delegated Regulation (EU) 2022/1288. The KGHM Polska Miedź S.A. Group generates revenues in the following sectors:

- Section B - Mining and quarrying
- Section C - Manufacturing industry
- Section D - Electricity, gas, steam and hot water supply
- Section E - Water supply; sewerage, waste management and remediation activities
- Section G - Wholesale and retail trade; repair of motor vehicles
- Section H - Transport and storage

Table 147. Energy intensity based on net revenue [MWh/PLN million]

Energy intensity per net revenue [MWh/PLN million]	2024
The total energy consumption of activities in sectors with significant climate impacts on net revenue from activities in sectors with significant climate impacts*	185.98

* As it is not possible to isolate energy consumption in sectors with a significant climate impact, it has been assumed that its share corresponds proportionally to the share of revenues generated in these sectors.

Table 148. Quantitative reconciliation of revenue to consolidated financial statements

Specification [PLN million]	2024
Net revenues from activities in sectors with significant climate impact used to calculate energy intensity	32,527.54
Net revenue (other)	2,792.45
Total net revenue (reference to Part 2 - Business segments and revenue information - of the 2024 Consolidated Financial Statements)	35,319.98

[E1-6] Scope 1, 2, 3 greenhouse gas emissions

In the balance of greenhouse gas emissions from the KGHM Polska Miedź S.A. Group, in accordance with the GHG Protocol A Corporate Accounting and Reporting Standard, direct emissions of greenhouse gases listed in the Kyoto Protocol (UNFCCC) were taken into account:

- carbon dioxide (CO₂),
- methane (CH₄),
- nitrous oxide (nitric oxide (I), N₂O),
- hydrofluorocarbons (HFCs),
- perfluorocarbons (PFCs),
- sulphur hexafluoride (SF₆),

Nitrogen trifluoride (NF₃) emissions do not occur in the KGHM Polska Miedź S.A. Group, therefore, it was not included in the balance. Substances excluded from the ESRS list were also included in the balance, with their emissions reported separately from those in Scopes 1 to 3. In the case of HFC or PFC mixtures with other gases excluded from the ESRS, the emission of each component of the mixture was considered separately.

In addition to direct emissions, indirect greenhouse gas emissions related to the generation of purchased and consumed heat and electricity (Scope 2) and indirect emissions related to the entity's value chain (Scope 3) were also considered, expressed as CO₂ equivalent.

All emission values are expressed in metric tonnes of CO₂ equivalent (Mg CO₂e).

Impact of non-CO₂ emissions on the greenhouse effect is expressed by the global warming potential (GWP). This ratio expresses the rate of the strength of the warming effect of a non-CO₂ greenhouse gas to that of carbon dioxide. In order to normalise the impact and to enable the generalisation of emission volume, emissions of greenhouse gases other than carbon dioxide were converted into (equivalent) CO₂ emissions by multiplying the amount of greenhouse gas emitted by its GWP factor. The table below presents the GWP100 factor values adopted and their sources of origin.

Table 149. Values of GPW100 global warming factors for the greenhouse gases analysed

Substance	GWP100 factor ⁶⁶
Greenhouse gases listed in the Kyoto Protocol	
CO ₂	1
N ₂ O	273
CH ₄	27.9
SF ₆	25 200
HFC-134a (CH ₂ FCF ₃)	1 530
HFC-32 (CH ₂ F ₂)	771
HFC-125 (CHF ₂ CF ₃)	3 740
HFC-407C (52% R-134A, 25% R-125, 23% R-32)	1 908
HFC-404A (52%R R-143A, 44% R-125, 4% R-134A, C ₂ H ₂ F ₄)	4 728
HFC-410A (50% R-125, 50% R-32)	2 256
HFC-152a (CH ₃ CHF ₂)	21.5

⁶⁶ IPCC Sixth Assessment Report (AR6) Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change.

Other greenhouse gases	
HCFC-22 (CHClF ₂)	1 960
Propan R-290 (C ₃ H ₈)	0.02
R-600a - izobutan (C ₄ H ₁₀)	3 ⁶⁷
HFO-1234yf (R-1234yf)	0.501
HCFC-124, R-124 chlorotetrafluoroetan (CHClFCF ₃)	597
Mix of HFC with other gases	
R-401A (53% R22, 13% R152a, 34% R124)	Mix components considered separately
R-401C(33% R22, 15% R152a, 52% R124)	
R-452a (11% R32, 59% R125, 30% R1234yf)	

Global warming factors are calculated by comparing the climate warming effects of emitting one kilogram of a given gas over 100 years with the effects of emitting one kilogram of CO₂. GWP values are determined based on climate change modelling results and published in periodic reports by the IPCC (Intergovernmental Panel on Climate Change).

The balance, in accordance with the GHG Protocol guidelines, takes into account the GWP values published in the latest IPCC report. At the time of drawing up this report, this was the sixth edition of the report. GWP values were adopted in accordance with Chapter 7: Table 7.15 and Supplementary Material: Table 7.SM.7⁶⁸.

For pollutants beyond the Kyoto Protocol list, in the absence of GWP factor values in the latest IPCC report, they were derived from other sources. For HFC mixtures for which GWP factors are not specified, they are calculated as averages for the individual components, weighted by the proportion of the component in the mixture.

The aggregate results of the balance sheet of greenhouse gas emissions from KGHM Polska Miedź S.A., and the KGHM Group combined, are presented in the tables below.

Table 150. Scope 1, 2, 3 greenhouse gas emissions in KGHM Polska Miedź S.A. in 2024 [t CO₂e]

Item	2020 Base year	2024	2030 target	2050 target	Annual target %/base year
SCOPE 1 Emissions of greenhouse gases					
Gross greenhouse gas emissions	1,413,129	1,438,297	-	-	-
<i>Percentage of emissions from regulated emission trading schemes (%)</i>	86.2%	82.2%	-	-	-
SCOPE 2 Emissions of greenhouse gases					
Gross greenhouse gas emissions according to location-based method	1,592,368	1,415,930		-	
Gross greenhouse gas emissions according to market-based method	1,605,575	1,743,909		-	
Scope 1 and 2 Greenhouse gas emissions according to location-based method	3,005,497	2,854,227	-30.0%	Climate neutrality	-5.0%
Scope 1 and 2 Greenhouse gas emissions according to location-based method	3,018,705	3,182,206	-30.0%	Climate neutrality	5.4%
SCOPE 3 Greenhouse gas emissions					
Gross greenhouse gas emissions	-	1,254,909		-	
1. Purchase of goods and services	-	754,828		-	
2. Investment goods	-	139,896		-	
3. Activities related to fuel and energy (not included in Scope 1 or 2)	-	211,634		-	
4. Upstream transport and distribution	-	71,640		-	
5. Waste generated within the operation	-	0		-	
6. Business travel	-	651		-	
7. Employees' commuting to work	-	22,088		-	
8. Leased senior assets	-	213		-	
9. Downstream transport	-	53,924		-	
13. Leased junior assets	-	36		-	
15. Investments	-	0		-	
Total greenhouse gas emissions according to location-based method	-	4,109,137		-	
Total greenhouse gas emissions according to market-based method	-	4,437,115		-	

⁶⁷ Regulation (EU) No 517/2014 of the European Parliament and of the Council on fluorinated greenhouse gases and repealing Regulation (EC) No 842/2006 (OJ (OJ L 2014, No. 150, p. 195 as amended)

⁶⁸ IPCC Sixth Assessment Report (AR6) Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change

The Table above presents the greenhouse gas emissions for Scopes 1, 2 and 3 for KGHM Polska Miedź S.A. The targets set for decarbonisation apply only to the KGHM Polska Miedź S.A. Company. Therefore, the effects related to emission reductions and resulting from the adopted decarbonisation policy, from a formal point of view, should be referred to the actions taken by the Company. Greenhouse gas emissions from the KGHM Group are not subject to climate targets. Comparative values were also not included in the statements due to the lack of verification of this period by an authorised verifier.

Table 151. Scope 1, 2, 3 greenhouse gas emissions in KGHM Polska Miedź S.A. in 2024 [t CO₂e]

Item	2020 Base year	2024	2030 target	2050 target	Annual target %/base year
SCOPE 1 Greenhouse gas emissions					
Gross greenhouse gas emissions		2,094,485	-	-	-
<i>Percentage of emissions from regulated emission trading schemes (%)</i>		76.9%	-	-	-
SCOPE 2 Emissions of greenhouse gases					
Gross greenhouse gas emissions <i>according to location-based method</i>		1,602,852		-	
Gross greenhouse gas emissions <i>according to market-based method</i>		1 925 530		-	
Greenhouse gas emissions, Scope 1 and 2 <i>according to location-based method</i>		3 697 298	-	-	-
Greenhouse gas emissions, Scope 1 and 2 <i>according to location-based method</i>		3 019 975	-	-	-
SCOPE 3 Emissions of greenhouse gases					
Gross greenhouse gas emissions	-	3 219 629		-	
1. Purchase of goods and services	-	982 495		-	
2. Investment goods	-	275 825		-	
3. Activities related to fuel and energy (not included in Scope 1 or 2)	-	317 217		-	
4. Upstream transport and distribution	-	96 837		-	
5. Waste generated within the operation	-	89 039		-	
6. Business travel	-	1 213		-	
7. Employees' commuting to work	-	53 565		-	
8. Leased senior assets	-	1 492		-	
9. Downstream transport	-	67 819		-	
13. Leased junior assets	-	2 457		-	
15. Investments	-	1 331 671		-	
Total greenhouse gas emissions <i>according to location-based method</i>	-	6 916 926		-	
Total greenhouse gas emissions <i>according to market-based method</i>	-	7 239 604		-	

Biogenic emissions

Identified biogenic emissions represent 1.5% of Scope 1 emissions in the KGHM Group and originate from the balance of element C in raw materials used in the smelting processes.

Biogenic emissions in other KGHM Group companies are not identified.

Emissions designated and reported under the EU ETS are included in Scope 1 according to the EU ETS method.

Biogenic CO₂ emissions from biomass combustion or biodegradation independently of Scope 2 greenhouse gas emissions are not identified. The emission factors used do not allow the separation of the percentage of biomass or biogenic CO₂. Biogenic CO₂ emissions from fuel combustion (petrol, diesel, gas) are not identified.

Biogenic CO₂ emissions from the combustion or biodegradation of biomass that occur upstream and downstream in the value chain, independent of gross Scope 3 GHG emissions, and CO₂ emissions occurring in the life cycle of biomass other than emissions from combustion or biodegradation (including GHG emissions from biomass processing or transport) in the calculation of Scope 3 GHG emissions are not identified.

Emission intensity

The links between GHG intensity based on revenue on sales, excluding VAT, with financial reporting information are shown in Table 7.

Table 152. Intensity of greenhouse gas emissions in the KGHM Polska Miedź S.A. Group

	Net [PLN]	t CO ₂ e	t CO ₂ e/PLN
Total greenhouse gas emissions (according to location-based method) per net revenue (t CO ₂ -equivalent/monetary unit)	35 319,98	6 969 006	197,311
Total greenhouse gas emissions (according to market-based method) per net revenue (t CO ₂ -equivalent/monetary unit)	35 319,98	7 291 683	206,446

Direct emissions (Scope 1)

Methodology for determining direct emissions (Scope 1)

The KGHM Group, as part of its methodology for determining GHG emissions, has taken into account the principles, requirements and guidelines presented in the "GHG Protocol Corporate Standard".

Carbon dioxide direct emission volumes for installations participating in the EU ETS:

- KGHM Polska Miedź S.A. Głogów Copper Smelter and Refinery
- KGHM Polska Miedź S.A. Legnica Copper Smelter and Refinery
- KGHM Polska Miedź S.A. Gas and Steam Units
- Energetyka Sp. z o.o.
- Wojewódzkie Przedsiębiorstwo Energetyki Ciepłej in Legnica

have been determined in accordance with Commission Implementing Regulation (EU) 2018/2066 of 19 December 2018 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council and amending Commission Regulation (EU) No 601/2012 (OJ L 2018, No. 334, p. 1 as amended). The same accounting period has been adopted for gross Scope 1 greenhouse gas emissions and gas emissions in the ETS.

The mass-balance method was used to determine process emissions - annual CO₂ emissions were determined on the basis of the annual consumption of individual raw materials and the carbon content of the raw materials consumed. The detailed methodology for calculating emissions is determined for each ETS installation in separate and administratively approved "Monitoring Plans". These documents establish a monitoring system, with specific procedure and responsibilities for individual persons involved in the process and determine specific methodologies for calculating emissions based on the general principle of mass balance of element C in the raw materials used. Monitoring plans are developed on the basis of the aforementioned EU Commission Regulation 2018/2066. The above-mentioned methodology is indicated in Commission Regulation 2023/2772 as the "EU ETS method" which can also be applied to activities in geographical areas and sectors that are not covered by the EU ETS.

In the case of other installations belonging to KGHM and Group Companies, emissions of CO₂ and methane and nitrous oxide accompanying the consumption of fuels (natural gas, hard coal, fuel oil, propane, LPG) were determined using the methodology applied for the combustion of fuels, based on the quantities of fuels consumed and emission factors published by the IPCC.

Carbon dioxide emissions from installations for which a mass balance is not used shall be calculated based on the product of the consumption of the coal-bearing material used in the installation, its chemical energy value, and an emission factor derived from the carbon content of the raw material, decreased by an oxidation factor reflecting the efficiency of the combustion process,

Emissions of other greenhouse gases emitted from technological processes and from the combustion of motor fuels were determined in a manner consistent with the requirements of the methodology for determining releases for reporting to the National Pollutant Release and Transfer Register (KRUIZ), in accordance with the methodology and based on indicators published by the IPCC. The volumes of fugitive releases and emissions accompanying emergency situations have been estimated on the basis of technological data, observing the principles of best engineering practice.

Indirect emissions (Scope 2)

Methodology for determining equivalent emissions for energy purchased and consumed (Scope 2)

According to the guidelines of the GHG Protocol⁶⁹ Scope 2 Guidance. An amendment to the GHG Protocol Corporate Standard, greenhouse gas emissions associated with energy consumption were determined using two methods:

- a location-based method, using average emission factors for the power grid in the reporting company's area,
- market-based method, using emission factors specified by the energy supplier in its contract with the reporting company.

Indicators of unit CO₂ emissions accompanying the generation of thermal energy, supplied by suppliers from outside the KGHM Group, were adopted on the basis of data published on suppliers' websites or obtained directly from representatives of energy suppliers, and in the event of their absence as an average value for all other suppliers.

Thermal energy generated at KGHM CG facilities and purchased by the facilities included in the balance is emission-free for these facilities. Emissions from the generation of this energy have been included as Scope 1 direct emissions for their generators to avoid double counting.

A weighted average CO₂ emission factor for a mix of purchased energy was used to determine the emissions associated with the consumption of electricity purchased centrally by KGHM from suppliers outside the KGHM Group. The indicator was determined based on the shares of each supplier in the total amount of energy purchased and the CO₂ emission factors for 2023, as published on the suppliers' websites. To determine the emissions for the location-based method, the balance of electricity produced as reported by the KOBIZE for 2023 was used⁷⁰. The CO₂ emission factor, without taking losses into account, is 0.5598 Mg/MWh. For the market-based method, residual mix indicators for Poland, the USA, Chile and Canada were adopted in the absence of data on the factor.

Electricity produced by the facilities of the KGHM Group, is resold together with electricity from other sources to other KGHM facilities. Emissions from the production of this electricity are included as direct emissions from these facilities. To avoid double counting of emissions, this energy, consumed by KGHM Group's installations, was treated as emission-free. As it is not identified during the purchase, the emission-free nature of this part of the energy stream was taken into account by lowering the emission factor for electricity resold by KGHM Group's facilities accordingly.

The emission factors for energy purchased from individual suppliers and the weighted average factor for energy purchased centrally by KGHM's Procurement Department are summarised in [tables 154 and 155](#).

Table 153. CO₂ emission factors for electricity and heat purchased in 2024 for the needs of the KGHM Polska Miedź S.A. Company

Energy supplier for KGHM and Polish companies	2024 t CO ₂ e/MWh	2024 t CO ₂ e/GJ
TGE S.A. - no guarantee of origin	0.7882	0.2190
TGE S.A. - with guarantees of origin	0.000*	0.000*
Invest PV	0.000*	0.000*
KGHM ZANAM S.A.	0.000*	0.000*
MERCUS Logistyka sp. z o.o.	0.000*	0.000*
MINOVA-KSANTE sp. z o.o.	0.000*	0.000*
Energetyka sp. z o.o.	0.000**	0.000**
Tauron Polska Energia	0.5081	0.1411
KGHM Head Office mix (market-based)	0.6683	0.1856

* *renewable energy, zero emission*

** *carbon-free energy for the KGHM Polska Miedź S.A. Group, as included in Scope 1 for „Energetyka” sp. z o.o.*

⁶⁹ Greenhouse Gas Protocol – global standard for measuring and managing greenhouse gases emissions. Emissions are divided into 3 Scopes: Scope 1, Scope 2, Scope 3.

⁷⁰ Emission indicators CO₂, SO₂, NO_x, CO and total dust for electricity, KOBIZE, December 2024

Table 154. CO₂ emission factors for electricity and heat purchased in 2024 by KGHM Polska Miedź S.A. And the domestic companies

Energy supplier for KGHM and Polish companies	2024 t CO ₂ e/MWh	2024 t CO ₂ e/GJ
Enea S.A.	0,6896	0,1916
PGE	0,6343	0,1762
PGE Obrót	0,5484	0,1523
PGE Energetyka Kolejowa	0,5310	0,1475
PGNiG Termika S.A.	-	0,1142
Tauron Sprzedaż	0,4874	0,1354
Tauron Sprzedaż GZE Sp. z o.o.	0,4969	0,1380
Tauron Dystrybucja S.A. = Sales	0,4874	0,1354
Energa S.A. Orlen Group	0,3652	0,1014
WPEC w Legnicy S.A.	0,000***	0,000***
MPEC "Termal" S.A. Lubin	0,000**	0,000**
ECO Jelenia Góra sp. z o.o.	-	0,10443
Fortum Power and Heat Wrocław	-	0,11206
PGNiG S.A.	-	0,0934
Fortum Marketing and Sales Polska S.A.	0,4034	0,1121
Respect Energy S.A.	0,000*	0,000*
Electricity according to the residua mix	0,7882	-
KOBIZE indicator	0,5598	0,1555

* renewable energy, zero emission

** carbon-free energy for the KGHM Group, as included in Scope 1 for „Energetyka” sp. z o.o.

*** carbon-free energy for the KGHM Group, as included in Scope 1 for WPEC Legnica

Table 4 shows the CO₂ emission factors from purchased electricity as reported by International companies. International companies do not use thermal energy purchased from external suppliers.

Table 155. CO₂ emission indicators for electricity purchased in 2024 by international companies

Name	Source of indicator	indicator t CO ₂ /MWh
AJAX	BC Grid Electricity GHG Emission Intensity Factors	0,0990
DMC Canada	Canada grid 2023 i 2024, prov. Ontario	0,0300
Victoria	Canada grid 2023 i 2024, prov. Ontario	0,0300
Sudbury Ops	Canada grid 2023 i 2024, prov. Ontario	0,0300
Carlota	US eGrid 2023, NWPP region	0,3372
DMC USA	-	-
Robinson	US eGrid 2023, NWPP region	0,2881
DMC Chile	Residual mix. Carbon Footprint Ltd's Greenhouse Gas Emissions Factors for International Grid Electricity	0,4577
KGHM Chile	Residual mix. Carbon Footprint Ltd's Greenhouse Gas Emissions Factors for International Grid Electricity	0,4577
Sierra Gorda S.C.M.	Per data from Sierra Gorda S.C.M.	0,0000
Location-based indicator Canada	Carbon Footprint Ltd's Greenhouse Gas Emissions Factors for International Grid Electricity	0,1160
Location-based indicator USA	eGRID indicator for the USA in 2023	0,3519
Location-based indicator Chile	Factor de emisión del Sistema eléctrico Nacional 2023 (SEN)	0,2421

Scope 3 emissions

Emission determination methodology

Due to the extensive range of input data (tens of thousands of items of purchased goods - category 1), as well as the large number of suppliers (several thousand), the acquisition of primary data from suppliers and value chain participants is not possible in a foreseeable, timely manner. Moreover, most suppliers do not keep GHG balances, so it is impossible to ensure the quality of primary data or to verify the sources of this data. Under such circumstances, in order to ensure the best possible quality of the data and the emission values determined, secondary data on GHG emission factors for the supply chain were applied from recognised international sources such as:

- UK Government Department for Environment Food and Rural Affairs (DEFRA) - DEFRA Supply Chain data.
- US Environmental Protection Agency (US AEPA) - EPA Supply Chain data,
- Centre for Global Environmental Research of the Japan National Institute of Environmental Studies - 3EID data (Embodied Energy and Emission Intensity Data for Japan Using Input-Output Tables).

Emission data specific to the material, service or process was used, covering extraction and acquisition, production and processing, and associated transport.

Data on activities comes from the SAP IT system of KGHM and from the accounting systems of the KGHM Polska Miedź S.A. Group companies.

Table 156. Methodology and principles for determining Scope 3 greenhouse gas emissions under the GHG Protocol for the KGHM Group⁷¹

SCOPE 3 - UPSTREAM	1.	Purchased raw materials and services (emissions related to the extraction and production of raw materials and services)
	2.	Capital goods (emissions related to the production of capital goods)
	3.	Energy and fuel-related emissions not included in Scope 1 and 2
	4.	Transport and distribution (transport and distribution of products purchased by the reporting company during the reporting period between the supplier and the reporting company by vehicles or equipment not owned or controlled by the reporting company (Upstream))
	5.	Waste generated by operations (transport, disposal and treatment)
	6.	Business travel (business-related transport of employees during the reporting period by vehicles that are not owned or managed by the reporting company)
	7.	Employees' commuting (transportation of employees between their homes and their workplaces during the reporting year by vehicles not owned or operated by the reporting company)
	8.	Leased assets other than covered by Scope 1 and 2 - Upstream
SCOPE 3 - DOWNSTREAM	9.	Transport and distribution - downstream
	10.	Processing of products sold
	11.	Use of products sold
	12.	End-of-life treatment of products sold
	13.	Leased assets not included in Scope 1 and 2 - downstream
	14.	Franchise
	15.	Investments excluded from Scope 1 or 2

Note: In grey - category excluded from the balance of categories

Table 157. Justification for exclusion from the Scope 3 emission category balance.

Category	Justification
10	KGHM is a producer of basic materials with many applications, which are components of many other products. Due to the nature of these products and multiple variants of use, processing and end-of-life treatment, it is impossible to make correct assumptions about the associated emissions (KGHM products do not generate emissions associated with their use). They are therefore considered insignificant based on the criteria established by the Greenhouse Gas Protocol Standard.
11	
12	
12	KGHM products, due to their high value and ease of recycling, do not constitute waste material and mostly, as a secondary raw material, are returned to production, creating circular economy.
14	The franchise category for output streams does not apply to companies of KGHM Polska Miedź S.A.

Goods and services purchased

This category comprises the extraction, production and associated transport of all raw materials, inputs, auxiliary materials and services purchased during the year. This is the main stream of Scope 3 emissions.

Individual purchase items were aggregated into approximately 100 categories, depending on their purpose or the material used. Due to a lack of information on weight data for the majority of materials purchased, GHG emissions were determined from their gross financial value expressed in PLN and the emission factors associated with extraction, production and transport (Supply Chain) converted into PLN. Original indicators: USA EPA in kgCO₂e/USD, UK DEFRA in kgCO₂e/GBP and JAPAN 3EID in kgCO₂e/JPY were converted to PLN at the average NBP exchange rate on the last day of the balance sheet year. The calculations take into account inflation in the countries of the currencies in which the indicators are expressed, from the year in which they are in force to the end of the year in which the calculation is made.

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Also included in services purchased are downstream transport services, in addition to the transport of products of KGHM Polska Miedź S.A. and transport and management services for waste generated by the divisions of KGHM and companies of the KGHM Group.

The indicators used to calculate the emissions for purchased goods and services, as well as their origin and year of origin, are shown in Table 159.

Emissions from purchased goods and services for the Gas and Steam Units in Głogów and Polkowice were included in the emissions from this category for the company „Energetyka” sp. z o.o., which operates the aforementioned units on behalf of KGHM PM S.A.

Table 158. Emissions indicators for 2024 related to purchased goods

Material	Year	Emission factor kgCO ₂ e/PLN	Type	source: ⁷²
1. Accumulators and batteries				
Batteries	2022	0.010		EPA Supply Chain
Accumulators	2022	0.072		EPA Supply Chain
2. Chemicals				
Inorganic chemicals	2019	0.215		Defra Supply Chain
Organic chemicals	2019	0.168		Defra Supply Chain
Technical gases	2022	0.268		EPA Supply Chain
Other basic inorganic chemicals	2022	0.224		EPA Supply Chain
Adhesives	2022	0.115		EPA Supply Chain
Toilet preparations	2022	0.031		EPA Supply Chain
Other chemical products - average	-	0.115	Other	Calculation
Technical alcohols, organic chemicals	-	0.218	Average,	Calculation
Paints and varnishes	-	0.070	Average,	Calculation
Technical gases	-	0.218	Average	Calculation
Industrial cleaning agents	-	0.184	Medium	Calculation
Cleaners, laundry detergents	-	0.052	Average	Calculation
Rubber and plastic hoses and conveyor belts	2022	0.065		EPA Supply Chain
Tyres	2022	0.054		EPA Supply Chain
Rubber products	-	0.088	Average	Calculation
Plastic and artificial resins	2019	0.171		Defra Supply Chain
Plastic packaging mats, films and sheets	2022	0.120		EPA Supply Chain
Plastic pipes, joints and fittings	2022	0.076		EPA Supply Chain
Laminated plastic plates, sheets and profiles	2022	0.102		EPA Supply Chain
Plastic bottles	2022	0.127		EPA Supply Chain
Other plastic products	2022	0.079		EPA Supply Chain
Plastic products	-	0.122	Average	Calculation
Carbon and graphite products	2022	0.080		EPA Supply Chain
3. Building materials				
Cement adhesives, mortars	-	1.074	Cement	Calculation
Cement	2022	0.886	Production	EPA Supply Chain
Clay and fire resistant products	2022	0.092	Production	EPA Supply Chain
Lime and plaster	2022	0.359	Production	EPA Supply Chain
Miscellaneous non-metallic mineral products	2022	0.165	Production	EPA Supply Chain
Articles of concrete and stone, machined	2021	0.161		Defra Supply Chain
Concrete products, average	-	0.061	Average	Calculation
Abrasives	2022	0.031	Production	EPA Supply Chain
Ready-mixed concrete	2022	0.125	Production	EPA Supply Chain
4. Metal products				
Production of iron, steel and alloys in smelters	2022	0.177		EPA Supply Chain
Finished steel products	2022	0.079		EPA Supply Chain
Ferrous metal foundries	2022	0.080		EPA Supply Chain
Structural steel plates and products	2018	0.070		EPA Supply Chain
Heating vessels and heat exchangers	2022	0.042		EPA Supply Chain

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Material	Year	Emission factor kgCO ₂ e/PLN	Type	source: ⁷²
Heavy metal tanks	2022	0.061		EPA Supply Chain
Springs and wires	2022	0.050		EPA Supply Chain
Mechanical workshops	2021	0.060		EPA Supply Chain
Screws, nuts, bolts	2022	0.051		EPA Supply Chain
Water fittings, mixers, heads	2018	0.050		EPA Supply Chain
Other valves and fittings	2022	0.034		EPA Supply Chain
Balls and bearings	2022	0.042		EPA Supply Chain
Pipes and fittings	2022	0.049		EPA Supply Chain
Other metal products	2022	0.057		EPA Supply Chain
Metal parts, average	-	0.054	Average	Calculation
5. Non-ferrous metal products				
Mining of metal ores, average	-	0.127	Average	Calculation
Non-ferrous metals, melting and refining	2022	0.093		EPA Supply Chain
Non-ferrous metals, processing	2022	0.095		EPA Supply Chain
Copper concentrate	2023	0.107		KGHM, GHC balance
6. Heating, ventilation, air-conditioning equipment, pumps, compressors and others				
Heating equipment	2022	0.032		EPA Supply Chain
Boilers and heat exchangers	2022	0.042		EPA Supply Chain
Air conditioning, cooling and hot air blowers	2022	0.036		EPA Supply Chain
Electrical equipment	2021	0.072		Defra Supply Chain
Fans and air purifiers	2022	0.042		EPA Supply Chain
Compressors	2022	0.037		EPA Supply Chain
Pumps and pumping equipment	2022	0.042		EPA Supply Chain
Hydraulic equipment, average	-	0.040	Average	Calculation
7. Ceramic and glass products				
Miscellaneous non-metallic mineral products	2022	0.165		EPA Supply Chain
Ceramic goods	2019	0.092		Defra Supply Chain
Glass, average	-	0.161	Average	Calculation
8. Paper products				
Cardboard containers (cardboard boxes)	2022	0.103		EPA Supply Chain
Stationery	2022	0.061		EPA Supply Chain
Toilet paper	2022	0.063		EPA Supply Chain
9. Office supplies				
Office supplies except paper	2022	0.047		EPA Supply Chain
Office furniture, joinery and timber from the sawmill,	2022	0.042		EPA Supply Chain
Furniture, average	-	0.064	Average	Calculation
Other miscellaneous office equipment, e.g. roller blinds, shutters	-	0.086	Average	Calculation
10. Wood products				
All other wood products	2022	0.031		EPA Supply Chain
Wood and wood products except furniture	2021	0.089		Defra Supply Chain
Wooden elements, average	-	0.057	Average	Calculation
11. Electronic and electrical products				
Other electronic components	2022	0.019		EPA Supply Chain
Office machinery and computers	2021	0.073		Defra Supply Chain
Computers, electronic and optical products	2021	0.066		Defra Supply Chain
Computers and peripherals, average	-	0.036	Average	Calculation
Other electronic devices, average	-	0.043	Average	Calculation
Light bulbs and parts	2022	0.023		EPA Supply Chain
Lighting fittings	2022	0.032		EPA Supply Chain
Transformers	2022	0.027		EPA Supply Chain
Engines and generators	2022	0.041		EPA Supply Chain
Switchgear, switchboards, etc. switches, regulators	2022	0.035		EPA Supply Chain
Other miscellaneous electrical equipment	2022	0.025		EPA Supply Chain
Cables and wires	2022	0.050		EPA Supply Chain
Electrical equipment	2021	0.072		Defra Supply Chain
Electrical components	-	0.046	Average	Calculation
Electrical components: relays and switches	-	0.033	Average	Calculation
12. Measurement instruments				
Analytical instruments, testing machines, measuring instruments.	2005	0.082		Japan 3EID

Material	Year	Emission factor kgCO ₂ e/PLN	Type	source: ⁷²
Electrical measurement instruments	2005	0.090		Japan 3EID
13. Petroleum products				
Petroleum derivative products	2022	0.057		EPA Supply Chain
Crude oil, natural gas	2021	0.241		Defra Supply Chain
Refined petroleum and other fuels (oils, non-CE gases)	2021	0.170		Defra Supply Chain
Petroleum products in addition to others mentioned	2021	0.111		Defra Supply Chain
Petroleum derivative products	-	0.105	Average	Calculation
14. Machinery and vehicles				
Garden machinery and equipment	2022	0.044		EPA Supply Chain
Construction machinery	2022	0.046		EPA Supply Chain
Mining and oil and gas related machinery	2022	0.041		EPA Supply Chain
Transport machinery	2022	0.036		EPA Supply Chain
Metalworking machinery	2005	0.145		Japan 3EID
Other commercial and industrial machinery	2022	0.040		EPA Supply Chain
Petrol vehicle engines and parts	2022	0.053		EPA Supply Chain
Electrical vehicle engines and parts	2022	0.044		EPA Supply Chain
Vehicle control, suspension and braking systems	2022	0.058		EPA Supply Chain
Powertrain and drive line components	2022	0.052		EPA Supply Chain
Gearboxes, drives and transmissions	2022	0.038		EPA Supply Chain
Other engine equipment	2022	0.056		EPA Supply Chain
Conveyors	2005	0.151		Japan 3EID
Machines, average	-	0.064	Average	Calculation
15. Vehicles				
Cars	2021	0.055		EPA Supply Chain
Small trucks and commercial vehicles	2022	0.056		EPA Supply Chain
Heavy goods vehicles	2022	0.060		EPA Supply Chain
16. Tools				
Energy-driven tools	2022	0.019		EPA Supply Chain
Metalworking tools	2005	0.120		Japan 3EID
		0.055	Average	
17. OHS				
Textiles	2022	0.045		EPA Supply Chain
Plastic footwear	2005	0.089		Japan 3EID
Leather products, imitations and footwear, average	-	0.049	Average	Calculation
Surgical (medical) supplies	2022	0.022		EPA Supply Chain
Surgical and medical instruments	2022	0.027		EPA Supply Chain
Plastic products	-	0.122	Average	Calculation
Rubber products	-	0.088	Average	Calculation
Pharmaceuticals	-	0.040	Average	Calculation
18. Solid fuels				
Coal and lignite, peat	2021	0.262		Defra Supply Chain
Coke	2021	0.305		Defra Supply Chain
Carbon products	2005	0.723		Japan 3EID
19. Other products				
Foodstuffs and beverages	2021	0.119		Defra Supply Chain
Vegetable and animal oils and fats	2021	0.157		Defra Supply Chain
Gifts, average	-	0.079	Average	Calculation
Flowers and plants,	2005	0.184		Japan 3EID
Soil, road covering materials	2005	0.112	Hardening	Japan 3EID
Other non-metallic minerals, mining and quarrying	2022	0.042		EPA Supply Chain

Table 159. Emissions factors for 2024 related to purchased services

Service	Year	Emission factor kgCO ₂ e/PLN	Type	source: ⁷³
1. Postal services, average		0.0317	Average	Calculation
Postal and courier services	2021	0.0430		Defra Supply Chain
Postal services	2022	0.0170		EPA Supply Chain
Postal services	2000	0.0350		Japan 3EID
2. Repair and maintenance of machinery and installations		0.0615	Average	Calculation
Repair and maintenance of machinery	2022	0.0312		EPA Supply Chain
Other repairs and installations	2020	0.0338		Defra Supply Chain
Repair of machinery	2005	0.1071		Japan 3EID
Repair of structures	2005	0.1247		Japan 3EID
Miscellaneous other repair services	2005	0.0738		Japan 3EID
3. Repair and maintenance of electrical and electronic equipment		0.0190	Average	Calculation
Repair and maintenance of equipment	2022	0.0179		EPA Supply Chain
Repair of computers/personal, household goods	2021	0.0203		Defra Supply Chain
Other computer services and management	2022	0.0189		EPA Supply Chain
4. Repair and maintenance services, transport		0.0537	Average	Calculation
Repair and maintenance of personal transport equipment	2020	0.0329		Defra Supply Chain
Other personal transport equipment services	2020	0.0549		Defra Supply Chain
Sale, hire and repair of motor vehicles	2021	0.0489		Defra Supply Chain
Repair and maintenance in automotive industry	2022	0.0236		EPA Supply Chain
Repair of motor vehicles	2005	0.0887		Japan 3EID
5. Telecommunications services		0.0276	Average	Calculation
Radio and TV broadcasting, production of telecommunications	2022	0.0151		EPA Supply Chain
Telecommunications services	2020	0.0287		Defra Supply Chain
Telephone and telefax services	2020	0.0245		Defra Supply Chain
Cable telecommunications	2005	0.0386		Japan 3EID
Mobile telecommunications	2005	0.0281		Japan 3EID
6. IT services		0.0198	Average	Calculation
Programming/computer consultancy and related services	2021	0.0253		Defra Supply Chain
Programming services	2022	0.0189		EPA Supply Chain
Information systems services	2022	0.0151		EPA Supply Chain
Data processing, hosting and related services	2022	0.0217		EPA Supply Chain
7. Printing services		0.0679	Average	Calculation
Printing, form making and binding	2005	0.1063		Japan 3EID
Publishing	2005	0.0667		Japan 3EID
Printing and recording	2021	0.0709		Defra Supply Chain
Printing	2022	0.0463		EPA Supply Chain
Printing services	2022	0.0491		EPA Supply Chain
8. Security services for property and persons		0.0178	Average	Calculation
Property protection and detective services	2021	0.0186		Defra Supply Chain
Property protection and detective services	2022	0.0170		EPA Supply Chain
9. Refurbishment and construction services		0.0509	Average	Calculation
Other housing maintenance and repair services	2020	0.0118		Defra Supply Chain
Buildings and construction work	2021	0.0532		Defra Supply Chain
Structural and engineering design work	2021	0.0582		Defra Supply Chain
Maintenance and repair of non-residential buildings	2018	0.0802		EPA Supply Chain
10. Municipal services		0.3287	Average	Calculation
Waste management services	2000	0.4227		Japan 3EID
Waste: collection, treatment, recovery, disposal	2021	0.2346	Average	Defra Supply Chain
Water and effluents management services	2021	0.0667		Defra Supply Chain
12. Cleaning		0.0355	Average	Calculation
Building maintenance services	2005	0.0281		Japan 3EID
Services for buildings and dwellings	2022	0.0491		EPA Supply Chain
Other ancillary services	2022	0.0293		EPA Supply Chain
13. Vehicle transport services		0.1870	Average	Calculation

⁷³ source: US EPA, UK DEFRA, JAPAN 3EID emission factors, op. cit. p. 234

Service	Year	Emission factor kgCO ₂ e/PLN	Type	source: ⁷³
Other transport services	2020	0.1392		Defra Supply Chain
Freight road transport	2005	0.1317		Japan 3EID
Truck transport	2021	0.2901		EPA Supply Chain
14. Advertising and media services		0.0283	Average	Calculation
Film, video, TV programmes, sound and music recording	2021	0.0219		Defra Supply Chain
Programming and broadcasting TV, radio	2021	0.0329		Defra Supply Chain
Advertising and market research	2021	0.0203		Defra Supply Chain
Programming and broadcasting TV, radio	2022	0.0151		EPA Supply Chain
Advertising, PR and related services	2022	0.0198		EPA Supply Chain
Photo services	2022	0.0283		EPA Supply Chain
Internet publishing and related services	2022	0.0151		EPA Supply Chain
Film and video production	2000	0.0386		Japan 3EID
Advertising services	2005	0.0624		Japan 3EID
Film and video production	-	0.0303	Average	Calculation
Programming and broadcasting TV, radio	-	0.0240	Average	Calculation
15. Catering services		0.0460	Average	Calculation
Food and beverage service	2021	0.0515		Defra Supply Chain
Gastronomy and refreshments	2022	0.0302		EPA Supply Chain
Places for eating and drinking for pleasure	2000	0.0467		Japan 3EID
General places of eating and drinking	2000	0.0556		Japan 3EID
16. Medical services		0.0523	Average	Calculation
Medical and paramedical services	2020	0.0616		Defra Supply Chain
Home medical services	2022	0.0236		EPA Supply Chain
Other outpatient medical services	2022	0.0415		EPA Supply Chain
Medical services	2005	0.0624		Japan 3EID
Non-profit medical services	2005	0.0624		Japan 3EID
Public medical services	2005	0.0624		Japan 3EID
17. Air transport		0.2671	Average	Calculation
Air transport	2021	0.2456		Defra Supply Chain
Air transport	2022	0.1482		EPA Supply Chain
Air transport	2005	0.4075		Japan 3EID
18. Research and development services		0.0371	Average	Calculation
Research and development services	2021	0.0363		Defra Supply Chain
Other professional, technical and scientific services	2021	0.0321		Defra Supply Chain
Research and development services	2022	0.0359		EPA Supply Chain
Other miscellaneous professional, technical and scientific services	2022	0.0189		EPA Supply Chain
Medical services	2005	0.0624		Japan 3EID
19. Consulting services		0.0159	Average	Calculation
Accounting, bookkeeping, auditing and tax services	2021	0.0228		Defra Supply Chain
Environmental protection and other technical services	2022	0.0208		EPA Supply Chain
Legal services	2022	0.0094		EPA Supply Chain
Accounting, bookkeeping, auditing and tax services	2022	0.0123		EPA Supply Chain
Legal, financial and accounting services	2005	0.0211		Japan 3EID
20. Processing		0.1230	Average	Calculation
Manufactured metal products	2021	0.0945		Defra Supply Chain
Coating, engraving, heat treatment. and related activity	2022	0.0850		EPA Supply Chain
Rolling, casting, alloying of copper	2022	0.1010		EPA Supply Chain
Rolling, casting, alloying of other metals (except copper and aluminium)	2022	0.1010		EPA Supply Chain
Rolling of copper and its alloys	2005	0.2038		Japan 3EID
Rolling of copper and its alloys	-	0.1524	Average	Calculation
21. Mining support services		0.1639	Average	Calculation
Drilling of oil and gas wells	2022	0.0935		EPA Supply Chain
Other ancillary services in mining	2022	0.0859		EPA Supply Chain
Ancillary services in mining	2021	0.3122		Defra Supply Chain
22. Postal services, average		0.0456		Calculation

Investment goods

This category includes the production of fixed assets: plant, facilities and equipment.

GHG emissions were calculated analogously to purchased goods, using the emission factors associated with the extraction, production and transport of purchased goods. Emissions from capital goods for the Gas and Steam Units in Głogów and Polkowice were included in the emissions from this category for the company „Energetyka” sp. z o.o. , which operates the aforementioned units on behalf of KGHM PM S.A.

Activities related to the use of fuels and energy not included in Scopes 1 or 2 of the balance

This category includes extraction, production and its transport, as well as losses in the transport and distribution of fuels and energy, not included in Scopes 1 and 2 of the balance. GHG emissions for fuel-related activities calculated from emission factors of the British Government's Department for Environment Food and Rural Affairs (DEFRA): Government Greenhouse Gas Conversion Factors for Company Reporting, October 2024, expressed in kg CO₂e per unit of fuel. Emissions related to transmission losses of externally purchased energy have been calculated from purchased energy data and assumed loss rates and emission factors for purchased energy as for Scope 2 emissions .

Transport and distribution of input streams

This category covers the transport of purchased goods, capital goods and fuel to the KGHM Polska Miedź S.A. Group's entities.

Due to the significant number of types of goods transported and the multiplicity of suppliers, transport data from suppliers, such as the amount of fuel consumed and distance, could not be obtained. Obtaining data on the mass of the goods transported, the type of vehicle used and the distance of transport from the KGHM database is also not possible due to the lack of such source data in the record-keeping system in use. Accordingly, the emissions associated with transporting the input streams were calculated from supply chain-related indicators developed by the US Environmental Protection Agency (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 goods⁷⁴:

- excluding emissions from the manufacturer's gate to the point of sale (Supply Chain EF without Margins),
- emission factors for goods from the manufacturer's gate to the point of sale (Margins of Supply Chain EF), which are related to the transport of these goods.

Based on the ratio between these two values, transport emission factors were determined from the indicators for purchased goods. For the indicators provided by UK DEFRA and JAPAN 3EID, the emission factors for the transport of goods were adopted based on the ratios determined for the EPA indicators.

Table 160. Emission factors for 2024 from transport of purchased services

Material	Year	Emission factor kgCO ₂ e/PLN	Type	source: ⁷⁵
1. Accumulators and batteries				
Batteries	2022	0.0006		EPA Supply Chain
Accumulators	2022	0.0035		EPA Supply Chain
2. Chemicals				
Inorganic chemicals	2019	0.0003		Defra Supply Chain
Organic chemicals	2019	0.0024		Defra Supply Chain
Technical gases	2022	0.0011		EPA Supply Chain
Other basic inorganic chemicals	2022	0.0003		EPA Supply Chain
Adhesives	2022	0.0119		EPA Supply Chain
Toilet preparations	2022	0.0109		EPA Supply Chain
Other chemical products - average	-	0.0044	Other	Calculation
Technical alcohols, organic chemicals	-	0.0031	Average,	Calculation
Paints and varnishes	-	0.0144	Average,	Calculation
Technical gases	-	0.0007	Average	Calculation
Industrial cleaning agents	-	0.0033	Average	Calculation
Cleaners, laundry detergents	-	0.0136	Average	Calculation
Rubber and plastic hoses and conveyor belts	2022	0.0013		EPA Supply Chain

⁷⁴ "Balance of greenhouse gases emissions..."

⁷⁵ source: US EPA, UK DEFRA, JAPAN 3EID emission factors, op. cit. p. 234

Material	Year	Emission factor kgCO ₂ e/PLN	Type	source: ⁷⁵
Tyres	2022	0.0023		EPA Supply Chain
Rubber products	-	0.0284	Average	Calculation
Plastic and artificial resins	2019	0.0011		Defra Supply Chain
Plastic packaging mats, films and sheets	2022	0.0089		EPA Supply Chain
Plastic pipes, joints and fittings	2022	0.00045		EPA Supply Chain
Laminated plastic plates, sheets and profiles	2022	0.0085		EPA Supply Chain
Plastic bottles	2022	0.0222		EPA Supply Chain
Other plastic products	2022	0.0150		EPA Supply Chain
Plastic products	-	0.0174	Average	Calculation
Carbon and graphite products	2022	0.0128		EPA Supply Chain
3. Building materials		0.0164	Average	Calculation
Cement adhesives, mortars	-	0.0124	Cement	Calculation
Cement	2022	0.0068	Production	EPA Supply Chain
Clay and fire resistant products	2022	0.0095	Production	EPA Supply Chain
Lime and plaster	2022	0.0055	Production	EPA Supply Chain
Miscellaneous non-metallic mineral products	2022	0.0115	Production	EPA Supply Chain
Articles of concrete and stone, machined	2021	0.0313		Defra Supply Chain
Concrete products, average	-	0.0086	Average	Calculation
Abrasives	2022	0.0049	Production	EPA Supply Chain
Ready-mixed concrete	2022	0.0068	Production	EPA Supply Chain
4. Metal products				
Production of iron, steel and alloys in smelters	2022	0.0097		EPA Supply Chain
Finished steel products	2022	0.0000		EPA Supply Chain
Ferrous metal foundries	2022	0.0172		EPA Supply Chain
Structural steel plates and products	2018	0.0101		EPA Supply Chain
Heating vessels and heat exchangers	2022	0.0326		EPA Supply Chain
Heavy metal tanks	2022	0.0045		EPA Supply Chain
Springs and wires	2022	0.0511		EPA Supply Chain
Mechanical workshops	2021	0.0061		EPA Supply Chain
Screws, nuts, bolts	2022	0.0135		EPA Supply Chain
Water fittings, mixers, heads	2018	0.0068		EPA Supply Chain
Other valves and fittings	2022	0.0083		EPA Supply Chain
Balls and bearings	2022	0.0159		EPA Supply Chain
Pipes and fittings	2022	0.0094		EPA Supply Chain
Other metal products	2022	0.0075		EPA Supply Chain
Metal parts, average	-	0.0149	Average	Calculation
5. Non-ferrous metal products				
Mining of metal ores, average	-	0.0053	Average	Calculation
Non-ferrous metals, melting and refining	2022	0.0034		EPA Supply Chain
Non-ferrous metals, processing	2022	0.0137		EPA Supply Chain
Copper concentrate	2023	0.0108		KGHM, GHC
6. Heating, ventilation, air-conditioning equipment, pumps, compressors and others				
Heating equipment	2022	0.0022		EPA Supply Chain
Boilers and heat exchangers	2022	0.0326		EPA Supply Chain
Air conditioning, cooling and hot air blowers	2022	0.0010		EPA Supply Chain
Electrical equipment	2021	0.0103		Defra Supply Chain
Fans and air purifiers	2022	0.0030		EPA Supply Chain
Compressors	2022	0.0045		EPA Supply Chain
Pumps and pumping equipment	2022	0.0039		EPA Supply Chain
Hydraulic equipment, average	-	0.0037	Average	Calculation
7. Ceramic and glass products				
Miscellaneous non-metallic mineral products	2022	0.0115		EPA Supply Chain
Ceramic goods	2019	0.0095		Defra Supply Chain
Glass, average	-	0.0056	Average	Calculation
8. Paper products				
Cardboard containers (cardboard boxes)	2022	0.0029		EPA Supply Chain
Stationery	2022	0.0038		EPA Supply Chain
Toilet paper	2022	0.0050		EPA Supply Chain
9. Office supplies				

Material	Year	Emission factor kgCO ₂ e/PLN	Type	source: ⁷⁵
Office supplies except paper	2022	0.0045		EPA Supply Chain
Office furniture, joinery and timber from the sawmill,	2022	0.0036		EPA Supply Chain
Furniture, average	-	0.0038	Average	Calculation
Other miscellaneous office equipment, e.g. roller blinds, shutters	-	0.0091	Average	Calculation
10. Wood products				
All other wood products	2022	0.0019		EPA Supply Chain
Wood and wood products except furniture	2021	0.0102		Defra Supply Chain
Wooden elements, average	-	0.0064	Average	Calculation
11. Electronic and electrical products				
Other electronic components	2022	0.0026		EPA Supply Chain
Office machinery and computers	2021	0.0142		Defra Supply Chain
Computers, electronic and optical products	2021	0.0128		Defra Supply Chain
Computers and peripherals, average	-	0.0075	Average	Calculation
Other electronic devices, average	-	0.0071	Average	Calculation
Light bulbs and parts	2022	0.0026		EPA Supply Chain
Lighting fittings	2022	0.0034		EPA Supply Chain
Transformers	2022	0.0035		EPA Supply Chain
Engines and generators	2022	0.0041		EPA Supply Chain
Switchgear, switchboards, etc. switches, regulators	2022	0.0020		EPA Supply Chain
Other miscellaneous electrical equipment	2022	0.0036		EPA Supply Chain
Cables and wires	2022	0.0034		EPA Supply Chain
Electrical equipment	2021	0.0031		Defra Supply Chain
Electrical components	-	0.0052	Average	Calculation
Electrical components: relays and switches	-	0.0029	Average	Calculation
12. Measurement instruments				
Analytical instruments, testing machines, measuring instruments.	2005	0.0105		Japan 3EID
Electrical measurement instruments	2005	0.0078		Japan 3EID
13. Petroleum products				
Petroleum derivative products	2022	0.0006		EPA Supply Chain
Crude oil, natural gas	2021	0.00078		Defra Supply Chain
Refined petroleum and other fuels (oils, non-CE gases)	2021	0.0005		Defra Supply Chain
Petroleum products in addition to others mentioned	2021	0.0011		Defra Supply Chain
Petroleum derivative products	-	0.0009	Average	Calculation
14. Machinery and vehicles				
Garden machinery and equipment	2022	0.0102		EPA Supply Chain
Construction machinery	2022	0.0020		EPA Supply Chain
Mining and oil and gas related machinery	2022	0.0035		EPA Supply Chain
Transport machinery	2022	0.0037		EPA Supply Chain
Metalworking machinery	2005	0.0163		Japan 3EID
Other commercial and industrial machinery	2022	0.0025		EPA Supply Chain
Petrol vehicle engines and parts	2022	0.0054		EPA Supply Chain
Electrical vehicle engines and parts	2022	0.0019		EPA Supply Chain
Vehicle control, suspension and braking systems	2022	0.0069		EPA Supply Chain
Powertrain and drive line components	2022	0.0036		EPA Supply Chain
Gearboxes, drives and transmissions	2022	0.0065		EPA Supply Chain
Other engine equipment	2022	0.0270		EPA Supply Chain
Conveyors	2005	0.0153		Japan 3EID
Machines, average	-	0.0063	Average	Calculation
15. Vehicles				
Cars	2021	0.0107		EPA Supply Chain
Small trucks and commercial vehicles	2022	0.0054		EPA Supply Chain
Heavy goods vehicles	2022	0.0025		EPA Supply Chain
16. Tools				
Energy-driven tools	2022	0.00094		EPA Supply Chain
Metalworking tools	2005	0.0059		Japan 3EID
17. OHS				
		0.0089	Average	
Textiles	2022	0.0053		EPA Supply Chain
Plastic footwear	2005	0.0104		Japan 3EID
Leather products, imitations and footwear, average	-	0.0107	Average	Calculation

Material	Year	Emission factor kgCO ₂ e/PLN	Type	source: ⁷⁵
Surgical (medical) supplies	2022	0.0045		EPA Supply Chain
Surgical and medical instruments	2022	0.0019		EPA Supply Chain
Plastic products	-	0.0174	Average	Calculation
Rubber products	-	0.0284	Average	Calculation
Pharmaceuticals	-	0.0004	Average	Calculation
18. Solid fuels				
Coal and lignite, peat	2021	0.0305		Defra Supply Chain
Coke	2021	0.0356		Defra Supply Chain
Carbon products	2005	0.0843		Japan 3EID
19. Other products				
Foodstuffs and beverages	2021	0.0114		Defra Supply Chain
Vegetable and animal oils and fats	2021	0.0150		Defra Supply Chain
Gifts, average	-	0.0103	Average	Calculation
Flowers and plants,	2005	0.0239		Japan 3EID
Soil, road covering materials	2005	0.0078	Hardening	Japan 3EID
Other non-metallic minerals, mining and quarrying	2022	0.0050		EPA Supply Chain

Waste generated – treatment and processing

The category includes the treatment and processing of waste generated during the company's operations.

GHG emissions for the treatment and disposal of waste generated in the production processes of the Group, KGHM Polska Miedź S.A. carried out outside the balance sheet boundaries were determined from waste volumes and Department of Environment Food and Rural Affairs (DEFRA) UK Government emission factors: Government Greenhouse Gas Conversion Factors for Company Reporting, October 2024, expressed in kg CO₂e/Mg of waste. In the absence of an emission factor for a particular management mode, the factor for the process most relevant to the one under consideration was adopted. The method of management has been provided by Group entities. Sewage-related emissions have been included in the purchased services category as a sewage collection service. Emissions from intra-Group waste management have been included in Scope 1 and 2 of the Group entities.

Emissions associated with the transport of waste for treatment and disposal, carried out by means of transport outside the Group's control, have been included as emissions associated with the transport of purchased transport services .

Business travel

This category includes domestic and international business travel by air, rail, bus and passenger vehicles.

Based on the departure point and destination, the distances of individual trips were determined, using online tools in the absence of information from Group entities on distances travelled: Google Maps, Airmiles Calculator, Route scanner. Emissions were calculated from the Department for Environment Food and Rural Affairs (DEFRA) UK Government's business travel emission factors: Government Greenhouse Gas Conversion Factors for Company Reporting, October 2024, expressed in kg CO₂e per km/1 passenger for individual means of transport presented in table 162

Table 161. GHG emission factors for business trips according to DEFRA

Means of transport	2024 kg CO ₂ e/km/passenger
Local bus average	0.10846
Long-distance coach	0.02717
National railway	0.03546
Domestic aircraft, medium passenger	0.16098
Medium-distance aircraft, medium passenger	0.13199
International aircraft, medium passenger	0.10377
Passenger cars, average	0.18400 ⁷⁶

⁷⁶ Source: data base on website of Polish Statistical Office GUS <https://stat.gov.pl> „Transport – activities in 2023”, 30 September 2024

Employees' commuting to and from work

Employees in KGHM Polska Miedź S.A. commute to work both by public transport organised by the employer and by their own transport. Organised transport is provided by the Mercus company, which is part of the KGHM Group. Therefore, GHG emissions from organised transport are included in the GHG balance as Scope 1 emissions of Mercus and, to avoid double counting, were not included in the employee commuting category.

Employees in companies of the KGHM Polska Miedź S.A. Group commute mainly by their own transport, as well as by collective transport organised by the employer. Collective transport is included in Scope 1 of the GHG balance for KGHM Polska Miedź S.A. as fuel consumption.

In Scope 3 of the GHG balance for the KGHM Polska Miedź S.A. Group, only employees' own transport is therefore included in the category of employee commuting to work.

The distances covered by workers' commuting using their own transport means were determined on the basis of the distance of workers' residences from the workplace and the number of workers using their own transport, using online tools in the absence of information from Group entities on distances travelled: Emissions were determined from the emission factors and fuel consumption presented in the report of the European Environment Agency "EMEP/EEA air pollutant emission inventory guidebook 2019"⁷⁷ (updated 2020, no change in 2021). The age and type of vehicles for organised and own employee transport was determined based on the latest Statistics Poland data for 2018-2019. The average indicator for the passenger vehicle category was set at 0.18347kgCO₂e/km.

In the case of significant distances of residences from the place of employment, commuting to and from work at least once a week was conservatively assumed on a case-by-case basis and knowledge gained from the units' human resources departments.

A conservative assumption was assumed that own commuting takes place only by personal cars with the highest GHG emission per person.

Leased assets other than covered by Scope 1 and 2 - Upstream

Emissions related to rent are generated through the consumption of heat and electricity for rented facilities such as buildings, halls, premises, etc. Emissions associated with other rented assets such as machinery, vehicles etc. have been included in Scope 1 as fuel consumed or in Scope 2 as electricity consumed.

Based on the data provided by the Group entities, the structure of the leases was analysed. Facilities rented to each other within the Group were eliminated from the calculation.

GHG emissions from the rental of assets were calculated from the area of the rented facilities and the consumption of heat and electricity for these facilities, which was estimated on the basis of the function of the rented facility and the Regulation of the Minister of Infrastructure of 12 April 2002 on the technical conditions to be met by buildings and their location (consolidated text, Journal of Laws of 2022, item 1225, as amended), which sets out the maximum energy requirements for different types of facilities.

The same emission factors for heat and electricity consumed were used as in Scope 2.

Transport and distribution of output streams

The transport of Group products to the customer is carried out using various modes of transport (road, rail, sea, air).

The transport of products from Group companies is carried out using both road and rail transport. This category does not apply to all domestic companies that do not produce products in the traditional sense or only to a negligible extent and that result in services or products in electronic form or in a form that does not require transport or in a form that does not require expenditure on transport. Only transport by means of customer transport, outside the Group's control and not contracted as a service by the Group already included in other aspects of the balance sheet, was considered.

Greenhouse gas emissions from product transport were determined on the basis of the company's own data: quantity of products transported, number of transports, weight per transport and distance to destination, and type of transport. In the absence of information from individuals on transport distances, they were determined using online tools: Google Maps, Airmiles Calculator, Route scanner.

Emission factors from the UK Government's Department for Environment Food and Rural Affairs (DEFRA) as described in the publication Government Greenhouse Gas Conversion Factors for Company Reporting, October 2024, expressed in kg CO₂e per tonne of cargo transported and per kilometer of transport route (kg CO₂e/t/km), were used to determine the emissions. The emission factors are shown in Table 162.

⁷⁷ Report of the European Environmental Agency „EMEP/EEA air pollutant emission inventory guidebook 2023”

Table 162. GHG emission factors for transport of materials according to DEFRA

Means of transport	2024 kg CO ₂ e/Mg/km
Truck transport, ON	0.05789
Railway, cargo train	0.02779
Container ships, average	0.01612

Leased assets not included in Scope 1 and 2 - downstream

GHG emissions were determined in the same way as for upstream asset lease .

Investments excluded from Scope 1 or 2

Neither KGHM Polska Miedź S.A. nor any of the Group's companies have investments that could be included in this category.

Only issues from the Chilean company, Sierra Gorda S.C.M., controlled by KGHM Polska Miedź S.A. in 55%, are included in this category and therefore cannot be considered, as in the case of the other companies, in Scopes 1 and 2 and categories 1÷14 of Scope 3.

Emissions from the company in this category include all GHG emissions from all aspects of the company's operations that fall under Scopes 1, 2 and 3, calculated in accordance with the methodology for a 100% Group-controlled subsidiary, with emissions values multiplied by the company's ownership percentage of 55%.

[E1-7] Greenhouse gas elimination and mitigation projects financed through carbon credits

No installations that significantly reduce greenhouse gas emissions have been launched in the KGHM Polska Miedź S.A. Group.

[E1-8] Internal carbon pricing

In the KGHM Polska Miedź S.A. Group, no internal fee for greenhouse gas emission has been determined.

[E1-9] Expected financial effects resulting from material physical and transition risks and potential climate-related opportunities

In accordance with ESRS 1 - Appendix C, the KGHM Polska Miedź S.A. Group omits the information set out in E1-9 in the first year of Sustainability Reporting.

4.2.3 [E2] Pollution

[E2-1] Policies related to pollution

In 2024, the KGHM Group did not have a formalised policy related to pollution in place. Pollution issues, on the other hand, are included in the Environmental Policy of KGHM Polska Miedź S.A., whose activities have the highest environmental impact in the KGHM Group. Work on the adoption of the KGHM Group's environmental policy will begin in 2025.

The Environmental Policy of KGHM Polska Miedź S.A. is a guiding document outlining the Company's general obligations regarding the prevention and limitation of the negative impact of the Company's activities on the environment. The Environmental Policy of KGHM Polska Miedź S.A. was adopted for application by a Resolution of the Management Board⁷⁸, while the supervision over the implementation of the resolution was entrusted to the Vice President of the Management Board (Production).

The company has defined potential environmental impacts and risks resulting from its operations. Negative actual impacts include: emission of dust and gases into the air, exceeding the permissible values of nitrite nitrogen in water discharges and the use/production of hazardous substances. Potential impacts include: soil contamination resulting from failures, discharge of industrial wastewater from the hydrotechnical management of mine and technological waters from the Żelazny Most Tailings Storage Facility and from the circulation of technological waters, discharge of treated metallurgical wastewater, lack of possibility of further waste storage and damage to the protective layers of landfills and potential environmental pollution with hazardous substances. Among the risks, the company has defined the risk related to failure to meet air quality standards (including arsenic) and the risk of exceeding the permissible values of nitrite nitrogen in water discharges.

⁷⁸ Resolution of the Management Board of KGHM Polska Miedź S.A No. 342/XI/2023 dated 12 July 2023 on the adoption and introduction of the second edition of the „Climate Policy of KGHM Polska Miedź S.A.”

The main assumptions indicated in the policy related to the subject of pollution and the measures that the Company is taking in relation to the commitments set out in the policy are presented in the table below.

Table 163. Key assumptions of environmental policy and actions taken in the scope of commitments.

Main assumptions	Activities undertaken
Reducing emissions	We use best available technologies (BAT) to reduce emissions, improve air and water quality. We monitor emissions on a regular basis and conduct corrective measures when irregularities are detected. We carry out air quality monitoring of water and soils.
Compliance with regulations and standards	We comply with applicable regulations concerning the protection of water resources at the national, regional and local level. We implement international provisions on water conservation whenever this applies to the operations of the company.
Public participation and transparency	We cooperate with local communities and non-governmental organisations to understand their concerns and incorporate their views into the decision-making process. We ensure transparency of the company's activities related to water resources, provide information on water consumption, emitted pollutants.
Failure prevention and crisis management	We have plans in place for emergency situations aimed at mitigating the effects of potential incidents related to pollutants. We train employees on how to deal with failures, as well as cooperate with local emergency services.
Management of chemical substances	We take measures to reduce the potential negative effects of chemicals and prevent environmental pollution from hazardous substances. Moreover, we manage chemicals in accordance with the EU REACH and CLP regulations.
Innovation in the scope of environmental protection	We invest in research and development of technologies aimed at optimising the mitigation of the adverse environmental impact.
Sustainable socio-economic development	We support the local economy and communities through job creation, investment and cooperation with local communities.
Review and improvement	We conduct periodic reviews of the company's pollution policy in order to adapt to new legal, technological and social requirements. We implement the latest solutions in monitoring systems for the purpose of implementing goals related to pollution.

The pollution management policy is based primarily on legal requirements, best practice in this field, and takes into account the specific nature of our industry and local conditions and requirements.

[E2-2] Actions and resources related to pollution

The process of extracting valuable raw materials from beneath the earth to the surface and their subsequent processing will never be completely environmentally neutral. Mining, smelting and ancillary activities to production processes in the Group are associated with significant environmental impacts through emissions. The Company systematically works to limit the impact of the technologies it uses on the environment as much as possible and adapts them to changing environmental requirements, including EU recommendations such as the BAT (Best Available Technologies) Conclusions.

The environmental impact of industry is best characterised by the level of concentrations of individual pollutants in ambient air in the areas of activity.

The KGHM Polska Miedź S.A. Group conducts ongoing monitoring of its own sites and activities in order to determine the impact of these activities on the environment. Direct measurements in the environment exposed to the impact of KGHM's installations comprise atmospheric air quality monitoring, groundwater monitoring, surface water monitoring and soil monitoring. The monitoring carried out since the 1980s provides a picture of KGHM's impact on the environment and, at the same time, knowledge of the environmental effects achieved as a result of the pro-environmental initiatives and investment activities carried out over many years.

Impact monitoring is carried out directly by the branches on the basis of emission measurements carried out according to the applicable standards and methodologies, as indicated in the administrative decisions in force. The association of emissions monitoring with ambient air measurements allows the analysis of measurement results from selected pollutants relevant to environmental impacts. The approach adopted makes it possible to assess the actual impacts in terms of significant pollutants released.

The KGHM Polska Miedź S.A. Group, being aware of its impact on the environment through its mining and processing operations, introduces technological solutions and undertakes environmental protection initiatives. One of the major initiatives carried out by the KGHM Company in the area of environmental protection with particular emphasis on air protection was the BATAs program.

Significant projects carried out in KGHM Group's Companies include the implementation of the project by WPEC Legnica S.A. related to Modernisation of the heat supply system in Legnica, involving the construction of a natural gas-fired source to replace a coal-fired boiler house. To date, 95% of the investment has been completed. The expenditure until the total

completion of the construction work is PLN 105 million. Completion and acceptance of the investment is planned for 2025. The measurable environmental benefit is the reduction of SO₂ and dust emissions.

Air pollution

BATAs program

In June 2016, the European Commission issued an executive decision establishing BAT conclusions (guidelines) for the non-ferrous metals industry. To address this need, the Company launched the BAT-As Program ("Program to adapt the technological installations of KGHM Polska Miedź S.A. to the requirements of BAT Conclusions for the non-ferrous metals industry and to restrict emissions of arsenic"). Under the Program, the construction of new installations and modernization of existing ones was commenced in KGHM Polska Miedź S.A.'s metallurgical plants. The Program was launched in 2017 and its implementation was completed in 2023. In the Głogów Copper Smelter and Refinery and in the Legnica Copper Smelter and Refinery, the above-mentioned program is implemented by building new and adapting the existing technological installations. The goal of the Program was to reduce dust and gas emissions, including arsenic compounds, through the installation of modern filters and further sealing of technological processes.

The implementation of the BATAs Program enabled successive decrease of air emission of arsenic from metallurgical production by KGHM Polska Miedź S.A. We have achieved the first environmental effects in the form of decreasing atmospheric arsenic concentrations in the areas where arsenic concentrations in the air are highest, i.e. around the smelting divisions in Legnica and Głogów. It is worth noting that an analysis of air quality, based on results obtained from several measuring stations operating within the framework of the State Environmental Monitoring, indicates a general reduction in the level of average annual concentrations of arsenic in the Dolnośląskie Voivodeship⁷⁹.

Investments aimed at protection of ambient air

In 2024, systematic upgrades to existing installations as well as new investments to reduce air emissions were continued. The key activities included:

- Modernisation of the wet electrostatic precipitators of the Sulphuric Acid Plant at Legnica Copper Smelter and Refinery
- Replacement of the wet electrostatic precipitator of the Sulphuric Acid Plant at Legnica Copper Smelter and Refinery
- Modernisation of the extraction installation for anode rotary furnaces at Legnica Copper Smelter and Refinery
- Modernisation of the sulphuric acid production facility at the Głogów Copper Smelter and Refinery
- Modernisation of ventilation in the hall of the Lead Division at Głogów Copper Smelter and Refinery
- Extension of the copper concentrate warehouse at the Feedstock Preparation Plant at Głogów Copper Smelter and Refinery
- Extension of the water sprinkler/spraying network with the construction of a pumping station in the Tailings Division

The Company, following the completion of the BATAs program in 2023, is not taking any significant ambient air protection activities. Emphasis has now been placed on maintaining the operating parameters of all installations at the required level set out in administrative decisions. In particular, environmental effects are monitored to assess the environmental effects of the investments implemented.

Water pollution

Discharges into the Odra River of water from the hydrotechnical management of mine-technological water from the Żelazny Most Tailings Storage Facility and from technological water circulation

Discharge of mine-process wastewater/water from the operations of KGHM Polska Miedź S.A. is carried out in accordance with the applicable laws and regulations and the provisions of the water law permit, taking into account the hydrological conditions of the Odra River. The water permit of 21 June 2024 with the symbol V.RUZ.4210.55.2024.ID allows the discharge of excess of these waters at flows greater than 25.5 m³/s. The discharges of the filtrate water are continuously monitored and carried out in accordance with the permit and in such a way as not to violate the environmental quality standards set for the JCWP (Odra from Barycz to Bóbr with the code RW6000121599). A derogation for the maximum permissible specific electrolytic conductivity (PEW) value at 20°C at a level of 2740 μS/cm has been set for this water body. The retention and dosing system operating at KGHM Polska Miedź S.A. Enables full control and oversight of the discharge of water into the Odra River. Consequently, at low water levels in the receiving water body, we can suspend the discharge of wastewater. In addition, the condition of regulating the load of salt contained in the discharged effluent to prevent exceeding 1000 mg/l of the sum of chlorides and sulphates in the river waters after mixing with the effluent, is strictly observed. The provisions

of the water permit structured in this way protect the river ecosystem from degradation. Nevertheless, in previous years we have investigated various solutions to reduce our impact on the receiver. To the best of our knowledge, currently available solutions such as mine water desalination generate costs that are disproportionate to the environmental benefits, in addition to being energy-intensive and generating waste problems (no possibility of storage), which in effect disqualify such solutions from an integrated environmental approach.

Exceeded nitrite nitrogen limit values from the Żelazny Most Tailings Storage Facility

The limit specified in the water permit for nitrite nitrogen is ≤ 1 mg/dm³. Occasional exceedance of this parameter is determined by a number of factors over which we have limited influence. The main nitrogen load in process waters comes from blasting operations carried out in the mines of KGHM Polska Miedź S.A. Nitrogen is one of the components of explosives. After mining to the surface, the ore is sent to the Concentrators, where flotation processes leach nitrogen into process water, which, together with flotation waste, is sent to the Żelazny Most Tailings Storage Facility. Hence, incidental elevated concentrations of nitrite nitrogen in discharge waters. We constantly monitor concentrations of nitrite nitrogen and other forms of nitrogen. The total nitrogen content of 14-22 mg/dm³ in the waters discharged into the Odra river are so low that it is unreasonable to initiate any nitrogen treatment of these waters. The estimated costs incurred for the clean-up are disproportionate to the assumed environmental effects.

Discharge of treated metallurgical effluent

The water used in the production processes of Legnica Copper Smelter and Refinery, Głogów Copper Smelter and Refinery and entities operating on the premises or near the smelters is sent to the company "Energetyka" sp. z o.o. for treatment. Industrial effluents treatment plants operating to meet the needs of the smelters specialise in the removal of heavy metals, including arsenic, mercury and cadmium compounds, which are especially problematic.

The wastewater treatment technology relies mainly on neutralisation processes supported by coagulants and flocculants. Because of the high quality of effluents, approximately 30% of the global stream is reused for production processes in the technological processes of the smelters. The remaining treated effluent is discharged to the Odra river (in the case of the Głogów Copper Smelter and Refinery) and to the Pawłówka stream, which feeds the Kaczawa river (in the case of the Legnica Copper Smelter and Refinery).

Soil contamination

Production installations in the KGHM Group may cause emissions of pollutants to the ground surface (soil, ground and groundwater), mainly in the area of their location, in a direct and indirect manner. Sources of potential direct emissions may include events related to technological processes (mainly within installations requiring an integrated permit), collection and discharge of waste water, use of substances and raw materials (including hazardous substances), storage and disposal of waste (in own internal and external landfills), etc. On the other hand, the source of indirect (secondary) pollution is the fallout on the ground surface of dust emitted from installations into the ambient air (atmospheric deposition).

In order to minimise the impact on soil, ground and groundwater, the KGHM Group applies a number of measures to limit the negative impact on these environmental components. These include:

- storage of raw materials and solid products on paved storage yards or in designated warehouses;
- storage of liquid raw materials and products in tanks protected against uncontrolled leakage and made of materials resistant to the substances they contain;
- raw materials and products are transported by rail and road; loading and unloading points are equipped with protective trays to catch and effectively neutralise any potential spills;
- production processes are carried out in accordance with technological instructions, which are part of Integrated Management Systems;
- sealed road and yard surfaces from which rainwater and snowmelt are treated in settling tanks and oil separators;
- use of separate, sealed sewerage systems to selectively capture wastewater streams requiring separate treatment technologies; the use of sealed concrete sewage tanks;
- landfill sites are separated from the environment by a deliberately designed system of barriers and seals; the cells are equipped with leachate collection systems;
- storage of waste in designated areas on an impermeable surface; depending on the condition and composition of the waste in bulk or in sealed containers/containers/plastic bags; hazardous waste must be collected under a roof that eliminates the effects of the weather conditions.

Historical pollution

In 2016, KGHM Polska Miedź S.A. reported historical contamination of the ground surface in areas belonging to the Głogów Copper Smelter and Refinery, Legnica Copper Smelter and Refinery, Lubin mine, Polkowice-Sieroszowice mine and Rudna mine. The presence of land contamination was established based on the results of soil quality tests carried out in 2015. In accordance with the legislation, remediation plan projects were prepared for the areas where historical contamination was found and approved by the Regional Director of Environmental Protection. Remediation of the ground surface

contamination has been postponed until the installation is no longer in operation, due to the absence of a significant risk to human health or the state of the environment.

Historic land surface pollution is defined as such pollution that occurred or resulted from activities that ceased before 30 April 2007 (Article 3(5a) of the Environmental Protection Law).

Restoration

Once the facilities are closed, the area is rehabilitated to restore the usable and natural value of the areas that were previously exploited. The rehabilitation of brownfield sites comprises a range of activities aimed at restoring soil properties, restoring biodiversity, and improving aesthetic and socio-economic conditions. We always ensure that the areas occupied by the smelters and mines can be restored once the operation is closed. Closure and restoration plans are prepared in accordance with applicable law for each operational site to be closed.

In accordance with the law, restoration funds have been set up for mining sites, landfills and tailings storage facilities where money has been accumulated to fulfil the obligations related to closure, restoration and supervision, including monitoring.

Potentially hazardous substances and substances of very high concern

The KGHM Group is aware that responsible management of chemicals in the company requires comprehensive and systematic management of chemical safety risks, including environmental, health and safety practices at the plant level, with a focus on hazard identification, employee involvement and occupational health.

The Group takes measures to reduce the potential negative effects of chemicals and to prevent environmental pollution by substances of potential concern and substances of particular concern.

Internal documents in the form of orders, instructions and procedures have been implemented in the Group, which provide information on the safe use and handling of hazardous substances in terms of their appropriate storage, transport and emergency response. The documents concerned aim to:

- raise awareness of the risks posed by hazardous substances in the workplace by providing reliable information on these risks,
- raise awareness of reducing the risks posed by these substances,
- promote a culture of safety at work and risk prevention.

All substances and mixtures produced and used in the KGHM Group that meet the criteria for classification as hazardous have safety data sheets. The safety data sheet enables the user to take the necessary measures relating to the protection of human health and safety in the workplace and the protection of the environment. It informs the user of the hazards of the substance or mixture and includes information on the safe storage, handling and disposal of the substance or mixture.

The KGHM Group is aware that compliance with legal regulations and following their changes is the only way to ensure safe working conditions with chemicals. All national companies introducing and importing substances have completed the relevant registrations with the European Chemicals Agency.

In accordance with the requirements of the Seveso III Directive, the provisions of the Environmental Protection Law and the criteria set out in the regulation of the Minister of Development of 29 January 2016 on the types and quantities of hazardous substances present in an establishment, determining its classification as an establishment with an increased or high risk of a major industrial accident, the Głogów Copper Smelter and Refinery, the Legnica Copper Smelter and Refinery and the area of the Concentrators in Rudna and Polkowice, "Energetyka" sp. z o. o. in Lubin, W-4 Division in Legnica, Nitroerg in Bierun and Krupski Młyn were included in the group of establishments with a high risk of a major industrial accident.

Accordingly, the legally required documents have been prepared for the aforementioned entities: Plant Notifications, Emergency Prevention Programs, Safety Reports and Internal Emergency-Rescue Plans.

The Major Industrial Accident Prevention Program (PZA) contains an analysis of the hazards present at the site and indicates methods and measures to limit the effects of the accident and to protect people and the environment. The PZA also includes information on the restoration of the environment to its pre-accident state and the potential for cross-border impacts of the effects of industrial accidents identified for the site.

The Safety Report (RoB) contains an assessment of the hazards and risks of an industrial accident including fire, explosion or emission hazards. These hazards, due to the hazardous materials used, are part and parcel of the technology used in the plant. It is therefore important both to recognise the risks involved and to be able to assess them and then ensure safety for people, the environment, installations and facilities. The RoB is a document indicating the options for safety

assessment, the situations posing potential major-accident hazards, the extent and consequences of the occurrence of individual representative accidental events and indications of methods to counteract the hazards.

The internal emergency plan (WPOR) contains information on the measures to be taken at the plant to prevent an accident and takes into account the knock-on effects in determining mitigation actions.

The above-mentioned documents are regularly reviewed and updated in accordance with legal requirements.

[E2-3] Targets related to pollution

No measurable pollution targets have been set in the KGHM Group. The most important environmental goal for KGHM Polska Miedź S.A., but also for the other companies of the Group, is to continuously reduce emissions into the air and water, which is achieved by improving purification techniques, further containment of processes and reduction of fugitive emissions. Reaching emission levels that meet BAT requirements and national regulations in recent years, means that each new investment project requires an in-depth analysis of the cost-effectiveness of the investment in terms of the environmental effect that can be achieved.

A characteristic element of the current legal regime, in addition to the need to comply with the requirements of the BAT conclusions is setting of permissible conditions for the discharge of pollutants into ambient air. These conditions are verified using a uniform methodology based on mathematical modelling of the impact of the installation based on the results of the measurements carried out. It is therefore a very demanding system for the monitoring and oversight of the volume of pollutants discharged into the air, while at the same time taking into account, apart from the BAT requirements, the location of the installation, the environmental conditions in the area and the impact of atmospheric conditions on the levels of air concentrations in the area of the installation in question.

KGHM has met its recent targets for emissions to air, water and soil, which it was obliged to achieve as a result of the changing regulatory environment (BAT regulations), by adapting its installations to the requirements of the BAT Conclusions. Other Group companies performed in a similar way. These were mandatory targets that were met. It is worth highlighting the fact that in the national legal system, emissions that meet the levels defined in the BAT conclusions are subject to an additional impact assessment⁸⁰. At present, no further targets have been planned, but the effectiveness of the measures taken to date on the impact on ambient air status is being monitored. Monitoring is conducted by making periodic measurements of emissions and monitoring the state of the ambient air at locations where impacts are significant.

[E2-4] Pollution of air, water and soil

European Pollutant Release and Transfer Register (E-PRTR)

The list of installations operated by KGHM Polska Miedź S.A. that are subject to the reporting obligation is shown below. The majority of the installations operated by KGHM Polska Miedź S.A. exceed the capacity thresholds or volumes that require reporting of releases and transfers of pollutants. Table 165 provides a list of installations operated by domestic companies belonging to the KGHM Polska Miedź S.A. Group, subject to the obligation to report releases and transfers.

The international companies of the KGHM Group are not subject to the reporting obligations of Regulation (EC) No. 166/2006. Nevertheless, the emissions reported to the competent local authorities have been analysed for exceeding the capacity thresholds or the volumes required to report releases and transfers of pollutants under Regulation (EC) No 166/2006.

Table 164. List of installations operated by KGHM Polska Miedź S.A. Divisions that are subject to the obligation of reporting discharges and transfers to the KRUIZ

Item	Installation	Type of activity	PRTR / IPPC (IED) code
1	Copper production installation operated by the Legnica Copper Smelter and Refinery	Installations for the production of non-ferrous metals from ore, concentrates or secondary raw materials using metallurgical, chemical or electrolytic processes, regardless of their capacity	2.(e) / 2.5a
2	Copper production installation operated by the Głogów I Copper Smelter and Refinery		
3	Copper production installation operated by the Głogów II Copper Smelter and Refinery		
4	Lead production installation, Głogów Copper Smelter and Refinery		
5	Precious metal production installation, Głogów Copper Smelter and Refinery		
6	Lead refining installation operated by the Legnica Copper Smelter and Refinery	Installations for smelting, including melting, of non-ferrous metals with a melting capacity of 4 Mg/day for lead	2.(e) / 2.5b
7	The CONTIROD wire rod production facility operated by		

Item	Installation	Type of activity	PRTR / IPPC (IED) code
	the Cedynia Wire Rod Plant	and cadmium or 20 Mg/day for other metals	
8	UPCAST wire rod production plant, Cedynia Wire Rod Plant		
9	"Rudna" mine, operated by the "Rudna" mine division		
10	The Polkowice-Sieroszowice mine, operated by the Polkowice-Sieroszowice Mine Division		
11	Lubin mine, operated by the Lubin Mine Division		
12	Ore enrichment plant, Rudna district operated by the Ore Enrichment Plant Division	Underground mining and related activities	2.(e) / ---
13	Ore enrichment plant, Polkowice district operated by the Ore Enrichment Plant Division		
14	Ore enrichment plant, Lubin district operated by the Ore Enrichment Plant Division		
15	OBORA Sandpit operated by the Tailings Division	Open-pit mining and quarrying, where the area of land covered by actual mining operations is 25 hectares	3(b) / ---
16	Sulphuric Acid Waste Neutralisation Facility in Polkowice operated by the Concentrators Division	Installations for the recovery or disposal of hazardous waste with a capacity exceeding 10 Mg/day	5.(a) / 5.1
17	SON Hazardous Waste Landfill operated by Legnica Copper Smelter and Refinery		
18	POLOWICE landfill Legnica Copper Smelter and Refinery		
19	BIECHÓW Industrial Waste Landfill operated by Głogów Copper Smelter and Refinery	Landfills receiving more than 10 Mg/day or with a total capacity of more than 25 000 Mg, excluding landfills closed before 16 July 2001 or for which the period of subsequent protection has expired	5.(d) / 5.4
20	BIECHÓW II Industrial Waste Landfill operated by Głogów Copper Smelter and Refinery		
21	BIECHÓW III Industrial Waste Landfill operated by Głogów Copper Smelter and Refinery		
22	Sedimentation pond, chamber IV, Głogów Copper Smelter and Refinery		

Items: 17-22 - air emissions are not determined.

Table 165. List of installations operated by domestic Companies belonging to the KGHM Polska Miedź S.A. Group, subject to the obligation to report discharges and transfers to the KRUIZ

Item	Installation/plant	Type of activity	PRTR / IPPC (IED) code
1	Wojewódzkie Przedsiębiorstwo Energetyki Ciepłej w Legnicy S.A., Central Heat Plant in Legnica	Combined heat and power plants and other fuel combustion installations	1.(c)
2	Energetyka Sp. z o.o.	Combined heat and power plants and other fuel combustion installations	1.(c)
3	NITROERG S.A., Bieruń Plant - Manufacture of explosives	Installations for the industrial-scale production of explosives and products	4.(f)
4	NITROERG S.A., Krupski Młyn Plant - Manufacture of explosives	Chemical installations for the industrial-scale production of basic organic compounds	4.(a)
		Installations for the recovery or disposal of hazardous waste	5.(a)
5	Walcownia Metali Nieżelaznych "ŁABĘDY" S.A. - manufacture of other non-ferrous metals	Installation for the production of non-ferrous metals from ore, concentrates or secondary raw materials by metallurgical, chemical or electrolytic processes; for the smelting, including the alloying, of non-ferrous metals, including recovered products (refining, casting, etc.)	2.(e)
6	KGHM ZANAM S.A. Foundry Division - Steel Foundry	Ferrous metal foundries	2.(d)
7	KGHM Metraco S.A. Zakład Hydrometalurgii Głogów - production of other inorganic basic chemicals	Chemical installations for the industrial-scale production of basic inorganic compounds	4. (b)

Note: The table shows all installations belonging to Group companies that report to the KRUIZ. Only three installations exceed the reporting thresholds for air emissions.

Air pollution

The listed pollutants are disclosed in the balance (Table 109) according to the European Pollutant Release and Transfer Register. The scope of the information relates to pollutants whose emitted quantities exceed the disclosure thresholds set out in the PRTR. References apply to installations where these thresholds have been exceeded.

Metals	<p>Sources of metal emissions into the air are the copper ores mined by the Mines belonging to the Company. Emissions of metals into the air occur throughout the process chain from ore mining through the production of copper concentrates to electrolytic copper production. The discharge is mainly determined on the basis of periodic emission measurements. In the case of the Company's mining divisions, due to too low concentrations in the discharged ventilation air, the releases of some of the emitted substances cannot be reliably determined on the basis of direct emission measurements. This is the case, among other things, for metals contained in trace amounts in emitted ore dust. The quantities of metals released in the dust produced by diesel combustion in machinery engines are negligibly small.</p> <p>Metal releases from the exhaust shafts were estimated on the basis of measured emissions of copper - a substance characteristic of copper ore - and the average annual composition of the ore processed or concentrate produced from it. The ratio of the metal content under consideration to the copper content of the emitted dust (the so-called content profile) and the processed copper ore (or concentrate) was assumed to be the same. On the basis of the known composition of the copper ore or concentrate (if the element content in the ore was not determined), so-called profile factors are determined, which are the quotient of the element under consideration and the copper content in the ore/concentrate. The release of the metal under consideration is determined as the product of the profile factor and the measured copper emission. The method presented allows emissions of other metals to be determined as well.</p>
Arsenic (As)	<p>The largest quantities of arsenic (As) are emitted from the Legnica Copper Smelter and Refinery and the Głogów Copper Smelter and Refinery. Quantities above the threshold are also emitted by the Rudna Mine and the Concentrators.</p> <p>The companies of the Group do not emit this pollution or do not emit quantities exceeding the designated threshold.</p>
Cadmium (Cd)	<p>The largest quantities of cadmium (Cd) are emitted from the Legnica Copper Smelter and Refinery and the Głogów Copper Smelter and Refinery. The remaining divisions emit quantities below the designated threshold. The companies of the Group do not emit this pollution or do not emit quantities exceeding the designated threshold.</p>
Copper (Cu)	<p>The largest quantities of copper (Cu) are emitted from the Legnica Copper Smelter and Refinery and the Głogów Copper Smelter and Refinery. Quantities above the threshold are also emitted by the Rudna Mine, Polkowice-Sieroszowice Mine Division and the Concentrators.</p> <p>The companies of the Group do not emit this pollution or do not emit quantities exceeding the designated threshold.</p>
Lead (Pb)	<p>The largest quantities of lead (Pb) are emitted from the Legnica Copper Smelter and Refinery and the Głogów Copper Smelter and Refinery. The remaining divisions emit quantities below the designated threshold.</p> <p>The companies of the Group do not emit this pollution or do not emit quantities exceeding the designated threshold.</p>
Mercury (Hg)	<p>The largest quantities of mercury (Hg) are emitted from the Legnica Copper Smelter and Refinery and the Głogów Copper Smelter and Refinery. The remaining divisions emit quantities below the designated threshold. The companies of the Group do not emit this pollution or do not emit quantities exceeding the designated threshold.</p>
Zinc (Zn)	<p>Emissions originate from metal processing operations at the installations of Walcownia Metali Nieżelaznych "ŁABĘDY" S.A.</p> <p>The remaining companies of the KGHM Group do not emit this pollutant or do not emit quantities exceeding the designated threshold. The divisions of KGHM also do not emit zinc in excess of the designated threshold.</p>
Sulphur oxides (SO_x/SO₂)	<p>Pollution mainly arises from the combustion of fuels in gas engines, gas and coal boilers and during pyrometallurgical processes (furnace quenching, use of gaseous fuels in metallurgical units). The largest volumes are generated in Głogów Copper Smelter and Refinery. Quantities above the threshold are also emitted by Rudna Mine, Legnica Copper Smelter and Refinery and the Polkowice-Sieroszowice Mine Division. The discharge is mainly determined on the basis of periodic emission measurements.</p> <p>In the Group, quantities of sulphur oxides exceeding the designated threshold are emitted by the Central Heating Plant in Legnica belonging to Wojewódzkie Przedsiębiorstwo Energetyki Ciepłej w Legnicy S.A. and Energetyka Sp. z o.o.</p>
Nitrogen oxides (NO_x/NO₂)	<p>Pollution mainly arises from the combustion of fuels in gas engines, gas and coal boilers and during metallurgical technological processes (furnace quenching, fuel combustion, use of gaseous fuels in metallurgical units). The largest volumes are generated in Głogów Copper Smelter and Refinery. Quantities above the threshold are also emitted by Rudna Mine, Legnica Copper Smelter and Refinery and the Polkowice-Sieroszowice Mine Division.</p> <p>In the KGHM Group, quantities of nitrogen oxides exceeding the designated threshold are emitted by the Central Heating Plant in Legnica belonging to Wojewódzkie Przedsiębiorstwo Energetyki Ciepłej w Legnicy S.A. and Energetyka Sp. z o.o.</p>
Carbon monoxide (CO)	<p>Carbon monoxide emissions are associated with virtually all fuel combustion and metallurgical processes in which copper concentrates are smelted. The largest quantities of carbon monoxide are released from the Cedynia Wire Rod Division of KGHM Polska Miedź S.A. Emissions of pollutants into the air are mainly related to the operation of the CONTIROD plant. The main source of emissions is the natural gas-fired ASARCO shaft</p>

	<p>melting furnace. Relatively limited amounts of natural gas are also consumed at the UPCAST plant, for the quenching of steelmaking unit components. Emissions are mainly determined by periodic emission measurements.</p> <p>The companies of the Group do not emit this pollution or do not emit quantities exceeding the designated threshold.</p>
Hydrofluorocarbons (HFC)	<p>Activities release refrigerants belonging mainly to the hydrofluorocarbon (HFC) group, which are used in air conditioning equipment used in the entire KGHM Group. Emissions are determined by weighing during periodic maintenance of air-conditioning systems. The largest quantities of this pollutant are released from the KGHM Divisions: Rudna Mine Division, Polkowice-Sieroszowice Mine Division, Lubin Mine Division and one from the Głogów Copper Smelter and Refinery.</p> <p>The companies of the Group do not emit this pollutant or do not emit quantities exceeding the designated threshold.</p>
Non-methane volatile organic compounds (NMVOC)	<p>Releases are primarily due to mining activities. The releases of these pollutants were calculated according to the EMEP/EEA methodology, based on the diesel consumption of underground machinery and the emission factors for working machinery⁸¹. Pollutant releases from gas engines at Surface Air Conditioning Stations were calculated based on the amount of natural gas burned and its calorific value. Emissions for most according to EMEP/EEA indicators⁸² for gas engines. The largest quantities of NMVOCs are released from the Company's Rudna Mine Division.</p> <p>The companies of the Group do not emit this pollution or do not emit quantities exceeding the designated threshold.</p>
Chlorine and its inorganic compounds (as HCl)	<p>The presence of chlorine and its compounds in coal, biomass and other materials and raw materials leads to the formation of HCl during combustion and pyrometallurgical processes. The effects of high temperatures on chlorine-containing materials results in the release of the chlorine contained in them in the form of hydrogen chloride. Release determined on the basis of emission measurements conducted.</p> <p>In the Group, quantities of hydrogen chloride are emitted by the Central Heating Plant in Legnica belonging to Wojewódzkie Przedsiębiorstwo Energetyki Ciepłej w Legnicy S.A.</p> <p>The Company's divisions do not emit this pollutant in excess of the threshold.</p> <p>The remaining companies of the Group do not emit this pollutant or do not emit quantities exceeding the designated threshold.</p>
Polycyclic aromatic hydrocarbons (PAHs)	<p>The emissions originate from the installations of Walcownia Metali Nieżelaznych "ŁABĘDY" S.A. Polycyclic aromatic hydrocarbons are formed as a result of mill emulsion and mill oil in the cold rolling process, and are also formed in the hot rolling system as a result of contact between the circulating water and the lubricants and oils used in the mechanical system of the rolling mills. Most of the pollution is emitted from semi-continuous casting lines, continuous casting lines and static casting lines. The strip cold rolling line emits PAHs in insignificant quantities (not exceeding 10% of the reference value).</p> <p>The Company's divisions do not emit this pollutant in excess of the threshold. The remaining companies of the Group do not emit this pollutant or do not emit quantities exceeding the designated threshold.</p>

Significant air pollution from the activities of the international companies of the Group

Pollutants emitted to the air from installations operated by international Companies of the KGHM Polska Miedź S.A. Group do not exceed the thresholds set out in Annex II of Regulation (EC) No. 166/2006 of the European Parliament and of the Council of 18 January 2006 concerning the establishment of a European Pollutant Release and Transfer Register and amending Council Directives 91/689/EEC and 96/61/EC (OJ L 033, 4.02.2006, p. 1)

The volumes of pollutants discharged into the air from installations and plants of the KGHM Polska Miedź S.A. Group were determined on the basis of:

- information contained in the 2024 reports, for the purposes of environmental fees,
- results of periodic emission measurements,
- results of periodic technological measurements,
- results of research work and measurements,
- own calculations and estimates based on data on the quality and quantity of raw materials and fuels used,
- known parameters of the technological processes carried out in the installations,
- information acquired from the installation operators.

The methods, compliant with EU standards, for the determination of releases (emissions) are presented in Table 103. Periodic measurements of emissions are carried out by laboratories accredited to the extent necessary to carry out the tests or, as in the case of metallurgical divisions, by in-house measurement laboratories covered by Integrated Management Systems - in this case there is no requirement to ensure verification of periodic measurements by independent laboratories.

⁸¹ EMEP/EEA air pollutant emission inventory guidebook 2023, Non-road mobile sources and machinery, tab. 3 1

⁸² EMEP/EEA air pollutant emission inventory guidebook 2023, Energy industries, tab. 3-22, reciprocating engines using natural gas

The method and scope of the measurements to be carried out are approved by administrative decisions issued by the competent administrative authorities. In cases not requiring permits, releases (emissions) are calculated on the basis of emission factors based on material, raw material and fuel consumption and literature data.

In the larger units of the Group, the data collection processes necessary for proper monitoring in the area of pollution are carried out by the relevant services in an organised and planned manner. The proper organisation of these processes further enables the correct implementation of pollution reporting. Most often, data collection, data analysis and reporting processes are covered by management systems. The collection and analysis of environmental data is then extensive and formalised.

The pollutants disclosed, in terms of their extent and method of quantification, are compliant with the administrative decisions issued by the competent authority for individual Group installations.

Table 166. List of standards and methods for determining emissions of pollutants from installations of KGHM Polska Miedź S.A. subject to the reporting obligation to the KRUIZ

Item	Standard / method	Description	
1	PN-ISO 10396:2001	Stationary source emissions - Sampling for automatic measurement of gaseous component concentrations. The scope of the method is limited to the determination of O ₂ , CO ₂ , CO, SO ₂ , NO and NO ₂ .	
2	PN-EN 15058:2017	Stationary source emissions - Determination of carbon monoxide mass concentration - Standard reference method: non-dispersive infrared spectrometry.	CO
3	EMEP/EEA 2023	Guide to air pollutant emission inventories	
4	IPCC 2006 (CO ₂)	Commission Regulation (EU) No 2018/2066, IPCC 2006 Guidelines and database for emission factors and other parameters with technical documentation or references	CO ₂
5	OTH	Weighing	HFC
6	PN-Z-04008-4:1999	Protection of clean air. Sampling. Sampling of near-air gases (emissions) and their preparation for analysis by gas chromatography	
7	Sulphuropol NCR-37.58	Method developed and dedicated to waste gases from copper smelting	NM VOC
8	EMEP/EEA 2023	Guide to air pollutant emission inventories	
9	PN-EN 14792:2017	Stationary source emissions - determination of nitrogen oxide mass concentration - Standard reference method: chemiluminescence	
10	PN-90/Z-04009-11:2008	Concentration/content of nitrogen dioxide. Spectrophotometric method	NO _x /NO ₂
11	EMEP/EEA 2023	Guide to air pollutant emission inventories	
12	NDIR	Non-dispersive infrared spectrometry measurement	
13	PN-ISO 6767:1997	Determination of the mass concentration of sulphur dioxide - Parazanine method with tetrachloromethane(II) (TCM)	SO _x /SO ₂
14	PN-ISO 7935:2000	Emissions from stationary sources - Determination of mass concentration of sulphur dioxide - Performance characteristics of automatic measurement methods	
15	EMEP/EEA 2023	Guide to air pollutant emission inventories	
16	PN-EN 14385:2005	Emissions from stationary sources - Determination of total emissions of As, Cd, Co, Cu, Mn, Ni, Pb, Sb, Tl and V	
17	PN-EN 13211+AC:2006	Air quality. Emissions from stationary sources. Manual method for total mercury determination	As, Cu, Pb, Hg
18	PN-EN 13284-1:2007	Emissions from stationary sources. Determination of dust mass concentration in the low range. Part I: Manual gravimetric method.	
19	PN-Z-04030-7:1994	Protection of air purity -- Dust content testing - Measurement of dust concentration and mass flux in flue gases by gravimetric method	
20	EMEP/EEA 2023	Guide to air pollutant emission inventories	
21	PN-EN 13649:2005	Emissions from stationary sources. Determination of the mass concentration of individual gaseous organic compounds. Method using activated carbon and solvent desorption	WWA

Table 167. Pollutants emitted to air from installations belonging to KGHM Polska Miedź S.A. according to the European Pollutant Release and Transfer Register in kg/year

Pollutant	Notification threshold kg/year	2024 total kg/year
Carbon monoxide (CO)	500 000	633 000
Hydrofluorocarbons (HFC)	100	24 700
Non-methane volatile organic compounds (NMVOC)	100 000	108 000
Nitrogen oxides (NO _x /NO ₂)	100 000	1 890 000
Sulphur oxides (SO _x /SO ₂)	150 000	1 080 000
Hydrochlorofluorocarbons (HCFC)	1	4,82

Arsenic and its compounds (as As)	20	636
Cadmium and its compounds (as Cd)	10	56,9
Copper and its compounds (as Cu)	100	5 410
Lead and its compounds (as Pb)	200	2 860
Mercury and its compounds (as Hg)	10	31,7
Zinc and its compounds (as Zn)	200	203
Polycyclic aromatic hydrocarbons (PAH)	50	270
Chlorine and its inorganic compounds (as HCl)	10 000	22 300

Water pollution

The main source of emissions of pollutants to water from KGHM's operations are water discharges from the Żelazny Most Tailings Storage Facility. The primary function of the Żelazny Most Tailings Storage Facility is to dispose of flotation waste from copper ore enrichment processes, and it also serves as a reservoir for the retention and clarification of mine-technology water used in the flotation process. Flotation waste is delivered to the site by hydrotransport and deposited as a slurry. The waste grains settle within the bowl of the facility and the clarified filtrate water is returned to the ore beneficiation plants. Excess industrial water is discharged from the circuit into the Odra River. The significant pollutants emitted from the Żelazny Most Tailings Storage Facility are chlorides. However, the thresholds in Annex II of the PRTR Regulation were also exceeded for pollutants such as total nitrogen, total phosphorus, the metals arsenic, cadmium, chromium, copper, mercury nickel lead, zinc and phenols and total organic carbon.

Significant water pollutants from the operations of other companies of KGHM Polska Miedź S.A.

Significant pollutants emitted from Energetyka company wastewater treatment plant due to exceeding the thresholds set out in Annex II of the PRTR Regulation are chlorides, total nitrogen, the metals arsenic, cadmium, chromium, copper, mercury nickel lead, zinc, phenols and total organic carbon, organohalogen compounds AOX, and fluorides.

The remaining companies of the KGHM Group do not exceed the thresholds set by Annex II of the PRTR Regulation

Table 168. List of standards and methods for the determination of emissions of pollutants into water

Item	Standard / method	Pollutant
1	Total nitrogen forms determined according to PN-C-04576-08:1982, PN-EN 26777:1999, PN-EN 25663:2001	Total nitrogen
2	PN-EN ISO 11885:2009	Total phosphorus
3	PN-EN ISO 11885:2009	Arsenic and its compounds (as As)
4	PN-EN ISO 11885:2009	Cadmium and its compounds (as Cd)
5	PN-EN ISO 11885:2009	Chromium and its compounds (as Cr)
6	PN-EN ISO 11885:2009	Copper and its compounds (as Cu)
7	PN-EN ISO 17852:2009	Mercury and its compounds (as Hg)
8	PN-EN ISO 11885:2009	Nickel and its compounds (as Ni)
9	PN-EN ISO 11885:2009	Lead and its compounds (as Pb)
10	PN-EN ISO 11885:2009	Zinc and its compounds (as Zn)
11	PN-EN ISO 9562: 2007	Organohalogen compounds (as AOX) (10)
12	PN-ISO 6439:1994	Phenols (as total C)
13	PN-EN 1484:1999	Total organic carbon (TOC) (as total C or COD/3)
14	PN-ISO 9297:1994	Chlorides (as total C)
15	PN-EN ISO 10304-1:2009AC:2012	Fluorides (as total F)

Table 169. Pollutants emitted to water from installations belonging to KGHM Polska Miedź S.A. according to the European Pollutant Release and Transfer Register in kg/year

Name of pollutant	Notification threshold (kg)	2024 Total
Total nitrogen	50,000	1,186,457
Total phosphorus	5,000	5,578
Arsenic and its compounds (as As)	5	977
Cadmium and its compounds (as Cd)	5	272
Chromium and its compounds (as Cr)	50	373
Copper and its compounds (as Cu)	50	8,712
Mercury and its compounds (as Hg)	1	30
Nickel and its compounds (as Ni)	20	6,138
Lead and its compounds (as Pb)	20	6,739
Zinc and its compounds (as Zn)	100	5,992
Organohalogen compounds (as AOX) (10)	1,000	1,509
Phenols (as total C)	20	765
Total organic carbon (TOC) (as total C or COD/3)	50,000	576,268
Chlorides (as total C)	2,000,000	1,925,163,425
Fluorides (as total F)	2,000	26,492

[E2-5] Potentially hazardous substances and substances of very high concern

The Group is primarily engaged in mining activities - the production of copper concentrate and non-ferrous metals such as electrolytic copper, refined lead, silver, gold, etc. The production processes use raw materials and auxiliary substances that may exhibit potential hazardous properties as defined by the ESRS.

Substances recognised as SVHCs (*Substances of Very High Concern*) are also used in the production process. The use of these substances takes place in accordance with the conditions set out in the exposure scenarios and safety data sheets.

The Group's production process produces mainly electrolytic copper unclassified in terms of exposures. Nevertheless, some of the resulting products may exhibit potential hazardous properties as defined by the ESRS.

All substances of potential concern and SVHC are intended only for the professional uses identified during the REACH substance registration process and their use shall be compliant with the provisions of the REACH and the conditions set out in the exposure scenarios and safety data sheets.

The quantities shown in the tables below were determined on the basis of purchasing reports and production reports in 2024 for substances meeting the definitions of the ESRS standard as determined from the available material safety data sheets. For substances used in volumetric units, conversion factors have been assigned for the calculation of mass in accordance with the substance safety data sheets.

As substances can be classified in several hazard classes, the quantities shown in the tables reflect the total mass of substances classified in a given hazard class.

Table 170. Potentially hazardous substances in the KGHM Group in 2024 .

	Purchased for own use	Generated	Total
quantity [kg]	279 149 604	3 492 886 313	3 772 035 917
quantities per risk class [kg]			
carcinogenicity category 1 and 2;	128 674 361	7 754 000	136 428 361
germ cell mutagenicity category 1 and 2;	2 980 689	2 360 000	5 340 689
reproductive toxicity category 1 and 2	8 643 885	2 013 494 448	2 022 138 333
endocrine disruption in relation to human health;	-	-	-
endocrine disruption in relation to environment;	-	-	-
properties of substances that are persistent, mobile and toxic or very persistent, very mobile;	-	-	-
persistent, bioaccumulative and toxic or very persistent and very bioaccumulative properties;	-	-	-
respiratory sensitisation category 1;	11 526	2 360 000	2 371 526
skin sensitisation category 1;	8 500 802	5 394 000	13 894 802
chronic risk to the aquatic environment of category 1-4;	18 965 833	3 463 225 765	3 482 191 599
threat to the ozone layer;	-	-	-
toxic effects on target organs, repeated exposure category 1 and 2;	110 233 922	3 416 236 112	3 526 470 035
toxic effects on target organs, one-off exposure category 1 and 2;	961	-	961
Substances negatively affecting the reuse and recycling of materials	-	-	-

Table 171. SVHC substances in the KGHM Group in 2024 .

	Purchased for own use	Generated	Total
quantity [kg]	4,934,154	60,309,360	65,243,514
quantities per risk class [kg]			
carcinogenicity category 1 and 2;	4,934,154	-	4,934,154
germ cell mutagenicity category 1 and 2;	2,399,752	-	2,399,752
reproductive toxicity category 1 and 2	2,399,752	60,309,360	62,709,112
endocrine disruption in relation to human health;	-	-	-
endocrine disruption in relation to environment;	-	-	-
properties of substances that are persistent, mobile and toxic or very persistent, very mobile;	-	-	-
persistent, bioaccumulative and toxic or very persistent and very bioaccumulative properties;	-	-	-

respiratory sensitisation category 1;	8,664	-	8,664
skin sensitisation category 1;	4,902,320	-	4,902,320
chronic risk to the aquatic environment of category 1-4;	4,902,320	31,504,360	36,406,680
threat to the ozone layer;	-	-	-
toxic effects on target organs, repeated exposure category 1 and 2;	-	1,360	1,360
toxic effects on target organs, one-off exposure category 1 and 2;	-	-	-
Substances negatively affecting the reuse and recycling of materials	-	-	-

[E2-6] Anticipated financial effects arising from pollution risks and opportunities

In accordance with ESRS 1 - Appendix C, the KGHM Polska Miedź S.A. Group omits the information set out in E2-6 in the first year of Sustainability Reporting.

4.2.4 [E3] Water and marine resources

[E3-1] Policy related to water and marine resources

In 2024, the Group did not have in place a policy adopted to manage the significant impacts, risks and opportunities associated with water and marine resources. Issues related to water resources are included in the Environmental Policy adopted in KGHM Polska Miedź S.A., whose activities have the highest environmental impact in the KGHM Group. Work on the adoption of the KGHM Group's environmental policy will begin in 2025.

The Environmental Policy of KGHM Polska Miedź S.A. is a guiding document outlining the Company's general obligations regarding the prevention and limitation of the negative impact of the Company's activities on the environment, the rational management of natural resources and the implementation of a circular economy. The technical and organisational measures implemented are based on the best available techniques, meet high environmental standards and respond to stakeholder expectations.

In KGHM Polska Miedź S.A., the Vice President of the Management Board (Production) is responsible for the fulfilment of these obligations.

The company has defined the potential environmental impacts and risks arising from its operations. A negative impact is the consumption of water in technological processes. Potential influences include water intake from the dehydration of mining plants, which is used in technological processes, and the discharge of industrial effluents from the hydrotechnical management of mine and technological water from the Żelazny Most Tailings Storage Facility and from the process water cycle.

KGHM Polska Miedź S.A. undertakes activities aimed at rational management of water resources, guided by both technological needs and environmental requirements. The company complies with the provisions of the water permits, ensuring that its processes comply with the applicable regulations. To minimise the impact of activities on aquatic ecosystems, solutions are being implemented to optimise the use of the resource.

In the Company, the guiding principle in water management is the return of used water. This approach makes it possible to reduce the use of primary water by reusing it in production processes. Where possible, technologies are being implemented to recycle process water, reducing the need for new resources and minimising the environmental risks associated with wastewater discharge.

In response to the risks associated with the discharge of industrial effluent from the hydrotreatment of mine-technology waters, the Company discharges this effluent via a storage reservoir, while monitoring the parameters of the receiving body (the Oder River) so as not to worsen its condition. The company monitors watercourses and optimising water extraction and storage processes, as well as implements contingency plans to ensure operational continuity. In addition, measures are in place to minimise the potential impact of water intake on water sources, including monitoring of groundwater table levels and analysis of the long-term water balance in the Company's operating regions.

Key policy objectives for water and marine management include the reduction of emissions to the environment, including water, and the efficient management of resources. Main assumptions of the policy related to water and marine resources

Table 172. Main assumptions of the policy related to water and marine resources

Sustainable use of water resources	We strive to minimise the impact on water resources by using water efficiently and avoiding excessive consumption. Our production processes take water conservation into account.
Protection of water quality	We use best available technology (BAT) to prevent pollution and improve water quality. We monitor water quality on a regular basis and conduct corrective measures when irregularities are detected.
Compliance with regulations and standards	We comply with applicable regulations concerning the protection of water resources at the national, regional and local level. We implement international provisions on water conservation.

Public participation and transparency	We cooperate with local communities and non-governmental organisations to understand their concerns and incorporate their views into the decision-making process. We ensure transparency of the company's activities related to water resources, provide information on water consumption, emitted pollutants.
Failure prevention and crisis management	We have plans in place for emergency situations aimed at mitigating the effects of potential incidents related to water resources. We train employees on how to deal with failures, as well as cooperate with local emergency services.
Innovation in the scope of water protection	We invest in research and development of technologies aimed at optimising the use of water and mitigating the adverse environmental impact.
Review and improvement	We conduct periodic reviews of the company's water resources policy in order to adapt to new legal, technological and social requirements. We implement the latest solutions in monitoring systems for the purpose of implementing goals related to water resources.

The measures described above contribute to reducing the negative environmental impacts, mitigating risks and increasing water resource efficiency.

Monitoring of the implementation of the policy is carried out through systematic reporting of environmental indicators, including the analysis of water resource consumption.

The water resources management policy is based primarily on legal requirements, good practice in this field, takes into account the specific nature of the industry and local conditions and requirements.

The Environmental Policy does not set specific targets and the scope and time limits for targets as required by MDR-A and MDR-T.

The Environmental Policy of KGHM Polska Miedź S.A. is made available to all stakeholders through the official website of the Company ..

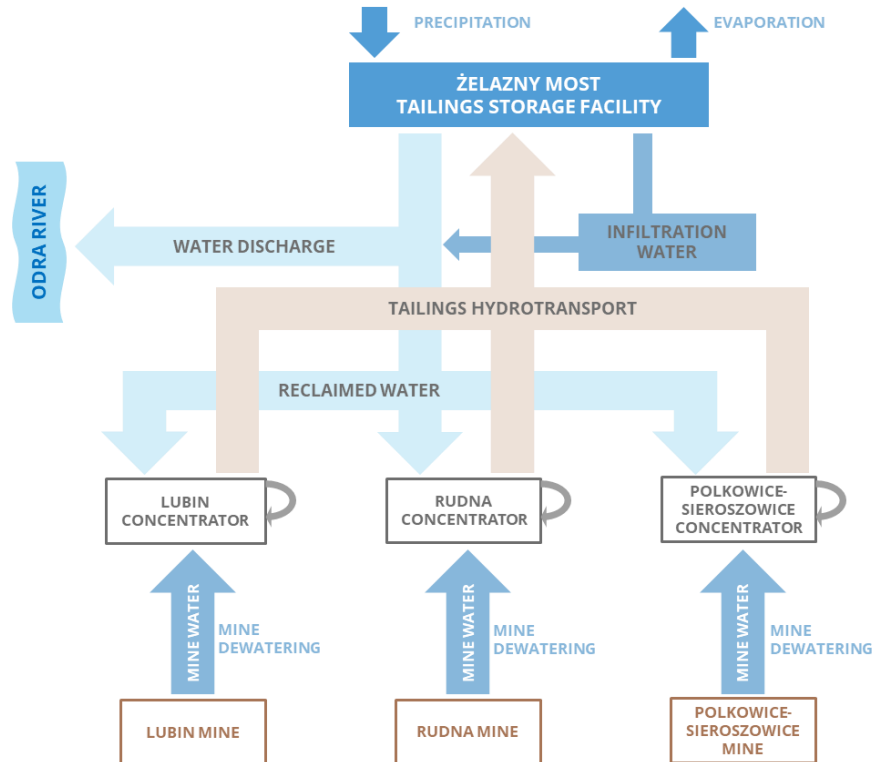
[E3-2] Activities and resources related to water and marine resources

Water is one of the most valuable natural resources. KGHM Polska Miedź S.A. regularly monitors the quality of ground and surface water in the vicinity of its plants to ensure that the company's activities comply with strict environmental standards.

The companies of the KGHM Polska Miedź S.A. Group provide the necessary resources to carry out activities to achieve the objectives of our policy. Detailed information in this respect is available in section 2.5 - Results of segments and information on revenues in the Consolidated Financial Statements for 2024.

Water is necessary for the production of copper. It is used, among others, for enrichment (flotation) of ore, hydrotransport of waste, and also in the core production line in the smelters. This is shown in the diagram below.

Diagram 52. Water in the ore enrichment process (flotation) in KGHM Polska Miedź S.A.



Three underground copper mines (the Lubin Mine Division, the Rudna Mine Division and the Polkowice-Sierszowice Mine Division) mine the ore at depths of 400-1350 m under the ground surface. Due to the constant inflow of water from the rock mass into the mines, saline mine water is pumped to the surface.

On the surface, retention reservoirs are located next to every mine and every ore enrichment plant collecting rainwater, overflows of cooling water as well as extracted mine water. Water from the reservoirs is pumped into the flotation tailings ponds (in some cases mine water is pumped directly into flotation tailings ponds). As a result, neither mine water nor wastewater is discharged directly into local rivers. In the Concentrators, all water is used in the ore flotation process and subsequently for hydrotransport of tailings to the Żelazny Most Tailings Storage Facility. At the Żelazny Most Tailings Storage Facility, tailings are sedimented and the clarified water is returned via a system of decantation towers through pipelines on the surface, to the Concentrators. To maintain the safety of the Żelazny Most Tailings Storage Facility, excess mine and process water is discharged into the Odra River in a controlled manner.

The use of water extracted from the rock mass for production and in mining techniques (as backfill water) ensures that the Company does not use any freshwater resources (groundwater or surface water) for its technological processes. All water abstracted, before being discharged into the Odra River, is used by the Company for its production processes. The company does not use any other water for its mining and flotation production processes and other much more valuable water resources are thus saved. For more than 20 years these underground water flows completely meet the the Company's needs, and even exceed them.

In the early years of KGHM Polska Miedź S.A.'s operation, the need for such vast quantities of water for the flotation process was met by taking water from the Odra River and pumping it to the Concentrators. As the mine workings have expanded, the amount of underground water that has to be pumped to the surface has increased so as not to flood the mine. At present, mine waters are practically entirely used in ore beneficiation and waste hydrotransport processes, replacing the waters of the Odra River. For more than 20 years, mine water inflows have fully covered KGHM's demand and even exceeded it.

Copper ore processing in the Concentrators and, in particular, grinding and flotation, require the supply of significant quantities of process water. Only water from mine drainage is used for ore processing in KGHM Polska Miedź S.A., forming a mine-process water circulation network between the Concentrators and the Żelazny Most Tailings Storage Facility. In 2024, the average monthly returns of water from the Żelazny Most Tailings Storage Facility to technological processes in the Concentrators reached approximately 10.6 million m³ of which:

- 2.8 million m³ in the Lubin Concentrator;
- 2.0 million m³ in the Polkowice Concentrator;
- 5.8 million m³ in the Rudna Concentrator.

In KGHM Polska Miedź S.A., approximately 130 million m³ of water per year is recycled to the ore enrichment process. This enables surface and ground water, one of the most valuable natural resources, to be saved.

Disposition of water from mine dewatering and discharges to the river Odra.

Since there is a constant inflow of mine water and rainwater into the system, excess water must be removed. Discharge of mine-process wastewater/water from the operations of KGHM Polska Miedź S.A. is carried out in accordance with the applicable laws and regulations and the provisions of the water law permit, taking into account the hydrological conditions of the Odra River. The volume and quality of supernatant water discharged from the Żelazny Most Tailings Storage Facility is closely monitored and regulated in relation to the water level in the river. The retention and dosing system operating at KGHM Polska Miedź S.A. enables full control and oversight of the discharge of water into the Odra River. Consequently, at low water levels in the receiving water body, we can suspend the discharge of wastewater. In addition, the condition of regulating the load of salt contained in the discharged effluent to prevent exceeding 1000 mg/l of the sum of chlorides and sulphates in the river waters after mixing with the effluent, is strictly observed.

The process water circulation system for mine water discharge, flotation, hydrotransport as well as retention has specific technical and technological capabilities. Increased inflows from the mines are retained in the Żelazny Most Tailings Storage Facility.

In addition, in 2024 an underground retention reservoir capable of storing approximately 1.5 million m³ of saline water in the event of a reduction in discharge into the Odra River was put into operation at the Lubin Mine Division of KGHM Polska Miedź S.A. A concept study of a Selective Water Management System was also initiated.

Water in the mining process in KGHM INTERNATIONAL LTD.

KGHM INTERNATIONAL LTD. mines also undertake numerous measures to protect water. In the Robinson Mine, dewatering of the rock mass is carried out in order to carry out open-pit mining. A total of around 19 million m³ of water is pumped out annually, most of which is used for the ore flotation process and dust control. The water used in the flotation process is pumped to the tailings ponds from where it is directed to the enrichment process. After the enrichment process, the water together with the tailings is sent to the tailings disposal facility, where the tailings are sedimented and the clarified water is returned to the flotation process via the operating channel. Of the total water pumped, approximately 1.8 million m³ of fresh, clean water is pumped into the City of Ely's water supply system and 3.5 million m³ is discharged into Gleason Creek.

In the case of the Carlota mine, engineering solutions ensure separation of contaminated water from clean water. Rainwater that has been in contact with the mine is captured and then used in technological processes.

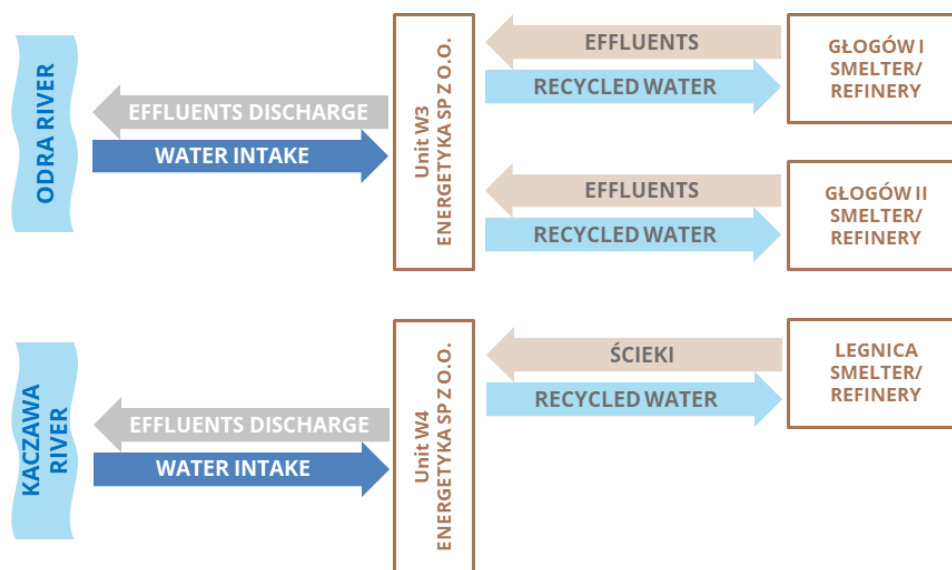
At McCreedy West mine, the water used underground includes recycled water collected through a stormwater management system where surface water runoff is diverted underground. If needed, additional water is drawn from the Onaping River. All water from McCreedy West is transferred to Levack. At Levack, all surface water is diverted underground or into a water body, where it goes for treatment. All water from the underground workings is collected and pumped to the surface to an external surface water treatment system, where the water goes through a number of stages before being discharged into the natural environment.

At the Podolsky mine, all excess water from the shaft, ramp and site is collected/pumped into/onto the mine pond and then pumped to the mine's on-site wastewater treatment plant for treatment before being returned to the pond or discharged to the environment.

In the case of the Victoria project, infiltration water from rock storage potentially generating acid leachate is pumped to the surface and collects in an underground adit. These are small amounts of water at around 30 thousand m³. The infiltration water is pumped to the sewage treatment plant. After treatment, the water is diverted to the well for reuse in drilling operations or discharged into Fairbank Creek.

Water in the metallurgical process of KGHM Polska Miedź S.A.

Diagram 53. Water in the electrolytic copper production process in KGHM Polska Miedź S.A.



The Legnica Copper Smelter and Refinery and the Głogów Copper Smelter and Refinery consume significant quantities of water (approximately 11 million m³ per year), which is supplied by the company “Energetyka” sp. z o.o. This company supplies water drawn from the Kaczawa river to the Legnica Copper Smelter and Refinery and from the Odra river to the Głogów Copper Smelter and Refinery.

The water used in production processes is routed back to “Energetyka” sp. z o.o. for treatment. Approximately 30% of the global stream is reused for production processes in the technological processes of the smelters. Approximately 8 million m³ of the remaining treated effluents, with an efficiency of over 94%, is discharged to the Odra river (in the case of the Głogów Copper Smelter and Refinery) and to the Pawłówka stream, which feeds the Kaczawa river (in the case of the Legnica Copper Smelter and Refinery).

In both metallurgical plants, rainwater is collected via separate sewers and discharged to treatment plants operated by the company “Energetyka” sp. z o.o. After treatment, these waters are returned to the metallurgical processes.

The Cedynia Wire Rod Division is supplied with water for human consumption and for technological purposes. The Orsk intake is a source of water for drinking purposes. Two wells 1z and 2z are currently in operation. The Chelm intake wells supply the plant with water for technological purposes.

Wastewater generated from the area of the Cedynia Wire Rod Division is treated in the local wastewater treatment plant and, after treatment, discharged via a discharge collector into the Odra River. Since 2021, part of the stream of treated rainwater and effluents from filter flushing at the Water Treatment Plant has been returned for reuse in the cooling circuits. In 2024, the volume reached 6,212 m³.

In the context of water management in our installations, there are many issues that are taken into account and strictly controlled due to the potential environmental impact.

Table 173. Key issues related to water resources management

Water consumption	The mining and non-ferrous metals processing industry requires significant amounts of water for various processes, such as mining, processing (flotation), pyrometallurgical processes. Consequently, effective management and optimisation of water consumption are of key importance for us.
Wastewater discharge	All wastewater generated in our installations is treated before being discharged into the environment.
Pollution	We control the quantity and quality of pollutants discharged into the aquatic ecosystems.
Monitoring and reporting	We regularly monitor and report the results of our measurements, in accordance with the rules and regulations resulting from the environmental standard.

[E3-3] Targets related to water and marine resources

The most significant environmental objectives related to water resources comprise a range of measures aimed at protection, sustainable use and improvement of water quality, both surface and groundwater. Each activity of the

companies of the KGHM Polska Miedź S.A. Group in the area of water use, which requires the holding of the relevant water law permits and integrated permits, is undertaken following a public participation procedure. Stakeholder requests are taken into account during this procedure.

Table 174. Rules of water resources management

Preservation of biodiversity in the aquatic environment	We maintain the diversity of species and aquatic ecosystems, which contributes to the ecological balance.
Protection and sustainable use of water resources	We manage water resources sustainably, ensuring that they are available for present and future generations without excessive exploitation.
Improvement of water quality	We reduce the generated pollutants to prevent the degradation of aquatic ecosystems.
Securing access to clean drinking water	We provide access to safe and clean drinking water for the public.
Climate change adaptation	We are developing strategies and measures aimed at adaptation to climate change that may affect water availability.
Development of monitoring systems	We have effective monitoring systems in place that enable strict monitoring of the condition of water resources and the effects of our operations.

Meeting these objectives is critical to the protection and sustainable management of water resources in our environment. Companies belonging to the KGHM Polska Miedź S.A. Group did not set measurable goals related to water resources and water contamination. The Group's companies operate in areas that are not exposed to water shortages, hence there is no need for the Group to set environmental targets for water resources. Our activities focus on operating in accordance with administrative decisions and higher-level legislation. We do not plan to set measurable targets in the coming years. We have achieved such a high level of water protection that setting targets is now unjustified. Further minimisation of impacts will be too costly in relation to the projected environmental benefits.

[E3-4] Water consumption

Information on water and wastewater management in its broadest sense, both quantitative (for wastewater) and qualitative (for water), is generally collected in the Group companies using two methods: measurements made by the entities or on the basis of accounting documents (invoices) for purchased services. In a few cases, information on the amount of wastewater discharged is provided on the basis of estimates, which can be made from water consumption meter readings. The first way results directly from the legal provisions in force in Poland, which impose obligations on the entrepreneur using the environment to carry out environmental impact measurements (measuring the amount of water taken and the quantity and quality of wastewater). The method, frequency and scope of measurements are described in the administrative decisions in force authorising the use of the environment (water permits, integrated permits), and in the implementing regulations for the Water Law Act. In order to fulfil these obligations, CG Companies that operate installations are obliged to carry out measurements, including sampling in accordance with the provisions of the Environmental Protection Law, Article 147a, by an accredited laboratory or certified testing units. On the other hand, the measurement of the amount of water withdrawn is carried out by the operator or user of the installation itself - in accordance with the Environmental Protection Law. Companies which, due to the nature of their activities, do not have permits, purchase services in the form of water supply or wastewater collection from other entities on the basis of contracts concluded and have purchase documents. Using the above methodologies, we prepare the information necessary for presentation in the report.

At KGHM Polska Miedź S.A., measurements of water abstraction and wastewater discharge go far beyond the obligations arising directly from legal regulations. The best example of this is the system for monitoring the chloride and sulphate load contained in mine water from mine drainage. The system is based on samplers and flow meters installed on all pipelines that pump underground water to the surface. With this system, the company carries out online measurements of the quantity and quality of water discharged from the mines. Measurements are averaged over 24 hours and chloride and sulphate analyses are carried out by an accredited laboratory.

The Group's companies do not operate in areas of significant water scarcity, but nevertheless operate in areas exposed to water risk, which is defined as: a catchment area with a number of physical aspects related to water:

- it causes the status of one or more bodies of water to be less than good or to be in decline (as defined in Directive 2000/60/EC of the European Parliament and of the Council, indicating significant problems of water availability, quality, quantity (including significant water scarcity); or
- it leads to water availability, regulatory or reputational issues (including water sharing with communities and water affordability) for its own plants and those of major suppliers.

In view of the foregoing, for prudential purposes, it has been determined that water consumption in water-exposed areas equals the Group's water consumption. The largest production assets of the KGHM Polska Miedź S.A. Group (all Divisions of KGHM, the Energetyka Company, WMN Łabędy) discharge wastewater into the Odra catchment area. The Odra River is below good status almost throughout its course, but this does not mean that our production activities generate significant problems in terms of water availability, quality and quantity.

Table 175. Water management in the KGHM Polska Miedź S.A. Group in 2024

Intake	Quantity [m3]
Surface water (total)	10,248,691
Groundwater (total)	24,810,120
Seawater (total)	0
Mine water	45,051,660
Water purchase outside the Group	357,920
Total intake	80,468,390
Discharge	Quantity [m3]
Surface water	69,279,133
Ground and soil	1,432
Sea	0
Discharge of wastewater into the sewerage system of an external entity outside KGHM Group, public network	2,192,209
Sale of water to an external entity outside the KGHM Group	1,252,069
Discharge total	72,724,843
Water recycling	141,869,399
Consumption	7,743,547
Water storage at the beginning of the year	12,924,804
Water storage at the end of the year	6,585,406
Consumption in areas exposed to water risk	7,743,547

Table 176. Water absorption

Water absorption	2024
Total water consumption within own operations in m3 per EUR 1 million net revenue	937

[E3-5] Anticipated financial effects resulting from impacts, risks and opportunities related to water and marine resources

In accordance with ESRS 1 - Appendix C, the KGHM Polska Miedź S.A. Group omits the information set out in E3-5 in the first year of Sustainability Reporting.

4.2.5 [E4] Biodiversity and ecosystems

[E4-1] Biodiversity and ecosystem transition plan and integration of biodiversity and ecosystems in the strategy and business model

In 2024, the Group did not have in place a transformation plan for biodiversity and ecosystems.

All new projects are subject to the procedure on obtaining the environmental permit. Ecological surveys are always carried out at the beginning of a project to enable the development of the project according to the impact mitigation hierarchy.

- First, avoid impact as much as possible.
- Second, minimise impacts that cannot be avoided by mitigation measures.
- Third, reverse the impact through ecological restoration and reconstruction.
- Fourth, compensate for impacts caused and strive to create a net gain for biodiversity

The results of biodiversity surveys allow the optimal location of new developments to be selected in terms of minimising the impact on biodiversity. Environmental Impact Assessments (EIAs) regarding natural and cultural values are prepared at an early stage of the permit issuing process for new projects or changes to existing operations.

Potential ecological compensation measures are developed during the permit issuing process for new activities that may cause biodiversity loss.

The KGHM Group has not embedded resilience into its strategy in relation to biodiversity and ecosystems.

[E4-2] Policies related to biodiversity and ecosystems

In 2024, the Group did not have in place a policy adopted to manage the significant impacts, risks and opportunities associated with biodiversity and ecosystems. Directions of actions related to biodiversity, on the other hand, are included in the Environmental Policy of KGHM Polska Miedź S.A. Work on the adoption of the KGHM Group's environmental policy will begin in 2025.

The Environmental Policy of KGHM Polska Miedź S.A. as a guidance document is based on the sustainable approach, care for the environment and compliance with legal standards. The basic assumption of the existing biodiversity policy is the application of assessing and addressing threats and impacts on the living natural world through the implementation of a hierarchy of mitigation measures. The implementation of the Environmental Policy is overseen by the Vice President of the Management Board (Production).

The company has defined both real and potential environmental impacts and risks arising from its operations. Negative, real-world impacts on biodiversity and ecosystems are the impacts of mining activities on fauna, flora and habitats, and land use, which may involve tree felling and land conversion. Potential negative impacts may result from the generation of discharges of water with increased mineralisation from dehydration of mining plants, the introduction of pollutants into selected components of the environment and the impact of the operational activities of KGHM Polska Miedź S.A.'s contractors. The Group also generates real, positive impacts on biodiversity and ecosystems through a number of initiatives and projects for the conservation of valuable natural species and their habitats. Risks include maintaining the quality of water discharged from the Żelazny Most Tailings Storage Facility and the inability to manage increased water inflows from mining operations.

Table 177. Rules of biodiversity management and ecosystem conservation

Rational use of natural resources, such as land, water, forests	We manage land sparingly, limit soil sealing to necessary situations such as the need to protect land and groundwater from contaminant migration, use treated water and wastewater repeatedly, manage forests, which perform protective functions that enhance biodiversity; no productive role for forest land.
Rational management of natural resources	Ore extraction carried out by methods appropriate to the characteristics of the ore body - underground mines operating in Poland use the room-and-pillar system, foreign assets are dominated by the open-pillar system.
Recovery of usable value of land that has been adversely affected by our activities	We remediate and recultivate our own land and work with local authorities to finance the liming of agriculturally used soils.
Respecting legally designated protected areas and ensuring that any new operations or changes to existing operations are carried out lawfully within our licence to operate	Investment and modernisation that meets legal criteria is carried out following an environmental impact assessment, an important element of which is an assessment of the impact on the world of living nature; any amendment to a decision that constitutes a licence to use the environment takes into account the potential impact on legally designated protected areas; we carry out active measures to support biodiversity in a protected area designated on the initiative of KGHM - the "Łęgi Głogowskie" ecological site.
Refraining from conducting activities at World Heritage Sites and, where our activities are adjacent to World Heritage Sites, we will ensure that our activities do not compromise the safety and value of these sites	The KGHM Group does not conduct technological operations at or near World Heritage Sites.
Reducing the emission of pollutants into the air, water and soil	We are constantly improving the processes and technological operations we carry out, with the aim of reducing environmental emissions as much as possible. Minimising emissions has a positive impact on biodiversity.

The measures described above contribute to reducing the negative environmental impacts, mitigating risks and increasing biodiversity as well as maintaining diversity of ecosystems.

In creating its environmental policy, which includes elements of policies related to biodiversity and ecosystems, KGHM Polska Miedź S.A. assessed the materiality of its interactions with the environment. For this reason, we have focused only on the issues identified above, which in our view may directly or indirectly affect living organisms and their habitats. The assessment of materiality did not address issues unrelated to the operating activities of the KGHM Polska Miedź S.A. Group companies (e.g. deserts, impacts on and dependencies on ecosystem services, invasive alien species, ocean and marine practices and policies). Selected issues affecting biodiversity relating to the protection of the land surface (e.g. identification of contaminants, prevention of soil sealing by ensuring a minimum proportion of biologically active area) are implemented by KGHM by law. It was therefore considered unnecessary to include mandatory activities in the established policy.

The Environmental Policy does not set specific targets and the scope and time limits for targets as required by MDR-A and MDR-T.

The Environmental Policy of KGHM Polska Miedź S.A. is made available to all stakeholders through the official website of the Company .

[E4-3] Activities and resources related to biodiversity and ecosystems

Emission impact on biodiversity

We respect legally designated protected areas and do not explore or develop projects located on the World Heritage Sites.

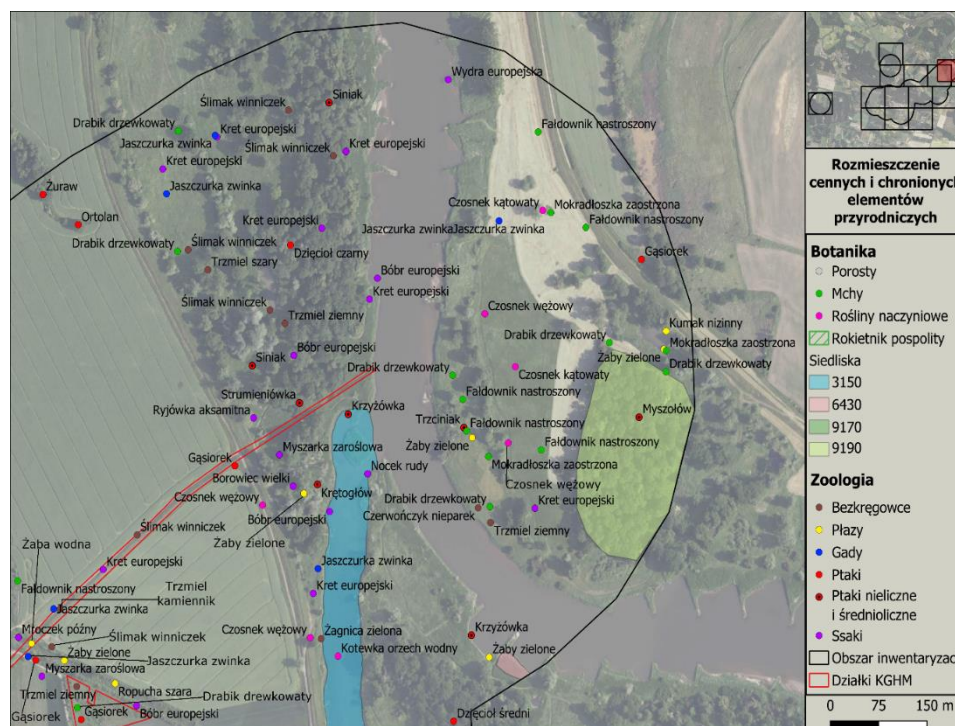
The majority of our operations are located in industrial areas. Where our operations have the potential to impact on the state of biodiversity in areas covered by legal forms of nature conservation, we take initiatives to mitigate this risk.

In the vicinity of one of the plants of KGHM Polska Miedź S.A. (Cedynia Wire Rod Division), many years after the start of production which took place in 1979, the following area forms of nature conservation were established:

- Natura 2000 sites - Special Habitat Protection Area Natura 2000 Łęgi Odrzańskie (PLC020002). The area designated in 2007 now covers the space of 21,350.49 ha. The area to be protected is a fragment of the Odra Valley, within the limits of the river's former floodplain, together with the estuarine section of the Barycz Valley. The area includes the riparian habitats preserved in the inter-coastal area and the best-established forests, meadows and low bogs outside its perimeter.
- nature reserve - the "Orchid Scarp" reserve, established in 1994, covers woodland areas of 65.17 ha. The main plant communities of the reserve are Central European oak-hornbeam and ash-oak woodland and fragmentary sub-mountain ash-hornbeam woodland. There are sites of protected and rare plant species in the reserve, including the Swallow's bark beetle (*Epipactis albensis*).

In 2024, KGHM Polska Miedź S.A., as a leading global copper producer and one of the leaders in wire rod production in Europe, embarked on activities whose primary task is to determine the impact of the Cedynia Wire Rod Division on the state of biodiversity in areas of potential impact. The expertise is prepared by a team of independent external experts. The work carried out so far has included the acquisition and analysis of available material to assess the status of the natural resources of protected areas. As part of the commissioned activities, a comprehensive nature inventory of industrial sites and areas located within a buffer of 500 m from them, including protected areas, was carried out. Individual taxonomic units of plants and animals are catalogued, as well as natural habitats and plant communities. Special attention was paid to valuable species and habitats under legal protection.

Diagram 54. Distribution of valuable and protected natural elements



Further work within the framework of the expert report envisages, among other things, determining the impact of emissions generated by the Cedynia Wire Rod Division on biodiversity, including reference to the protection objectives and

threats indicated in the plans of protection tasks of protected areas. Potential recommendations for minimising and compensatory measures will also be presented.

Impact on the biodiversity of aquatic ecosystems

Mining activities carried out in Poland generate the discharge of excess water with elevated chloride and sulphate content. This issue is described in more detail in [section E3](#). KGHM Polska Miedź S.A., being aware of its impact on the environment, cooperates with the bodies of PGW Wody Polskie (Polish Water Management Authority) and takes active steps to assess the impact of generated emissions on living organisms. To this end, in fulfilment of the obligations imposed by the water permit for water services related to the discharge of waste water into the Odra River, a collaboration with a scientific unit was initiated in 2024, which is expected to result in a determination of the effects of salinity on selected aquatic organisms. The results of the expertise should be known by the end of 2025.

Land use change and compensation measures

Extension of the Żelazny Most Tailings Storage Facility

Some of the economic operations carried out by the KGHM Group require the exclusion of significant areas of land from existing management. One of such efforts was the need to expand the Żelazny Most Tailings Storage Facility to include the so-called South Quarters. The construction of the new part of the facility required the elimination of a dense forest complex functioning as a protective forest. In accordance with the decision establishing the environmental conditions for the project, KGHM Polska Miedź S.A. was obliged, among others, to perform environmental compensation consisting of:

- afforestation of land managed by selected forestry districts (20.83 ha) - completion date by 31 December 2019
- planting of trees and shrubs in the municipalities of Rudna, Polkowice and Grębocice (min. 331 ha) - completion date by 31 December 2030
- second-storey reforestation of between 800,000 and 1 million forest seedlings on land in selected forest districts (min. 200 ha) - completion date by 31 December 2022
- recultivation of the property constituting the excavation pits after sand mining in the direction of forestry (8.13 ha) - completion date by 31 December 2019
- planting trees and shrubs along scenic routes in sensitive locations, creating a natural screen for the development.

In the fulfilment of the provisions of the environmental decision described above, in 2024 KGHM Polska Miedź S.A. planted 720 trees in the localities of the municipalities of Polkowice and Rudna, within which the Żelazny Most Tailings Storage Facility is located. In addition, 18.45 hectares of agricultural land have been afforested in the Lubin Forest District. The total of 114,170 seedlings of forest-forming species were used for this purpose.

Impact on endangered species and habitats

As a result of the assessment performed, the potential and actual impacts of the activities on habitats and species at risk have been identified. Impacts are related to mining activities carried out in international assets (USA, Canada).

Robinson mine

4.2.5.1.1.1.1 Golden eagle (Aquila chrysaetos)

As a result of the need to expand the Liberty pit, the environmental impact assessment was carried out in 2021. This assessment identified the potential impact of the development on the local golden eagle population. The commencement of ore mining in the Liberty pit was associated with the removal of 4 nests and the loss of territory. This action was sanctioned by the relevant permit issued on 25 February 2021 which covers 30 breeding seasons (2021-2050). In this period, Robinson Mine is committed to monitoring the use of the entire site by golden eagles. An external expert conducts surveys in three periods (January-March, March-Mid-April and May-June) to determine territory occupation, breeding activity and the success of any breeding attempts.

In addition to monitoring efforts, preventive measures are also in place, including the following:

- Removal of dead animals, which are the food base of eagles, from all roads within active extraction areas and their disposal to reduce the risk of collisions between foraging birds and vehicles.
- Building awareness among employees and contractors through a training program on minimising the risk of collisions with eagles.
- All power poles in the mining project area must be maintained in accordance with Avian Power Line Interaction Committee (APLIC) safety standards for eagles.

4.2.5.1.1.1.2 Sharp-tailed warbler/roystercatcher (Centrocercus urophasianus)

In relation to the need to build a water main, Robinson Mine carried out an Environmental Impact Statement (EIS) and prepared a Right of Way (ROW) application. The findings concluded that the earthworks associated with the construction of the water supply infrastructure pose a potential threat to the habitat occupied by the ostracod prairie warbler. At the

same time, it should be emphasised that, in order to limit the impact, the water supply network has been designed in accordance with the art of engineering and optimised in terms of its routing.

In accordance with Nevada law, the Conservation Credit System (CCS) procedure, which involves the purchase of so-called environmental credits by the developer, was used to compensate for the impacts that were not avoided. The value of one credit unit ranges from USD 2,000 to USD 3,000 (203 units have been purchased to date). The funds from the aforementioned loans are compensation, used to restore or increase the availability of habitat for the protected species included in the procedure.

Carlota mine

Open-pit mining activities, among other things through the need for mine drainage and rainwater disposal, can affect water relations in the vicinity. Undisturbed access to water is in turn a prerequisite for the proper functioning of ecosystems. The guarantee of an access to water is particularly important in the dry climate of the state of Arizona, where the Carlota mine operates. There is a 1.21 ha wetland near the pit. One of its wetlands holds water all year round. In order to supervise the impact of mining activities on water resources and to guarantee the integrity of water relations in the vicinity of the pit, the operator of the Carlota mine implements the obligation to carry out cyclical wetland monitoring.

Victoria Mine

The Victoria Project, as required by the Canadian law, protects the whooping cottontail (*Anrostromus vociferus*) habitat, among other things by limiting plant development activities outside its existing boundaries during the nesting season and by providing endangered species training to all employees. The mine performs annual surveys to monitor the population status of this endangered bird species.

Biodiversity in the value chain

The KGHM Group, in carrying out economic operations ranging from exploration and mining of raw materials, through smelting activities to processing, relies mainly on its own raw materials. We therefore take full responsibility for the processes implemented, including, among others, the environmental impacts and the impacts generated. Due to the scale of the business and its complexity, we rely on supplies of consumables and energy sources. We make limited use of foreign inputs in the form of concentrates. We are developing copper scrap activities as a source of valuable raw material, in line with the CE concept. Our products are used as raw materials for further processing in many industries.

We recognise that our suppliers and customers may interact with the environment in the area of biodiversity and ecosystems. However, we have no confirmed information on the actual or potential negative impact of key contractors on the habitat condition and population size of valuable natural species.

Biodiversity conservation and enhancement projects

Ecological site - "Łęgi Głogowskie"

KGHM Polska Miedź S.A. is actively involved in activities aimed at enhancing biodiversity in areas administered by the company or directly adjacent to it. In order to secure the high natural values of part of the grounds of the former protective zone of the Głogów smelter, an ecological ground "Łęgi Głogowskie" was created by a decree of the Lower Silesian Voivode of 28 October 2005. The area to be protected includes the floodplain of the Odra Valley over the entire width of the interdune. The 636.055-hectare site is divided by the Odra River to the south and north part. Protected areas include the oxbow lakes of the Odra River, vegetation complexes ranging from aquatic and riparian to fertile deciduous forests with numerous protected species of fauna and flora.

Every year, KGHM Polska Miedź S.A., in agreement with the relevant local government bodies, carries out procedures in the area of the "Łęgi Głogowskie" ecological site in order to maintain the condition, restore habitats and protect the species of valuable flora and fauna occurring in this area.

Activities undertaken include:

- mowing of meadows in a way that leaves patches of late-maturing vegetation (Cnidion dubii communities - celery meadows) and mowing of reed rushes in meadow habitats,
- removal of volunteer trees and shrubs growing expansively into valuable meadow habitats,
- removal of geographically alien species (e.g. ash-leaf maple, American cherry, hybrid poplar hybrids),
- planting trees and shrubs of native species (including melliferous species for the so-called "pollinators - wild bees") compatible with the habitat type of the forest on the sites of removed plantations of trees of foreign origin,
- planting of traditional "old" varieties of fruit trees (establishment of so-called mid-forest refuges for birds, mammals, etc.),
- hanging up day-use shelters for bats and nesting boxes for birds,
- constructing clay and wood structures, i.e. replacement habitats for clay nesting insects,
- clean-up work involving the systematic removal of abandoned waste,
- marking the ecological site with official, information and educational boards.

Activities for protected species

Peregrines are some of the rarest birds in Poland. KGHM Polska Miedź S.A. has been actively contributing to the protection of this endangered species for many years. Every year, on one of the emitters of the Głogów smelter division, a pair of these birds of prey are raised in a mounted nesting platform. In 2024, another pair made its home on facilities belonging to the Polkowice Ore Enrichment Plant Division, successfully raising offspring (4 young birds). The birds are cared for by the company's employees in cooperation with specialists from the Wildlife Society and volunteers. In order to promote knowledge of this species, KGHM Polska Miedź S.A. has launched an educational program aimed at children in the Copper Belt. Głogów falcons can be observed at: www.pereginus.pl

Forest management

KGHM Polska Miedź S.A., in conducting its business activities, does not focus exclusively on the management of land occupied by technological installations and equipment and other supporting infrastructure. In order to reduce the impact of its processes on its surroundings, including, above all, local communities, the company actively manages more than 1360 ha of forested and wooded land under its ownership or in perpetual use. Of these, forests account for more than 98% (approx. 1340 ha - including on the "Łęgi Głogowskie" ecological site approx. 154 ha). The remaining tree-covered land is classified as wooded and shrub land (approximately 20 ha) and agricultural land in the form of wooded and shrub permanent grassland (approximately 1.5 ha) and arable land (approximately 3 ha). In addition, KGHM Polska Miedź S.A. Legnica Copper Smelter and Refinery, on an area of approximately 150 hectares, grows forest on the land owned by others, e.g. KOWR (National Agricultural Support Centre).

In the forest areas managed by KGHM Polska Miedź S.A., forest management is carried out based on forest management plans (PUL). More than 240,000 tree and shrub seedlings were planted in 2024.

[E4-4] Targets related to biodiversity and ecosystems

In 2024, the Group had no measurable biodiversity and ecosystem targets. Potential targets will be set in the KGHM Group Environmental Policy, following an assessment of the potential impact on biodiversity and ecosystems of the operational areas, which we started in 2023. Work on the KGHM Group Environmental Policy will begin in 2025.

[E4-5] Impact measures related to changes in the scope of biodiversity and ecosystem

Having analysed the locations of the KGHM Group in the context of biodiversity-sensitive areas, it was determined that only the discharge of treated wastewater from the Cedynia Wire Rod Division takes place into the Special Bird Protection Area and the Special Habitat Protection Area Natura 2000 "Łęgi Odrzańskie" - the other locations of the Group are not in biodiversity-sensitive areas. In the case of the discharge of treated wastewater from the Cedynia Wire Rod Division into the Natura 2000 area, this activity does not have a significant negative impact due to the fact that the quantity and quality of the wastewater meets the strict requirements of Best Available Techniques (BAT).

The aim of confirming this is to proceed with an expert assessment of the impact of the Cedynia Wire Rod Division on the state of biodiversity in the areas of potential impact. The completion of the assessment has been scheduled in 2025. Following the assessment of potential impacts on biodiversity and ecosystems has been carried out, impact measures related to changes in the biodiversity and ecosystems of our operational areas will be identified.

[E4-6] Anticipated financial effects arising from significant risks and opportunities related to biodiversity

In accordance with ESRS 1 - Appendix C, the KGHM Polska Miedź S.A. Group omits the information set out in E4-6 in the first year of Sustainability Reporting.

4.2.6 [E5] Use of resources and circular economy

[E5-1] Policies related to the use of resources and circular economy

In 2024, the KGHM Group did not have a policy in place related to resource utilisation and the circular economy. Issues related to resource utilisation and the circular economy are included in the Environmental Policy adopted in the parent company KGHM Polska Miedź S.A., whose activities have the greatest impact on the environment in the KGHM Group. Work on the adoption of the KGHM Polska Miedź S.A. Group's environmental policy will start in 2025.

The Environmental Policy of KGHM Polska Miedź S.A. is a guiding document outlining the Company's general obligations regarding the prevention and limitation of the negative impact of its activities on the environment. The Environmental Policy of KGHM Polska Miedź S.A. defines the principles for managing the impact of the Company's activities on the environment and the climate. Its key objectives include the prevention and mitigation of environmental impacts, the rational management of natural resources and the implementation of a circular economy. The technical and organisational measures implemented are based on the best available techniques, meet high environmental standards and respond to stakeholder expectations.

Responsibility for the implementation of these commitments rests with the Vice President of the Management Board (Production), while the implementation of the policy is the responsibility of the relevant functional units responsible for the respective areas.

The company has defined both real and potential environmental impacts and risks arising from its operations. Negative Actual Use involves the use of fossil and non-renewable raw materials. The potential impact involves the generation of non-recyclable waste and other recovery processes.

KGHM Polska Miedź S.A. undertakes activities aimed at rational management of natural resources, guided by both technological needs and environmental requirements. The company complies with the provisions of the permits, ensuring that its processes comply with the applicable regulations. To minimise the impact of activities on aquatic ecosystems, solutions are implemented to optimise the use of the resource.

The company applies the principles of the circular economy (CE) which enables the reduction of waste for disposal through landfill, reducing the need for new resources and minimising environmental risks associated with pollution.

Table 178. Policy fundamentals related to resource use and the circular economy

Rational management of natural resources	We are developing deposit exploitation systems to optimise ore extraction and waste rock management.
Reducing the amount of waste generated	We reduce the weight of waste by using it as raw materials.
Development of waste management techniques	We aim to maximise the further use of production residues from our own process lines to recover copper and associated metals from them through the development of waste management techniques.
Compliance with regulations and standards	We comply with applicable regulations concerning the waste management at the national, regional and local level. We apply Best Available Techniques (BAT) for waste management.
Public participation and transparency	We cooperate with local communities and non-governmental organisations to understand their concerns and incorporate their views into the decision-making process. We ensure transparency of the company's activities related to natural resources, provide information on waste disposal, emitted pollutants.
Failure prevention and crisis management	We have plans in place for emergency situations aimed at mitigating the effects of potential incidents related to waste management. We train employees on how to deal with failures, as well as cooperate with local emergency services. We carry out continuous monitoring of waste treatment sites.
Innovation in the scope of environmental protection	We invest in research and development of technologies aimed at mitigation of the adverse environmental impact.
Review and improvement	We conduct periodic reviews of the company's pollution policy in order to adapt to new legal, technological and social requirements. We implement the latest solutions in monitoring systems for the purpose of implementing goals related to pollution.

The measures described above contribute to minimisation of the negative environmental impacts, mitigating risks and increasing the efficiency of natural resources and waste management.

The resource management policy and the circular economy is based primarily on legal requirements and best practices in this field, taking into account the specific nature of our industry as well as local conditions and requirements. The KGHM Group does not plan withdraw from the use of primary resources but is nevertheless developing copper recycling processes.

The Environmental Policy does not set specific targets and the scope and time limits for targets as required by MDR-A and MDR-T.

The Environmental Policy of KGHM Polska Miedź S.A. is made available to all stakeholders through the official website of the Company .

[E5-2] Activities and resources related to the use of resources and circular economy

Use of resources

The Group is engaged in the mining and processing of precious natural materials. Its heart is the largest copper ore deposit in Europe located in south-western Poland. The Group also has mines in the United States and Canada.

Mining and processing in the KGHM Group is continuous and no time horizon has been defined for them.

KGHM Polska Miedź S.A.

KGHM Polska Miedź S.A. has a fully integrated production process, in which the end product of one technological phase is the feedstock (half-finished product) used in the next phase. Mining in KGHM Polska Miedź S.A. is performed by three mining divisions: Lubin, Rudna and Polkowice-Sieroszowice mine divisions. In the next phase, the Ore Enrichment Plant Division prepares concentrate for smelters and the Hydrotechnical Plant Division is responsible for storing and managing the waste generated in the copper ore enrichment process. There are two smelting divisions within KGHM's organisational structure: Legnica Copper Smelter and Refinery and Głogów Copper Smelter and Refinery as well as Cedynia Wire Rod Plant. A detailed description of the production processes can be found in [Chapter 1.3.3 Description of the production process](#).

As part of its rational management of natural resources, the Company has developed its own copper mining systems, the so-called chamber-pillar systems with roof deflection, dry backfill and hydraulic backfill. Different variants of chamber-pillar systems are selected according to the thickness of the deposit and its slope. The systems and methods used to exploit the deposit improve the efficiency of mining by reducing the proportion of waste rock in the ore and managing it underground, and reducing the amount of mining waste.

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4.2.6.1.1.1.1 Carlota

The Carlota mine is located in the Western part of the Miami-Globe mining region, in the state of Arizona. Surrounding the mine is mountainous, desert terrain.

Copper ore extraction by the Carlota mine is carried out using conventional methods typical for open-pit metals mines, i.e. the ore is mined by blasting and then is transported by haulage trucks. The excavated material is subjected to a heap leaching process using a sulphuric acid solution. The copper-enriched solution obtained after leaching is directed to the extraction (SX) and electrowinning (EW) nodes to produce high-quality copper cathodes - the final product of the process.

4.2.6.1.1.1.2 Sudbury

The Sudbury Basin is located in central Ontario in Canada, approx. 400 km north of Toronto. KGHM has a number of assets there, mining copper and nickel ore along with precious metals. Key assets include the McCreedy West underground mine, currently operating from a collapse adit.

Mining is carried out using mining techniques that depend on the geometry of the deposit. It is mainly a mechanised selective mining method with sublevels from bottom to top and with sublevel separation. To reduce depletion and increase the value of the ore in areas with thin veins, conventional stockpile stockpiling of ore is also used. The total ore extracted from the mines is processed at the Clarabelle plant in Sudbury, owned by Vale.

4.2.6.1.1.1.3 Robinson

Robinson Mine is located in White Pine County, Nevada, at an average elevation of 2,130m a.s.l. The mine comprises 3 large pits: the currently mined Ruth, as well as Tripp-Veteran and Liberty, areas which are not currently being mined.

Mining is carried out by conventional open-pit methods and involves mining with explosives, loading and transporting the ore to the processing plant. The ore is crushed and ground and then subjected to a flotation process. The resulting concentrate is concentrated and filtered. The copper concentrate, with the appropriate moisture parameters, is then transported to warehouses in the state of Nevada, from where it is shipped to its intended customers.

Waste management

The largest waste stream in the Group is mining waste, which is stored in dedicated mining waste disposal facilities.

KGHM Polska Miedź S.A.

The largest stream of mining waste of KGHM Polska Miedź S.A. comprises flotation tailings, which represent approximately 94% of the mining output, or approx. 28 million tonnes annually. This waste is created in the flotation process, in which the main volume of waste rock extracted together with the ore is removed. This is non-hazardous and inert waste classified in accordance with the Regulation of the Minister of Climate of 2 January 2020 on the catalogue of waste (Journal of Laws of 2020, item 10) under the code 01 03 81 - waste from the flotation enrichment of non-ferrous metal ores other than those mentioned in 01 03 80. The tailings generated by KGHM Polska Miedź S.A. are stored at the Żelazny Most Tailings Storage Facility.

4.2.6.1.1.1.4 Żelazny Most Tailings Storage Facility

The Tailings Plant Division in Rudna, within the structure of KGHM Polska Miedź S.A., operates in particular the Żelazny Most Tailings Storage Facility together with the Southern Quarter. The Żelazny Most Tailings Storage Facility is located in the Lower Silesian Voivodship (on the territory of three municipalities: Rudna, Polkowice i Grębocice), in a valley between the Dalkowskie Hills in the upper catchment area of the Rudna River, which form a natural boundary on the west and south. Together with the Southern Quarter, the facility covers an area of approximately 2 100 hectares.

The Żelazny Most Tailings Storage Facility together with the Southern Quarter is qualified as a project that may always have a significant impact on the environment, listed in § 2(1)(48) of Regulation of the Council of Ministers of 10 September 2019 on projects that may have a significant impact on the environment (Journal of Laws of 2019, item 1839), i.e. category "A" mining waste treatment facilities referred to in the Act on mining waste.

The Żelazny Most OUOW is a sublevel-superlevel facility consisting of two parts: the existing Main Facility and the new Southern Quarter, surrounded by embankments (dams), where waste is deposited inside the canopy using the "wet" method. The expansion of the Main Facility is carried out using the "inward" method (i.e. without the need to occupy new land), using waste recovered from the flotation waste stream for dam superstructure and sealing the reservoir bottom. The Southern Quarter dams are constructed using the "outward" (downstream) method.

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KGHM INTERNATIONAL LTD.'s largest mining waste stream is the waste rock from the Robinson Mine of the Nevada Mining Company, which is mined to access ore. Approximately 66 million tonnes of waste rock were extracted in 2024 and are selectively stored in heaps. Currently, the fire rock is exported to the following locations: Keystone Waste Rock Disposal Facility (WRDF), Kimbley/Wedge WRDF, Ruth East Backfill or Liberty North Backfill. Potential acid-forming material (PAG) is processed exclusively inside the Keystone WRDF. The PAG material is placed in the centre of the WRDF and surrounded by

at least 15 metres of Non-POTential Acid Generating (Non-PAG) material to minimise the potential for rainwater and oxygen infiltration and generation of acidic leachate.

Another stream of mining waste generated at KGHM International is tailings from the flotation process at the Robinson Mine. Approximately 14.4 million tonnes of tailings were generated in 2024 and are stored at the Giroux Mining Waste Disposal Facility.

4.2.6.1.1.1.5 "Giroux" Wash Tailings Storage Facility

Waste from mining operations from the Robinson Mine, located approximately 11.3km west of Ely in White Pine County, Nevada (USA), is deposited at the Giroux Wash Tailings Storage Facility. The facility was originally designed and permitted as a valley reservoir up to an elevation of approximately 2079 m a.s.l. Since 2017, it has been successively raised to approximately 2097 m a.s.l. after obtaining the relevant permits. Current plans envisage the second expansion of the dams to an altitude of around 2116 m a.s.l. The landfill covers an area of approximately 728 ha and has the capacity to deposit approximately 181 million tonnes of waste.

The Cycloned Main Embankment (CME) is constructed from flotation waste by separating coarse material using a battery of hydrocyclones. It is a centreline firewall. The remaining perimeter dams are erected using the downstream method with local material extracted from the area around the site. Before being deposited, the waste is compacted to a level of approximately 50% (solids/water ratio) to recover the water needed for the flotation process.

Waste from metallurgical processes

The next stage of the core production line creating the second largest volume of waste is the pyrometallurgical process, which produces approx. 1.1 million tonnes of smelter slag.

The third largest stream of waste from the Company's activity is sludge from the Energetyka Sp. z o.o. effluents treatment plants operating at the metallurgical facilities: approx. 70 000 t/year.

Other significant waste streams include dust and sludge from flue gas dust removal systems – up to 50,000 t/year.

The amount of waste generated in technological processes makes waste management one of the key issues associated with copper production, with impacts that are not just environmental, but also economic, technical and organisational.

Waste recovery

Waste is generated as a side effect of almost every industrial activity. The copper industry also generates huge amounts of post-industrial waste, since it requires multi-stage processing of ores to obtain useful final products, it also generates large volumes of post-industrial waste.

Management of waste generated in domestic companies of KGHM Polska Miedź S.A. is carried out in accordance with the principles set out in the Waste Act of 14 December 2012 (Journal of Laws of 2013, item 21, as amended), pursuant to which all activities should be planned, designed and carried out in a way that prevents or minimises the volume of generated waste. Waste, whose generation cannot be avoided, is first subject to recovery and, if that is impossible for technological, economic or environmental reasons, it is disposed of. Waste is stored only if other means of disposal are not available.

In order to minimise the amount of waste generated, as recommended in the BAT conclusions, the production processes carried out in the process installations have been designed and are implemented in such a way that the process residues generated in them are managed as far as possible. The return of process residues to the production processes is an integral part of the implemented technologies and is described in the developed and implemented process instructions.

Process residues returned to the process are an integral and valuable component of the feedstock, improving the efficiency of the processes implemented and reducing production losses. Process residue swirls substitute in part for the raw materials of natural origin used in the processes - metal-bearing raw materials, slag-bearing raw materials, fluxes and others. Most of the process residues generated - slag, dust, sludge, scale, spillage, metal-saturated swages, worked anodes, castings run-off, electrolyte refining, etc. - are managed by returning them to the process in whole or in part. Process residues returned to production processes within a single plant, according to the assumptions of the implemented technology, are not classified as waste, as they are in fact integral material flows occurring between individual process nodes within the implemented technology.

The reduction of waste to landfill is achieved by managing residues from metallurgical processes in a manner consistent with the requirements of best available techniques, in particular by:

- recovery of metals from dust and sludge generated in dust abatement systems. The dust is used, according to its composition, as a feedstock in copper production or lead production facilities, the sludge from wet dedusting of converter gases is sent for recovery in the lead production facility,
- recovery of copper from copper-rich slurry (recovery in electric furnaces at the Głogów Copper Smelter and Refinery),
- the transfer of de-milled slag for the production of construction aggregates,
- the transfer of de-greased granulated slag for the production of abrasive,
- the transfer of used sweepings for the production of copper concentrate,

- the transfer of non-coppered lining to external customers for the production of refractory materials,
- total internal turnaround of all slags from converters and melting furnaces as feedstock for pyrometallurgical processes,
- the use of electrolyte withdrawn from electrorefining circuits for the production of copper sulphate and nickel sulphate, and the use of de-copperised electrolyte for the preparation of the working electrolyte used in the production of cathode copper,
- returning used anodes to pyrometallurgical copper production processes,
- the use of anode slime from the electrorefining process as a raw material for the production of precious metals,
- recovery of metals from sludge from the converter gas treatment plant at the lead production facility,
- selenium recovery from the recirculating water of a wet gas dedusting node in a precious metals plant,
- recovery of silver from spent electrolyte.

Activities aimed at preventing waste, reducing its quantity and its negative impact on the environment include, in particular:

- conducting production processes in accordance with the technological regime,
- the use of materials and resources of high quality standards and their rational use,
- maintaining machinery and equipment in a good state of repair, including the prevention of breakdowns and malfunctions of equipment through constant supervision,
- monitoring the progress of ongoing processes, enabling a rapid response to be taken to prevent waste generation,
- storage of waste, taking into account its chemical composition and properties, in such a way as to protect the environment from pollution.

The directions and methods of recovery of waste generated by the Company's installations depend on its material properties and environmental impact of the process.

Recovery of waste material consists of its use as a whole or in part in mining technologies as:

- construction or building material,
- material for reclamation and filling of post-mining voids,
- raw material for the production of abrasives.

The Żelazny Most Tailings Storage Facility, together with the Southern Quarter, is used for management of waste from the flotation enrichment of copper ores with the code 01 03 81 *Waste from the flotation enrichment of non-ferrous metal ores, other than listed in 01 03 80*, generated in three areas of the Ore Enrichment Plant Division in Polkowice, belonging to KGHM Polska Miedź S.A. in Lubin. Such waste is used to build the dams of the subsequent levels and to seal the bottom of the facility, while the remainder is disposed of in the landfilling process.

In 2024, the facility received 28 820 320.39 tonnes of code 01 03 81 waste, of which:

- 22 403 310.60 t was recovered through the R5 process (for the construction of the facility dams - 5 675 810,60 t and sealing of its bottom - 16 727 500.00 t)
- 6 417 009.79 t was disposed of in the D5 landfill process.

Metal-bearing waste is subject to processes to recover and recycle the metals and metal compounds it contains.

The following post-processing waste produced by the Company is recovered as structural and building materials:

- shaft slag from the Legnica Copper Smelter and Refinery and poured slag from Głogów Copper Smelter and Refinery. In 2024, aggregate production was based on: 454,202.90 thousand tonnes of poured slag, 110,226.76 thousand tonnes of granulated slag for batching and 193,531.96 thousand tonnes of shaft slag,
- coarse-grained copper ore flotation tailings are used to build the embankments of the Żelazny Most Tailings Storage Facility and the Southern Quarter (in 2024: (5 675 810.60));
- fine-grained flotation tailings are used to seal the bottom of the Żelazny Most Tailings Storage Facility (in 2024: 16 727 500,00 t);
- granulated slag from the Głogów Copper Smelter and Refinery is used at the Żelazny Most TSF for the construction of drainage layers in the waste mass and piers and embankments at the marina (in 2024: 56 616,842 t).

In some mines of KGHM Polska Miedź S.A., hydraulic backfill is used to fill mined voids (goafs). The main material used for this purpose is sand, but also granulated slag from the Głogów Copper Smelter and Refinery (in 2024, the Rudna Mine used nearly 5 896.62 tonnes of slag for this purpose). Also, granulated slag of the appropriate fraction after drying is an excellent material for the production of abrasive materials used for blast cleaning of metal or concrete surfaces. In 2024, the Głogów Copper Smelter and Refinery supplied 94 008.46 tonnes of slag for the production of abrasives.

The process of aggregate production based on the material supplied by KGHM's smelters also permits a reduction of dust and gas emissions that would be released during the traditional process of aggregate creation. Over the past 10 years, KGHM Metraco S.A., a subsidiary of KGHM Polska Miedź S.A., has utilised approx. 10 million tonnes of slag, which means that it was not necessary to obtain this amount of raw material from natural deposits, and at the same time such a huge

waste volume did not have to be stored. The aggregate produced by the KGHM Group was used for the execution of projects such as the construction of the S3, S5, S6 and S11 express roads.

Scrap

Copper is one of few materials that does not undergo degradation or lose its chemical or physical properties during the recycling process.

In recent decades, there has been an increasing emphasis on sustainability, where metal recycling plays an important role. The Circular Economy (CE) is one of the key elements in the society's transition to more sustainable modes of production and consumption.

A high quality copper scrap processing unit was installed within the core production line of the Legnica Copper Smelter and Refinery, which is the first stage for the Hybrid Smelter being designed in Legnica. Ultimately, it will be supplemented with the Scrap Trading Base, where the feedstock will be prepared for remelting at the Legnica Copper Smelter and Refinery and the Głogów Copper Smelter and Refinery. As part of the implementation of the first stage of the project, the copper scrap processing technology with the use of a Revolving Casting-Refining (RCR) furnace was applied. Total anode copper production at HM "Legnica" in 2024 was 143 387 thousand tonnes, of which 21 333 thousand tonnes in the WTR furnace. In 2024, 83,400 tonnes of scrap (including 12,530 tonnes in the WTR furnace) were processed at the Legnica Copper Smelter and Refinery, thus being recycled and not being considered waste that would require disposal by landfilling.

[E5-3] Targets related to the use of resources and circular economy

Goals related to the utilization of resources and the circular economy are set out in the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040. These include:

- Optimisation of mine production domestically and abroad ensuring long-term operational continuity,
- Development of metallurgy utilising efficient processing based on CE assumptions.

As part of the implementation of the CE concept, the Group aims to maximise the further use of production residues from its own production lines in order to recover copper and associated metals from them, while limiting the harmful impact of the Group's operations on the environment. One of the priorities of the CE is to reduce the mass of waste by using it as raw materials.

Targets are monitored in the context of implementation of the Strategy of the KGHM Polska Miedź S.A. Group, while progress on the implementation of the targets is published quarterly during presentation of the financial results of the KGHM Polska Miedź S.A. Group. Information on the targets is presented more broadly in [section 1.4 Strategy, plans and objectives](#) of the Management Board's Report on the Activities of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group in 2024.

[E5-4] Input resources

As the KGHM Group is involved in the extraction and processing of valuable natural resources, the data presented below refers to the processes of ore extraction, ore enrichment and smelting, resulting in the production of metals.

For KGHM Polska Miedź S.A., resource quantities were determined on the basis of production reports and purchase reports for 2024. The quantitative data was determined by direct measurement. For units of measurement other than tonnes, appropriate conversion factors have been applied. For technical materials, purchased auxiliary materials (broken down by divisions: mines, concentrators, metallurgical plants and TSF) were included in this group. Wood used in mining and metallurgical processes was included among biological materials.

In the case of the Group's international companies, resource quantities refer to production at three mines: Robinson, Sudbury and Carlota. Quantitative data was determined from production reports for 2024 through direct measurement. Technical materials used in the mining process include explosives. Mines of KGHM International do not use recycled and biological materials.

Table 179. Input resources in the KGHM Polska Miedź S.A. Group in 2024

Item	Quantity [tonnes]
Ore mining	45,488,835
Waste rock extraction	70,520,203
Quantity of rock deposited in underground mines	5,286,453
Salt extraction	228,963
Concentrates for copper production in the KGHM Group	1,875,015
of which:	
Own concentrates	1,775,782
Copper in concentrate	392,807
Silver in concentrate	1,294
Imported concentrates	123,924
Quantity of copper in imported concentrate	43,255
Quantity of silver in imported concentrate	12
Copper scrap	158,887
Copper quantity in scrap	150,406
Copper scrap %	34.49%
Technical materials	1,578,313
Biological materials	0.34%

[E5-5] Resources discharged

The Group mines and processes precious natural raw materials. The Group's main products include base metals such as copper, silver, gold, lead, copper and molybdenum concentrates, substances such as sulphuric acid, nickel sulphate, copper sulphate. The main products manufactured by the Group offer many application variants.

Copper

One of KGHM's main products is metallic copper in the form of cathodes and products obtained by processing cathodes. The company processes the ore into concentrate in the first stage. The concentrate is then processed in subsequent smelting processes into a basic copper product, i.e. copper cathodes with a minimum raw material content of 99.99%. At the next production stage, a portion of the cathodes produced (approximately 45%) is processed into the following copper products: wire rod and wire.

Copper is one of few materials that does not undergo degradation or lose its chemical or physical properties during the recycling process. Therefore, at the end of their life, copper products can undergo multiple recycling.

Precious metals

KGHM is one of the largest producers of metallic silver. The company produces around 1200 tonnes of this valuable metal annually. Cathode silver with a content of more than 99.99 Ag (the so-called four nines) is produced in the form of bars (gores) weighing 1,000 jewellery ounces (32.15 kg) and granules. This metal in the form of bars is registered under the brand KGHM HG and has a registered certificate on the COMEX (New York Mercantile Exchange) as well as Good Delivery certificates issued by the London Bullion Market Association. Silver is supplied in the form of grains to the jewellery and metals industries, which produce alloys containing silver. Silver in the form of bars (ingots) is mainly purchased by financial institutions.

Gold with a content of more than 99.95% is recovered from the gold-bearing slime produced during the electrorefining of silver and sold as bars.

Lead

KGHM produces around 30 thousand tonnes of crude lead annually, which is produced at the Głogów Copper Smelter and Refinery and then refined at the modern Lead Refining Plant at the Legnica Copper Smelter and Refinery, which has been in operation since 2007. Refined lead as a marketable product has been registered on the London Metal Exchange since 2014 under the KGHM brand. The main use of refined lead is in the production of batteries and lead oxides.

Sulphuric acid

An important product resulting from the metallurgical production process is sulphuric acid. The production volume is approximately 600 thousand tonnes per year. It is widely used in the fertiliser and chemical industries. Among other things, it is used for the production of phosphate fertilisers, phosphoric acid and dyes, cellulose, batteries and explosives. Sulphuric

acid is mainly sold locally to domestic and European customers, with surpluses exported to North and South America. KGHM also has a sulphuric acid handling terminal located in Szczecin with a storage capacity of approximately 33,000 tonnes of acid.

Copper sulphate

Technical copper sulphate is a blue-coloured chemical compound that is produced at the Legnica smelter on the basis of copper granules, and is used in the flotation of zinc ores, the production of fertilisers and other chemical compounds and chemicals.

Nickel sulphate

Nickel sulphate produced by both the Legnica Copper Smelter and Refinery and the Głogów Copper Smelter and Refinery is a greenish coloured chemical compound that requires further processing. Purification processes produce higher-processed nickel compounds including plated nickel. It is used to produce nickel compounds such as nickel hydroxide, nickel oxide, nickel sulphate hexahydrate or nickel sulphate hexahydrate, among others.

Selenium

Technical selenium containing min. 99.40 % of the selenium is produced at the Głogów smelter. After processing used in glass, feed, pharmaceutical and cosmetic industry.

Robinson copper concentrate

Robinson copper concentrate is a product of the Robinson mine in the USA, part of the KGHM INTERNATIONAL LTD. Group, containing about 20% of copper. Gold and silver are additionally present in the concentrate.

Robinson molybdenum concentrate

Molybdenum concentrate is another commercial product (apart from copper concentrate) produced by the Robinson mine in the USA, part of the KGHM INTERNATIONAL LTD. Group. Production of molybdenum concentrate is derivative of the process of copper concentrate production.

Polymetallic ore containing copper, nickel and TPM (precious metals – gold, platinum, palladium)

Ores containing copper, nickel and TPM are produced by the mines in the Sudbury Basin in Canada, part of the KGHM INTERNATIONAL LTD. Group. The total ore extracted from the mines is processed at the Clarabelle plant in Sudbury, owned by Vale.

By-products

The amendment to the Waste Act implemented the provisions of EU waste directives into Polish law. One of the more significant changes was the by-product legislation.

By-products are substances or objects resulting from a production process whose original purpose is not to produce them. Such materials, if the conditions set out in the Act are met, can be marketed and managed as by-products.

KGHM received positive decisions from the Marshal of the Lower Silesian Voivodship for recognition as a by-product:

- Pb concentrate from the Legnica smelter for the customer Głogów Copper Smelter and Refinery
- Diluted sulphuric acid from the Głogów Copper Smelter and Refinery and Legnica Copper Smelter and Refinery smelter for the customer Concentrators
- Pb-Zn concentrate from an electric furnace at the Głogów Copper Smelter and Refinery for the customer Huta Cynku Miasteczko Śląskie;
- Pb-Zn concentrate from an electric furnace at the Głogów Copper Smelter and Refinery for the customer Huta Budel in the Netherlands
- Pb-Zn concentrate from an electric furnace at the Głogów Copper Smelter and Refinery for the customer Jean Goldschmidt International, Belgium
- Slag from the electric furnace of the Głogów Copper Smelter and Refinery for the Żelazny Most Tailings Storage Facility, Rudna Mine Division, and KGHM Metraco (for use in the production of aggregates).

Table 180. By-products transferred to recipients in 2024 at KGHM Polska Miedź S.A.

By-products	Value [tonnes]
Pb concentrate	16,988
Sulphuric acid diluted	25,403
Pb-Zn concentrate	1,722
Electric furnace slag	352,189

The by-product concept described above, which is applied in the Group's domestic companies, results from EU and Polish legislation. The US and Canadian regulations do not provide for such an arrangement in the management of post-processing residues.

Waste

The Group implements the waste hierarchy, which aims to manage waste effectively and strives to reduce the waste generated. Activities shall be planned, designed and carried out in a manner that prevents or minimises the generation of waste. The waste generated in the Group is primarily subjected to a recovery process, and if this is not possible for technological reasons, the waste is disposed of in accordance with environmental protection requirements. Waste that could not be recovered is disposed of, and only waste that cannot be disposed of in any other way for technological reasons is stored.

Information on quantitative data on waste was prepared on the basis of statements prepared by individual KGHM Group companies based on waste records maintained in these companies. Obligations related to waste record-keeping and reporting are carried out through the electronic register BDO (Database on Products and Packaging and Waste Management).

Businesses that generate, transport or process waste keep electronic records in the BDO system. In BDO, companies generate documentation related to waste management by site. Record sheets are produced for each waste code, which contain information on waste generated, accepted, treated and transferred. Annual Reports on waste generation and waste management are also prepared and submitted through BDO.

As defined by the ESRS standards:

- Recycling is the recovery by which waste is reprocessed into products, materials or substances that are used for their original purpose or other purposes.
- Recovery, on the other hand, is understood as any process the principal result of which is that the waste serves a useful purpose by replacing other materials which would otherwise have been used to fulfil a function, or by which waste is prepared to fulfil such a function within a given facility or in the economy in general.

The key criteria for classifying a waste handling process as recycling are set out below:

- reprocessing takes place, i.e. the process involves the treatment, reprocessing of substances or materials already extracted from the waste or waste substance/material (if the waste is homogeneous, e.g. remelting),
- the processing is final, there are no further processes to prepare the product (product/material/substance) for further use,
- the product is a new product, material, substance,
- the finished product is the direct result of the process in question,
- the process does not apply to energy recovery and reprocessing into materials to be used as fuels or for earthworks.

Other recovery processes are any operation that meets the definition of recovery but does not meet specific recycling requirements.

The most commonly used recovery processes at non-ferrous metal production facilities are R4 (Recycling or recovery of metals and metal compounds) and R5 (Recycling or recovery of other inorganic materials). The scope of these processes indicates that they include both recycling and other recovery processes.

The physical processing in the R5 process of shaft slags in aggregate production to produce a full-value product (aggregates) meets the definition of recycling.

On the other hand, the treatment in the R4 process at copper and lead production facilities of waste gas dust and intermediate slags to separate metals from them constitutes a different recovery process.

Another recovery process is also the use of tailings in the R5 process to form dams and seal the canopy of the Żelazny Most Tailings Storage Facility, as recycling does not include reprocessing into materials to be used for earthworks.

The qualification of the waste treatment processes handled at the facilities into the appropriate recovery methods is consistent with the records kept at BDO.

When calculating the total amount of non-recycled waste, waste sent for disposal and waste subjected to recovery processes other than recycling were taken into account.

The peculiarities of the non-ferrous metal industry, including above all the relatively low metallic element content of the ore, result in the generation of significant volumes of waste. The vast majority of industrial waste generated in the production process undergoes recovery processes other than recycling. The largest waste stream in the KGHM Group is represented by tailings which, as mentioned above, undergo other recovery processes. This has a major impact on the total amount of non-recycled waste. For this reason, in addition to the indicator showing the amount of waste from its own operations not recycled, an indicator showing the quantity and percentage of waste not disposed of (related, among other things, to the use of tailings as a construction material at the Żelazny Most Tailings Storage Facility and the recovery of metals in pyrometallurgical processes) has been added to the table below. The inclusion of the operations in question in

the list below is important as it illustrates the scale of waste treatment by a process other than disposal. Other forms of recovery than recycling should not be overlooked as they represent a key process for the copper industry to use waste as raw materials, thus preventing it from being diverted to disposal, including landfill.

For foreign companies, in particular Robinson and Carlota mines, the waste classification system differs from the European one. The US system is mainly based on Environmental Protection Agency (EPA) regulations and categorises waste according to the Resource Conservation and Recovery Act (RCRA) code system. In addition, waste rock and tailings are not classified as general waste - they are subject to special waste regulations under RCRA and are managed separately from municipal or industrial waste streams. Information on quantitative data on waste was prepared on the basis of statements prepared by individual international companies based on waste records maintained in these companies for the needs of internal (state) and federal (EPA) reporting.

Table 181. Waste in the KGHM Polska Miedź S.A. Group in 2024

Item	Quantity [tonnes]
Total waste generated (hazardous and non-hazardous waste) - total [t]	121 700 639
Total quantity of hazardous waste recovered - total [t]	68 221
of which:	
– Preparation for re-use [t]	234
– Recycling [t]	16 026
– Other recovery processes [t]	51 962
Total quantity of non-hazardous waste recovered - total [t]	22 029 143
of which:	
– Preparation for re-use [t]	3 471
– Recycling [t]	922 634
– Other recovery processes [t]	21 103 043
Total quantity of hazardous waste sent for disposal - total [t]	118 459
of which:	
– Combustion [t]	222
– Storage [t]	118 081
– Other disposal processes [t]	155
Total quantity of non-hazardous waste sent for disposal - total [t]	99 675 866
of which:	
– Combustion [t]	176
– Storage [t]	99 675 471
– Other disposal processes [t]	220
Total amount of waste not recycled [t]:	120 953 035
Total percentage value of waste not recycled [%]:	99.386
Total amount of hazardous waste generated - total [t]:	167 160
Total amount of waste not disposed of [t]:	22 097 365
Total percentage value of waste not disposed of [%]:	18.157

[E5-6] Anticipated financial effects resulting from impacts, risks and opportunities related to the use of resources and circular economy

In accordance with ESRS 1 - Appendix C, the KGHM Polska Miedź S.A. Group omits the information set out in E5-6 in the first year of Sustainability Reporting.

4.3 INFORMATION ON SOCIAL ISSUES

4.3.1 [S1] Own staff resources

[S1-1] Policies related to own staff resources

Policies for managing the significant impacts, risks and opportunities associated with own workforce

KGHM Polska Miedź S.A. implements and monitors policies for managing own employee resources, focusing on identifying, assessing and minimising significant impacts and risks, as well as exploiting opportunities related to human capital management. The Group's companies, acting in accordance with national law and international standards, recognises the importance to the promotion and protection of human rights, the provision of decent working conditions and the development of employees. Systematic risk analysis and proactive management of policies support building of a working environment free of discrimination and unethical activities, respecting the principles of equality and diversity.

When determining policies within the KGHM Group, it is crucial to take into account the interests of different stakeholder groups. Policies take into account interests of employees and their representatives, local communities, investors, customers and regulators and public authorities. The Management Board is the body responsible for defining the objectives of the policies to be adopted, enacting and supervising their implementation in the organisation.

Policies implemented in the KGHM Polska Miedź S.A. Group are made available both to those responsible for their implementation and to potential stakeholders. The full texts of the key documents are published on the Group's website, including in the ESG section on "Codes and Policies" (in Polish and English), allowing access to external stakeholders. As part of internal communication, employees, in particular those responsible for implementing the provisions of the acts, are required to familiarise themselves with the policies and internal documents and confirm this via the Intranet (employee portal) in the dedicated "Normative Acts" section. For staff members in blue-collar positions (including in international assets), the website is also available outside the office at: <https://extranet.kghm.com/>. Newly recruited persons are introduced into the key policies during the onboarding process. For employees without an Internet access, policies are available in a hard copy in secretariats of the companies and divisions or through those responsible for their implementation.

The policies adopted to manage its significant impacts on its own employee resources, as well as the related significant risks and opportunities in the KGHM Polska Miedź S.A. Group, do not exclude any group of employees, including in terms of geographical areas. The provisions of the Code of Ethics, Human Rights Policy, Human Rights Declaration, Occupational Health and Safety Policy also apply to stakeholders - employees in the value chain, local communities, business partners.

The key policies include:

- Code of Ethics of the KGHM Polska Miedź S.A. Group,
- Anti-Abuse Procedure in the KGHM Group,
- Human Rights Policy of KGHM Polska Miedź S.A. and KGHM Declaration on the Protection of the Human Rights,
- Occupational Health and Safety Policy,
- Collective Bargaining Agreement for Employees of KGHM Polska Miedź S.A. (ZUZP), together with the Work Regulations, the Company Social Benefits Fund (ZFŚS).

Code of Ethics of the KGHM Polska Miedź S.A. Group

The Code of Ethics of the Group defines ethical principles applicable to all employees, promoting compliance with applicable local laws, as well as those set by international institutions (such as the International Labour Organization (ILO) or the UN Global Compact), industry standards and best practices. In accordance with the provisions of the Code of Ethics, the Group is committed to conducting its operations in accordance with the UN Universal Declaration of Human Rights, creating a culture, environment and workplace free of discrimination. No form of discrimination is tolerated, in particular due to gender, race, age, origin, religion, disability, world view, sexual orientation, social status, marital status, political party and trade union membership or the form of employment.

The Code of Ethics refers to three fundamental Ethical Standards: Company's Good, Person's Good, Stakeholder's Good.

The Company's Good standard covers: compliance with the law (compliance with applicable laws is maintained), zero tolerance for corruption (zero tolerance for corruption is applied), conflict of interest (conflicts of interest are avoided), information security (care for information security, protection of personal data), quality of products and services (responsibility for the quality of our products and services), resource management (care for company assets, honest management of entrusted property), environmental protection (responsibility for our impact on the environment).

The Person's Good standard covers: safety (shared responsibility for our safety and that of the workplace), equal treatment, human rights, diversity (a discrimination-free environment and workplace has been created at KGHM), abuse (abuse is not tolerated at KGHM), employer-employee relations (creating high standards in employer-employee relations), teamwork (cooperation is the basis for achieving success).

The Shareholder's Good standard covers: shareholders and investors (the good practices of the Warsaw Stock Exchange guide its relations with shareholders), external partners (relations with external partners are built on transparency, honesty,

trust and professionalism), CSR - corporate social responsibility (commitment to global sustainability), participation in national and international organisations (partnerships with numerous national and international organisations).

The Code of Ethics applies to all employees of the KGHM Group, regardless of the type of contract concluded and position held. The Code includes information on the monitored (by the organisational unit responsible for ethics and the ethics representative) complaint-handling mechanism, ensuring that employees have access to effective complaint reporting and whistleblowing mechanisms supporting the protection of their rights (whistleblower platform and ethics representative). The superior body responsible for the implementation of the Code of Ethics is the Management Board of KGHM Polska Miedź S.A.

Anti-Abuse Procedure in the KGHM Group

The anti-abuse procedure promotes the compliance with the principles of equal treatment and respect for the dignity of employees. It aims to prevent abuse and other forms of harassment in the workplace, in line with international standards for the protection of workers' rights. The object of the procedure is to describe the catalogue of preventive measures aimed at counteracting abuse, by introducing a prevention system and defining how to proceed in the event of abuse and defining the duties and responsibilities incumbent on the Employer and Employees in this respect. The foregoing is aimed at building and strengthening the organisational culture that fosters positive and effective relationships between employees.

The Anti-Abuse Procedure is the main document addressing the elimination of discrimination (including harassment), the promotion of equal opportunities and other ways to enhance diversity and inclusion, while they are also addressed, among others in the Code of Ethics, the Code of Conduct, the Human Rights Policy, the Diversity Declaration.

The Procedure applies to all employees of the KGHM Group, regardless of the type of contract concluded and position held. The workplace manager⁸³ has the duty to counteract abuse by taking preventive measures to minimise the risk of abuse in the working environment, in particular by promoting ethical attitudes and behaviour in line with the principles of social coexistence in interpersonal relations and enforcing them on employees, disseminating knowledge about the phenomenon of abuse, methods of preventing it and the consequences of its occurrence, providing employees with access to training on the issue of abuse, estimating and monitoring the risk of abuse. The ultimate body responsible for the implementation of the Code of Ethics is the Management Board of KGHM Polska Miedź S.A.

The Group does not have any separate obligations related to policies for the social inclusion of people from vulnerable groups among its own workforce or dedicated measures for their benefit, other than the Anti-Abuse Procedure. The Group does not apply separate procedures for implementing policies on the prevention, mitigation and follow-up of discrimination, as well as on enhancing diversity and overall social inclusion.

Human Rights Policy in KGHM Polska Miedź S.A.

In accordance with the provisions of the adopted Human Rights Policy, in KGHM Polska Miedź S.A. we pledge to protect, promote and implement human rights wherever we carry out our activities and towards all entities on which we have a direct or indirect impact. The Company pledges to conduct our business in a manner consistent with the International Charter of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the UN Declaration on the Rights of Indigenous Peoples and the OECD Due Diligence Guidelines for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

The Human Rights Policy of KGHM Polska Miedź S.A. complies with the UN Guiding Principles on Business and Human Rights. The Company accepts its responsibility to protect and respect human rights, committing itself to respecting them in all aspects of its operations. It declares that it shall conduct its business in accordance with the International Charter on Human Rights, the UN Guidelines and the OECD Guidelines for Multinational Enterprises. It also emphasises the importance of respect for human rights by the entities it works with, treating this as an important factor in business relationships. The company has also put in place mechanisms to report violations, which is in line with the UN recommendations on access to remedy. The policy does not explicitly refer to the prohibition of human trafficking, but these issues are addressed in the international instruments mentioned above. The KGHM Group's policies are currently being adapted to the requirements under the ESRS.

In the Policy adopted, the Company has identified and specified risks, including: KGHM Polska Miedź S.A.'s contribution to human rights violations by entering into business relationships with contractors committing actual human rights violations, eliminating all forms of illegal, forced or coerced labour and unauthorised child labour, in accordance with local regulations in the context of KGHM's cooperation with external entities, the threat posed by particularly difficult working conditions for employees of contractors, violations of principles of social coexistence and ethical standards with respect to human beings.

⁸³ Workplace manager understood as the President of the Management Board of KGHM Polska Miedź S.A., the President of the Management Board of companies in the KGHM Polska Miedź S.A. Group or a person holding appropriate proxy authority, and for the Divisions of the Parent Entity – a Executive Director of KGHM Polska Miedź S.A. or a person holding appropriate proxy authority.

The Company declares in the policy that respect for human rights by cooperating entities is an important factor to be taken into account when establishing mutual relationships. KGHM is driven by the principle of protecting the dignity of work, which includes:

- care for fair pay, the right to rest and equal access to training,
- zero tolerance of all forms of violation of personal dignity and gender equality, such as discrimination, harassment, abuse and other actions that violate the rules of social coexistence,
- combating all manifestations of modern forms of slavery, forced labour or torture,
- unconditional compliance with the prohibition on the employment of minors,
- protection of rights relating to personal dignity and the respect, promotion and protection of family and parental values.

The protection of human rights was recognised as strategically important by KGHM. To ensure that human rights are fully protected and that the Policy is regularly updated, the Company conducts ongoing monitoring and analysis of its value chain. In order to enable the application of appropriate remedial measures in the scope of impact on human rights, all violations can be reported anonymously, by the company's own employees and in the value chain, through a publicly accessible Whistleblower Platform, called "[KGHM Ethics Line](#)".

In order to verify contractors, KGHM has implemented appropriate policies, such as the Procurement Policy, the Contracting Policy, the Responsible Supply Chain Policy and the Anti-Corruption Policy. Special clauses in contracts or the so-called Contractor's Charters used, in which the potential business partner declares respect for human rights in accordance with the standards adopted at KGHM. In the event of breaches, the Company maintains a consistent dialogue with the contractor, in line with its policy, seeking to mitigate and prevent similar situations in the future.

The Human Rights Policy has been developed in accordance with the corporate risk management methodology adopted by the Company. It identifies and assesses the potential risks of human rights violation in KGHM's operations. At the same time, measures have been implemented to reduce or mitigate the risks identified.

The policy has been adopted in the Parent Entity, however, it also affects employees of the Group companies and business partners. Its text is available on the company's corporate website: [KGHM human rights policy](#). The superior body responsible for the implementation of the policy is the Management Board of KGHM Polska Miedź S.A. In the Canadian and US assets of the KGHM Group, in addition to the KGHM Group Code of Ethics governing ethical and human rights issues, including references to the prohibition of human trafficking, forced labour and child labour, the Canadian Human Rights Code/Fighting Against Forced Labour and the Child Labour in Supply Chain Act, and in the USA - the Fair Labor Standards Act apply.

Occupational Health and Safety Policy

KGHM Polska Miedź S.A. has a uniform Occupational Health and Safety Policy in place, in line with the high OHS standards confirmed by the ISO 45001:2018 certificate, which apply both to own employees and to entities providing services on the premises of the Company.

Occupational safety and health protection of employees is one of the core values in KGHM's business, stemming from the concern for maintaining high OSH standards and creating the friendliest working environment possible. The OSH Policy is compliant with the adopted Strategy and the ethical principles accepted in the Company. While improving the *Occupational Health and Safety Management System - Requirements and Application Guidelines*, the Company's management commits to:

- ensure safe and healthy working conditions, taking into account ergonomics, prevention of work-related injuries and illnesses,
- improve continuously the occupational safety and health measures;
- meet the requirements of the applicable law while respecting the ethical principles applicable in the Company;
- identify, monitor and eliminate hazards and mitigate OSH risks, as well as seize opportunities in this regard;
- guarantee the participation of workers and/or their representatives in decision-making processes within the occupational safety and health management system,
- use employee health and safety initiatives and ideas,
- foster a sense of personal responsibility among all employees for the performance of their work in a manner that is safe and causes no hazards to health, and provide training.

All employees and other persons on the Company's premises are required to comply with the applicable regulations, accepted rules, and requirements. At the same time, the Company's Management Board and executives at various levels strive to ensure work safety for everyone at the Company's plants. The superior body responsible for the implementation of the policy is the Management Board of KGHM Polska Miedź S.A. In the event of changes to the laws on OEL and MAC limit values, the Group's companies will take reasonable steps to comply with the regulations. The Group is open to the possibility of securing external support for H&S innovation and has capacity in selected dedicated H&S R&D centres capable of diagnosing and adapting to change. The text of the policy is available on the company's corporate website: [Integrated Management System](#).

The OHS Policy is implemented individually in Group's companies, including international companies. All policies (procedures) in the KGHM Group's Canadian assets comply with the Ontario *Occupational Health and Safety Act* (OHSA), the *Occupational Health and Safety Act* (for British Columbia) and the relevant Ontario and British Columbia regulations, such as *Mining Regulations 854*, *Construction Project Regulation 213*. In addition, injury reporting takes place in accordance with the ICMM (*International Council on Mining and Metals*) Standard, which sets out international guidelines for accident and safety reporting in the mining sector. In the USA, American mines and KGHM INTERNATIONAL LTD. Group's companies manage occupational health and safety through the *Employee Handbook* and the *Mine Safety and Health Administration* standards⁸⁴ promoting safety in mining operations, which must comply with all policies.

Company Collective Bargaining Agreement for Employees of KGHM Polska Miedź S.A., together with the Work Regulations and the Company Social Benefits Fund

The Collective Labour Agreement for the Employees of KGHM Polska Miedź S.A. (ZUZP) was concluded on 14 March 2000. The ZUZP defines:

- the conditions to which the content of the employment relationship should conform, in particular: working time, annual and additional leave, remuneration rules, protection of working conditions, employment-related benefits and the rules for granting and implementing them,
- benefits for former employees, pensioners and their family members,
- mutual obligations of the parties to the Collective Labour Agreement;

The ZUZP is concluded for the employees of the Head Office and the Divisions included in KGHM Polska Miedź S.A.

The Collective Labour Agreement does not cover:

- young workers employed for the purpose of apprenticeship or vocational training,
- workers employed abroad,
- members of the Company Management Board,
- directors, deputy directors and chief accountants of the Divisions.

The provisions of the ZUZP resulted from negotiations between the Management Board of KGHM Polska Miedź S.A. and the trade unions active in the Company, which represent the interests of the employees. The parties, recognising the importance of collective agreements in the legal system, sought to regulate employee rights in a way that took into account the needs of the employees and the specific characteristics of the Company, and to create the principles of cooperation while preserving their independence and autonomy. Negotiations were conducted with respect for the interests of both parties.

ZUZPs are also in force in the largest Polish subsidiaries of KGHM Polska Miedź S.A. (with more than 300 employees) and in three smaller entities: WPEC in Legnica S.A., KGHM Cuprum Sp. z o.o. - CBR and BIPROMET S.A.

The Work Regulations in KGHM Polska Miedź S.A. define the organisation and order in the work process, the rights and obligations of both the employer and employees, in accordance with national and international standards on working conditions and safety. These documents formulate the modalities and rules of working time accounting, granting leave and specifying the date and method of payment of wages. Moreover, they contain detailed provisions on health and safety at work, and describe accepted reward and recognition practices and procedures for applying penalties for breaches of work order and discipline.

A Company Social Benefits Fund operates in KGHM Polska Miedź S.A. (hereinafter: ZFŚS). The principles and conditions for use of services and benefits financed from the ZFŚS and the principles for the allocation of funds for particular purposes and types of social activities are defined by the employer in the regulations, drawn up in agreement with the company trade union organisations operating in a given Division.

The benefits of the ZFŚS cover employees and former employees - pensioners and their successors. Their family members also use the benefits. Pensioners and retired former employees are persons eligible to use the ZFŚS resources without any restrictions - pursuant to the Act of 4 March 1994 on the Company Social Benefits Fund.

The ZFŚS also applies to the Polish operating subsidiaries in the KGHM Group (excluding the two smallest entities: Polska Grupa Uzdrowisk sp. z o. o. and NITROERG SERWIS sp. z o.o.). The Management Board is the superior body responsible for the implementation of the provisions of the ZUZP, together with the Work Regulations, including the ZFŚS.

Canadian and US labour market standards and regulations also allow for *collective bargaining*. In Canada, they are regulated at the federal level through the *Canada Labour Code* and at the provincial level (Ontario - *Labour Relations Act*, British Columbia - *Labour Relations Code*) and constitute written agreements between trade unions and employers. They refer to the terms and conditions of employment, such as wage and pay rises, working time and overtime, health and pension benefits, holiday leave and redundancy conditions, protection against unfair dismissal, health and safety standards and

safety procedures. In the entities of FNX Mining Company Inc. & KGHM Ajax the collective agreement covers Ontario unionized employees only.

US regulations concerning collective bargaining agreements are based on the *National Labor Relations Act* (NLRA), which protects workers' rights to organise and negotiate terms and conditions of employment. In Robinson Nevada Mining Company (RNMC), a mine owned by KGHM INTERNATIONAL LTD. the collective bargaining agreement does not apply. The company's basic labour standards are defined in the *Fair Labor Standards Act* (FLSA), which defines the provisions concerning minimum wage, overtime and protection from child labour. Additional protection for employees is provided by the *Family and Medical Leave Act* (FMLA), which governs the right to medical and family leave, and the *Americans with Disabilities Act* (ADA), which guarantees equal opportunity and accessibility in the workplace for people with disabilities. In the State of Nevada, the terms of wages, hours and benefits are also set out in the *Nevada Revised Statutes for Compensation, Wages, and Hours*. In entities such as RNMC, the above regulations are applied through internal policies, e.g. RNMC Employee Handbook and employee support programs.

[S1-2] Procedures of cooperation with own staff resources and staff representatives on issues of impacts

KGHM Polska Miedź S.A. provides employees with the opportunity to influence decisions and actions to manage the actual and potential impacts on them and on the organisation. Employees can participate in decision-making processes through their daily involvement, the exchange of experience in specialised project teams and the activities of employee representatives. Employees' opinions are taken into account through an open organisational culture, a platform for anonymous whistleblowing and regular consultation with staff representatives, including trade unions who negotiate working conditions and monitor the OHS issues.

KGHM Polska Miedź S.A. and its subsidiaries do not have a formalised, uniform, general procedure for engaging their own workforce. The aforementioned issues are regulated in the codes of conduct of these companies, the Code of Ethics of the KGHM Group and internal policies and procedures, including the application procedures, training policies or company collective bargaining agreements (ZUZP).

Involvement of KGHM employees in decision-making processes and impact management

The Group provides a unique opportunity for people who want to gain access to cutting-edge technology and solutions. KGHM Polska Miedź S.A. offers the opportunity to work in project teams, giving employees the possibility to share knowledge and experience within the company's structures. At the same time, employees also have an impact on the company through their representatives. Workers' representatives act on behalf of the workforce, negotiating working conditions, ensuring health and safety at work and representing the interests of workers in their contacts with the employer. The cooperation aims to obtain opinions and conclusions on the impacts on own employees (collecting opinions, queries, analysing them and providing answers and putting them into practice if accepted).

Employees of the KGHM Group have a possibility to anonymously report any irregularity in terms of material, actual and potential, positive or negative impacts that affect or may affect them. The notifications are submitted via the generally available online Whistleblower Platform. In selected KGHM Group companies, employee satisfaction surveys are also performed in various aspects through the completion of anonymous questionnaires, in which the employee has the opportunity to express his or her own opinion and influence change.

Examples of employee engagement

Depending on the size of the company in the KGHM Group, the personal impact of an employee and his or her representatives on the organisation can be divided into two types: day-to-day - involving direct actions and involvement in daily duties, and structural - involving measures at the organisational level that have a long-term impact on the company.

Table 182. Forms of employee engagement and social dialogue in the KGHM Polska Miedź S.A. Group

<p>Dialogue with trade union organisations, including wage policy development</p> <p>(example of INOVA sp. z o.o.)</p>	<p>Trade union organisations are involved in the improvement of health and safety conditions and other employee issues, including through the participation of employees and/or their representatives in decision-making processes within the health and safety management system and by using employee initiatives and ideas on health and safety.</p> <p>Trade union dialogue is conducted on an ongoing basis to ensure cooperation and resolving of relevant issues.</p> <p>The key moment for the involvement of trade union organisations in the shaping of wage policy is the determination of the average monthly wage increment indicator, resulting from the Company Collective Agreement, which should start no later than on 1 February each year. The parties to the Collective Agreement should conclude an agreement that takes into account the company's financial standing and capabilities and the rate of wage increases in the national economy. In the absence of an agreement by 15 March, the rate of increase of the average wage shall be determined by the employer by 31 March by way of an order.</p>
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<p>Employee development, including the training procedure</p> <p>(example of INOVA sp. z o.o.)</p>	<p>In order to ensure that employees have an impact on their own development, the company provides tools for employees to self-report their development needs. The training procedure in place provides for: annual diagnosis of training needs, development of annual training plans, evaluation of the training process and results. The company aims to improve the professional qualifications of its employees by partial funding of schools, university and postgraduate studies.</p> <p>In addition, employees are provided with a possibility to self-report their development needs using the appraisal sheet during annual appraisal interviews, as well as on an ongoing basis through supervisors holding complete information about the employee and knowledge of competence gaps.</p>
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In KGHM Polska Miedź S.A., further employee engagement programs have been and are being implemented on a continuous and uninterrupted basis. The following HR projects are in progress: the "Competent in the Industry" program, the "Digital Future of Copper" program, the digitalisation of HR processes, the educational program on neurodiversity, employee benefit psychological support, the InvestCUP development program, the "Copper Leaders" postgraduate program, the "Giants of KGHM" Leader Academy, the adaptation program for newly hired employees, career path management and recruitment, the succession and replacement plan. In addition, in the Head Office and in Divisions of KGHM Polska Miedź S.A., the "Copper Heart" employee volunteer service operates, which engages in cyclical activities (e.g. support in the organisation of the Piast Race - twice a year) and ad hoc assistance.

Table 183. Examples of projects and training that courses engaging employees in the implementation of their tasks by enhancing expert competence:

<p>Digitalisation of HR processes - facilitating employee self-service in HR and payroll</p>	<p>As part of the Digitalisation of HR processes, the efficiency of operations was increased by introducing improvements aimed at speeding up and facilitating HR and social processes, as well as enhancing the employer's image and communication with job candidates in recruitment processes.</p>
<p>Leadership study - a programme to improve management skills</p>	<p>In 2024, a programme was launched preceded by a pilot study responding to the needs of lower and middle managers to improve leadership competence. Raising awareness and skills in the context of team management is a response to the engagement survey previously conducted in the Company. Nearly 200 people were trained in 2024.</p>
<p>„RÓWNI W (NEURO)RÓŻNORODNOŚCI”</p>	<p>With an important emphasis on building an inclusive organisational culture, the company continued to develop employees in the context of increasing awareness of neurodiversity. In 2024, the classroom training course "A manager in a world of neurodiversity - strategies for effective management of neuroatypical talent" was held, attended by 162 people from the Company's metallurgical divisions. An online webinar - "The neurodiverse world of a child" dedicated to all willing employees was also held.</p>
<p>"Competent in the Mining and Metallurgy Industry"</p>	<p>Since 2018, the Company has been actively supporting education in key professions for the region and its business. The aim of the program is the close cooperation with vocational schools that educate future employees in areas of expertise relevant to KGHM. The program is a response to changing trends in the labour market, including the increasing role of women in the industry, and the Company's demand for qualified technical staff.</p> <p>Almost eight thousand students have already been covered by the patronage under the program. The project covers 10 schools from such towns as: Legnica, Bolesławiec, Lubin, Chocianów, Polkowice, Głogów and Wschowa.</p>
<p>"Digital Future of Copper"</p>	<p>The educational project for 250 students from 8 secondary school establishments in the Copper Basin and Lubuskie Voivodeship, coordinated by the Central Information Processing Centre. The aim of the program is the comprehensive development of students in the area of digital competence, integrating theory and practice through structured classes, internships, professional visits, academic conferences and seminars. The project focuses on acquiring practical skills and creating a platform for networking with industry professionals, supporting the individual development of young talent.</p>

Additional measures to influence the level of engagement of in-house employees include the implementation of projects that educate employees in areas relevant not only in terms of their role as an employee, but as a parent, life partner, co-worker. Caring holistically for the well-being of employees Implemented involved, among others: a series of webinars related to mental and physical health, health-promoting educational activities and an employee benefit in the form of free psychological consultations.

Employee engagement is also the issue related to the perception of the Company as an employer brand. KGHM undertakes a number of activities in the area of *employee branding*, including through the promotion of the employer's brand among potential employees - graduates of technical schools from the Copper Basin.

Responsibility for the implementation and impact of engagement in the company

Responsibility for cooperation with employees in the Group rests with direct supervisors, senior managers and the Management Board. This accountability is crucial as it affects work performance, employee engagement and the overall atmosphere at a workplace. For information on the responsibility for issues related to dialogue with employees and their

health and safety at the management board level, see [section GOV-1 The role of administrative, management and supervisory bodies](#).

The company's internal regulations specify the policies and procedures concerning the cooperation with employees. Supervisors are obliged to comply with these regulations, which ensures consistency and transparency in the management of teams. This ensures that employees are aware of their rights and obligations and that their opinions and needs are taken into account when decisions are made.

Assessing the effectiveness of own employee engagement

The company has conducted employee engagement surveys for the previous three years. The results of the surveys showed very consistent trends in identifying the level of both engagement and demotivation factors. KGHM Polska Miedź S.A. implements projects aimed at strengthening positive areas and eliminating negative ones. Given the diagnosed trends in the third 2023 survey, no evaluation of the 2024 engagement of own employees was conducted, while actions to improve engagement are carried out based on the confirmed diagnosis of previous years. The topic of employee engagement surveys is described more broadly in disclosure.

Implementation of global framework agreements

Due to the international and broad scope of its operations, cultural differences and the specific nature of the industries in which it operates, the KGHM Group has long conducted a variety of human rights protection activities, such as: counteracting discrimination, ensuring safety at work, ensuring respect among employees and acting with respect for women's rights and equal pay, caring for the environment and conducting its activities with respect for the rights of indigenous peoples - on the basis of functioning normative acts (including: the Code of Ethics and the Human Rights Policy). Work is currently pending to ensure consistency and comprehensiveness of these activities.

The Company declares to conduct its business in a manner consistent with the International Charter of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the UN Declaration on the Rights of Indigenous Peoples and the OECD Due Diligence Guidelines for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Respect for human rights by entities cooperating with the Company is treated as an important factor to be taken into account when establishing mutual relationships. Any human rights violations can be reported through the anonymous Whistleblower Platform. Despite the fact that the Group operates in accordance with these guidelines, as at the date of the report there was no signed agreement in force with employee representatives regarding the respect for human rights.

[S1-3] Processes for remediating the effects of negative influences and channels for raising concerns through own staff resources

Rules for processing notifications and available reporting channels

Internal reports of violations of employee rights are dealt within the proceedings of the Ethics Committee, which operates on the basis of the Ethics Committee Regulations individual companies of the Group. The Committees are authorised to present the outcome of the proceedings to the Employer and, if the irregularities are confirmed, to recommend corrective and remedial action. It is up to the Employer to decide on the extent and manner of implementation of the recommendations issued by the committee. Corrective and/or remedial measures may include, as appropriate, redress where it is revealed that the company has contributed to a material adverse impact on employees.

A list of channels for whistleblowing is included in the Procedure for Receiving Internal Reports of Violations of Law and Follow-up. The procedure is available to employees of KGHM Polska Miedź S.A. via the internal system of normative acts. In addition, the Whistleblower Platform, "KGHM Ethics Line" is made available on the corporate website of KGHM Polska Miedź S.A., accessible to both employees and third parties, including contractors and customers, in four languages - Polish, English, Spanish and Russian. Access to the platform is also provided from the level of the Intranet - KGHM employee portal. The Platform enables anonymous reporting of irregularities and serves as an alternative channel for other forms of contact defined in the Procedure – telephone lines, e-mail boxes and mailing addresses.

Procedure and methods of notification

Notifications can be submitted via the dedicated: website "KGHM Ethics Line", e-mail correspondence sent to: antykorpucja@kghm.com or liniaetyki@kghm.com, written correspondence sent to: Department of Corporate Risk Management and Compliance (hereinafter referred to as: ZR Department) - KGHM Polska Miedź S.A., ul. M. Skłodowskiej-Curie 48, 59-301 Lubin, a hotline: +48 76 74 78 282 (direct contact with an employee of the ZR Department) or a recording telephone line at +48 76 74 80 777 (contact via a recording telephone line without participation of an employee of the ZR Department). To ensure full confidentiality, the envelope should bear the annotation: "Internal notification - personally to the ZR". An oral notification can be made during a face to face meeting at the ZR Department. A request for such a meeting should be submitted via the email addresses or telephone numbers provided. The meeting shall take place at a date agreed with the person submitting the notification, no later than 14 days from the date of receipt of the request in this regard. Whistleblowing channels have been set up to guarantee the anonymity and impartiality of each whistleblower (irrespective of the place of employment), if necessary. from these channels can be used by employees of the Parent Company as well as all employees of Group companies. A notification procedure has been established by KGHM Polska Miedź S.A. by

Resolution of the Management Board of KGHM Polska Miedź S.A. of 30 October 2024 regarding acceptance for application of the "Procedure for receiving internal notifications of violations of laws and taking follow-up actions in the KGHM Polska Miedź S.A. Group" and applies to all subsidiaries of the Parent Company.

The Procedure for Receiving Internal Reports of Violations of Law and Follow-up, adopted in 2024 in the KGHM Group, in accordance with the requirements of the Act on the Protection of Whistleblowers (Journal of Laws 2024, item 928), replaced the previous internal regulation in this respect. Its purpose is to implement the requirements of the law and standards set out in the internal legislation in the scope of creation of internal whistleblowing channels and to define the rules and procedures for the submission of whistleblowing reports obtained in a work-related context. The procedure also aims to define the process for clarifying reports at the follow-up stage as well as to indicate the scope of protection for whistleblowers. In the company, units and individuals have been authorised to implement the process of handling the reports throughout the entire life cycle of a case, starting with the receipt of the notification, its registration, qualification and follow-up. In matters related to employee issues qualified as ethical notifications regarding breaches of the Code of Ethics of the KGHM Polska Miedź S.A. Group, the Code of Conduct in KGHM Polska Miedź S.A., the Human Rights Policy in KGHM Polska Miedź S.A. and the Responsible Supply Chain Policy in the KGHM Polska Miedź S.A. Group, matters are referred for clarification within the proceedings of the Ethics Committees established in each Division and subsidiary of KGHM.

Internal notification procedure under Resolution No. 487/XI/2024 of the Management Board of KGHM Polska Miedź S.A. of 30 October 2024 was adopted throughout the KGHM Group. It introduced the requirement that notifications should be submitted through the designated channels and received and recorded by the authorised KGHM unit. In accordance with the applicable Organisational Regulations of KGHM Polska Miedź S.A., responsibility for supervising the central system for the registration and processing of internal notifications of Whistleblowers in the Group has been assigned to the ZR Department. The availability of the aforementioned channels (KGHM Ethics Line, telephone lines, e-mail boxes) is provided as part of the IT services rendered by the KGHM Data Processing Division.

Information on the channels is provided to employees as part of regular ethics and anti-corruption training. Information in this respect is provided to employees by the Ethics and Anti-Corruption Representatives appointed in each Division and Company of KGHM.

Way of monitoring the notifications and ensuring the effectiveness of reporting channels

All internal notifications, including issues of labour law violation, are recorded in the central notification register. The notification register makes it possible to monitor a case from the moment it is registered until the follow-up activities are completed. The register is maintained in the eSignalist application, which is also used to manage the follow-up actions triggered by an accepted internal notification.

The application can only be eligible employees who have been authorised to perform activities in the request handling process. The process of clarifying the notifications is monitored by the Human Resources Department, in accordance with its responsibilities arising from the Organisational Regulations of KGHM PM SA and the Procedure for Receiving Internal Notifications of Violations of Law and Follow-up. Information on the implementation of the notification handling process is subject to periodic reporting.

Information on the implementation of the notification handling process is subject to periodic reporting. The statistical data related to the notifications are collated and subject to presentation as part of the annual reporting. According to the analysis conducted since 2018, i.e. since the adoption of the internal regulation on the acceptance of reports submitted by Whistleblowers, KGHM has observed a constant upward trend (averaged value), which demonstrates the confidence of employees in the implemented solutions. Employees are subject to mandatory ethics and anti-corruption training. The knowledge they gain comprises the issue of reporting and processing of internal notifications. Information on the internal notification procedure is also provided to candidates involved in the recruitment process via the eRecruitment application. Cyclical audits are also carried out, e.g. SZDA internal audits (ISO37001), which verify knowledge concerning the internal notification process.

Assessing whistleblower awareness, trust and protection in the processes of notification and resolving concerns

In accordance with the Procedure, an unconditional ban on retaliation against a whistleblower (both internal and external) and public disclosure is in force in the Group. The terms and scope of protection result from the national regulations in force in this respect. A person who considers that he or she has experienced retaliation has the possibility to submit a report in this respect to the unit indicated in the procedure (ZR Department) authorised to monitor the compliance with the obligation to protect whistleblowers in the Group.

The Group does not collect information on confidence in structures or processes as a means of raising its concerns or needs and resolving or addressing them. Employees of the companies are required to familiarise themselves with the companies' normative acts, undergo appropriate training and an "onboarding" process, which provides the information addressed in this section.

Due to the IT tools implemented in the KGHM Group for handling notifications, i.e. the "KGHM Ethics Line" application allowing for safe, including anonymous reporting, and the "eSignalista" application for managing follow-up activities, KGHM ensures a high standard of information security, including confidentiality and protection of personal data in the process of

handling notifications of whistleblowers. A person submitting a notification through the online form available on the Ethics Line platform has a possibility to monitor his or her case and to contact the persons handling the case through the confidential account, even if he or she has chosen to make an anonymous report.

In accordance with the internal regulations, the composition of the investigation team must ensure the impartiality and independence of the investigation, and consequently the members of the team who are related to any of the parties to the case through, inter alia, remaining in a superior-subordinate relationship, are excluded from the case and the composition of the team is supplemented accordingly.

[S1-4] Addressing the significant impacts on own staff resources and applying approaches to manage material risks and opportunities related to own staff resources and the effectiveness of these actions

The KGHM Group conducts its business activities in the spirit of social responsibility. It attaches importance to the monitoring and management of labour issues and focuses on real measures raising labour standards. Based on a risk analysis and the identification of key opportunities, specific initiatives are implemented to influence employment conditions and team development.

Due to the nature of their operations, KGHM Polska Miedź S.A. and key Group companies in the integrated value chain prioritise activities to ensure safe working conditions, stable employment, work-life balance and open dialogue with employees. The Group emphasises the importance of equal treatment and equal opportunities for all employees through, among others, access to development, gaining professional qualifications or learning foreign languages. The Group's companies provide their own employees with an attractive offer of fringe benefits and additional social benefits. Caring for the working environment, the Group has introduced clear rules for dealing with suspected violence and harassment in the workplace, and has provided channels for reporting violations and mechanisms for taking corrective measures (more in [section \[S1-3\] Processes for remediating the effects of negative influences and channels for raising concerns through own staff resources](#)).

These issues will be included in the update of the Strategy of the KGHM Group the operationalisation of which, including the definition of measurable objectives and the estimation of the necessary financial resources, will take place in 2025. The Strategy stipulates key activities and objectives in three time horizons, covering both the Group's own operations and its impact on the value chain, geographical areas and stakeholder groups. At the same time, the Strategy sets out mechanisms for monitoring progress and reporting the effects of implemented initiatives, both in quantitative and qualitative terms.

The Company has analysed the significant impacts on its own workforce and the associated risks and opportunities. In 2024, companies of the KGHM Polska Miedź S.A. Group were taking a number of actions to mitigate significant negative effects and enhance significant positive impacts on own employees. The Group is working to adapt its operations to meet the disclosure requirements required by the ESRS. The targets indicated in the report do not meet all the requirements under the MDR-A.

Risks

The materiality test identified one material risk related to working conditions, while no material corporate risk was identified in the area of equal treatment and equal opportunities for all, in accordance with the criteria adopted.

Measures taken – ensuring stable jobs and employment security, social protection and employee benefits

The Group places great importance on ensuring stable jobs, providing a sense of employment security, which translates into low employee turnover and no collective redundancies. Consequently, the organisation is perceived by stakeholders as a responsible employer, offering attractive and stable employment conditions to employees.

KGHM Polska Miedź S.A. supports its employees by offering various forms of material and social assistance financed from the Company Social Benefits Fund (ZFŚS) and additional non-wage (fringe) benefits.

The ZFŚS, within Polish Group's companies, is intended, among other things, to subsidise holidays for children and young people, cultural and educational activities, sports and recreational activities, and payment for children's stay in pre-school facilities and nurseries. The ZFŚS regulations make it possible to provide non-refundable financial assistance in special life situations, material support for Christmas, tangible assistance in the form of prepaid cards and repayable assistance for housing purposes.

KGHM also provides financial support based on the provisions of the ZUZP, including holiday benefits, cash equivalents for school expenses and holiday travel, as well as annual preventive and curative holidays. In addition to benefits from the Company Social Benefits Fund, employees and their family members are able to take advantage of subscription for medical care on preferential terms provided by the company of the "Miejskie Centrum Zdrowia" S.A. Group.

Employees of KGHM Polska Miedź S.A. participate in the Employee Pension Scheme. The Scheme is organised in the form of employee contributions to investment funds. The basic contribution funded by the employer amounts to 7% of the remuneration. Employees performing work in the territory of the Republic of Poland or in the territory of another country as part of posting by the employer are eligible to participate in the scheme if they are under 70 years of age, have been employed for no less than 3 months and submit a duly completed declaration of participation.

The measures taken, such as benefits from ZFŚS, ZUZP and PPE, provide employees with social support, employment stability and a sense of security, which is linked to the Employer's expected results, such as low turnover and high employee loyalty.

Measures taken under the ZUZP, ZFŚS and EPP are implemented on an ongoing and indefinite basis and cover all own employees (subject to the provisions in the paragraph above).

Measures taken – extensive methods of social dialogue (emphasis on dialogue with employees), cooperation with trade unions and works councils, functioning of collective agreements, social protection and benefits for employees

Many trade unions that play an important role in representing the interests of employees operate in the KGHM Group. The organisation recognises great importance of dialogue and cooperation with trade union representatives. In addition, employee councils operate in the Polish Group's companies, providing another channel of communication between employees and the Management Board. The largest companies of the KGHM Group have collective bargaining agreements in place that regulate the terms and conditions of employment, ensuring a balance between the interests of the employer and employees (see more on ZUZP in [section \[S1-1\] Policies related to own staff resources](#)).

In 2021-2023, an engagement survey was conducted among KGHM Polska Miedź S.A. employees. In cooperation with researchers from the University of Warsaw, a qualitative survey was conducted at the first stage among a representative group of employees to diagnose engagement factors in KGHM. At the next stage, a quantitative survey was carried out to determine the level of employee engagement. Based on the findings, areas with a positive impact on engagement and areas for improvement were defined. Based on an earlier diagnosis resulting from a three-year survey, activities were continued in 2024 to address the reported areas requiring support, including the development of managerial competence and psychological support for employees and family members. The interruption in the cyclical engagement surveys conducted among employees of KGHM Polska Miedź S.A. is dictated by the lack of significant new factors affecting the working environment and the time needed to introduce noticeable changes in the organisation. At present, it has not been decided whether and to what extent this type of survey will be carried out.

Dialogue with employees is also conducted in the area of planning employee training. The construction of training plans and the associated budget is carried out using an online tool, where - through managers - the development needs of employees are reported, taking into account personal and organisational needs. Planning of the training takes place in the context of complementing the professional qualifications and competence of the workforce to meet the needs of the organisation, also in relation to the broader competences of the future.

Measures taken – support for employees and work-life balance

Companies of the KGHM Polska Miedź S.A. Group implemented remote and hybrid working options where feasible and in compliance with operational requirements, bearing in mind the work-life balance of employees. KGHM Polska Miedź S.A., as a production enterprise operating in a continuous work system, does not have a possibility to apply flexible working hours to all of its activities. Obviously, the possibilities offered by the existing legislation to create a working environment that promotes the integration of work and family life and makes working hours more flexible (e.g. occasional remote working, the possibility to start work at preferred, convenient times for the employee) are currently applied. In addition, the companies carry out a number of initiatives that support the personal lives of employees (educational campaigns for fathers, the "Wonderful Parents" program, benefits for employees, e.g. subsidies for school starter kits, refinancing holidays for employees' children).

Measures taken – comprehensive programs to support employees' physical and mental health

Group companies carry out a range of activities related to supporting the physical and mental health of their employees. Health promotion programs are implemented on several levels:

- *Provision of healthcare.* KGHM Polska Miedź S.A. provides employees with access to subscription medical care at the "Mieziowe Centrum Zdrowia" S.A., including specialist consultations and laboratory tests. Three-week rehabilitation holidays are also organised for employees in need. The Company supports research and diagnostic programs, promotes blood donation and finances the modernisation of medical facilities, including those outside the KGHM Group. In addition, prevention and health trips for children and young people, rehabilitation and sports activities and monitoring examinations are funded.
- Employees of KGHM Polska Miedź S.A. in 2024 were able to benefit from the employee benefit Mental Care - psychological care. 660 people benefited from the program.
- *Promotion of physical and mental health.* KGHM Polska Miedź S.A. actively supports sport and health-oriented initiatives. In 2024, KGHM Polska Miedź S.A. co-organised sporting events such as the Cross Straceńców, the Mine Lamp Run and the St. Barbara's Run. Employees and their families were given the opportunity to participate in the KGHM Running Academy and free skiing lessons for children. In addition, sports communities are developed on the Intranet, employee initiatives related to cycling and running are being supported and health-oriented activities, including blood donation, are promoted.
- *Health education.* In 2024, KGHM Polska Miedź S.A. conducted educational campaigns on preventive health care, including prostate examinations, hydration, breast self-examination and autism-related issues. Physical and mental

health webinars were organised, available to all employees, and educational material was made available on the intranet. Internal communication channels promoted employees' sporting achievements, competitions were organised and guides to physical activity, such as mountain hiking, were published.

Measures taken – possibilities to develop skills/competences

The KGHM Group pursues a consistent policy of developing the competence of its employees. Detailed information on training and skills development metrics can be found in [section \[S1-13\] Training and skills development metrics](#) which shows the percentage of employees participating in regular performance reviews and career development (by gender) and the average number of training hours per employee in the Group.

Examples of development programs that support employees' career development and their commitment to the work performed:

- Leadership Studies. In 2024, the program initiated by a pilot project dedicated to managers from the Head Office and Divisions of KGHM Polska Miedź S.A. was continued. Development of key leadership competence has a direct impact on employee effectiveness, translates into organisational climate and business results of the Company.
- "EQUAL IN (NEURO)DIVERSITY" - the company continued to develop employees in the context of increasing awareness of neurodiversity, placing essential emphasis on building an inclusive organisational culture. In 2024, the classroom training course "A manager in a world of neurodiversity - strategies for effective management of neuroatypical talent" was held, attended by 162 people from the Company's metallurgical divisions. An online webinar - 'The neurodiverse world of a child' dedicated to all willing employees was also held..

Measures taken - dissatisfaction with overtime and shift work, work-related stress and the impact on employees' private lives, lack of adequate consideration of employees' opinions and needs

In view of the difficult working conditions (e.g. work in the mining plant operation) and taking into account the results of the employee engagement survey, the Company launched the benefit for employees: "Psychological support for KGHM Polska Miedź S.A. employees" Psychological support is a benefit dedicated to all employees of KGHM Polska Miedź S.A. and their relatives, and includes: psychological assistance in the form of one-to-one sessions, couples' and family therapy, parenting consultations and supervision for managers. In 2024, 660 people benefited from the program. The company will in future carry out an analysis to track and evaluate the effectiveness of the measures described above.

The companies of the KGHM Group conduct a number of cyclical pro-health activities covering both physical and mental health - as part of pro-health activities in 2024 educational campaigns were conducted via Intranet, employee initiatives related to health promotion were supported through subsidies and promotion (the "ZG Run" group of runners, cyclists, etc.). The company organised the "Pink October" and "Movember" campaigns, blood collections in cooperation with the RCKiK in Wrocław, regional sports events (e.g. Bieg Piastów, Kolej na Bieg, KGHM Cup) and offered financial support to sports clubs. Another initiative that deserves highlighting is the CARE SOLUTIONS educational project. As part of the project webinars on employee mental and physical health were provided. Training dedicated to KGHM employees of all divisions and their families with no limit of recipients. Seven 60-minute webinars were offered with a possibility of replaying them subsequently on the YouTube channel.

Measures taken – fatal and/or serious accidents at a workplace, occupational diseases

Occupational diseases in the mining and metallurgical industry pose a serious threat to the health of workers, due to the specific working conditions and exposure to a variety of harmful factors. For many years, KGHM Polska Miedź S.A. has been pursuing the long-term vision of "Safe human among the elements - Zero accidents due to personal and technical causes, zero occupational diseases among our employees and contractors". The Company has high occupational safety and health standards confirmed by a ISO 45001:2018 certificate⁸⁵ that apply equally to its employees and the employees of other service providers operating on the premises of KGHM Polska Miedź S.A.

All work stations have identified threats. The Company has assessed the professional risk and updates it on an ongoing basis. All employees are introduced to the risk assessment for their workplaces. Working environments are continually monitored and periodic reviews and potential threat assessments are conducted, as well as reviews of equipment and required technical checks and approvals. Employees undergo systematic training and continually enhance their qualifications. The company has procedures in place for identifying incidents and mitigating hazardous situations. The company promptly implements new legal requirements and regulations in the area of occupational health and safety. It also actively participates in the work of agendas of various entities with the aim of development of best available practices and behaviours in the area of occupational health and safety in the mining and processing industry.

A current assessment of occupational safety condition is performed at weekly meetings of the Vice President of the Management Board (Production) and at monthly meetings of the Management Board with the management of all the Divisions. The company also organises regular meetings with the mining supervisory authorities and representatives of the

⁸⁵ Certified OHS Management Systems based on ISO 45001 are also held by KGHM Group companies: Pebeka S.A., KGHM ZANAM S.A., INOVA sp. z o.o., KGHM METRACO S.A. and WPEC w Legnicy S.A.

National Labour Inspectorate, which are attended by social labour inspectors representing employees from individual Divisions. At least once a year, work safety issues are presented to the Occupational Safety Council in KGHM Polska Miedź S.A., established in the Company. The Council is comprised of representatives of the Company's top management with the Social party, i.e. the trade unions active in KGHM Polska Miedź S.A. and the Company Social Labour Inspectors in the divisions of KGHM Polska Miedź S.A.

Measures taken – gender pay gap

One of the main priorities of KGHM Polska Miedź S.A. is to create a working environment free of all forms of discrimination. The policies adopted, among others, the Code of Ethics of the KGHM Polska Miedź S.A. Group, as well as day-to-day management, apply high standards which result in employees being assessed on the basis of their performance and not on the basis of, for example, gender, age, nationality or ethnic origin. The Company monitors the gender pay gap by analysing the pay gap between men and women and the reasons of the differences that have occurred. It is crucial to apply clear and accessible remuneration criteria .

Measures taken – discrimination against people with disabilities at a workplace

The Group has not identified any discriminatory practices against people with disabilities in the workplace. However, due to the scale of operations and the KGHM Group's role as one of the key employers in the region, it was recognised significant to present an approach to the identified potential negative impact of discrimination.

The percentage of people with disabilities employed in the KGHM Group is low and amounts to 1.65%. The low representation of this group of employees results from the specific nature of work in the mining and processing industry and legal restrictions (in particular, mining and geological law and OSH regulations) on the employment of people with disabilities in positions in the core business. Nevertheless, this topic receives particular attention in the context of respecting human rights and ensuring equal opportunities in the labour market. The Company conducts analyses in this area in order to increase the employment of people with disabilities in those positions that are accessible to this group of potential employees.

Measures taken – inadequate prevention of workplace mobbing and violence and their psychological effects on employees, situations of workplace discrimination and abuse

Incidents of discrimination and abuse can have serious psychological consequences for employees, which emphasises the need for effective prevention and a rapid response in this area. The KGHM Polska Miedź S.A. Group, due to the large scale of its workforce, recognises the permanent need for preventive action in the area of abuse and violence in the workplace. Discrimination and abuse issues are monitored by the Whistleblower Platform - which is available to the company's own employees, workers in the value chain and communities affected by the company operations - and the Ethics Committee, and in addition, Polkowice-Sieroszowice mine has established a team of mediators to support employees in conflict situations. The Anti-Abuse Procedure commits the management boards of the companies in the Group to promote ethical attitudes and behaviours in line with the principles of social coexistence and to enforce them in interpersonal relations, to disseminate knowledge about the problem of abuse, methods of preventing it and the consequences of its occurrence, to provide employees with access to training on issues related to abuse, and to estimate and monitor the risk of its occurrence. For a more extensive commentary on the Procedure for Accepting Internal Reports of Violations of Law and Follow-up, see disclosure [section \[S1-3\] Processes for remediating the effects of negative influences and channels for raising concerns through own staff resources.](#)

When analysing the employment structure in the KGHM Polska Miedź S.A. Group, it should be noted that, besides the production area, the representation of both genders is very similar. However, a significant percentage of the Company's workforce is its technical staff, and there are serious problems related to recruiting women into positions in this area - the proportion of girls and young women who are educated in STEM subjects is still low. This means that there are no female employees with the required technical qualifications on the labour market who could be employed by the Company. In addition - occupational health and safety regulations exclude a number of jobs that can be performed by women in mining or smelting operations and prevent increasing the representation of women in technical positions.

Measures taken – low representation of vulnerable groups at risk of exclusion

- **“Competent in the Mining and Metallurgy Industry. KGHM - a key partner in vocational training.”**
As part of the KGHM Polska Miedź S.A. Program, since 2018 KGHM Polska Miedź S.A. has been supporting education in the professions most relevant to the region, as well as those of key importance to the Company. Patronage classes are attended by both boys and girls. In 2024, the Company employed 200 graduates covered by the Program. As part of the program, promotional campaigns are undertaken addressed to girls to present career opportunities in technical professions related to the mining and metallurgical industry.
- **Advisory team for employment of women in underground positions**
In addition to the previously mentioned activities, the KGHM Group responds to the needs of employees on an ongoing basis, respecting the right to equal treatment in the workplace. An advisory team for employment of women in underground positions was established in 2024, with representatives from Head Office (HR) and the Mining Divisions

(HR, chief engineers, etc.). The team's work will result in a list of underground positions that, taking into account the strict provisions of occupational health and safety regulations, can be occupied by women (report: Q2 2025).

- **Team of in-house mediators**

A team of internal mediators - the additional channel to monitor, report and respond to conflict situations in the workplace - has been established at the Polkowice-Sieroszowice mine.

- **Follow-up and replacement plan**

In 2023, the KGHM Group established a project team for the creation and formal implementation of the succession and replacement plans for KGHM Polska Miedź S.A. The rules for the creation and operation of the succession and replacement plan for key positions covered all Divisions of the Company. This document will be reviewed and updated in 2025. The aim of the procedure is to review key competences from the point of view of maintaining production continuity and strategic processes. By setting out objective criteria related to promotion/replacement in job positions, the succession and replacement plan will allow for transparent, competence-based staffing decisions to counteract stereotypes about women in technical positions. The *Succession and Replacement Plan* in place is designed to diagnose the key competence areas required for the continuity of the Company's operations and to identify the development needs of employees, which are supplemented by the training budget. The plan supports the development of staff through the improvement of competence and skills and the acquisition of necessary qualifications, which contributes to strengthening the organisation's potential.

- **"Equal in (neuro)diversity"**

In addition to women, neuroatypical people represent another social group that may be excluded from the labour market. In 2024, the KGHM Group continued the "EQUAL IN (NEURO)DIVERSITY" program. This project was aimed at building awareness of the challenges related to neurodiversity. The training was dedicated to the management teams of the Smelter Divisions of KGHM Polska Miedź S.A. In addition, a webinar on "The neurodiverse world of a child" was held, available to all employees of KGHM Polska Miedź S.A.

Time perspective of implemented initiatives

The policies and regulations introduced for application in the KGHM Polska Miedź S.A. Group are in force indefinitely and act as a determinant of activities aimed at ensuring an attractive and safe working environment. Activities are implemented on an ongoing basis. Following the adoption of the Company's business strategy update, schedules for specific human capital management initiatives, objectives and activities will be developed as part of the process of operationalising the key strategic directions.

Preventing and mitigating the negative impact of business practices on employee resources

A number of regulations have been implemented in the KGHM Polska Miedź S.A. Group to mitigate the negative impact on its own employee resources and to ensure compliance with ethical and human rights protection principles. Key documents include the Procurement Policy, the Contracting Policy, the Responsible Supply Chain Policy and the Anti-Corruption Policy and the Code of Ethics including the Codes of Conduct, which further support the elimination of the risk of conflict of interest.

The Company places great emphasis on building employee awareness in these areas through e-learning courses, publication of policies and communication on the KGHM Portal (Intranet). In addition, the KGHM Polska Miedź S.A. Group has Regulations of the Ethics Committee in place and the Whistleblower Platform to monitor and respond to cases of harassment, mistreatment and other irregularities in the workplace.

Strategy of the KGHM Polska Miedź S.A. Group

Due to the ongoing work on updating the business strategy of the KGHM Polska Miedź S.A. Group in 2024, followed by its operationalisation and measurement, it is not possible for the Company to provide the full, reliable information required by the following disclosures regarding its own workforce:

- Disclosure of the nature of current and future financial and other resources allocated to the action plan (Capex and Opex)
- Explaining the link between current financial resources and key amounts presented in the financial statements
- Disclosure of information on whether and how action has been taken to provide or enable redress in relation to the actual material impact
- Description of the manner of tracking and evaluation of the effectiveness of activities and initiatives in achieving outcomes for own workforce
- Disclosure of resources allocated for the management of significant impacts
- Information on measures taken to mitigate the negative impact of the transition to a greener and climate-neutral economy for employees

Measures taken – a possibility of securing external support for OHS innovation, high capacity of the Group and selected dedicated OHS R&D centres capable of diagnosing and adapting to change.

The Group identifies significant opportunities related to the management of its own staff resources, which can contribute to optimising operating costs and increasing organisational efficiency. In particular, the Group perceives an opportunity to use external financial support for innovation in the area of health and safety, which can improve safety standards and

process efficiency. Moreover, an increased commitment to raising public funds for the Group's transformation may be an important part of the strategy to optimise operating costs.

The Group also recognises the key role of cooperation with specialised research and development (R&D) centres in the field of health and safety. A long-term plan to work with reference bodies can allow the organisation to adapt more effectively to regulatory and technological changes, while potentially improving safety at work.

The KGHM Group identifies the potential to implement long-term succession and career adaptation programs as a key opportunity in the area of human resources management. Building an effective and inclusive organisational culture that supports the development of employee competences and the implementation of programs targeting new strategic skills are important elements in strengthening the Group's human capital.

In the context of managing significant opportunities related to employee resources, the Company plans to operationalise these initiatives as part of the Group's corporate strategy update. This process involves the allocation of appropriate resources and the implementation of dedicated measures aimed at optimising operational costs by better matching competences to the current and future needs of the organisation.

Detailed action plans and the resources allocated to implement these initiatives will be defined in the next stages of implementation of the Group's strategy, in line with the ESRS 2 MDR-A requirements for managing significant opportunities in the area of sustainable development.

[S1-5] Goals related to managing significant negative impacts, enhancing positive impacts and managing significant risks and opportunities

Workforce management is the key element of any organisation's strategy, and in the case of KGHM this is of particular importance. The goals set in this area focus on identifying and managing the significant impacts, risks and opportunities associated with the workforce. The Group's companies continuously undertake measures aimed to reduce negative impacts on the workforce by:

- Implementing health and prevention programs to reduce sickness absence and improve the overall health status of KGHM Polska Miedź S.A. employees.
- Providing regular occupational health and safety training to minimise accidents at work.
- In addition to their motivational function, extensive access to employee benefits and social care has a significant impact on the health and well-being of employees.
- Increasing positive impacts on the workforce:
 - Providing training and development programs, including subsidised studies, to support the ongoing professional development of employees.
 - Organising integration events and building community at the workplace to increase employee satisfaction and engagement.
- Management of material risks and significant opportunities:
 - Implementation of talent and career management programs, including succession plans, to ensure continuity and growth of the organisation.
 - Monitoring of remuneration indicators, including the wage gap, to ensure wage equity and equal opportunities.

The objectives outlined above do not meet all the requirements of the ESRS. The Group is working on alignment of its activities to bring its reporting processes in line with MDR-A, MDR-T and MDR-M requirements in future reporting periods.

[S1-6] Characteristics of the entity's employees

Employees of the KGHM Group constitute a group of key stakeholders and are the Company's most valuable asset. The Company provides work based on respect for diversity and competence, as employees play a significant role in the development of all areas of the business model. The KGHM's development is supported by the specialised and expert knowledge of its employees in individual fields. The Group employs people with the highest potential who jointly build the success of the entire organisation. The KGHM Group exercises due diligence in human capital management processes, adhering to both Polish law, the EU law and the international law in respect of international companies.

Table 184. Total number of employees broken down by gender in the KGHM Polska Miedź S.A. Group

Item	Number of employees (headcount) ⁸⁶		
	Men	Women	Total
KGHM Polska Miedź S.A. Group	28,799	6,229	35,028

⁸⁶ Number of employees (headcount) as at the last day of the year, excluding members of the Management Board employed under civil law contracts - Contracts for the provision of management services

The vast majority of the employees of the KGHM Polska Miedź S.A. Group are employed in Poland - 31,884 people, which represents 91% of the total employment level.

In 2024, the total number of employees in the KGHM Polska Miedź S.A. Group amounted to 35,028, while the average headcount ratio amounted to 35,028.

Table 185. Total number of employees broken down by type of employment (full-time or part-time) and by gender in the KGHM Polska Miedź S.A. Group

Item	Number of employees (headcount) ⁸⁷			
	full-time		part-time	
	men	women	men	women
KGHM Polska Miedź S.A. Group	28,755	6,142	44	87
Total	34,897		131	

Table 186. Total number of employee resignations broken down by gender in the KGHM Polska Miedź S.A.

2024	Number of employees (headcount) ⁸⁸	Number of resignations of employees.	Turnover ratio*
men	28,799	2,443	8.5%
women	6,229	522	8.4%
Total	35,028	2,967	8.5%

*The turnover ratio is calculated as the number of employee departures divided by the total number of employees and then multiplied by 100 to obtain a percentage. The figure includes employees who changed employment within the KGHM Group companies.

Table 187. Number of permanent and temporary employees, total and broken down by gender, in the KGHM Polska Miedź S.A. Group (S1-6 point 50b)

2024	Number of permanent employees		Number of temporary employees	
	men	women	men	women
KGHM Polska Miedź S.A. Group	25,611	5,477	3,188	752
Total:	35,028			

[S1-7] Characteristics of non-employees forming the entity's own staff resources

In accordance with *Appendix C* of ESRS 1, the KGHM Polska Miedź S.A. Group uses the option to omit reporting of all data points included in this disclosure requirement in the first year of preparing the sustainability statement.

[S1-8] Scope of collective bargaining and social dialogue

The KGHM Polska Miedź S.A. Group fully respects the rights of employees to associate in employee organisations and trade unions as well as to conduct collective bargaining both within and outside the EEA.

In 2024, 31,418 employees (89.7%) in the KGHM Polska Miedź S.A. Capital Group were covered by collective bargaining agreements. The percentage of employees covered by collective agreements in the EEA area is 94.3%. The collective bargaining agreements are in force in the largest companies of the KGHM Polska Miedź S.A. Group.

With few exceptions, trade unions operate in the Group's companies. In 2024, the companies held discussions with the trade unions on wage issues, bonus rules, employment and working conditions and social issues as well as the amount of the contribution for the Employee Pension Scheme.

In the international companies of the KGHM INTERNATIONAL LTD. Group, the interests of the employees of FNX Mining Company Inc. are represented by the trade union of United Steelworkers Local 2020, which associates employees of this company in the Sudbury Basin in Canada.

⁸⁷ Number of employees (headcount) as at the last day of the year, excluding members of the Management Board employed under civil law contracts - Contracts for the provision of management services

⁸⁸ Number of employees (headcount) as at the last day of the year, excluding members of the Management Board employed under civil law contracts - Contracts for the provision of management services

In DMC-brand companies, only the employees of the company operating in Chile (DMC Mining Services Chile SpA) are represented by trade unions. The company maintains good relations with the trade unions and adheres to the provisions of the collective agreements concluded.

In 2024, 1340 employees were covered by collective agreements in the KGHM Polska Miedź S.A. Group's international companies, with a unionization rate of 55% of employees at FNX Mining Company Inc. and 93.22% of Chilean employees at DMC.

The Group's employee representatives are elected in elections held in all subsidiaries, both domestic and foreign. As a result, all the group's employees are included in the representation, ensuring a 100% representation rate.

[S1-9] Diversity metrics

In accordance with ESRS requirements, the KGHM Polska Miedź S.A. Group has presented information on the gender structure of top management, using a definition that comprises positions at the first and second level below administrative and supervisory bodies.

Table 188. Gender distribution by number and percentage in the top management in the KGHM Polska Miedź S.A. Group.

2024 Position category	gender	Group	
		number	percentage
Management Board	men	48	90.6%
	women	5	9.4%
Senior management	men	163	72.4%
	women	62	27.6%
Management staff	men	1 116	68.2%
	women	521	31.8%

Table 189. Age structure of employees in the KGHM Polska Miedź S.A. Group.

2024 Age group	number	Group
		percentage
<30	4,413	12.6%
30-50	22,593	64.5%
>50	8,022	22.9%

[S1-10] Adequate wage

All employees of the KGHM Polska Miedź S.A. Group receive adequate remuneration as defined by the ESRS S1-10 standard, which means that there are no cases of remuneration below the minimum wage in force in each of the countries where the Group operates.

[S1-11] Social protection

The Group has both social protection systems in place in accordance with the Labour Code and within the framework of public programs, as well as additional social programs in selected KGHM Group's Companies to protect employees against loss of income due to serious life events.

Employees working in the Group's domestic and international companies under an employment contract are covered by social protection against the loss of income due to illness, unemployment, accident at work, parental leave and retirement, in accordance with the applicable regulations arising from the Labour Code and international labour and social protection legislation.

Moreover, selected Group companies offer additional social programs such as group life insurance, subscription health care, an employee pension scheme and benefits from the company social benefits fund.

Table 190. Basic social protection regulations and tools in countries of the KGHM Group's operation

Country	Basic social protection provisions and tools
Poland	<ul style="list-style-type: none"> – Labour Code (pension, disability, sickness, accident insurance) mostly) – Company Social Benefits Fund - operates in most domestic companies (provides a range of benefits that act as non-wage employee motivation factors, providing non-refundable financial assistance in special life situations, material support during holidays, material assistance in the form of prepaid cards and refundable housing assistance) – Company Collective Labour Agreement operates in a part of domestic companies (holiday benefits, cash equivalents for school expenses and holiday travel, as well as annual preventive and curative holidays). – Employee Pension Scheme (in the form of employee contributions to investment funds).
Chile	<ul style="list-style-type: none"> – FONASA (public health system) – ISAPRE (private health system)

	<ul style="list-style-type: none"> - AFP scheme (pension scheme), - Act 16.744 (accident insurance, occupational diseases)
USA	<ul style="list-style-type: none"> - Social Security Act, Federal Unemployment Tax Act (benefit schemes, unemployment insurance) - Arizona: Workers' Compensation Law (workers' compensation), Fair Wages and Healthy Families Act (minimum wage and workers' rights to paid sick leave), Earned Paid Sick Time (sick leave) - Nevada: NRS Chapter 612 - Unemployment Compensation, Employer Handbook (internal document containing, among others, information on unemployment benefits) - Utah: Utah Employment Security Act (unemployment insurance), Internal Revenue Service (regulates pension plans)
Canada	<ul style="list-style-type: none"> - Bill 148 - a plan for fair Workplaces and Better Jobs (paid leave for emergencies), - Employment Standards Act, 2000 (sick and parental leave), - Employment Insurance Maternity and Parental Benefits (maternity and parental benefits)

[S1-12] People with disabilities

The KGHM Polska Miedź S.A. Group creates an accessible and supportive working environment for people with disabilities by adapting the infrastructure and IT systems to their needs and by using modern technology to facilitate their daily work. The company ensures equality in employment by offering equal opportunities for professional development where this work is feasible. Through training and education, KGHM is raising awareness and acceptance of diversity.

In the Group's domestic companies, the percentage of own employees with disabilities as at 31 December 2024 amounted to 1.65% of employees.

In the international companies of the KGHM Polska Miedź S.A. Group, the confidentiality of information on the disability of employees is regulated by a number of various legal acts. In addition, employees are not required to share information concerning their disability unless it affects the performance of their obligations. Accordingly, it is not possible to provide the percentage of persons with disabilities in international companies.

[S1-13] Training and skills development metrics

Employees of the KGHM Polska Miedź S.A. Group are provided with training and skills development in the context of continuous professional development in order to enhance employees' skills and facilitate their continuous ability to be employed.

Employees are assessed on an ongoing basis in terms of their performance, which results from the bonus regulations of the Head Office and the Divisions. The Management Board and the top management staff are subject to assessment in terms of performance of the management goals.

The KGHM Polska Miedź S.A. Group does not have uniform principles in place for Periodic Employee Appraisal; individual Group companies have their own internal regulations in this respect. In 2024, the percentage of men in the KGHM Polska Miedź S.A. Group who participated in regular reviews of performance and career development was 14.9%, while the percentage of women was 35.7% (the total percentage of persons evaluated was 18.6%).

Table 191. S1-13 - Average number of training hours by gender [2024]

Item	Average number of hours ⁸⁹
Average per employee	21
Men	23
Women	11

Training programs in the KGHM Group are tailored to the organisation's business objectives. The basis for the planning of training and the calculation of the necessary resources is the periodically collected information on the development needs of employees.

The KGHM Polska Miedź S.A. Group does not have a defined common Training Policy. Due to the international scope of activities, cultural differences and the specific nature of the industries in which the KGHM Polska Miedź S.A. Group operates, each of the companies conducts a number of activities related to employee training, adapted to the profile of activity.

In 2024, development activities in the KGHM Group focused on maintaining and improving human capital and effective management of intellectual capital.

⁸⁹ Data for the Group does not include KGHM INTERNATIONAL LTD, Uzdrowisko Świeradów-Czerniawa Sp. z o.o. - PGU Group and Walcownia Metali Nieżelaznych "ŁABĘDY S.A." - the companies do not keep statistics according to such criteria

[S1-14] Occupational health and safety metrics

In the first year of sustainability reporting, the KGHM Polska Miedź S.A. Group uses the option to omit publication of the rate of reportable work-related accidents and in respect of non-employees, in accordance with Appendix C of ESRS 1.

Table 192. Basic occupational health and safety metrics

Description of indicator	Indicator	Item
Percentage of employees covered by the occupational health and safety management system	S1-14 point 88 a	99.9%
Number of fatalities due to work-related injuries and work-related ill health	S1-14 point 88b	5
Number of reportable work-related accidents	S1-14 point 88c	362
Number of cases of reportable work-related ill health, subject to legal restrictions on data collection	S1-14 point 88d	38
Number of days lost due to work-related injuries and fatalities due to work-related accidents, due to work-related ill-health and fatalities due to ill-health	S1-14 point 88e	20,635

* based on legal requirements or recognised standards or guidelines

The number of days covers the full period in the reporting year. The indicators have not been validated by any external body other than the assurance provider.

[S1-15] Work and life balance metrics

In the KGHM Polska Miedź S.A. Group, all employees, with the exception indicated in the second paragraph, are entitled to family leave. As defined by the ESRS, these include leave and benefits such as maternity leave, paternity leave, parental leave, carer's leave, including included parental leave, leave related to caring for a child under 14 years of age for 16 hours or 2 days, and childcare allowance and family care allowance.

The only reservation in this respect is the situation in US-based companies, where, under the *Family and Medical Leave Act (FMLA)*, the right to take unpaid leave for specific family or medical reasons, protected from dismissal, is acquired after working for 12 months and a minimum of 1,250 hours. In addition, US-based companies have introduced an in-house *Paid Parental Leave* program to support employees in the period following the birth of a child or adoption. Employees become eligible to benefit from this scheme after working for the company for six months.

Statistics on the percentage of employees using these rights, including a breakdown by gender, are shown in the table below.

Table 193. Work and life balance metrics

Percentage of employees authorised to take leave for family reasons	99.8%
Percentage of eligible employees who took leave for family reasons, including:	33.5%
– men	32.0%
– women	40.6%

[S1-16] Remuneration metrics (pay gap and total remuneration)

As part of the activities of KGHM Polska Miedź S.A., an important aspect of human resources management is the monitoring and reporting of wage indicators, including the pay gap and total remuneration.

Pay gap

The gender pay gap is described as the difference in the average wage level between female and male workers. The Gender Pay Gap indicator - GPG - is used to calculate the difference.

Table 194. Pay gap, KGHM Polska Miedź S.A. Group

Type of remuneration		Gender pay gap - GPG
Average hourly remuneration	Basic*	20.1%
	Total**	30.2%

* Basic salary: the salary paid on a monthly/weekly basis including, among others: basic salary, bonuses and other allowances (e.g. length-of-service allowance, coal allowance, shift allowance, injury benefits, function allowance - no overtime pay).

** Total remuneration: the sum of basic salary and other remuneration components (for Domestic Companies, remuneration components included in the remuneration according to the methodology of Statistics Poland), e.g.: annual awards, bonuses and quarterly awards, jubilee awards, overtime pay.

Analysis of the resulting gap shows that the Group structure has the greatest impact on the wage gap to the detriment of women. Employees of the the Group's companies work in different industries, different market conditions and are subject to different wage regulations at national and international level. Due to their organisational diversity as indicated above, employees of the Companies constitute separate and diverse categories of employees.

Moreover, the noticeable difference between the average annual and hourly remuneration results from the use of reduced working hours in the mining and production Divisions, due to the presence of working conditions particularly burdensome or particularly harmful to health. Employees, mainly men, working under these conditions and working in reduced hours are entitled to be paid as if they were working an eight-hour day.

An analysis of the components included in basic and total remuneration shows that the pay gap to the detriment of women is most affected by pay components related to working conditions, mainly linked to the workplace (underground) and working systems.

Total remuneration

The ratio showing the annual total remuneration of the highest earner to the median total annual remuneration of all employees (excluding that highest earner).

In KGHM Polska Miedź S.A., in 2024, the ratio reached 13.1, meaning that the highest-paid employee earned nearly 13.1 times the median annual salary of all other employees.

[S1-17] Incidents, complaints and serious impacts on adherence to human rights

In KGHM Polska Miedź S.A., internal procedures have been in place since 2018 for receiving, registering and processing reports covering, inter alia, labour law and human rights violations. Applications are registered in a central register. Subsidiaries are required to implement these procedures within their structures. Most companies have already brought their internal regulations into line with current legislation, while some remain in the process of implementation.

The statistical data are extracted by analysing the data collected in the aforementioned Register based on selected criteria, such as the subject of the filing, the subject of the filing, the date of the filing, etc. For S1-17 disclosures, data from the aforementioned Register were used, taking into account internal filings made in 2024 by Company employees, including anonymous filings. These included: bullying, harassment, discrimination, unequal treatment, violations of labour and human rights, violations of rules of social coexistence and violations of personal rights.

Additional information is obtained from quarterly corporate risk reports, consolidated at Head Office level. Risk reports contain data on key incidents affecting the level of risk.

In addition, the Group companies implemented Procedures for acceptance of internal notifications of violations of law and taking follow-up actions in the KGHM Polska Miedź S.A. Group, as well as anti-abuse procedures.

In the reporting period, 11 reports were registered in the KGHM Polska Miedź S.A. Group, in which whistleblowers indicated, among other things, the possibility of abuse. The total number of all whistleblower reports registered with the Group in 2024 was 79.

The total amount of fines, penalties and compensation for damages resulting from cases of discrimination amounted to PLN 104,500. The amount means discrimination damages, concluded by the District Court Judgement of 29 December 2023 (with the Court of Appeal dismissing the appeal on 28 May 2024). The amount was awarded in 2024, however, the case related to earlier reporting periods.

During the reporting period, there were no serious human rights violations (e.g. forced labour, human trafficking, child labour) and incidents involving own labour or serious human rights violations (e.g. forced labour, human trafficking, child labour) and incidents in the Group involving own labour in violation of the UN Guiding Principles on Business and Human Rights or the OECD Guidelines for Multinational Enterprises.

The total amount of fines, penalties and damages for serious human rights violations and incidents related to own labour was PLN 250,000. The amount is the compensation and damages for abuse adjudicated by the judgement of 2 October 2024 of the Regional Court (PLN 50,000 as compensation and PLN 200,000 as damages). The amount was awarded in 2024, however, the case related to earlier reporting periods.

4.3.2 [S2] Workers in the value chain

In the materiality analysis of the KGHM Polska Miedź S.A. Group's impacts on workers in the value chain, the indirect impact of the Group's companies on the employees of its suppliers, in particular on their employers' respect for the labour and human rights of this group of stakeholders, was considered material.

The table below shows the significant impacts, risks and opportunities in relation to ESRS topic S2 - Workers in the value chain. Detailed information concerning the significant IROs are presented in section [\[SBM-3\] Significant impacts, risks and opportunities and their links with the strategy and business model](#). The Group expects suppliers to behave ethically in their dealings with their employees, but the interests and opinions of stakeholders such as the employees of the Group's suppliers have not yet influenced the Group's business model or strategy.

KGHM Polska Miedź S.A. Group, in accordance with the transitional provisions of the ESRS, discloses value chain information in the first reporting year to the extent of available internal data and publicly available sources (for more information, see section [\[SBM-1\] Strategy, business model and value chain](#)), limiting the analysis of the characteristics of those performing work in the value chain of upstream and downstream entities that are or may be materially influenced by the entity, including influences related to the entity's own operations and value chain, including through its products or services, and business relationships. Basic information on the main groups of suppliers and customers, key in the Group's business model and value chain, is included in the section [\[SBM-1\] Strategy, business model and value chain](#).

[S2-1] Policies related to workers in the value chain

There is no dedicated policy related to workers in the value chain in the KGHM Polska Miedź S.A. Group which would comprehensively include identified impacts, risks or opportunities under the ESRS S2. Such issues are reflected in other documents implemented in KGHM Polska Miedź S.A., as well as in Group's companies that transpose selected policies or procedures from the Parent Entity. The KGHM Group's policies are currently being adapted to the requirements arising from the new sustainability reporting standards.

KGHM Polska Miedź S.A. adheres to the highest ethical, social and environmental standards in its operations, operating in accordance with international guidelines such as the UN principles, the OECD Guidelines and the United Nations Global Compact initiative. These commitments are rooted in the Procurement Policy and the Contractor Charter, which is a key document that sets out the standards for working with external parties and demonstrates a commitment to those doing the work in the value chain. The Contractor's Charter clearly defines the principles of cooperation, requiring all suppliers and partners to comply with international standards in the scope of human rights, working conditions and business ethics. These principles include the elimination of all forms of forced labour, slavery and child labour. The organisation identifies and monitors high-risk business relationships in accordance with OECD Guidelines and the Joint Due Diligence Standard for Copper, Lead, Molybdenum, Nickel and Zinc as part of The Copper Mark initiative or the Responsible Minerals Initiative. The Copper Mark certificate is used by the Group's metallurgical plants. The Copper Mark, as part of its cyclical external audits, assesses the due diligence procedures in place at KGHM Polska Miedź S.A., confirming full compliance of activities and policies for responsible mineral supply chains with the recommendations of the OECD Guidelines, including those relating to human rights.

The Contractor's Charter applies to all business partners of KGHM Polska Miedź S.A., regardless of the region in which they operate. Supporting responsible raw material sourcing initiatives from conflict-affected areas (conflict minerals) is one of the key elements of the Contractor's Charter. At the same time, the lack of a formal code of conduct for suppliers and detailed data on cases of violations by sub-suppliers (tier 2) indicates room for further development in monitoring and reporting on the compliance with the guidelines.

The Company declares full transparency in its operations by making its Responsible Supply Chain Policy available on its website, allowing potential stakeholders to familiarise themselves with the rules applicable in the Group. The companies of the KGHM Polska Miedź S.A. Group do not tolerate violation of human rights, including forced labour or human trafficking, and in the event of identifying a significant risk of serious abuse, they immediately take action, such as suspending or terminating the cooperation with the responsible party. The Company emphasises its commitment to human rights, labour standards, environmental protection and counteracting corruption, as expressed in its Human Rights Policy.

The Group's international assets do not have policies in place for the topic concerned. Companies, on the other hand, are obliged to comply with the laws in their areas of operation. Canadian examples include: *Fighting Against Forced Labour*, *Child Labour in Supply Chain Act* and *the Canadian Human Rights Code*.

The Group has not recorded any instances of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises among employees of cooperating entities.

[S2-2] Processes of collaboration with workers in the value chain in the scope of impacts

The Group does not have dedicated regulations that provide for a possibility for workers in the value chain to actively participate in the decision-making process regarding the management of actual and potential impacts in the supply chain. Similarly, there are no regulations in place to provide for the representation of workers in the supply chain through their representatives or credible proxies or procedures describing the stage, types or frequency of involvement.

In the absence of a dedicated process, no person or unit with operational responsibility for engagement processes has been identified, nor have the methods, indicators or tool used to assess the effectiveness of engagement with workers in the value chain been implemented.

[S2-3] Processes for remedying the effects of negative impacts and channels for raising concerns through workers in the value chain

The general approach and process for providing or contributing to redress where the company has determined that there is a material negative impact on workers in the value chain corresponds to the process for remedying the impact of negative impacts on the company's own employee resources as described in [section \[S1-3\] Processes for remedying the effects of negative influences and channels for raising concerns through own staff resources](#).

If the follow-up measures taken by the Company as a result of the report confirm a significant negative impact on workers in the value chain, adequate corrective and remedial action will be taken, including compensation where justified.

The ways in which workers in the value chain raise concerns or needs directly with the Company and request a solution are the same as for the Company's own employee resources and are described in [section \[S1\] Own staff resources](#).

The procedure for internal whistleblowing and taking follow-up measures includes reports from so-called "job seekers". Within the meaning of the procedure, a Job Seeker is a person employed by an Entity of the KGHM Group based on an employment contract and/or civil law contract or other legal relationship (e.g. appointment); regardless of their position in the organisational hierarchy, a person recruited by an Entity of the KGHM Group, as well as a person employed by a Subcontractor of one of the above entities.

The KGHM Polska Miedź S.A. Group provides a Whistleblower Platform containing an internal notification form and a list of other channels to enable the submission of the notification. The solution is accessible to workers in the value chain from the corporate website level. Other channels - email boxes and telephone lines - are also generally available. The Whistleblower's platform is available in four languages: Polish, English, Spanish and Russian. Information on processes that support or require the availability of channels, as well as issues relating to the monitoring of requests and the evaluation of their effectiveness, is further described in [section \[S1-3\] Processes for remediating the effects of negative influences and channels for raising concerns through own staff resources](#).

KGHM Polska Miedź S.A. undertakes measures to identify, assess and manage negative impacts on workers in the value chain. These actions include regular supplier audits and assessments, employee training and education, as well as the implementation of standards and procedures to promote safe and decent working conditions.

At the stage of the purchasing process, contractors are provided with the KGHM Polska Miedź S.A. Group's key corporate documents, such as the Code of Ethics, the Anti-Corruption Policy, containing information on the internal reporting procedure and available channels. The Company does not conduct any surveys or analyse the effectiveness of these mechanisms among value chain employees, nor does it assess their awareness or level of confidence in the whistleblowing procedures and their ability to resolve violations (publicly available Whistleblower Platform).

Information on the Internal Whistleblowing Procedure is provided to individuals who are not engaged in business activities in the event of an application to enter into a civil law contract with KGHM Polska Miedź S.A. In accordance with the Company's procedures, the reason for the commencement of the process related to the conclusion of the aforementioned agreement is the submission of a declaration by the candidate that he/she has received information on the internal whistleblowing procedure.

Information in the above scope is included in [section \[S1-3\] Processes for remediating the effects of negative influences and channels for raising concerns through own staff resources](#), similar to the description of the principles of protection against retaliation, respect for the right to privacy and data protection rights for persons using whistleblowing channels.

The Ethics Line and the way it operates in relation to workers in the value chain is universal across the KGHM Group, including international assets. Companies, either directly - on their websites or indirectly - by referring to the Parent Entity's resources, provide access to information about the Parent Entity. Moreover, the Code of Ethics of the KGHM Polska Miedź S.A. Group and the codes of conduct based on the Code of Conduct of KGHM Polska Miedź S.A. are implemented and applied - relating, inter alia, to the issue of compliance with human rights. The contractor is obliged to become familiar with the aforementioned documents and to apply them. In addition, at the bidding stage, bidders are required to submit a declaration of compliance with the principles of human rights and labour standards, ethics and business operations referred to as the "Contractor's Charter".

[\[S2-4\] Addressing the significant impacts on workers in the value chain and applying approaches to manage material risks and using opportunities related to workers in the value chain and the effectiveness of these actions](#)

Actions aimed at suppliers' employees working on the premises of KGHM Polska Miedź S.A. Group divisions

The Parent Entity and selected Group companies implement practices in their operations relating to working conditions and systems to protect the health and prevent accidents with regard to the work of suppliers' employees. Measures are taken to monitor the implemented practices and activities. In the selection of suppliers and purchasing processes, contractors are required to sign and comply with the provisions of the Contractor's Charter, including the adherence to basic human and employee rights.

KGHM Polska Miedź S.A. implements advanced safety systems in mines, such as gas monitoring and automatic ventilation systems, to prevent accidents and protect the health of employees. The effect of these procedures is to counteract potential negative health and safety impacts for both its own employees and those of contractors performing work on the Company's sites. It also prevents materialisation of the risk of accidents in the workplace and the associated consequences for employees and the Company. On the other hand, the starting point for defining appropriate and necessary measures in response to actual or potential negative impacts (as well as risks) includes, among others, the regulations on occupational health and safety, traffic management and specialised fire protection at underground mines. Group does not carry out additional activities beyond those mentioned to prevent significant negative impacts or additional activities with the main purpose to ensure positive impacts.

Value chain employees have an access to documents such as policies, codes of ethics or codes of conduct and information on how to report violations, including ethics lines. No serious human rights issues or incidents related to the upstream or downstream value chain were reported during the reporting period.

The Company provides occupational health and safety (OHS) training for third-party employees. During the training, employees are informed about safety and health risks while working on the Company's premises. They receive all the necessary information on health and safety, fire protection and environmental protection. Trainees confirm their attendance with their signature.

Training takes place in various forms, depending on the Company's division. According to Polish regulations, basic OHS training for their employees is carried out by their employers (subcontractors). The Company requires subcontractors to have a valid certificate of OHS training. The rules of cooperation with third parties are governed by the internal procedure in this scope.

According to the procedure, contractors are obliged to inform the OHS Services immediately of any occupational accidents and near misses on the premises of KGHM Polska Miedź S.A. Other potential negative impacts such as unethical behaviour that violates the dignity and rights of employees, including employees in the value chain, can be reported through the Whistleblower Platform. The company continuously monitors and periodically reports data on occupational accidents that have occurred on its premises and incidents of unethical practices reported through the whistleblowing channel.

In the event of a hazard arising from the characteristics of work in the mining industry, workers in the value chain are subject to potential assistance of rescuers from the Mining and Metallurgical Rescue Unit. The company also takes steps to enable corrective measures, including analysing the causes of incidents, updating safety procedures and reviewing training programs for third-party employees. In the event of the occurrence of actual significant impacts, monitoring of the implemented corrective actions is carried out, which allows for their effective assessment and adaptation to future risks in accordance with ISO 45001 and the occupational health and safety management system implemented at KGHM Polska Miedź S.A.

The KGHM Polska Miedź S.A. Group undertakes a number of measures to raise OHS standards among subcontractors, including:

- implementing incentive and control procedures (e.g. sobriety checks)
- exchanging experience with contractors,
- organising periodic meetings to discuss OHS issues, with the participation of the National Labour Inspectorate (PIP) and the State Mining Authority (PUG),
- holding joint meetings to promote safe behaviour,
- providing information and prevention material.

In addition, publicly available tools for reporting ethics, human rights, incidents and other negative impacts on value chain practitioners, including their monitoring and anti-retaliation procedures, are further written about in [section \[S1-3\] Processes for remediating the effects of negative influences and channels for raising concerns through own staff resources](#) and [section S2-3 Processes for remedying the effects of negative impacts and channels for raising concerns through workers in the value chain](#).

The KGHM Polska Miedź S.A. Group, as part of its dual materiality study, identified the risk of non-compliance with legal regulations and human rights rules and procedures adopted at KGHM Polska Miedź S.A. in relation to workers in the value chain.

The analysis revealed a significant opportunity represented by the availability of highly skilled specialists from global corporations making large investments. The opportunity to collaborate with and benefit from the resources of international companies fosters the acquisition of knowledge, the exchange of experience and the implementation of best practices in modern management methods. This cooperation facilitates the transfer of know-how, which can contribute to the implementation of innovative solutions and increased operational efficiency. An important aspect of this is also the development of the skills of the Group's employees and managers.

The fulfilment of this opportunity is in line with the Group's strategic development directions, particularly in the areas of optimising operations and developing the potential of domestic and foreign companies. Striving to improve operational processes, enhance staff skills and adapt to a changing market environment can promote long-term sustainability and increase company value. At the same time, an emphasis on innovation, the development of new technologies and knowledge sharing will allow the implementation of modern technological solutions, the digitalisation of processes and potential cooperation with the R&D centres of business partners.

The identification and successful exploitation of this opportunity can directly translate into the Group's financial performance, supporting revenue retention or growth and enhancing the company's ability to adapt in a dynamic market environment. At the same time, they can help to stabilise operating costs, reducing the risk of their growth.

Currently, no direct resources have been allocated to manage the significant impacts on workers in the value chain. This is due to several factors: the impacts are indirect (e.g. through the employment of suppliers), there are no tools and procedures to effectively verify working conditions, and the methods used to cover people in the value chain are parallel to

those applied to the Companies' employees. Moreover, no activities other than those related to working conditions were carried out, due to the fact that most of the identified impacts are potential in nature and because the Company does not have such a far-reaching actual impact on the behaviour of its contractors, both in terms of positive and negative impacts. The controls in place are limited to a Contractor's Charter in which value chain entities declare their compliance with the KGHM Polska Miedź S.A. Group's requirements.

[S2-5] Objectives related to managing significant negative impacts, enhancing positive impacts and managing material risks and significant opportunities

The Parent Entity and KGHM Polska Miedź S.A. Group companies have not defined targets for managing significant negative impacts, enhancing positive impacts and managing significant risks and opportunities.

4.3.3 [S3] Affected communities

Detailed information on the impacts, risks and opportunities in relation to affected communities is provided in section [\[SBM-3\] Significant impacts, risks and opportunities and their links with the strategy and business model](#).

[S3-1] Policies related to affected communities

There are no policies in place in the Group that would directly address the management of significant impacts, risks and opportunities related to affected communities.

Nevertheless, the Group's companies maintain constant dialogue with local governments and communities located in areas where KGHM's activities may have an impact. This dialogue also relates to the protection of human rights, which is included in the provisions of the Human Rights Policy and in the Code of Ethics of the KGHM Polska Miedź S.A. Group.

The reduction of all risks to the local community resulting from the Company's activities is a priority (including the reduction of the risk of compromising the right to health through consistent implementation of the Climate Policy and the Environmental Policy).

The Human Rights Policy, the Climate Policy, the Environmental Policy and the Responsible Supply Chain Policy and the Code of Ethics adopted in KGHM Polska Miedź S.A. and in the KGHM Group, among others, define the principles and standards of responsible action also towards local communities.

The Group has not recorded any cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises involving affected communities.

In its Human Rights Policy which is reflected in the approach of KGHM Polska Miedź S.A. to local communities, KGHM Polska Miedź S.A. is committed to conducting its business in a manner consistent with the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the UN Declaration on the Rights of Indigenous Peoples and the OECD Due Diligence Guidelines for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. In addition, the Responsible Supply Chain Policy of KGHM Polska Miedź S.A, also indirectly addressing community issues, is based on criteria consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the LBMA Responsible Gold Guidance and the LBMA Responsible Silver Guidance and with the criteria within the Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc implemented at KGHM's Smelter Divisions as part of the industry The Copper Mark Standard.

Selected Group companies introduce, among others, ISO standards, the provisions of which partly address the issue concerned. With regard to foreign assets, no policies have been established concerning contact with local communities. In the case of the Victoria Project and the temporarily closed Podolsky Mine (in *care & maintenance* status), agreements (*IBAs - Impact and Benefit Agreements*) have been signed with Indigenous Peoples, providing a framework for cooperation. The documents are classified.

No specific measures have been separated within the Group to ensure or enable the application of a remedy in the scope of impact on compliance with human rights. Any identified negative impacts related to the compliance with human work for the Group's operations were classified as potential.

[S3-2] Cooperation processes in the scope of impacts with affected communities

Local communities are key stakeholders of the Group; their voice is taken into account, among others, when launching new investments. Companies of the KGHM Polska Miedź S.A. Group pay particular attention to maintaining the *License to Operate* in the areas in which it runs its business. Group companies have not, however, implemented an overall process for working with affected communities.

Formal responsibility for cooperation rests with the Management Boards of the Group's companies, while operational matters are coordinated by the relevant units. In the Parent Entity, a Department for Cooperation with Local Government has been established reporting to the Vice President for Development. This department, in cooperation with the Communication Division, is responsible for coordinating the dialogue between the Group and the community.

In direct cooperation with local government units - representatives of the community - from the Copper Basin (LGOM) area, agreements are signed annually, which specify the scope of joint activities, objectives, responsibilities of the parties and expected results, laying the foundation for further relations and implementation of joint projects.

In 2024, the local governments of the Copper Basin once again received financial support from KGHM Polska Miedź S.A. KGHM has provided 14 local governments in the Copper Basin with funds as part of the Company's broad CSR program and socially responsible business activities for local people.

The transfer of funds takes place annually, as part of good cooperation between KGHM Polska Miedź S.A. and the local government units in areas where the Company operates. To ensure that the financial support meets the needs of the local community, the Company accompanies the local authorities in their investment in health promotion initiatives, healthy lifestyles and pro-social activities in the municipalities. In 2024, 14 meetings were held between representatives of KGHM Polska Miedź S.A. with municipality authorities. A key issue was to analyse the needs of the municipalities in the context of determining the extent of the support provided by the Company. Social dialogue in this area is essential for the cooperation to contribute to the further development of the cities and municipalities of the Copper Basin.

Local Government Units take measures, among others, to protect the life and health of present and future generations, the development and integration of the local community in the fields of culture, science and sport. The funds were used for, among others, preventive health checks, the development of playgrounds and sports fields, the construction of a brine graduation tower, cultural events or the modernisation of village halls.

The beneficiaries included the municipalities of Gaworzyce, Głogów, Grębocice, Jerzmanowa, Kotla, Lubin, Pęcław, Przemków, Radwanice, Rudna, Żukowice and the cities of Głogów, Legnica and Polkowice.

Examples of supported activities included:

- examinations and consultations at the Endocrinology Clinic in Głogów;
- health prevention programs, in addition to trips to the swimming pool for primary school pupils and 6-year-olds, organisation of health holidays for children and young people from Jerzmanowa;
- development of playgrounds and sports fields, retrofitting of village halls and community centres in the Kotla municipality;
- construction of a brine graduation tower in a historic park in the municipality of Radwanice;
- continuation of the "Healthy Legnica" program;
- chess training, additional sports activities for pupils in Lubin;
- concerts, workshops, thematic events in the municipalities of Grębocice, Polkowice, Rudna and Żukowice.

Moreover, selected Group Companies organised cooperation with schools in the field of practical vocational training and cooperation with Labour Offices was carried out. Moreover, the support was continued through patronage of vocational classes in technical schools.

The effectiveness of the activities undertaken is measured by monitoring the achievement of the budget targets set for this type of interaction. Moreover, Local Government Units are required to submit reports on the expenditure of funds acquired from external entities. The Group does not have additional other procedures and tools to monitor the effectiveness of its operations.

No direct steps have been taken at KGHM Polska Miedź S.A to gain insight into the perspectives of affected communities who may be particularly vulnerable or who may be marginalised. The Group declares full respect for human rights, including the rights of indigenous peoples, in all areas of its operations. The aforementioned projects in selected international assets have signed an IBA agreement formalising the terms of cooperation between the company and indigenous peoples.

As part of its approach to stakeholder engagement, KGHM Polska Miedź S.A. takes into account the principles of equal treatment and ensures that its activities do not violate the fundamental rights or interests of any social group. For areas

inhabited by indigenous peoples, the Group companies maintain dialogue based on respect, transparency and compliance with international standards.

In most Group companies, due to their profile and scale of operations, the perspectives of affected communities were not taken into account in terms of their impact on decisions or actions aimed at managing actual and/or potential impacts.

Selected Group companies (KGHM Metraco S.A., "Miedziowe Centrum Zdrowia" S.A., NITROERG S.A.) given the context of their organisations, identify stakeholders and their expectations. Where necessary, stakeholders were consulted, which translated into the identification of their perspectives, concerns and expectations. Moreover, public consultations were held when environmental decisions were obtained and/or general plans/MPZP were amended, as part of which interested parties were able to submit relevant comments.

Adequate housing conditions

Housing conditions can be shaped by various factors, including noise and odours, which result from the operational activities and investment plans of KGHM Polska Miedź S.A. and the Group's companies. In an effort to minimise potential negative impacts, the Company applies appropriate processes to assess and manage the impact of its activities on the environment.

Operational activities and implementation of investments may involve the generation of noise. The company conducts a systematic environmental impact assessment, including an analysis of noise levels in the context of the applicable standards. Noise models and measurements are used to verify compliance and identify possible sources of nuisance. The company also consults the public in cases where there may be a significant impact on the environment. Nevertheless, there are occasional signals from the local community indicating subjective feelings about noise nuisance.

In some locations, especially near the metallurgical plants, unpleasant odours can occur, especially under specific weather conditions. As part of the environmental impact assessment, the chemical composition of the emissions and the potential extent of the spread of odours are analysed. The company applies solutions to minimise their nuisance. Where necessary, public consultations are organised to assess the scale of the problem and develop possible remedial action.

When no action is required for a specific area, the Company does not implement additional processes, which is noted in the environmental impact reports.

Impact on land

Mining activities can affect local land and community-owned buildings. Key aspects of this impact include:

- **Mining and post-mining damage** - As a result of mining activities, damages affecting private individuals' buildings, municipal and national roads may occur.
- **Remediating measures** - Under the circumstances where the Company's mining activities lead to damage of infrastructure, the Company takes specific remedial action. Each case is analysed in detail to confirm its relationship with the business conducted.
- **Damage reporting process** - The Company has a clearly defined process in place for reporting damages resulting from mining activities. This procedure allows for effective handling of the notifications and taking appropriate remedial actions.

The Group implements preventive measures in line with mining legislation. It minimises the impact of mining on the environment, such as bump prevention, technical inspections and monitoring of infrastructure and optimisation of mining. Prevention activities also include staff training in security and emergency response, the development of emergency procedures and cooperation with local services, as well as investment in modern security technologies.

In addition, reclamation of post-mining areas is being carried out, restoring their utilitarian and ecological functions as a result of the obligations imposed by the geological and mining law.

The Group works with local authorities and communities to reduce the long-term impacts of mining activities. As part of this cooperation, decisions are made to adapt mining plans to local conditions and to support infrastructure investments in areas affected by mining activities.

Impact on health

Selected Group companies carry out activities that have a positive impact on the health of local communities, including health prevention (organisation of preventive programs, subsidised diagnostic tests in cooperation with municipalities, promotion of healthy lifestyles and physical activity) and medical infrastructure.

KGHM Group manages spas, hospitals and clinics, which allows it to support local communities directly in the scope of healthcare and rehabilitation.

Company's impact on social life, development of local communities and the environment

KGHM Polska Miedź S.A. perceives itself as an integral element of the local communities, which is manifested in its involvement in municipality activities and its support for socio-economic development and environmental protection.

The company actively engages in activities that support social capital by organising and supporting cultural, sporting and educational events, collaborating with local schools, universities and educational institutions and supporting community initiatives. It influences the development of local communities through the payment of taxes to local and national budgets and the offer of employment. The Company is a significant employer in the region, creating stable jobs and supporting the local economy. The Company's impact on local nature and ecological activities occurs through its environmental campaigns and environmental education and awareness campaigns promoting nature conservation.

Arsenic emissions

KGHM Polska Miedź S.A. emits arsenic in connection with its smelting activities, as described in more detail in [section E2 Pollution](#), but the impact of these emissions on health and the environment is assessed as potential, not actual, and the risk of negative impacts from arsenic emissions is low.

The arsenic content in the air is monitored by the Chief Inspectorate for Environmental Protection as part of the State Environmental Monitoring. For arsenic, a target level of 6 ng/m³ as an annual average concentration has been set in accordance with Directive 2008/50/EC of 21 May 2008 on air quality and cleaner air. A target level is the concentration of a substance to be attained within a given period of time by means of economically justified technical and technological measures (the level is set with the aim of avoiding, preventing or reducing harmful effects of the substance on human health or the environment as a whole). It is a fact that in previous years the content of arsenic in the air significantly exceeded the designated target level, however, the BATAs program launched between 2017 and 2023 significantly reduced arsenic emissions into the air from the metallurgical production of KGHM Polska Miedź S.A. which resulted in a reduction in the level of average annual arsenic concentrations in the Lower Silesian Province.

In response to the needs of local communities and potential questions related to arsenic emissions, the Company has opened two diagnostic outpatient clinics in Legnica and Głogów, specialising in assessing the health of local residents.

In addition, in 2018, surveys of Głogów residents and a comparison group of 200 people - residents of Łódź - were carried out on environmental exposure to arsenic. In the surveys carried out, an equal percentage of exceedances of the reference values was recorded for the populations of Głogów and Łódź. The speciation analysis confirmed that the majority of the total arsenic pool is organic arsenic, i.e. from sources other than industrial processes. The main sources of organic arsenic in the body are the products consumed: rice, rice products, other cereal products, fish and seafood.

Prior, free and informed consent, self-determination and cultural rights

Companies of the KGHM INTERNATIONAL LTD. Group may potentially have a negative impact on indigenous communities, especially if they do not provide opportunities for voluntary, informed consent for the projects implemented. The right to self-determination and the protection of cultural heritage require special attention to avoid social conflicts and violation of rights.

The Ajax project (Canada, British Columbia) is currently at the planning and analysis stage. The measures taken to date do not indicate an imminent risk of violation of indigenous peoples' rights, including the right to self-determination and the protection of cultural heritage. The likelihood of such violations is low due to the prevention implemented (compliance with environmental permits and reporting to regulators) and the principles of cooperation with local communities - an element of the project is to conduct a dialogue between KGHM INTERNATIONAL LTD. representatives and representatives of indigenous peoples.

Under the Victoria project (Canada, Ontario) meetings with Indigenous Peoples' representatives are organised that resulted in the *Impact and Benefit Agreement*, a document containing the key findings on the environmental, cultural and economic impacts of the Company's operations and the benefits the community will receive in return for the consent to the operations. The agreement also describes issues such as the mechanisms of project management and potential compensation for damages. Currently, meetings and discussions take place to conclude cooperation agreements for the production phase of the project. All progress in talks, doubts raised and explanations given are continuously monitored and registered. As a result of respecting the traditions of indigenous peoples and cultural heritage, the company assesses the risk to cultural rights as low.

The likelihood of impact of the aforementioned projects and potential severity of the Company's impact on smaller thematic units such as freedom of expression, freedom of assembly, influence on human rights defenders, adequate food or water and sanitation were assessed as low (no impact of the Company on these issues) and were therefore not described in the Report.

The negative impacts on affected communities identified by the double materiality analysis are potential. In the case of their materialisation, the Group will carry out an analysis of the causes of the situation and, if warranted, take appropriate management action and implement corrective or preventive measures to mitigate the risk of the negative impact recurring.

[S3-3] Processes to remedy negative impacts and channels for raising concerns by affected communities

KGHM Polska Miedź S.A. keeps constant dialogue with local communities with the aim to work towards improving their living conditions. The needs of the community were verbalised in a series of meetings organised by the Department of Cooperation with the Local Government. The activities are mainly targeted at coordinating the arrangements with the Local Authorities and local communities, enabling the implementation of investments and the fulfilment of the provisions of the Company Strategy. The Company takes steps to compensate local communities for the impact it exerts on the environment. In 2024, meetings were held with the Mayors, Governors of Municipalities and Presidents of the Copper Basin during which issues of importance to both the Local Government Units and the Company were discussed. By participating in the development of the regions, the company supports investment in infrastructure (water supply systems, wastewater treatment plants, urban monitoring, improvement of communications, health care) and social issues, including involvement in the organisation of events for employees and residents and charitable events. Residents have the opportunity to communicate directly with the Company through various communication channels (social media, traditional and email exchanges, open days, meetings, phone calls) and the publicly available "Ethics Line" whistleblowing tool (more in [section \[S1-3\] Processes for remediating the effects of negative influences and channels for raising concerns through own staff resources](#)).

Moreover, residents have the opportunity to report their concerns about impacts individually, e.g.: the impact of mining operations via the "For residents" tab on the company's corporate website, where the procedures for, among others, reporting mining damage directly to the affecting entities are explained and made available. KGHM Polska Miedź S.A. undertakes preventive actions to mitigate the effects of mining on the surface of the area and its development and is liable for mining damage that could not have been prevented.

The activities undertaken include:

- covering the costs of building safeguards in structures erected in mining areas exposed to the damaging effects of deformation and mining shocks,
- retrofitting of buildings that are not resistant to the harmful effects of the planned mining operations,
- covering the cost of drainage in areas exposed to waterlogging and flooding as a result of mining impact,
- repairing facilities damaged by the effects of mining operations or reimbursement of the costs of such repairs.
- implementation of the BATAs Program and the launch of diagnostic clinics in Legnica and Głogów,
- compliance with legal requirements regarding noise emissions.

The Group's companies, due to their business profile, mostly do not have defined processes for providing remedies where significant negative impacts on society are identified. Where appropriate, remedial action is taken to restore the desired status.

KGHM Polska Miedź S.A. provides information on its website on how to report irregularities (publicly available Whistleblower Platform). The Company does not conduct any surveys or analyse the effectiveness of these mechanisms among value chain employees, nor does it assess their awareness or level of confidence in the whistleblowing procedures and their ability to resolve problems.

Whistleblowing channels have been established so as to guarantee their accessibility, anonymity of the whistleblower, if necessary. Irregularities can be reported through one of the following confidential channels:

- dedicated Line of Ethics platform;
- e-mail correspondence sent to the following dedicated e-mail addresses: antykorupcja@kg hm.com or liniaetyki@kg hm.com;
- a dedicated helpline +48 76 747 8282 (direct contact with an employee of the Enterprise Risk and Compliance Management Department);
- recording telephone line +48 76 74 80 777 (contact via recording telephone line without participation of a member of the Enterprise Risk and Compliance Management Department);
- written correspondence sent to:

Department of Corporate Risk Management and Compliance
KGHM Polska Miedź S.A.
ul. M. Skłodowskiej-Curie 48
59-301 Lubin

- In order to ensure full confidentiality of the submitted Notification, the envelope should contain a note: "Internal notification - personally to the ZR";
- a verbal Notification during a face-to-face meeting in the the Enterprise Risk and Compliance Management Department. A request for such a meeting should be submitted via the email addresses or telephone numbers provided. The meeting shall take place at a date agreed with the person submitting the Notification, no later than 14 days from the date of receipt of the request in this regard.

- if the Notification relates to a Member of the Management Board of KGHM Polska Miedź S.A. or persons designated as responsible for accepting the Notifications and members of the Verification Team, the Notification should be submitted immediately to the Supervisory Board of KGHM Polska Miedź S.A. for further processing;
- in the case of notifications outside Poland:

Table 195. Notification channels for international assets of the KGHM Polska Miedź S.A. Group

Country	Phone	e-mail
North America and Canada	+1 866 921 6714	kghm@integritycounts.ca
Chile	+56 123 0020 3914	kghm@integritycounts.ca
China	+86 186 1639 3022	antykorpucja@kghm.com
Russia	+48 76 747 8282	antykorpucja@kghm.com

Information on the implementation of the notification handling process is subject to periodic reporting. The statistical data related to the notifications are collated and subject to presentation as part of the annual reporting. According to the analysis conducted since 2018, i.e. since the adoption of the internal regulation on the acceptance of reports submitted by Whistleblowers, KGHM has observed a constant upward trend (averaged value), which may demonstrate the confidence of employees in the implemented solutions. For more information on the Whistleblower platform, including how to protect against retaliation, see [section \[S1-3\] Processes for remediating the effects of negative influences and channels for raising concerns through own staff resources](#).

[S3-4] Addressing the significant impacts on affected communities and applying approaches to manage material risks and opportunities related to these communities and the effectiveness of these actions

In 2024, KGHM Polska Miedź S.A. undertook a number of family-friendly initiatives targeting employees and the local community. Due to the adaptation of activity descriptions to ESRS requirements, not all MDR-A requirements have been included.

– **KGHM Academy**

As part of the KGHM Academy initiated in 2024, 44 prevention programs were carried out, including: Treasure Archipelago ("Archipelag Skarbów"), School for Parents and Guardians, Leader100 and the original program of the KGHM NGO Academy – Prevention Zone. The beneficiaries of these activities were 2,700 people, including pupils, their parents and carers, as well as teachers. The Company also subsidised NGO training as part of the fourth edition of the Copper Basin NGO Academy. Thus, cooperation with institutions responsible for family foster care in the region was deepened, and a number of activities promoting foster parenthood were carried out as part of the social campaign Mie(dz) Rodzinę (Have a Family), i.e.: organising rallies for foster families, subsidising programs to improve the parenting skills of carers, occasional gifts on the occasion of children's day, St. Nicholas' Day for wards, etc.

– **Have a Family and KGHM Family Zones**

As part of its social campaign, Have a Family, the Company actively promoted and supported foster parenting in the region. One of the key events of the campaign was the Foster Families Rally, which took place at the Jakuszycka Glade. As part of the event, Family Zones were organised, where specially prepared stands encouraged family activities, offering a variety of attractions and workshops.

– **Cultivating mining and metallurgical traditions and culture**

Traditions are an important element of the identity of KGHM Polska Miedź S.A. and the Copper Belt community, involving all Group companies and the people of the region. A ceremony is organised on the anniversary of the discovery of the copper deposits to pay tribute to the region's industrial heritage and the people who contributed to the development of copper mining. The 50th anniversary of Rudna mine and the 45th anniversary of Cedynina Copper Smelter and Refinery were also celebrated in 2024. The anniversaries involved the organisation of numerous events and cultural gatherings in the cities of the Copper Belt, which were attended by both current and former employees who were part of the community.

An integral element of the traditions of KGHM Polska Miedź S.A. are Barbórka and Metallurgist's Day - the most important industry holidays which are celebrated each year with the involvement of all Group companies. Their celebrations emphasise the importance of community, continuity of tradition and respect for the hard work of miners and smelters, the foundation of KGHM's operations.

– **Cooperation with Local Government Units (described in [section S3-3 Processes to remedy negative impacts and channels for raising concerns by affected communities](#)).**

– **How important industry traditions are in Polish Copper is evidenced by the inclusion of smelting traditions on the National List of Intangible Cultural Heritage in 2024. KGHM Polska Miedź S.A. has become one of the depositories of this project.**

Due to the fact that the vast majority of Group companies do not have a significant impact on communities, they did not define action plans and consequently did not define capital expenditures (CAPEX) or operating costs (OPEX). Ad hoc support includes donations and sponsorship activities, which, after analysis and decisions by the sponsorship committees, are awarded according to requests made by representatives of the local communities.

Employee volunteer program

The Copper Heart ("Miedziane Serce") employee volunteer program has been operating in KGHM Polska Miedź S.A. since 2014.

Volunteer activities at KGHM Polska Miedź S.A. in 2024

In 2024, 107 volunteering initiatives were carried out, involving 797 volunteers, devoting more than 3,747 hours to their preparation and implementation.

Key activities:

Support for communities in crisis situations - Assistance for flood victims:

- Collections were organised in each division of the Company, providing cleaning products, water and cleaning tools.
- Three groups of volunteers went directly to the site of the disaster, where they helped with clean-up, delivering donations and restoring access to the power grid.
- Employees have been involved in flood protection in large numbers, both in their localities and those at risk of flooding in the region.

Original projects by the Concentrators Division volunteers,

- KGHM in a funny way (KGHM na Wesoło), KGHM for Children (KGHM Dzieciom) or In the Footsteps of Jan Wyżykowski (Śladami Jasia Wyżykowskiego) – popular initiatives carried out in kindergartens and schools.
- Volunteers also look after the wards of a school and educational centre in Lubin, organising, among others, the Second Special Integration Sports Olympiad.

Supporting people with disabilities:

- Extensive modernisation of the garden of the training house in Przemkowo, enabling people with disabilities to use the green area.
- Organising games and sports competitions for hundreds of disabled participants.

Support for sports initiatives:

- Constant participation in events such as: Piastów Summer Run (Letni Bieg Piastów), Run in W Hour (Bieg w Godzinę W), KGHM Cup tournament, Chojnów Municipality Cross (Cross Gminy Chojnów), Wild Run in Wrocław.
- Volunteers are involved in organising events and providing animation.

Help for animals:

- Support for ward cats by providing new kennels, food and sterilisation in cooperation with the Jagodzianki Foundation.

Additional activities:

-
- Development of volunteers' skills, such as project management and teamwork, through a variety of initiatives.

Volunteer activities at KGHM in 2024 reflect employees' commitment to building social ties and supporting local communities, highlighting the importance of the Company's social responsibility. KGHM Polska Miedź S.A. undertakes a range of activities to prevent, mitigate and remedy significant negative impacts on affected communities. In the framework of signed cooperation agreements with local government units (LGUs), the Company financially supports local initiatives in the field of health promotion, healthy lifestyles and pro-social activities.

The Company takes steps to provide redress in relation to actual significant impacts on communities. The transfer of funds takes place on an annual basis and LGUs are obliged to submit reports on spending of the funds transferred for the investments and tasks for which they have received funds.

KGHM Polska Miedź S.A. reviews reports submitted by LGUs, but does not have additional, other procedures and tools to monitor the effectiveness of activities.

Social dialogue and cooperation with local authorities are key to ensuring that the initiatives undertaken meet the real needs of the community.

The processes allowing to determine what action is needed and appropriate include regular meetings with municipality representatives and the analysis of their needs. Cooperation with the LGUs enables KGHM Polska Miedź S.A. to tailor its financial support to the specific requirements of local communities, which contributes to their development and improves the quality of life of the Copper Basin inhabitants.

Due to the fact that the vast majority of Group's companies do not generate significant impacts on the community, they did not define action plans. Ad hoc forms include the donations granted or sponsorship activities. They are awarded and monitored on an ongoing basis, in line with requests submitted by local communities.

The Group's companies located in Canada manage historic mining sites to mitigate their impacts on the environment and affected communities. These activities include data collection, modelling, risk assessment and implementation of mitigation and monitoring plans. The Company remains environmentally compliant, meets regulatory requirements for facilities' closure plans and fulfils its obligations under Impact and Benefit Agreements with indigenous communities.

The above-mentioned activities are provided for in the companies' budgets. Safeguarding of remediation required by permits and annual budgets support environmental and remediation expenditure.

The Company takes additional measures to ensure positive impacts on affected communities, including through the implementation of IBA agreements with indigenous peoples. Their effectiveness is monitored and evaluated in terms of delivering measurable benefits to communities.

Risk management and the exploitation of potential opportunities in relations with communities is based on responsible planning and monitoring of the effectiveness of activities. The Company ensures that its practices do not cause or contribute to material adverse impacts through the management and mitigation processes in place. All activities are implemented on the basis of dedicated human resources and annual budgets. Currently, no serious human rights issues or incidents related to communities affected by activity of the KGHM Polska Miedź S.A. Group have been recorded.

[S3-5] Goals related to managing significant negative impacts, enhancing positive impacts and managing significant risks and opportunities

The Company's goal is to minimise the impact of its activities both socially and materially by carrying out activities in the areas of culture, health promotion, sports, ecology and science. The scope of these activities has been defined as social and material, with a measurable target of the number of initiatives implemented, with a baseline of no less than 10 in 2024. These targets are in line with the Company's business strategy, which also defines milestones and intermediate targets.

The KGHM Polska Miedź S.A. Group is in the process of aligning targets with ESRS disclosure requirements. Hence, not all MDR-T requirements are described.

These assumptions are not linked to any specific policy or science-based environmental issues. The methodology for their implementation and monitoring has not been defined in detail. However, the target-setting process is based on regular dialogue with local communities, while information on actions taken and results is communicated through press releases. Currently, no separate data is available on changes in metrics, assumptions or performance against targets.

The Company consistently engages in activities that support the development of local communities, taking into account their needs and expectations, as an integral part of its strategy.

The Group's companies, including international companies, have not defined targets for managing significant negative impacts, enhancing positive impacts and managing significant risks and opportunities.

4.3.4 [S4] Consumers and end users

Within the KGHM Polska Miedź S.A. Group, only a small group of companies has been identified for which contact with consumers and end-users is of key importance, where significant impacts have been identified. This group includes: „Miedziove Centrum Zdrowia” S.A. ("MCZ" S.A.) and spa companies belonging to Polska Grupa Uzdrowisk sp. z o.o. (PGU): Uzdrowiska Kłodzkie S.A. - PGU Group, Uzdrowisko Cieplice Sp. z o.o. - PGU Group, Uzdrowisko Połczyn Grupa PGU S.A. and Uzdrowisko Świeradów-Czerniawa Sp. z o.o. - PGU Group.

Table 196. Characteristics of selected KGHM Group companies and their consumers and end-users

Name of entity and country of establishment	Activities	Characteristics of consumers or end-users
Uzdrowiska Kłodzkie S.A. - PGU Group (Poland)		
Uzdrowisko Połczyn Grupa PGU S.A. (Poland)	Provisions of services in the area of spa-healing, sanatorium, preventative medicine, rehabilitation, biological renewal, recreation based on natural healing materials and bioclimatic conditions	Clients and patients receiving curative and rehabilitation therapies within the framework of the National Health Fund and private patients
Uzdrowisko Cieplice sp. z o.o. - PGU Group (Poland)		
Uzdrowisko Świeradów Czerniawa sp. z o.o. - PGU Group (Poland)		
„MIEDZIOWE CENTRUM ZDROWIA” S.A.(“MCZ” S.A.) (Poland)	Hospital services; medical practice; activities related to protecting human health; occupational medicine	Individual patients , including employees of KGHM Group companies under AOM*, local community; private and under NFZ

None of the aforementioned entities offer products that are intrinsically harmful to humans or increase the risk of chronic diseases. The services provided by the aforementioned KGHM Group companies do not have a real negative impact on the right to privacy, data protection, freedom of expression or non-discrimination. Patients, clients and consumers are not put at risk by not having access to accurate and accessible information about services and products. The companies listed do not pursue aggressive marketing and sales strategies to vulnerable groups such as children or the financially disadvantaged.

**Medical care subscription*

In the analysis of the materiality of the impact of the KGHM Polska Miedź S.A. Group on consumers and end-users, the potential impact of the aforementioned Group companies on the privacy and security of this group of stakeholders was considered significant. For an explanation of the overall approach adopted by the Group to identify and manage any significant actual and potential impacts on consumers or end-users related to the entity's products or services, see [\[IRO-1\] Description of the process to identify and assess significant impacts, risks and opportunities](#). Detailed information concerning the significant IROs are presented in section [\[SBM-3\] Significant impacts, risks and opportunities and their links with the strategy and business model](#).

The KGHM Polska Miedź S.A. Group has not identified any links between the interests, views and rights of consumers or end-users and the Group's strategy and business model in the context of the ESRS 2 SBM-2 requirements. The KGHM Polska Miedź S.A. Group has also not identified a link between significant risks and opportunities arising from impacts on consumers or end-users and the entity's strategy and business model. These impacts do not derive from, shape or contribute to the Group's strategy or business model (e.g. the regulatory context of GDPR).

[S4-1] Policies related to consumers and end users

„Miedziove Centrum Zdrowia” S.A.

"Miedziove Centrum Zdrowia" S.A., in order to manage the potential negative impact of the loss of sensitive personal data, has implemented procedures related to Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons in relation to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (hereinafter in subsection: GDPR).

Detailed information on the grounds and principles for the processing of personal data, monitoring and the rights of data subjects is provided on the website www.mcz.pl under "GDPR". As standard, the company's website also includes contact information for the designated Data Protection Officer (DPO) and deputy DPO, as well as information clauses for: (1) patients, (2) applicants for employment and (3) contractors, including employees of contractors. An appropriate contact form is provided in the event of a suspected data breach. Violations can also be reported to the DPO via email at iod@mcz.pl.

By design, the provisions of the RODO Regulation apply to and take into account the interests of all consumers and end-users and do not exclude any group, including in terms of geographical areas. The provisions of the GDPR also apply to other stakeholders - in the value chain, local communities, business partners.

The functioning of the Integrated Management System at "MCZ" S.A. plays a key role in managing the company's real, positive impact on patients' health. Its compliance with PN-EN ISO 9001:2015-10, PN-EN ISO 14001:2015-09 and PN-ISO 45001:2018-06 is regularly verified through recertification audits, confirming the company's high standard of quality, environmental and occupational health and safety management.

MCZ S.A. has a Group-wide Code of Ethics (see [section \[S1-1\] Policies related to own staff resources](#) for information on the document), but no separate human rights policy has been adopted.

The company has not recorded any cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises referring to consumers or end users.

The issues governing relationships of this kind are set out, inter alia, in the provisions of the Act of 6 November 2008 on Patients' Rights and Patients' Ombudsman (consolidated text, Journal of Laws 2024, item 581). Compliance with the patient's rights defined in this law is the responsibility of the public authorities with jurisdiction over health care, the National Health Fund, health care providers, medical practitioners and other persons involved in the provision of health care services.

The Patients' Ombudsman collaborates with healthcare providers on an ongoing basis to monitor the compliance with patient rights. Patients can familiarise themselves with their statutory rights via the website of "Miedziove Centrum Zdrowia" S.A., where an extract from the applicable legislation is provided.

The Management Board is the body responsible for defining the objectives of policies, regulations and procedures, adopting and overseeing their implementation in the organisation.

PGU companies

The companies belonging to Polska Grupa Uzdrowisk sp. z o.o., due to the nature of their activities and services provided, conduct all their activities in accordance with the health care industry regulations in force in Poland and the guidelines of

the National Health Fund. The policies implemented in the companies are consistent with those adopted throughout the KGHM Group.

In order to manage the identified negative impact, i.e. the potential loss of sensitive personal data of visitors and customers, the companies have in place, compliant with the GDPR, a General Information Clause concerning the processing of personal data together with a Privacy Policy, which sets out the principles for the processing and protection of personal data of persons who have provided Polska Grupa Uzdrawisk sp. z o.o. their data, including persons using the services, contractors and their employees, users, in connection with their use of the services offered by the internet service (website) of Polska Grupa Uzdrawisk sp. z o.o. and newsletter subscribers. The clause indicates the controller of the personal data, the purpose of the processing, the processing rights and the retention period. The information clauses are made available on the companies' websites and cover all consumers or end-users of PGU companies.

The tools for managing the real positive impact of PGU companies on the health of patients and visitors are the internal standards of service and care (including the certified ISO 9001 quality management system at Uzdrawisko Kłodzkie S.A. - PGU Group) and ongoing patient satisfaction surveys. Stakeholder interactions, conducted through meetings, surveys and dialogue, form the basis for developing and updating company-specific procedures. Where deficiencies are reported by consumers or end-users, prompt corrective action is taken to restore the desired standard of services provided. In addition, third-party activities, such as certification and auditing bodies, enable the identification of areas for improvement in product or service quality.

Direct relationships with end-users are built during patients' stays in spas. Patients can submit their comments, opinions and suggestions in writing, e.g. through complaints or surveys. Dedicated feedback applications are also available in selected cases.

The PGU companies have not implemented a formalised human rights policy and associated obligations relevant to consumers and end-users. However, these issues are addressed in documents adopted by the PGU companies and in force at the KGHM Group level, such as the Code of Ethics and the Anti-Corruption Policy (both documents are described in [section \[S1-1\] Policies related to own staff resources](#)). The Companies do not have secured measures or remedial mechanisms in the scope of human rights impacts other than the KGHM Group's "Line of Ethics".

All policies, regulations and internal acts are implemented by the Management Boards of the companies, in accordance with the corporate governance rules applicable in the KGHM Group.

The company has not recorded any cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the International Labour Organisation Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises referring to consumers or end users.

[S4-2] Cooperation processes in the scope of impacts with consumers and end users

„Miedziove Centrum Zdrowia” S.A.

In "Miedziove Centrum Zdrowia" S.A., the patient satisfaction survey is an effective tool to support the process of continuous quality improvement in healthcare. The systematic and reliable collection of patient feedback enables a rapid response to their current needs. The satisfaction survey is implemented on a continuous basis and questionnaires are made available to patients of the company's various business units. The surveys are anonymous, allowing for direct interaction with patients and their legitimate representatives. Once a year, a summary analysis of the satisfaction survey results is carried out with the aim of drawing conclusions and introducing possible remedial measures.

Detailed customer satisfaction survey data for 2024 is under development - the results are discussed during the cyclical Integrated Management System Reviews, which usually take place in May/June each year) The analysis of the opinions given regarding catering in hospital "MCZ" S.A. in Lubin was at a satisfactory level, however, it was rated much lower than the other areas of the entity's operation, which is why it was one of the main determinants of the implementation of a pilot program in the company in the field of nutrition education and improvement of the quality of nutrition in hospitals entitled "A good meal in hospital".

Over the years, it has been observed that the active participation of patients in the survey results in them being more involved in the treatment process itself (the fact that the vast majority of respondents form the 60+ group may be of significance), which in some way also translates into building trust in the healthcare provider.

Through the implementation of the Integrated Management System, the company is continuously improving the processes implemented. This has a direct effect on the ongoing evaluation by patients using the services as well as the opinions of objective experts. As part of the latest edition of the newspaper "Rzeczpospolita's" national ranking of hospitals, called "Safe Hospital", which was created in cooperation with the Healthcare Quality Monitoring Centre, the "MCZ" S.A. hospital in Lubin won second place among Lower Silesian hospitals. In addition, in the national comparison, the entity was ranked second in the 'Level II Hospital Network' category.

In July 2022. The Minister of Health awarded a certificate to "Miedziove Centrum Zdrowia" S.A. in Lubin, which confirms that "MCZ" S.A. meets accreditation standards for hospital treatment (certificate no. 2022/44 valid until 26.07.2025).

It is the responsibility of the company's Management Board to ensure that the engagement in the satisfaction survey process is implemented and that the results are used in the company's activities.

Due to the nature of its business, the company ensures that its services are available to all stakeholders, regardless of their circumstances. No specific action has been taken to gain detailed insight into the needs of consumers and end users who may be particularly vulnerable or marginalised. The exception to this is the "Standard for the Protection of Minors at the Miedziove Centrum Zdrowia S.A. in Lubin", which has been introduced, which sets out the principles for the protection of children to ensure a safe and friendly environment for them. This document sets out procedures for identifying and addressing risks, including suspected abuse of minors, and sets out the principles for intervention and support planning and the responsibilities of staff in protecting them.

The activities of 'MCZ' S.A. are highly formalised. The hospital and outpatient clinics are governed by health care legislation, ISO standards, a Code of Ethics, an anti-corruption policy and a number of institutions that support patients' rights and regulate their stay on hospital premises, including treatment, so the company does not see the need to draw up a general procedure (process) for working with consumers and end-users such as patients.

PGU companies

In the spa companies, patients can submit comments via paper surveys, a dedicated app or by submitting complaints verbally or in writing. In Uzdrowiska Kłodzkie S.A. – Grupa PGU, the procedure is in place for dealing with complaints. In addition, there are anti-corruption clauses in contracts with contractors, which indicate dedicated reporting channels where appropriate. In addition to patients, the companies have direct contacts with the Social Insurance Institution (ZUS) and the National Health Fund (NFZ).

Contact with patients takes place at every stage of their stay in the spas. The conditions of stay and the rules of treatment are defined and controlled by the National Health Service before and during the signing of the contract. A similar procedure applies in the case for stays organised by ZUS as part of tenders. Accordingly, the interaction with individual clients is therefore continuous, starting from the moment of application and continuing until the end of the stay.

The operational responsibility for ensuring the implementation of spa guests engagement and the impact of the results of their feedback on the business rests with the management boards of individual companies. The effectiveness of interactions with consumers and end-users is overseen by the treatment and commercial divisions.

The effectiveness of these interactions is measured by indicators such as the results of satisfaction surveys, contract volumes with the NFZ, the number and subject of complaints (both in surveys and through other communication channels), the number of returning customers and the value of sales.

The perspective of consumers and end-users, including vulnerable or marginalised people, is explored through the analysis of satisfaction surveys, information obtained through a dedicated app and the monitoring of online communication channels. Consumers can also report their comments and complaints to the company's employees and, in the case of treatment financed by the NFZ and ZUS, also directly to these institutions. The companies have not implemented a formal overall process for engaging with consumers or end-users. Their spa operations are strictly formalised and they also base their values, including their approach to working with their patients, on the Code of Ethics and the Anti-Corruption Policy of the KGHM Polska Miedź S.A. Group.

[S4-3] Processes to remedy negative impacts and channels for raising concerns by consumers and end users

In the KGHM Polska Miedź S.A. Group, there is one common mechanism for reporting and processing complaints for all companies. This is the publicly accessible Whistleblower Platform called "Linia etyki" [The Line of Ethics]. A detailed description of the operation of the channel for reporting concerns and irregularities, together with the procedure and internal regulations against and prohibiting retaliatory practices, is provided in [section \[S1-3\] Processes for remediating the effects of negative influences and channels for raising concerns through own staff resources](#) and [section \[S4-1\] Policies related to consumers and end users](#). In addition, companies with direct business relationships with consumers and end-users have their additional channels for reporting complaints posted on their websites.

„Miedziove Centrum Zdrowia” S.A.

Within the company, the person responsible for day-to-day communication with patients and handling of requests is the Representative for Patients' Rights. Information about this role, including contact details, is available on the facility's website. In addition, there are information boards in the company's individual units and organisational units containing basic contact details and information on the Representative.

Patients are offered standard forms of contact, such as a personal visit, telephone contact, mail correspondence and e-mails. In addition, a dedicated contact form is available on the company's website allowing for the submission of comments and requests.

PGU companies

Contact with consumers and end users is ongoing. These include face-to-face interviews with employees, telephone contacts and email communication. In Uzdrowiska Kłodzkie S.A. - Grupa PGU, a helpline and an online notification channel has been made available for submission of complaints or comments concerning products.

In the company Uzdrowiska Kłodzkie S.A. - Grupa PGU, as part of the implemented ISO 9001 standard, a procedure is in place to regulate handling of complaints and claims. Complaints are considered by designated suitably qualified persons, complaint registers are maintained and procedures provide for requesting and implementing remedial action for legitimate complaints.

However, no direct formal evaluation process has been implemented to determine whether consumers and end-users are aware of the opportunity to express their concerns or needs and to what extent these are addressed. Despite the absence of this process, companies have a Code of Ethics and an anti-abuse procedure in place that provides protection against retaliation for those who make comments. Any negative comment addressed to the companies is taken as an opportunity to improve the standard of services provided. There has never been a situation where a consumer or end user has suffered consequences for raising their needs or concerns.

[S4-4] Addressing the significant impacts on consumers and end users and applying approaches to manage material risks and opportunities related to consumers and end users and the effectiveness of these actions

"Mieziowe Centrum Zdrowia" S.A. and the spa companies belonging to Polska Grupa Uzdrowisk sp. z o.o. make the utmost effort to secure the personal data of consumers and end users in the best possible way. Data management and processing have been adapted to the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (GDPR).

Companies prioritise IT security, protecting data from loss, misuse, unauthorised access and disclosure. The companies have appointed Data Protection Officers and the implemented GDPR and privacy policies include a description of actions for managing this potential impact.

The companies monitor regulatory developments and any potential GDPR-related incidents on an ongoing basis and without a defined closed timeline, ensuring a high level of regulatory compliance. There have been no cases of leakage of personal data from entities owned by the above companies in recent years. In addition, neither "Mieziowe Centrum Zdrowia" S.A. nor the spa companies belonging to Polska Grupa Uzdrowisk sp. z o.o. have reported any serious human rights issues or incidents related to their consumers or end-users.

The possible loss of sensitive medical data of patients or clients from the "MCZ" S.A. facilities and spa companies belonging to the PGU could lead to serious legal and reputational consequences. A violation of data protection legislation in such a case would result in imposing financial penalties and a loss of trust of both patients and the general public. With the GDPR regulations implemented and cyber security solutions in place, including the protection of hospital and spa IT systems, the Group assesses the risk of an incident as low.

The real positive impact on the health of patients and spa patients concerns 'MCZ' S.A. and the PGU-owned spas.

„Mieziowe Centrum Zdrowia” S.A.

The company's activities focus on the comprehensive and highly specialised provision of healthcare needs for the people of the Copper Belt region. Mission accomplishment: "Your health is our business. A satisfied patient is our best advertisement." is based on advanced diagnostic and treatment procedures, with a concomitant emphasis on effective management of human and technical resources.

The priority is to take action to ensure a high standard of medical services, effectively manage significant corporate risks and take advantage of opportunities to improve the quality of services. For information on cooperation on the impact on consumers and end-users, see [section S4-2 Cooperation processes in the scope of impacts with consumers and end users](#).

The plans for 'MCZ' S.A.'s activities taking into account the positive impact on patients' health are based on the existing and expanded range of services provided, while maintaining their high quality. Key activities in this area include:

- Ensuring the sustainability of health services in the Copper Belt region, based on comprehensiveness, breadth and high quality of services provided.
- Implementing the financial management strategy to ensure that funds are available for the development and efficient operation of 'MCZ' S.A.
- Maintaining the financial stability of 'MCZ' S.A. as a key priority in both the short and long term.
- Systematic monitoring and analysis of patients' needs in the region, taking into account their expectations.
- Active attracting of patients by expanding the range of services provided by highly qualified medical staff.
- Expanding the range of services in the post-paid, outpatient and inpatient businesses while aiming to diversify revenue streams.
- Optimisation of the terms of contracts concluded with the National Health Fund in order to effectively manage resources and provide health services.
- Increasing the revenue generated from primary care and specialised outpatient treatment, relating to the National Health Fund.
- Seeking to increase the productivity of the assets held.
- Modernisation of medical and technical infrastructure to bring it up to current standards and norms.

- Cooperation with scientific and research units to verify the application of modern technologies in the treatment and diagnostic process.
- Implementation of projects/activities for the benefit of stakeholders in accordance with the CSR strategy adopted by KGHM Polska Miedź S.A..
- Maintaining accreditation certificate for further years of operation.

In particular, as regards Occupational Medicine, there are plans to expand the scope of periodic examinations for selected occupational groups. The new proposals include diagnostics for cancer and exposure to harmful substances, including stool testing for occult blood by FIT, low-dose computed tomography of the lungs (NDTK) with 'Calcium Score' assessment, determination of total arsenic concentrations, speciation testing of arsenic and its metabolites and analysis of urinary cadmium and nickel levels, mammography.

Particular emphasis has been placed on the implementation of the FIT testing program, which aims to increase the availability of diagnostics, improve the reporting of screening tests and increase their effectiveness. The initiative is in line with the National Cancer Strategy 2020-2030 and is an important element of colorectal cancer prevention.

There are also plans to introduce a compulsory FIT test for people over 45, repeated every three years. It is estimated that the use of this method will reduce the number of indications for colonoscopy threefold, which could significantly contribute to reducing queues for this examination. FIT currently remains the most effective method of colorectal cancer prevention, making it a key tool in health prevention strategies.

PGU companies

As part of their activities, PGU companies are continually developing accommodation, treatment and food facilities, and expanding the range of treatment services and products, including, among others, treatment of the musculoskeletal and visual organs, balneological treatment, the possibility of purchasing mud, brine. These activities are carried out on a continuous basis, with care taken to gradually introduce new services. The activities of the PGU companies focus on hiring and systematically training staff, with the appropriate education and the right to practise their profession.

As part of quality management, Uzdrowiska Kłodzkie S.A. - Grupa PGU implemented appropriate procedures for dealing with adverse events, as well as procedures for corrective or improvement actions. Each case of non-compliance is analysed on an individual basis, and actions to eliminate irregularities are documented and verified for their effectiveness.

In order to reduce the risks arising from influences and dependencies on consumers and end users, companies regularly review and update their procedures, implement new, more efficient solutions, and provide training for employees.

Improving service standards for consumers and end-users is done through regular staff training and upgrading and refurbishing facilities. The investments implemented are aimed at improving the quality of services provided and attracting new commercial customers.

"Miedziove Centrum Zdrowia" S.A. and the spa companies belonging to Polska Grupa Uzdrowisk sp. z o.o. have not specified the resources allocated to the management of their material impacts due to the need to protect information of a strategic and confidential nature. At the same time, companies ensure the transparency of their material impact management activities by publishing information that allows stakeholders to qualitatively assess the effectiveness of the management actions taken, without the risk of breaching the confidentiality of individual companies.

[S4-5] Goals related to managing significant negative impacts, enhancing positive impacts and managing significant risks and opportunities

The materiality analysis showed two areas of impact: the potential loss of sensitive personal data and the actual positive impact on the health status of patients and patients at selected Group companies, with no identified significant risks or opportunities related to consumers and end-users. None of the five companies have set targets for managing significant negative impacts or increasing positive impacts. The companies did not formally engage with consumers, end-users or their representatives in setting targets, monitoring their achievement or identifying improvements, and activities in these areas are based on ongoing analysis of the situation and adapting existing procedures to circumstances and regulatory requirements. As part of the ongoing update of the KGHM Polska Miedź S.A. Group's strategy and its planned operationalisation, it is envisaged that this approach may be reviewed.

4.4 BUSINESS CONDUCT

4.4.1 [G1] Business conduct

[G1-1] Business conduct policies and corporate culture

No direct business conduct policy has been defined in the Group. Consequently, it is not possible to identify specific actions and targets. Existing documents only partially cover the issues covered by such a policy, but they have not been drafted in such a way as to set clear objectives, measures or timetables for the actions required by the Standard. Consequently, their

designation would be unjustified and inconsistent with the actual state of management of this area in the Company. On the other hand, there are a number of documents whose scopes partly cover the issue in question.

The Group has implemented the Anti-Corruption Management System in accordance with ISO 37001. Its scope of operation covers both KGHM Polska Miedź S.A., the supervised organisations of KGHM Polska Miedź S.A. (subsidiaries) and cooperating business partners. Supervisory measures in the area of corruption risk were determined on the basis of the risk assessment carried out for the individual entities of the Group.

The key regulations in force in the Company and implemented within the Group are approved by decisions of the Management Board of KGHM Polska Miedź S.A. Documents developed for the KGHM Group, at the stage of their preparation, are submitted to the appropriate advisory body (the Council of the KGHM Group), whose opinion may be taken into account in the final decisions of the Management Board of KGHM Polska Miedź S.A. On the basis of the normative act, the Management Board of KGHM Polska Miedź S.A. orders all or selected Management Boards of Companies to implement the policy/procedure/other type of normative act into their structure in a form that takes into account the characteristics of the companies concerned.

The Company has a systematic approach to the formation and development of its corporate culture, based on its defined values, mission and applicable standards. These are underpinned by formal documents such as the Code of Conduct and the Code of Ethics, which define standards of behaviour towards employees, business partners and stakeholders and set the direction for the organisation.

Periodic reviews of the codes are carried out as part of ensuring the validity and relevance of the applicable rules.

Organisational culture is promoted through consistent communication of values and ethics to a wide range of stakeholders, including employees, contractors and supply chain participants. The company's values are communicated through various channels, such as the website, onboarding materials, industry events, training and daily business practices. An important role in promoting corporate culture is played by employees who, through their attitudes and the way they interact with stakeholders, help to perpetuate it.

The Company's mechanisms for assessing and updating its corporate culture documents enable them to adapt to the changing business environment and applicable regulations and standards. These reviews take into account both the internal needs of the organisation and external requirements from international standards. The Company monitors and assesses the risk of violations of accepted ethical standards, including the risk of corruption, responds to incidents and implements adequate adaptation measures to mitigate the risk. It conducts quarterly internal audits of processes for compliance with accepted standards and norms.

Table 197. Key policies and procedures with respect to business conduct functioning in the KGHM Polska Miedź S.A. Group.

Anti-corruption policy	Establishes basic principles and standards to ensure compliance with the applicable anti-corruption regulations and voluntary anti-corruption commitments in the jurisdictions in which the KGHM Group operates. The Group applies a zero tolerance policy towards corruption and bribery. The Policy contains a declaration of full commitment by the senior management to activities related to the maintenance and continuous improvement of the implemented Anti-corruption Management System compliant with the requirements of the PN-ISO 37001 standard.
Procurement Policy	The aim of the Procurement Policy is to establish the overarching principles that should be followed by all participants of the procurement process in the KGHM Polska Miedź S.A. Group, as well as the general regulations of this process. The Policy sets forth supervisory measures mitigating the risk of irregularities in the procurement process.
Responsible Supply Chain Policy	Its purpose is to ensure that only responsible suppliers are selected and to ensure that goods and services purchased by the KGHM Group do not contribute to the financing of terrorism. Moreover, it aims to ensure that goods and services are produced or provided with respect for fundamental human rights, labour standards, environmental protection and in accordance with anti-corruption principles.
Competition law policy	The aim is to create a functional framework for the system that will ensure compliance with competition law and will be applicable in all countries in which the KGHM Group operates. Accordingly, the KGHM Group undertakes to conduct its competitive activities in the markets in a manner consistent with applicable laws and ethical principles, and to prevent, prevent and detect violations in accordance with the relevant legal regulations.

Table 198. Regulations related to the Anti-corruption Management System (SZDA) in place in KGHM Polska Miedź S.A.

<p>KGHM/ ZSZ/ SZDA/P-10 Corruption risk management</p>	<p>The aim of the procedure is to ensure that the performance of all the business processes in the KGHM Group complies with the adopted Anticorruption Policy and to ensure that Corruption Risk Management is a continuous process which guarantees an adequate level of monitoring and improvement of the efficacy of the adopted means of supervision. The procedure sets out the Corruption Risk Management framework to effectively address all corruption risks.</p> <p>Significant elements of the procedure include:</p> <ul style="list-style-type: none"> – Defining the responsibility and powers in the entire scope of Corruption Risk Management, – Linking the Anti-Corruption Action Management System to Corruption Risk Management, – Performing the corruption risk assessment in processes – Conducting due diligence of candidates and staff – Defining the rules for introducing means of supervising the anti-corruption area – Raising awareness and implementation of anti-corruption training for employees
<p>KGHM/ ZSZ/ SZDA/P-11 Handling activities of corruptive nature</p>	<p>The aim of the procedure is to ensure compliance of activities and processes performed by persons working for or on behalf of entities from the KGHM Group with the adopted Anticorruption Policy. These regulations apply to all employees and representatives of KGHM Group entities and are a key element in maintaining high ethical standards and compliance with applicable anti-corruption laws.</p> <p>Significant elements of the procedure include:</p> <ul style="list-style-type: none"> – Basic anti-corruption principles, including the prohibition of all corruption behaviour – Rules of conduct in contacts with public officers, counterparties and other stakeholders, – Handling conflicts of interest to ensure transparency and avoid situations that may lead to corruption – Dealing with business gifts, setting out the rules for accepting and giving gifts in an ethical and anti-corruption context – Principles for dealing with situations of corruption, including cases of attempted undue advantage – Consequences of non-compliance with principles of anti-corruption procedure
<p>KGHM/ZSZ/SZDA/P-12 Management of corruption risk management related to supervised organisations and business partners</p>	<p>The aim of the procedure is to ensure that within the Corruption Risk Management referring to obtained risk assessment results means of supervision will be applied to give an effective response to threats facing the Supervised Organisations and Business Partners.</p> <p>The procedure also aims to ensure the implementation of the Anti-Corruption Policy in Supervised Organisations and to define the regulations that must be implemented and applied by these organisations. In addition, it includes rules for managing the risks associated with Business Partners.</p> <p>Significant elements of the procedure include:</p> <ul style="list-style-type: none"> – Assessment of the corruption risks faced by KGHM Supervised Organisations – Supervisory measures referring to corruption risk pertaining to the Supervised KGHM Organisations, – Verification of compliance and effectiveness of supervisory measures applied by the Supervised KGHM Organisations, – Internal audits of the Management System for Anti-Corruption Activities (SZDA) carried out in the Supervised Organisations of KGHM – Internal audits of implemented and applied systems and/or solutions regarding corruption risk management in the Supervised KGHM Organisations performed by KGHM Polska Miedź S.A., – Review of the compliance and effectiveness of Corruption Risk Management / AMS, – Due diligence analysis with reference to business partners, – Standard supervisory measures with reference to business partners, – Procedure in the event of donations and sponsorship.

Issues of business conduct and corporate culture are also included in external regulations that have been implemented at KGHM Polska Miedź S.A., such as The Copper Mark certificate obtained by the smelters of KGHM, as well as ISO standards in the areas of environmental, energy, business continuity, anti-corruption, health and safety and information security management.

In addition, there is an internal document in the Group called "Resolution on the obligations of KGHM Group companies with respect to the verification of external counterparties", which puts into operation the Verification Procedure in purchasing, sales and investment processes.

Candidates applying for work in the KGHM Group are acquainted with the contents of the Code of Ethics and Anti-Corruption Policy at the recruitment stage via the eRekrutacja portal. Every new employee is required to be familiar with the contents of the key Policies and undergoes mandatory training, which they acknowledge by making a declaration. Employees also participate in regular training (every 3 years) on ethics and anti-corruption.

In addition, the Company introduces anti-corruption clauses in its contracts with Business Partners, whereby it provides them with a Code of Ethics and an Anti-Corruption Policy, obliging them to familiarise themselves with its content and comply with the provisions contained therein.

The Company's key policies, such as, the Responsible Supply Chain Policy, the Anti-Corruption Policy and the Code of Ethics, are available on the corporate website and intranet, as well as distributed and made available in physical form in all Group business units.

The KGHM Group's Responsible Supply Chain Policy addresses the key impacts, risks and opportunities associated with managing the supply chain in an ethical and sustainable manner. The document introduces clear rules and standards of behaviour, eliminating the lack of transparency of rules and unacceptable behaviour among office workers and employees on the move. All employees in the Group are required to comply with ethical standards, which contributes to standardising rules of conduct and reducing unethical practices.

The policy also sets out expectations of contractors, indicating that suppliers must respect human rights, anti-corruption and care for the environment. Failure to comply with these requirements results in an organisation's exclusion from the supply chain. The document also partly addresses expectations of the social environment, by emphasising the importance of relations with local communities and the protection of indigenous peoples' rights.

One of the main risks that the policy seeks to minimise is the failure to adhere to established principles and standards of ethical conduct within the Group. To prevent this, the Group has implemented a supply chain management system that includes audits, risk assessment and mechanisms for identifying non-compliance. The transparency and effectiveness of the policy is reinforced by a risk-based approach to vetting suppliers and taking corrective action when breaches are detected.

The KGHM Group's Responsible Supply Chain Policy plays a key role in managing important sustainability issues, focusing on ensuring the highest standards of business ethics, respect for human rights, environmental protection and anti-corruption. The company stresses that the selection of responsible suppliers is fundamental to running a sustainable business and expects all business partners to adhere to the same standards.

The policy addresses the main risks and impacts, eliminating potential risks associated with unethical supply chain practices. It includes, among other things, a ban on cooperation with entities involved in forced labour, corruption, money laundering, environmental degradation and other human rights violations. The controls and cooperation rules in place are designed to exclude organisations from the supply chain that act in a manner contrary to international standards of business responsibility.

The main objectives of the policy include ensuring that the Group's operations and its contractors comply with ESG standards, protect natural resources and local communities and minimise the negative environmental impact of mining and smelting activities. The policy also seeks to eliminate suppliers who do not comply with ethical standards and to ensure transparency throughout the supply chain.

The process of monitoring policy implementation is based on five key stages:

- Establishing a supply chain management system that includes management structures, communication mechanisms and control systems.
- Identification and assessment of risks by analysing suppliers' compliance with accepted standards.
- Development of a strategy to respond to identified risks, including corrective actions and monitoring mechanisms.
- Conducting independent, external audits to assess the effectiveness of the policies implemented.
- Reporting of supply chain test results to ensure transparency and compliance with regulatory requirements.

The scope of the policy covers all the Group's activities, including all its suppliers and contractors. There are no exemptions in the document and its assumptions apply at all levels of the organisation and throughout the value chain - both upstream and downstream. The policy also addresses specific stakeholder groups, covering employees, suppliers, customers and local communities that may be affected by the Group's activities.

The implementation of the policy is formally the responsibility of KGHM's Management Board, which controls compliance with responsible supply chain standards and makes decisions on the acceptance or exclusion of counterparties.

The policy refers to international standards and initiatives, including:

- OECD Guidelines for a Responsible Mineral Supply Chain,
- LBMA guidelines for responsible sourcing of gold and silver,
- Joint Due Diligence standard for copper and lead sourcing.

It is generally available to all stakeholders, including employees, suppliers and business partners. The Group provides communication channels for comments on the supply chain and the document can be obtained, among other things, by contacting by e-mail at dedicated addresses for the various supply areas.

The Anti-Corruption Policy of the KGHM Group is a key element in ensuring transparency and ethical management of the organisation, responding to potential influences, risks and opportunities associated with anti-corruption activities. The document clearly defines the rules of conduct, eliminating the lack of clarity in rules and unacceptable behaviour by employees. The policy also clarifies expectations of counterparties, indicating that suppliers and customers of the KGHM

Group are committed to the same high ethical standards. On the other hand, it does not directly address the rules and expectations of the social environment.

One of the key risks that the policy addresses is the failure to adhere to established principles and standards of business conduct. The mechanisms in place, such as the whistleblowing system, whistleblower protection and disciplinary proceedings, are designed to minimise these risks and ensure that the organisation's actions comply with applicable laws.

The main assumptions of the policy are based on the principle of zero tolerance for corruption, the aim of which is to eliminate all activities that may violate the standards of business ethics in preventing corruption. Employees, co-workers, suppliers and customers are obliged to adhere to the principles of integrity in business relations, which include the prohibition of offering, accepting or soliciting any undue advantage.

The top management of the KGHM Group demonstrates full commitment to the implementation of the policy and its continuous improvement in accordance with the PN-ISO 37001 standard. The policy places particular emphasis on eliminating conflicts of interest and providing protection mechanisms for whistleblowers. Anyone with knowledge of an incident that may bear the hallmarks of corruption is obliged to report it, and their identity and safety are protected from retaliation. In the case of confirmed violations, disciplinary proceedings are triggered and, if there is a breach of the law, the matter is reported to the relevant state authorities.

The scope of the policy covers the entire KGHM Group, including all employees, collaborators, suppliers and customers. The document provides no exemptions and applies to all areas of the organisation.

The implementation of the policy is the responsibility of the Management Board of KGHM, which appoints persons to act in an independent and impartial manner to ensure anti-corruption compliance. The policy refers to the PN-ISO 37001 standard.

The document is publicly available, appearing on the website and at all physical locations of the companies.

The Procurement Policy of KGHM Polska Miedź S.A. is an important element in managing the actual and potential impacts, risks and opportunities that may arise from the implementation of procurement processes. The policy sets out policies and procedures that clearly define acceptable and unacceptable behaviour for employees, suppliers and other stakeholders.

At the same time, it counteracts the negative impact on the financial health of suppliers, especially small and medium-sized enterprises, by setting clear rules for cooperation, defining payment deadlines and monitoring their implementation.

To mitigate the potential risks of working with suppliers who do not comply with business ethics, the policy emphasises thorough vetting of potential contractors. This includes market research, risk analysis and checking compliance with responsible environmental management principles. In addition, purchasing documentation and audit procedures help to eliminate instances of supporting irresponsible supplier practices.

The Purchasing Policy also takes advantage of available opportunities, such as new technologies and IT systems to manage purchasing processes. The introduction of integrated tools improves risk analysis, increases work efficiency and minimises the potential for fraud. In addition, the procurement strategy takes into account the development of the potential of the Group companies through the optimisation of their operations, support in obtaining funding and the assignment of clear terms of reference.

The Procurement Policy of KGHM Polska Miedź S.A. sets out the principles for managing procurement processes in a manner that ensures transparency, fair competition and protection of the Group's interests. Key aspects of this policy include the standardisation of processes, optimisation of purchasing, safeguarding the company's strategic interests and effective risk management. Ensuring the financial stability and security of the supply chain is also an important part of the policy.

Another objective of the Purchasing Policy is to implement uniform principles for the organisation of purchasing processes that guarantee optimum commercial conditions while maintaining high standards of quality and timeliness. The policy seeks to improve financial efficiency by aggregating purchases, negotiating and monitoring key performance indicators. An equally important objective is to minimise procurement risks and ensure the stability of strategic supplies and technologies.

The Purchasing Policy takes into account the impacts, risks and opportunities associated with purchasing processes. Key impacts include ensuring financial stability and transparency of operations. Risks include restrictions on access to suppliers, volatility of raw material prices and potential supply chain disruptions. On the other hand, opportunities arising from the implementation of the policy include optimising purchasing processes, negotiating better commercial terms and increasing the company's competitiveness in the market.

The implementation of the policy is monitored through systematic analysis and verification of its effectiveness. This process includes the assessment of key performance indicators, the analysis of the correctness of the procurement processes by the Procurement Process Security and Analysis Department and the verification of potential contractors by the Security Department. The results of the analyses and recommendations are forwarded to the Chief Procurement Officer, who oversees the implementation of the policy and reports the results to the Management Board.

The scope of the Procurement Policy covers the entire KGHM Polska Miedź S.A. Group, regulating both central and local procurement processes. The policy applies to all business units within the Group. The policy covers the value chain by regulating relationships with suppliers and contractors.

There are some exclusions within the policy - the document does not apply to purchases of an assumed value. Responsibility for the implementation of the policy rests with the Chief Procurement Officer, who acts as the overarching supervisor for the implementation of the procurement processes.

The policy does not refer to third-party standards or initiatives. Information on the Procurement Policy is available on the Company's corporate website.

The Competition Law Policy. The Competition Law Policy in the KGHM Polska Miedź S.A. Group is aimed at ensuring the compliance of the organisation's activities with competition law regulations and maintaining high ethical standards in business relations. This document sets out rules of conduct that eliminate the risk of unfair market practices, counteract unethical behaviour and increase transparency in relations with trading partners.

One of the key challenges that the policy addresses is the lack of clarity of rules and expectations among employees, suppliers and customers. This can lead to non-compliance with ethical standards, the risk of breaches of security procedures or unfair practices in the Group's business sectors. The policy counteracts these risks through clearly defined guidelines on relations with competitors, a prohibition on the exchange of sensitive information and the need to consult the Competition Law Representative before entering into contracts if there are doubts about its content from a competition law perspective. This structure eliminates the risk of misinterpretation of rules and enables effective management of regulatory compliance.

The negative impact on the liquidity of suppliers, especially small and medium-sized enterprises, resulting from long payment periods has been minimised thanks to the principle of transparency in cooperation and the guarantee of fulfilment of obligations within the agreed deadlines.

The scope of the policy covers all the Group's activities, including all its employees and representatives. Responsibility for the implementation of the policy lies with the Competition Law Representative of the KGHM Group, and monitoring of the implementation of the policy is carried out through his supervision and the support of the Local Representatives in the individual entities of the organisation.

The Competition Law Policy does not refer to third-party standards or initiatives. In case of doubts, contractors can contact the Local Competition Law Representatives who can explain the Group's detailed rules.

Description of how the company establishes, develops, promotes and evaluates its corporate culture

The KGHM Code of Ethics is based on the values shared by the entire KGHM Group, such as safety, collaboration, results orientation, responsibility and courage. The document also refers to the company's mission statement, which is "To always have copper", and includes a vision, understood as "the efficient use of resources to become a leader in sustainable development". The Code refers to three fundamental Ethical Standards: Company's Good, Person's Good, Stakeholder's Good.

The Code applies to all employees of the KGHM Group, irrespective of their position or place of work, including members of the Management Boards, managers, leaders, as well as those acting on behalf of the Group. Compliance with the principles of the Code is also expected of counterparties, customers and other entities cooperating with the KGHM Group.

KGHM Polska Miedź S.A. is constantly developing and strengthening employee awareness of important issues in the area of business ethics, such as the protection of human rights, anti-corruption, corporate social responsibility, fair business practices, environmental protection and sustainable development through training, a range of educational activities and educational campaigns. The company indirectly assesses its corporate culture by analysing incidents involving violations of ethical standards, human rights or anti-corruption policies. As a result, decisions can be made to take appropriate adaptation measures.

Description of mechanisms for identifying, reporting and investigating concerns about illegal behaviour or behaviour contrary to the code of conduct or similar internal rules

KGHM Polska Miedź S.A. is subject to legal requirements under national laws implementing Directive (EU) 2019/1937, i.e. the Law on the Protection of Whistleblowers, with respect to the receipt and processing of whistleblower reports and the protection of whistleblowers.

The mechanisms for identifying, reporting and investigating concerns about unlawful behaviour or behaviour contrary to the code of conduct or other internal rules are described in [section \[S1-3\] Processes for remediating the effects of negative influences and channels for raising concerns through own staff resources](#).

The procedure on "Dealing with corrupt activities" specifies in detail how to deal with situations involving corrupt incidents. In the event of an incident bearing the hallmarks of corruption, an ambiguous situation, an attempt to offer a benefit, a corrupt offer or a reasonable suspicion of an employee's involvement in corrupt activities, the Ethics and Anti-Corruption Representative shall conduct an analysis of the circumstances and causes of the incident. This process assesses the situation and identifies potential organisational and legal changes to prevent similar situations in the future.

There is also a Corporate Risk Management system in place in KGHM Polska Miedź S.A., which enables actions to be taken in response to identified incidents. This process is described in detail in the document called Corporate Risk Management Policy in the KGHM Polska Miedź S.A. Group. Its purpose is to identify, assess and analyse key risks and to develop a Risk Response Plan and implement Adaptation Measures. This approach effectively mitigates risks, achieves business objectives and supports the identification of opportunities, enabling the building of competitive advantage.

No anti-corruption policies in line with the United Nations Convention against Corruption are in force

Not applicable

Schedule for implementation of anti-corruption and anti-bribery policies consistent with the United Nations Convention against Corruption

Not applicable

Disclosure of whistleblowing safeguards, including whistleblower protection

The measures adopted to ensure information security (integrity, confidentiality and availability), protection of personal data and protection against retaliation in the process of handling reports are described in [section \[S1-3\] Processes for remediating the effects of negative influences and channels for raising concerns through own staff resources](#).

No whistleblower protection rules apply

Not applicable

Schedule for implementation of whistleblower protection policies

Not applicable

The entity commits to prompt, independent and objective investigation of business conduct incidents

In accordance with the internal regulations in force for the investigation of business conduct incidents, all investigations are carried out only by authorised persons who meet the criterion of impartiality and who have the necessary qualifications to guarantee that the investigations are carried out correctly and effectively. Internal procedures specify deadlines for actions and impose an obligation to carry them out without undue delay.

The internal regulations also stipulate that the composition of the investigation team or the Ethics Committee must ensure the impartiality and independence of the activities carried out. In the event that any member of the Commission or the Panel has a business relationship or any other relationship with any of the parties to the case, he or she is required to exclude himself or herself from the proceedings. In such a situation, the composition of the Commission or panel shall be appropriately supplemented in order to guarantee the highest standards of objectivity and fairness in the proceedings.

Information on in-house training policies on business conduct

The Company's Internal Procedure "Corruption Risk Management" specifies that each Employee and Representative of the Company (i.e. any entity or person representing, on any legal basis, any of the Organisational Units of KGHM, acting on their behalf or for their benefit), in their dealings with Business Partners, state authorities and other interested parties, is obliged to confirm that they are familiar with the Anti-Corruption Policy and the internal regulations on corruption risk management. This commitment must be documented in the form of a written statement.

Each employee and Representative, no later than 30 days from the date of his/her employment or the commencement of cooperation with an Organisational Unit in the KGHM Group, participates in a training course organised by the Ethics and Anti-Corruption Representative. This training provides key information on corruption risks and the Group's approach to managing these risks, including:

- Circumstances in which corruption may occur in connection with the duties performed, how to recognise the symptoms of corrupt activities and key corruption risk indicators, how to prevent, avoid and respond to corrupt proposals or offer; the potential consequences of corruption
- The role of employees in ensuring the effectiveness of the Corruption Risk Management/Anti-corruption Management System and the benefits of its functioning for the Organizational Units and the entire KGHM Group
- The potential consequences of failing to comply with the requirements of the Corruption Risk Management/Anti-corruption Action Management System and violations of the Anti-corruption Policy and internal anti-corruption regulations
- Paths of submitting comments and concerns regarding the functioning of the Corruption Risk Management/Anti-corruption Action Management System and suspected breaches of the Anti-corruption Policy and regulations as well as the benefits of reporting suspected corruption.

The Ethics and Anti-Corruption Representative organises further training on this subject on a three-year cycle from the date of the initial training. These training courses are mandatory and repeated at the same intervals.

Newly hired persons are also subject to mandatory training on the requirements of the Code of Ethics, conducted by the Ethics and Anti-Corruption Representative of the respective KGHM Organisational Unit. Representatives are additionally

obliged to carry out educational and communication activities aimed at building employee awareness of the ethical standards in force in the KGHM Group.

Disclosure of functions most at risk of corruption and bribery

In accordance with current rules, in KGHM Polska Miedź S.A. there exist in individual Divisions Lists of positions and functions which, due to the results of the corruption risk assessment analysis, require in-depth due diligence.

According to the Corruption Risk Assessment Procedure, when a risk is assessed as high or critical in a particular process and, in addition, positions or functions are identified that may be associated with potential corrupt activities, due diligence is required for:

- Candidates applying for these posts
- Personnel who already perform specific functions or who are to be entrusted with tasks related to processes with a high risk of corruption

Mandatory due diligence is included in each Group entity's Ethics and Anti-Corruption Officer function (ultimately the Anti-Corruption Officer).

[G1-2] Supplier Relationship Management

Responsibility for supplier relationship management in the KGHM Group has been divided into two key areas:

- Procurement of copper-bearing feedstock
- Relationships with other suppliers

Such a division makes it possible to effectively manage purchasing processes and build sustainable and transparent relationships with business partners, taking into account the specific characteristics and requirements of each area.

Description of the policy to prevent late payment, especially for SMEs

In the Company, the Principles of Financial Management and the Economic System of KGHM Polska Miedź S.A. were adopted, defining, among others, principles and terms of payment with suppliers. This document defines the Company's internal economic and financial system, also covering the rules for making payments, including to small and medium-sized enterprises (SMEs). These rules reflect the requirements under the provisions of the Act of 8 March 2013 on the prevention of excessive delays in commercial transactions.

- Group companies are guided by the provisions of the aforementioned Act (or the relevant legal regulations in their countries of operation) and, where applicable, by the provisions in individual contracts with their counterparties.
- Some subsidiaries in the Group have internal detailed regulations, such as, for example, the Standard Terms and Conditions of Cooperation with Counterparties at KGHM Metraco S.A., which detail issues related to payment execution, while remaining in compliance with statutory requirements.

For the international assets of the KGHM Group, payment management processes are adapted to local legal and operational conditions:

- Companies located in the United States and Canada process payments in accordance with the internal guidelines contained in the "Spending, Contracting & Signing Authorisation and Cash Disbursement policies".
- DMC companies located in Canada and the United States process payments in accordance with the internal guidelines contained in the "Spending, Contracting & Signing Authorization policy" and the "Procurement to Pay Procedures".
- Companies located in Chile pay their suppliers according to an internal procedure called the "Accounts Payable Process", which complies with local regulation 21.131, which requires payment to suppliers within 30 days of receipt of an invoice. Other exceptional deadlines are allowed, but they must not be shorter than 30 days.
- DMC Chile makes payment in accordance with the internal guidelines contained in the document "Integrated Management System - Administration & Finance Procedure" and local regulation 21.131, which states that payment of invoices must be made within 30 days of the date of the invoice, unless other terms are agreed between the parties.

The Group strives to comply with legal regulations on timely payment, supporting the financial stability of counterparties and building long-term business relationships.

No formal policy dedicated to the prevention of payment delays has been adopted in the Group - it has been recognised that the solutions currently in place in the Parent Entity and the companies offset the likelihood of payment delays.

Description of approaches to supplier relations, taking into account supply chain risks and sustainability impacts

The KGHM Polska Miedź S.A. Group has implemented a Responsible Supply Chain Policy, which aims to ensure compliance with the highest standards of business and production ethics throughout the entire value creation chain. This policy is an integral part of the Code of Ethics of the KGHM Group, which sets out the principles for a responsible approach to business activities. The KGHM Group expects its suppliers to comply with the principles contained in the policy and reserves the right not to enter into business relationships with entities that act in a manner inconsistent with the accepted rules.

In order to ensure the highest possible standards of sourcing materials from conflict-affected and high-risk areas, KGHM Polska Miedź S.A. has adopted a risk-based approach. This makes it possible to identify risks and high-risk business relationships, implemented in accordance with international guidelines such as:

- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- LBMA Responsible Gold Guidance and LBMA Responsible Silver Guidance
- Criteria applicable to the Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc implemented at KGHM's Smelter Divisions, which is part of the industry standard The Copper Mark.

In addition, the Supply Chain Examination Procedure for Gold and the Due Diligence in Supply Chain Examination Procedure for Copper and Lead were introduced at KGHM Polska Miedź S.A. These procedures ensure that raw material sourcing processes are monitored and audited by independent third parties to systematically check compliance with normative and regulatory requirements.

The Group's Purchasing Policy covers the entire organization is described in disclosure [section \[G1-1\] Business conduct policies and corporate culture](#).

The Group conducts an ongoing supplier evaluation process in which appropriate adjustments are made to improve the degree of compliance of individual bidders with KGHM's requirements regarding compliance with applicable ethical, environmental and social principles.

This process involves parallel and complementary activities:

1. So-called reference visits by the Purchasing Department to key suppliers relevant to ensuring continuity of supply. During these visits, direct confirmation is made of the conformity of the facts with the declarations made by suppliers under the 'Contractor Charter', which is an annex to the Purchasing Policy. A report is produced from each visit, including an assessment of the supplier and recommendations. These reports are also used in The Copper Mark certification process.
2. Conducted by the Security Department, parallel to the reference visits, the process of verification and evaluation of suppliers forms an integral part of purchasing, sales and investment procedures. This verification is obligatory, and is carried out on the basis of a request from the functional units of the purchasing, trade or investment divisions, prior to the start of cooperation.

Verification of the Security Department is carried out based on the "Procedure for Verification in Procurement, Sales and Investment Processes in the KGHM Polska Miedź S.A. Group" and consists of:

- initiating verification on the basis of a request submitted by the relevant organisational units from the purchasing, trade or investment divisions prior to the start of cooperation,
- analysing suppliers for potential cooperation risks,
- development of reports containing recommendations and the identification of possible 'red flags' that signal potential risks arising from cooperation,
- forwarding the results of the assessment to the relevant departments for further business decisions.

The results of the verifications carried out by the Security Department are valid: two years for procurement processes and one year for other types of cooperation.

In addition to the regulations adopted at Group-wide level, the individual Group companies have their own procedures, which further shape the principles of supplier relations, taking into account the specifics of their industry. Depending on the company, these may be more formalised documents, such as policies, processes, procedures, instructions or regulations, or activities developed from long-standing relationships with counterparties that are not formally reflected in company documentation.

Companies located outside Poland apply regulations adopted at Group level in matters of supplier relations, while taking into account guidelines specific to the countries in which they operate.

Disclosure of whether and how social and environmental criteria are taken into account in the selection of supply-side contractual partners

Currently, social and environmental criteria are not directly included in the supply-side Business Partner selection process as contracting factors. The Procurement Policy in force at KGHM Polska Miedź S.A. does not require these criteria to be applied during tender procedures.

In the area of purchasing, the key document that defines the responsibilities and expectations for Business Partners is the Contractor's Charter. Each supplier is required to accept the provisions of this document, which includes requirements for adherence to ethical business practices. In the event of any breach of these principles or non-compliance with accepted standards, KGHM Polska Miedź S.A. reserves the right to terminate cooperation.

The Contractor's Charter is divided into three categories:

- Business ethics and operations, including prohibition of corruption and paid patronage, conflict of interest, environmental protection, product and quality responsibility, anti-money laundering and terrorist financing
- Human rights and labour standards, covering health and safety, prevention of forced and child labour, basic human and worker rights
- Compliance, covering public tributes, sanction letters and conflict minerals

Some Group companies implement the Procurement Policy and detailed documents, adapting them to their organisational structure, the subject of their activities and the applicable legal regulations. The selected companies do not include social and environmental criteria in the selection process of Business Partners, taking them into account only in the later stages of the bidding process, after considering economic issues.

Companies located in the United States do not consider social and environmental criteria when selecting Business Partners. For Canadian companies, health, safety and environmental criteria are assessed during the contracting process. Companies located in Chile, on the other hand, provide for sanctions as part of their purchasing process in the event of non-compliance with policies and procedures related to health and safety, environmental protection and social issues.

[G1-3] Counteracting and detection of corruption and bribery

Description of procedures used in order to prevent, detect and respond to allegations or incidents related to corruption and bribery

In order to comply with the most important principles related to the prevention of corruption in the KGHM Polska Miedź S.A. Group, including domestic and foreign companies, an Anti-Corruption Management System was implemented in 2020 in accordance with the PN-ISO 37001:2017 standard. The decision was followed by a series of training workshops for employees, including training for prospective internal auditors and Representatives on the Anticorruption Management System in accordance with PN-ISO 37001:2017. In the Group, the Ethics and Anti-Corruption Representatives report substantively to the Group Ethics and Anti-Corruption Representative and their activities are supervised by the Chief Safety and Loss Prevention Representative in the CEO Division. The updated version of the regulations, as part of the improvement of the Anti-Corruption Management System, also includes the implementation of a multi-member Anti-Corruption Committee in place of the Ethics and Anti-Corruption Plenipotentiary in the Group, which will be responsible for overseeing anti-corruption policies and monitoring the effectiveness of activities in this area and will at the same time ensure that the members of the Committee are fully independent of possible anti-corruption events in the Group. The updated version of the SZDA procedures depends on the timing of the entry into force of the second version of the ISO standard, but its implementation should take place in the first half of 2025.

In connection with the implementation of the ISO 37001:2017 standard, in 2021 the KGHM Polska Miedź S.A. Group adopted the new Anti-corruption Policy. In the years 2022-2024, following an analysis of the implemented and functioning solutions, measures were furthermore taken to improve the system, taking into account the update of the standard planned for 2025.

The Anti-Corruption Policy is available to all Group employees both electronically and in hard copy, as well as on the corporate website. It is also part of the agreements concluded with suppliers and business partners. Employees are required to attend mandatory training courses that cover issues related to recognising corrupt activities, managing conflicts of interest, and dealing with contacts with public officials. As part of the update of SZDA procedures, employees are also covered by additional training, as well as periodic educational campaigns.

The basis for the Anticorruption Management System is Corruption Risk Management, which is based on identification and assessment of corruption risks in individual processes pursued by Group entities. The adopted procedures also regulate the process of corruption risk management in relation to Supervised Organisations and Business Partners. They define detailed standards of handling activities of a corrupt nature, including conflict of interest, giving and accepting business gifts, contacts with public officials or events that may constitute corrupt offers. They also define the responsibility for violations of the provisions of the Anti-Corruption Policy. In line with the "prevention first" principle, the KGHM Group manages the risk of corruption by implementing adequate supervisory measures. As part of the implemented SZDA, compliance of the activities carried out by KGHM Group entities with the adopted Anti-Corruption Policy was ensured.

In the event of suspected corruption or bribery, incidents are immediately reported to superiors and to the Ethics and Anti-Corruption Representative and further action is taken on the basis of legal analysis. If a breach of the rules is confirmed, appropriate action is taken. The Representative is responsible for informing the appropriate service units so they can refer the situation in question to legal analysis with regard to the legitimacy of a notification of potential criminal offence to be submitted by the KGHM Organisational Unit. If this is deemed justified, the notification shall be made by the persons authorised in this respect.

The most important anti-corruption policies and procedures are described in [section \[G1-1\] Business conduct policies and corporate culture](#).

Ethics and anti-corruption training

All employees newly hired in KGHM Group entities are covered by training in the area of anti-corruption. At three-year intervals, mandatory e-learning courses are also provided for all employees on the prevention of irregularities in the company, standards for dealing with corrupt activities, including situations of conflict of interest, giving and accepting business gifts, contacts with public officials or events bearing the hallmarks of a corrupt offer. In addition, in line with the ongoing update of the SZDA procedures, employees occupying positions selected on the basis of the risk matrix for due diligence are covered by additional training, implemented by the Ethics and Anti-Corruption Plenipotentiaries in the organisational units at 1-year intervals. In addition, educational and information campaigns, competitions and publications aimed at employees are organised every year. Regular training courses in the area of security and loss prevention, including ethics and anti-corruption and conflict of interest, are also organised for employees of the security cells of Group entities. In the years 2023-2024, meetings were held for employees of the Mining and Smelting Divisions in the form of anti-corruption campaigns, during which the values that guide us in the KGHM Group were promoted; employees were also made aware of the procedures in force. They were also able to practise scenarios of how to behave in corrupt situations. The latest version of the mandatory e-learning course, the completion of which is certified both electronically, in the system and by an issued certificate with a 3-year validity period, was also launched in 2024. Additional training on the requirements of ISO 37001, training for internal auditors and leading the Anti-Corruption Management System according to ISO 37001 or improvement workshops are also provided each year.

All employees, regardless of their position (including members of the Management Board and Supervisory Board), are required to complete mandatory anti-corruption training covering the following topics:

- how to recognise the symptoms of corrupt activities
- how to deal with conflicts of interest
- how to give and receive business gifts
- what action to take when dealing with business partners
- how to deal with officials
- how to respond to corrupt solicitations or offers, and the possible consequences of corruption.

Functions most exposed to corruption and bribery risk

In accordance with current rules, in KGHM Polska Miedź S.A. there exist in individual Divisions Lists of positions and functions which, due to the results of the corruption risk assessment analysis, require in-depth due diligence. In accordance with the Corruption Risk Assessment Procedure, if the risk in a particular process is assessed as high or critical and positions and functions have been identified which may be associated with potential corruption activities in this process, due diligence analysis is required for candidates and personnel employed in these positions and/or functions. Mandatory due diligence is included in each Group entity's Ethics and Anti-Corruption Officer function (ultimately the Anti-Corruption Officer). It is not possible to clearly identify the categories of posts that are subject to due diligence due to the different characteristics of each Division. These include data insiders, medical, labour, project managers, Chief Production Preparation Engineers, Chief Technology Engineers, Chief Investment Engineer, Financial Control Managers, financial settlement co-ordinators, Chief Energy-machinery Engineers and the like.

[G1-4] Incidents of corruption or bribery

The Anti-corruption Management System implemented in the Group, compliant with ISO 37001 is based on such regulations as: KGHM/ ZSZ/ SZDA/P-10 Corruption risk management The procedure sets out the Corruption Risk Management framework to effectively address all corruption risks.:

KGHM/ ZSZ/ SZDA/P-11 Handling activities of corruptive nature. The aim of the procedure is to ensure compliance of activities and processes performed by persons working for or on behalf of entities from the Group with the adopted Anticorruption Policy. Among the relevant elements of the procedure are, in addition to the basic anti-corruption rules, the following: rules on cooperation with public officials, contractors and stakeholders, rules on accepting and giving business gifts, procedures and instructions on conflicts of interest and in the event of the occurrence of corruption, and the consequences of non-compliance with anti-corruption rules.

KGHM/ZSZ/SZDA/P-12 Management of corruption risk management related to supervised organisations and business partners. The aim of the procedure is to ensure that within the Corruption Risk Management referring to obtained risk assessment results means of supervision will be applied to give an effective response to threats related to Supervised Organisations and Business Partners.

The aforementioned regulations, together with the Procedure for Receiving Internal Notifications of Violations of Law and Follow-up Actions in the Group, define the paths to follow in the event of corruption incidents. If an incident occurs, it must be recorded in the Corruption Incident Register, supervised by the Control, Anti-Fraud and Anti-Corruption Department. No such incident has been recorded in 2024.

Preventive and educational activities

In order to raise awareness of anti-corruption, the KGHM Group conducts a number of preventive and educational activities, including:

- Anti-corruption training, both for new recruits and in the form of regular courses for all employees
- Education and information campaigns, including the publication of materials such as guides, articles, educational videos, as well as the organisation of poster campaigns and events to promote ethical standards.

Regular training, information campaigns and the support of accessible educational materials are key elements in the implementation of the anti-corruption policy and in building ethical awareness throughout the Group.

Effectiveness of Anti-Corruption Activities in 2024

The Group did not record any pending proceedings for violations of anti-corruption or anti-bribery laws in 2024. Accordingly, no convictions or fines have been awarded in this type of case. This fact confirms the effectiveness of the anti-corruption policies and preventive measures implemented and the Company's commitment to maintaining the highest ethical standards and compliance with applicable regulations.

Management commitment and compliance with the PN-ISO 37001 standard

The top management of the KGHM Group confirms its full commitment to maintaining, developing and improving the Anti-Corruption Management System, which has been designed and implemented in accordance with the requirements of the PN-ISO 37001 standard. This system is an integral part of the Group's governance policy, supporting transparency initiatives and the highest standards of ethics in the conduct of business.

[G1-5] Political influence and lobbying activities

Based on a dual materiality analysis, the sub-theme 'G1-5 - Political Influence and Lobbying Activities' was deemed not relevant.

In the light of materiality of impact and financial materiality, the Group has no direct political influence, and therefore no significant stakeholder impacts have been identified. According to the Political Parties Act of 27 June 1997 (Article 25), State Treasury companies may not finance political parties, election campaigns or political activities. As such, and due to the Group's policies and procedures, no significant impacts, risks or opportunities have been identified.

Thus, no financial or in-kind contributions of a political nature were made in 2024.

[G1-6] Payment practices

Payments with external entities are made by the Company in accordance with generally accepted legal regulations and on the basis of internal regulations determined in the Principles of Financial Management and Economic System of KGHM Polska Miedź S.A. Liabilities to suppliers are settled on the last day of the term specified in the payment terms of the contract.

Delays in payments result mainly from decisions to withhold payments, in accordance with the terms of the contract and instructions from the substantive unit of the division.

Withholding of payment occurs mainly when the counterparty has not provided the required contractual documents necessary to launch the payment and is most often the result of lack of payment to the subcontractors executing the contract.

Payment is made upon receipt of statements that all financial obligations to the contractor's subcontractors have been settled.

Delays in payment are also due to incorrectly entered data in the financial and accounting system or the submission of a document for payment after its due date. These situations have an impact on the determination of the payment term and occur occasionally.

Typical payment terms set out in contracts are payment terms within 30 (mainly for SMEs) or 60 days of receipt of the invoice. Due to the volume of operations, the time of payment of liabilities to the main material supplier by Mercus Logistyka Sp. z o.o. also plays a significant role - in accordance with the agreement in force, a payment term of 14 days applies.

All invoices issued within the KGHM Polska Miedź S.A. Group were included in the analysis, excluding intra-group transactions.

The following table provides key information on the KGHM Polska Miedź S.A. Group's payment performance. The metrics shown in the table have not been validated by any external bodies other than the assurance provider. The average number of days to pay an invoice was calculated on the basis of the date on which the liability arose (defined as the date on which the invoice was issued or received, according to the terms of the contract and internal procedures) and the date on which the invoice receivable was settled (paid).

Table 199. Key information on the KGHM Polska Miedź S.A. Group's payment performance.

Entity	Average number of days to pay an invoice from the start of the contractual or statutory payment period	Payment percentage according to standard payment terms	Number of legal proceedings currently pending due to delays in payment
KGHM Polska Miedź S.A. Group	42	90.78%	5

USEFUL TERMS AND ABBREVIATIONS

Bearer shares	In accordance with the Polish legal system the term: "bearer shares" has a different meaning than "bearer shares" (anonymous and unregistered shares facilitating illicit actions) eliminated from the market by certain countries, e.g. in the UK. The obligatory dematerialisation of shares carried out in Poland in 2021 abolished the anonymity of all shareholders of joint-stock companies. The necessity to register bearer shares makes it possible to identify each shareholder entitled to hold shares. The division into registered and bearer shares has been upheld largely due to the legal tradition in Poland
BAT (Best Available Technique)	Best Available Technique, as defined in Directive 96/61/EC, means the most effective and advanced stage in the development of activities and their methods of operation which indicate the practical suitability of particular techniques for providing in principle the basis for emission limit values designed to prevent and, where that is not practicable, generally to reduce emissions and the impact on the environment as a whole
BGP	Gas-Steam Blocks
BREF	"BAT REference document", the reference document of best available techniques (BAT)
Total unit cost of producing copper from own concentrate	The sum of costs of mining, flotation, smelter processing per cathode and support functions (the Data Center Division, the Mine-Smelter Emergency Rescue Division and the Head Office), together with cathode selling costs, adjusted by the value of inventories of half-finished products and work in progress and less the value of anode slimes, divided by the volume of electrolytic copper production from own concentrate
CRU	CRU Group, a London-based analytical company providing, among other things, business analytics and advisory services, primarily in the mining, metals and fertiliser markets.
COMEX	The Commodity Exchange, Inc. a global commodity exchange with the head office in New York, focusing on trading in derivatives (futures and options) on metals such as gold and silver, as well as copper, aluminium, steel, molybdenum, zinc, lead and iron ore.
COPI	KGHM Polska Miedź S.A. Data Center Division
Net debt Net Debt	The value of loans, borrowings, debt securities and leases payable less free cash and cash equivalents, taking into account the impact of derivatives related to sources of external financing. Liabilities arising from the use of financial instruments containing reverse factoring mechanisms are not included in this category
OFE rod	Oxygen-free copper wire produced at HM Cedynia based on UPCAST technology
CSRD	Directive 2022/2464 of the European Parliament and of the Council on sustainability reporting (CSRD - Corporate Sustainability Reporting Directive) published in the Official Journal of the EU on 16 December 2022.
Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)	Profit on sales plus depreciation/amortisation recognised in profit or loss and recognition/reversal of impairment losses on non-current assets.
EE TGE YA	Electricity price on the Warsaw Power Exchange (TGE) in delivery for the next calendar year (YA - Year Ahead)
Electrorefining	The process of electrolysing dissoluble anodes which are produced from refinable alloys. During this process refined metal is collected on starter sheets under controlled conditions, while contaminants remain in the electrolyte as solids or liquid
ESRS (European Sustainability Reporting Standards)	European Sustainability Reporting Standards issued in the form of Commission Delegated Regulation (EU) 2023/2772. The regulation entered into force and is applicable from 1 January 2024.
Fed	The Federal Reserve System, customarily referred to as the Federal Reserve, abbreviated to Fed - the central bank of the United States.
Pillar (mining)	An unremoved mass of rock in an underground mine used to support the ceiling against collapse
Flotation (ore enrichment)	A stage in the process of breaking down ore into fragments of varying composition of useful elements which exploits differences in the degree of wettability of individual mineral grains. Well-wetted minerals fall to the bottom of the flotation tank, while the poorly-wetted grains (those whose wettability additionally decreases due to the action of so-called collecting agents, e.g. xanthates) collect at the surface of the froth created from froth-inducing agents
FOMC	The Federal Open Market Committee, the body within the Federal Reserve System (Fed) responsible for shaping the monetary policy, overseeing US open market operations and setting money supply targets.

(The Federal Open Market Committee)	
TTF MA gas	European wholesale TTF (Title Transfer Facility) gas price for Month Ahead (MA) gas futures.
Group	KGHM Polska Miedź S.A. Group
HM	Metallurgical plant/ smelter
INE	Shanghai International Energy Exchange, a subsidiary of the Shanghai Futures Exchange, allowing trading in futures and options on crude oil, copper, low-sulphur fuel oil and rubber.
ISO	International Organization for Standardization
JRGH	KGHM Polska Miedź S.A. Mine-Smelter Emergency Rescue Division
Senior management	Top management level in the organisation of the entity (Management Board, Supervisory Board)
Management staff	Managers of individual units or departments of the organisation, including the senior management and the middle management staff.
Copper cathodes	The basic form of electrolytically-refined copper; the product of electrolytic copper refining
Copper concentrate	The product of enriching low-grade copper ore
Cost of producing payable copper (C1)	Unit cash cost of producing payable copper, reflecting ore mining and processing costs, transport costs, the minerals extraction tax, administrative expenses during the mining phase and smelter treatment and refining charges (TC/RC) less by-product value. C1 cost is in regard to payable copper in own concentrate in the case of the segment KGHM Polska Miedź S.A. and payable copper in end products of individual mines of the segment KGHM INTERNATIONAL LTD. and the segment Sierra Gorda S.C.M.
Mineral	Raw material of economic significance extracted from the ground e.g. coal, oil, salt, metal ores
CCC	Act of 15 September 2000, Commercial Partnerships and Companies Code (Journal of Laws no. 94, item 1037, as amended)
LBMA	London Bullion Market Association, the precious metals industry association responsible for setting the main standards in the silver and gold market.
LME	London Metal Exchange, the world's largest non-ferrous metals exchange, which allows trading in futures and options on various commodities. It provides the global benchmark for metal prices and plays a key role in international trade.
Payable metal	Volume of metal produced less the loss incurred in further processing to pure metal
Electrolytic copper	The product of electrolytic copper refining
NBP	National Bank of Poland
Flotation tailings	Waste remaining after the ore enrichment process
OPEC+	A broader agreement that comprises members of OPEC (Organisation of Petroleum Exporting Countries) and additional oil-producing countries that have agreed to work with OPEC to regulate the supply of oil on global markets.
TSF	Tailings Storage Facility
Time perspective	The perspective and defined time for the implementation of a particular action The following assumptions are made : <ul style="list-style-type: none"> – short-term perspective - covers a period of up to 2 years – medium-term perspective - covers a period of 2 to 5 years – long-term perspective - covers a period of more than 5 years
Mobility policy	The Policy on International Mobility in the KGHM Polska Miedź S.A. Group setting out the principles for the transfer of employees seconded from one entity of the KGHM Polska Miedź S.A. Group to another entity of the KGHM Polska Miedź S.A. Group with its registered head office in another country.
Invention Regulations	Internal document of the Company defining the principles and procedures for the consideration and remuneration of project applications, the acquisition by KGHM of rights to use projects and the acquisition of rights to obtain Exclusive Rights.
YoY	year on year, i.e. comparison between one year and the next year
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals - regulation issued by the European Parliament and of the Council (EU) on the safe use of chemicals through their registration and evaluation, and in certain cases through the issuance of permits and restrictions in the sale and use of certain chemicals
WTI crude oil	WTI (West Texas Intermediate) crude oil, a type of crude oil originating in the USA. It serves as one of the main international price benchmarks for crude oil (alongside Brent and Ural).

Ore	Rock which contains one or more useful elements. Ore can be monometallic (containing a single metal) or polymetallic (containing more than one metal)
Sell-side	A term used in the financial services industry designating the provision of securities sales services by entities such as investment banks, brokerage houses or market makers.
SHFE	Shanghai Futures Exchange, one of the main futures exchanges in China, trading financial instruments based on metals (e.g. copper, aluminium, zinc), including precious metals, energy products or rubber.
Barren rock	Rock which accompanies the extraction of mineral ore and is not considered as useful
SMR (Small Modular Reactor)	Small modular nuclear reactor technology
Pre-precious metals credit unit cost of electrolytic copper production from own concentrate	The sum of costs of mining, flotation, smelter processing per cathode and support functions (the Data Center Division, the Mine-Smelter Emergency Rescue Division and the Head Office), together with cathode selling costs, adjusted by the value of inventories of half-finished products and work in progress divided by the volume of electrolytic copper production from own concentrate. Indicator used solely in the Parent Entity
SX-EW (solvent extraction and electrowinning)	Copper cathode production technology applied in some plants of KGHM INTERNATIONAL LTD. based on solvent extraction (the process of leaching useful minerals using a solvent) of the copper ore heap, with the aid of diluted sulphuric acid, under the atmospheric conditions
Electrolytic copper refining technology	A process involving the electrolytic refining of metal, in this case copper. The periodic removal of portions of the electrolyte is required to maintain the level of contaminants at an acceptable level, which is one of the decisive factors determining the quality of electrolytically-refined copper. The contaminated electrolyte and slimes are used as the raw materials in the recovery of some of the metals accompanying the copper, such as silver, gold, selenium and nickel
Silver smelting and electrolytic refining technology	Comprised of: batch preparation (the mixture of batch elements followed by drying); the smelting of Doré metal and the casting of anodes (melting of the batch in a Kaldor furnace to remove slag or gasify impurities followed by casting of the product [99% silver] into anodes); silver electrorefining (forming into cathodes containing a min. 99.99% silver); melting in an electric induction furnace and the casting of refined silver into commercial form (billets or granules)
TPM (Total Precious Metals)	Precious metals (gold, platinum, palladium)
Troy ounce (t oz)	A unit of measure mainly used in English-speaking countries. The troy ounce (abbreviated as oz) is universally used in jewellery and precious metals commerce. 1 troy ounce equals 31.1035 grams
Muck	Rock removed from a mine face. Contains both ore and barren rock
Copper wire rod	Drawn copper rod, usually with a diameter of 6-12 mm, universally used as a starting material in the cable industry
Mine excavation	Open area left after the mining work
LTIFRKGHM indicator (Lost Time Injury Frequency Rate)	Indicator of the number of accidents at work (as defined in Poland) in the Company KGHM Polska Miedź S.A., standardised to 1 million worked hours
TRIR indicator (Total Recordable Incident Rate)	Indicator of the number of accidents at work meeting the conditions of registration as defined in the ICMM (International Council on Mining & Metals) standard, standardised to 200 000 worked hours
WTR	Tilting-Melting-Refining Furnace
ZG	Mines
Green transformation	Action to increase the use of renewable sources for energy production
Deposit/Orebody	Natural collection of minerals in the earth, arising as a result of various geological processes
Concentrators Division	Concentrators Division

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SIGNATURES OF ALL MEMBERS OF THE MANAGEMENT BOARD

This report was authorised for issue on 25 March 2025.

President
of the Management Board

Andrzej Szydło

Vice President
of the Management Board

Zbigniew Bryja

Vice President
of the Management Board

Piotr Krzyżewski

Vice President
of the Management Board

Mirosław Laskowski

Vice President
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Iga Dorota Lis

Vice President
of the Management Board

Piotr Stryczek