



KGHM
POLSKA MIEDŹ



Sustainable Development in the KGHM Group



Lubin 2025

Table of contents



ABOUT THE KGHM POLSKA MIEDŹ S.A. GROUP 3

Copper and silver – the future and driving force behind global transformation 6

Strategy and sustainable development goals 7

The Copper Mark – responsible copper production 11



ENVIRONMENTAL IMPACT 13

Environmental policy 15

Neutrality, transformation, decarbonization 17

Reduction of air pollutant emissions 24

Protection of water resources 28

Protection of biodiversity and ecosystems 31

Soil protection 34

Waste management 35

Circular economy 37

Reclamation of post-mining areas 40



SOCIAL IMPACT 42

WE are KGHM – achieving success together 45

A good neighbour – supporting local communities 52



GOVERNANCE AND ORGANISATIONAL CULTURE 58

What makes us stand out? 59

Integrated Management System 60

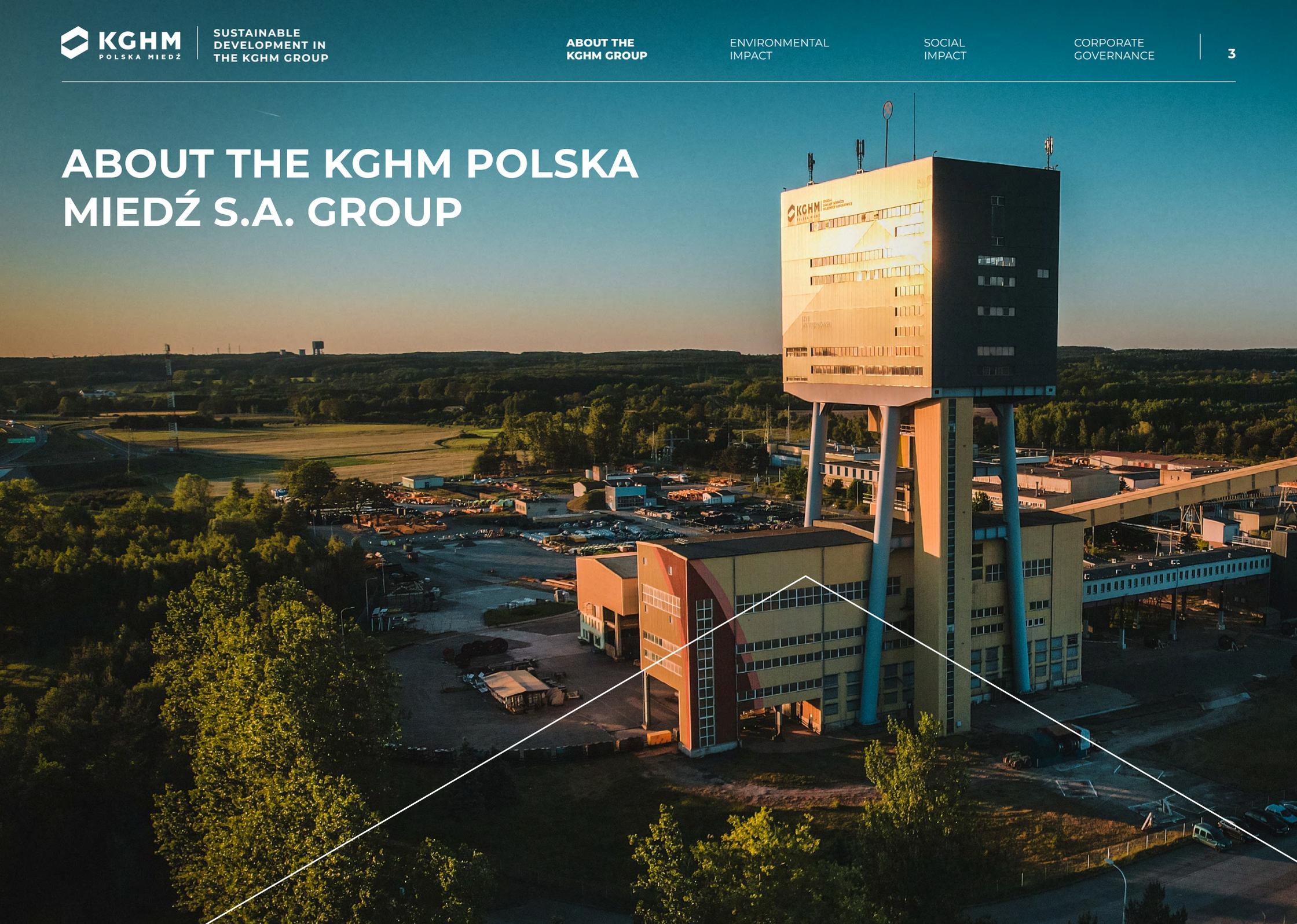
Corporate culture 61

The fundamental importance of the KGHM Group's stakeholders 65

KGHM Group stakeholders and main methods of communication, dialogue, and cooperation 66

Membership in organisations and associations 71

ABOUT THE KGHM POLSKA MIEDŹ S.A. GROUP



About the KGHM Polska Miedź S.A. Group

We are a global leader in copper and silver production. For over 60 years, we have been supplying raw materials that drive technological development – from electronics to the automotive industry. We are committed to the responsible exploration of new deposits and the reuse of resources, aiming to build a resilient and sustainable future for generations to come.



9th place
in the global market in terms of copper production* and

2nd place
in silver production

Operations on **3 continents** – we own mines and development projects in Poland, Canada, Chile, and the USA

Over 60 companies, including the Parent Company KGHM Polska Miedź S.A. based in Lubin

35,000 employees in Poland and abroad

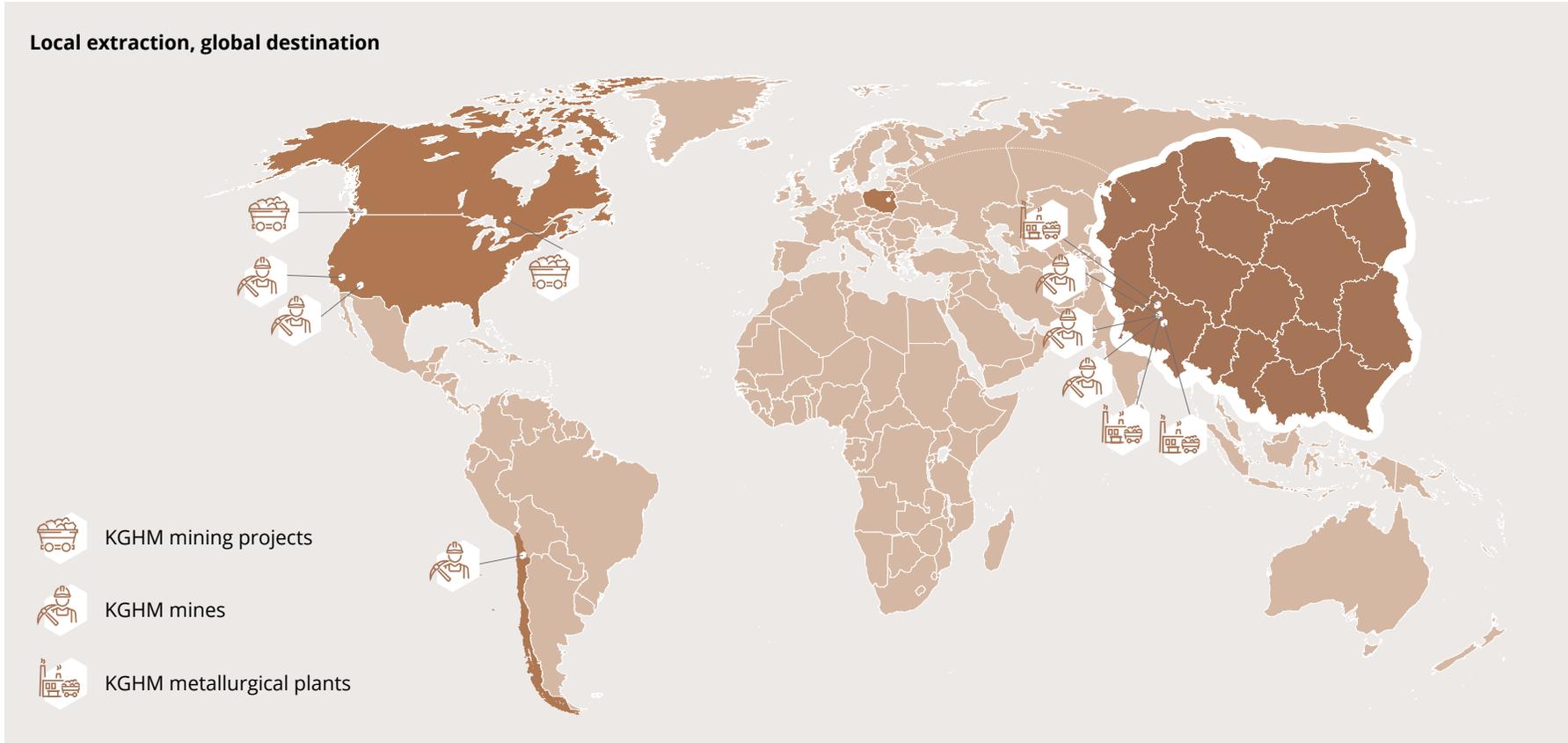
6 mines (Poland, USA, Chile) and **3 copper metallurgical plants** ("Głogów", "Legnica", "Cedynia")

We produce **energy and machinery**, and provide services that support core production processes

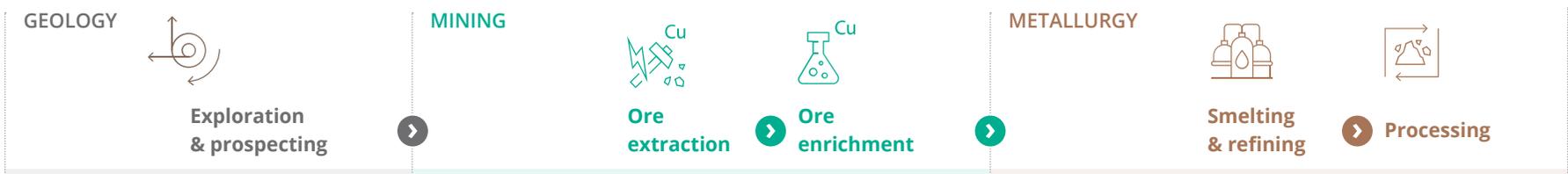
Listed since **1997** on the Warsaw Stock Exchange

Our copper cathodes are registered on the **LME** in London, **CME** (formerly Comex) in New York, and in Shanghai

* According to CRU and World Silver Survey 2025



Our operations are based on seven segments: from exploration and resource prospecting, through extraction, production, transport, and delivery to customers, to responsible waste management. Our business model also includes complementary subsidiaries operating in areas such as mining machinery manufacturing, energy generation and distribution, metal recycling, and more.



Copper and silver – the future and driving force behind global transformation

Our business focuses on the production of copper and silver, which are essential raw materials in the energy and digital transformation processes. Copper is a critical and strategic raw material for the decarbonization of industry and the development of new technologies. Modern technologies, such as renewable energy sources (including wind turbines and photovoltaic installations), sustainable energy infrastructure, electric vehicles, and digital infrastructure, require stable access to both of these raw materials. KGHM strives to reduce the environmental impact of metal production processes, recognizing their importance for sustainable development.



DID YOU KNOW THAT:

We are the only European producer of rhenium from our own resources. This metal is mainly used in the aerospace and petrochemical industries.

We also supply the world with sulphuric acid, selenium, molybdenum, nickel, platinum, lead, and other raw materials. Sulphuric acid is used, among other things, in the mineral fertiliser industry, the synthetic fibres industry, dye production, water conditioning agents, cellulose, batteries, etc. Refined lead is used in the production of batteries, supports the development of sustainable transport and energy storage systems.

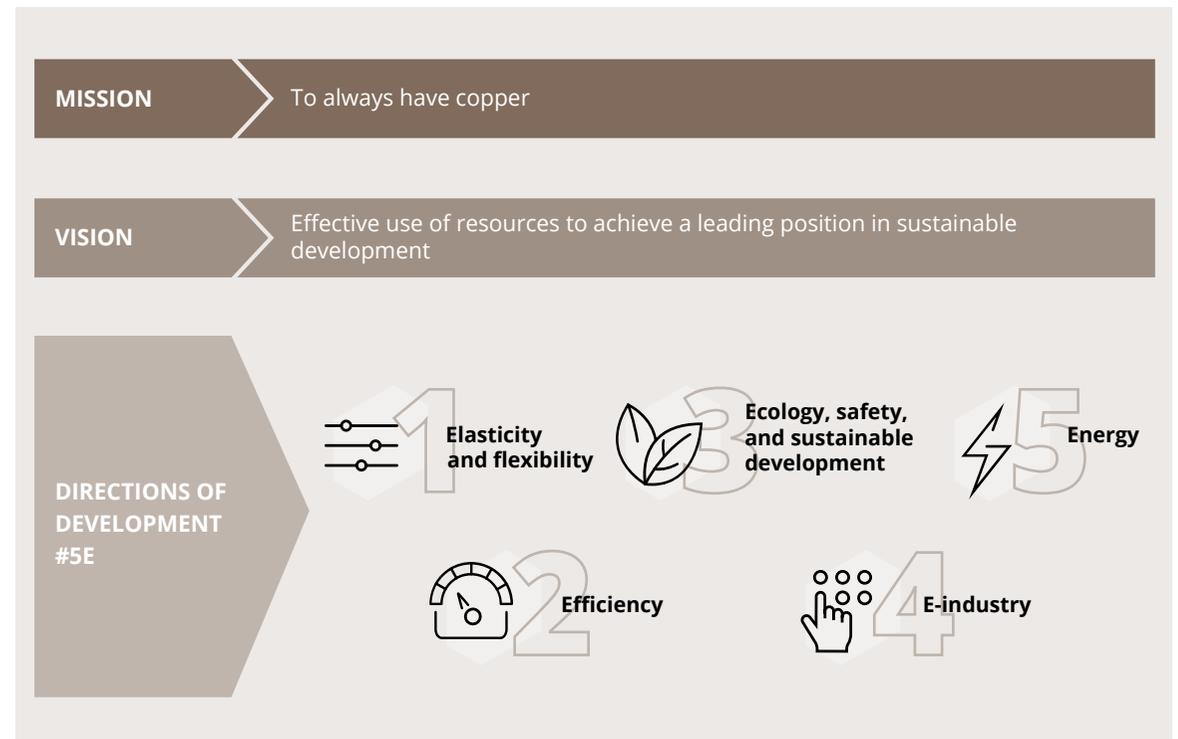


Strategy and sustainable development goals

As an ambitious participant in the global transformation towards sustainable development, we are committed to further developing our core business and thus supplying the products necessary for its implementation. We are changing our organisation from within, caring for the environment, respecting human rights, and conducting our business in a transparent and ethical manner. This commitment is reflected in the KGHM Group's development strategy, which is integrated with the implementation of sustainable development goals.



The strategy of the KGHM Polska Miedź S.A. Group consists of five pillars: 1. Core business, 2. New activities, 3. Supporting activities, 4. Health, and 5. Pro-social activities – based on five directions of development.



The KGHM Group Strategy also sets out climate goals related to the reduction of emissions by KGHM, consistent with the "Climate Policy of KGHM Polska Miedź S.A.", a document complementary to the Strategy and the climate goals set out therein for 2030 and 2050.

Progress in the implementation of selected strategic success measures in the area of sustainable development – level in 2024

Strategic measure of success (Strategic KPI)	Base value of the metric in 2020	Value of the measure in 2024	Targets for 2030
Capacity of own electricity generation assets	105 MW of total contracted capacity, i.e. 440 MW (24%)	132 MW of the total contracted capacity, i.e. 440 MW (30%)	220 MW of the total contracted capacity, i.e. 440 MW (50%)
	In 2024, compared to the base year 2020, there was an increase in the capacity of own generation sources (2020 – 105 MW, 2024 – 132 MW) from the total contracted electricity capacity, i.e. 440 MW. KGHM's own energy sources, including renewable energy sources from the Group, covered 30% of the total capacity ordered by KGHM Polska Miedź S.A.		
Reduction in estimated CO ₂ emissions resulting from electricity consumption ¹	~1.6 million t CO₂e	~1.42 million t CO₂e	1.0 million t CO₂e
	In 2024, GHG emissions resulting from electricity consumption amounted to approximately 1.42 million t CO ₂ e and were lower by approximately 0.34 million t CO ₂ e compared to 2023. Achieving climate neutrality by 2050 is the overarching goal of KGHM Polska Miedź S.A.'s Climate Policy, with which the objectives of the Strategy are consistent.		
Scrap recycling	~124,000 tonnes of copper scrap	159,000 tonnes of copper scrap (by dry weight)	~350,000 tonnes of copper scrap
	The company is systematically increasing the amount of copper scrap processed in its smelters. The cumulative annual growth rate (CAGR) for scrap recycling in 2020-2024 was 6.4%.		
LTIFR and TRIR accident rates ²	LTIFR 7.31	LTIFR 6.64	aiming for 0 accidents
	TRIR 0.52	TRIR 0.30	
Level of support for health provided by the KGHM Polska Miedź Foundation	~PLN 11.5 million³	PLN 8.07 million (total for institutions and individuals)	~PLN 7 million
Number of volunteer projects completed	25 volunteer campaigns	137 volunteer campaigns ⁴ (including 38 activities in the KGHM Group)	30 volunteer campaigns
Level of support provided for culture, sport, and health	~PLN 38.5 million	PLN 48.15 million	~PLN 48 million

¹ For KGHM Polska Miedź S.A., based on the location-based methodology.

² *LTIFR* (ang. Lost Time Injury Frequency Rate) – total number of accidents at work, within the meaning of the Act of October 30, 2002 on social insurance for accidents at work and occupational diseases (Journal of Laws of 2025, item 257, as amended), standardized to 1 million hours worked. The indicator is calculated for KGHM Polska Miedź S.A.; *TRIR* (Total Recordable Incident Rate) – the rate of accidents at work that meet the conditions for registration within the meaning of the ICM (International Council on Mining & Metals) standard. The indicator is calculated for the international assets.

³ Due to the epidemic situation, the area of activity "Health and Safety" of the KGHM Polska Miedź Foundation was a particular priority in 2020, hence the significantly higher funding in this area in the base year.

⁴ The increase in the number of volunteer activities results both from the popularization of altruistic activities among employees and from the development and promotion of the "Copper Heart" program. The lower number of initiatives in 2020 was a result of pandemic restrictions in force in the country and under the Company's internal regulations.

The KGHM Group's sustainable development priorities contribute to long-term environmental protection, increased social responsibility, and the achievement of sustainable economic results.



Prioritizing safety in the workplace. Significant scale of involvement in numerous projects and local initiatives focused on health and an active lifestyle. Application of best available techniques (BAT) in production to minimize any pollution that may affect human health. Access to high-quality subscription-based medical care.

3



Training and professional development for employees, including e-learning. Cooperation with partner schools – patronage of "Competent in the industry" classes. Supporting local initiatives that increase knowledge in local communities. Sponsoring and promoting scientific and educational events.

4



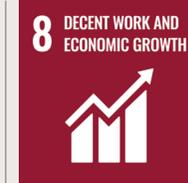
Ensuring equal treatment of women and men in the KGHM Group. Pro-social campaigns and actions promoting gender equality and respect for human rights.

5



Implementation of the KGHM Group's energy policy focused on efficiency. Investments in renewable energy sources – 100% of energy from renewable sources in Sierra Gorda. Gradual electrification of the underground fleet and above-ground charging stations for electric vehicles.

7



Ensuring safe, stable and attractive working conditions, maintaining its position as one of the most important and most valued employers in the Copper Basin region and in the country.

8



Introducing "green" electricity into KGHM's technological processes. Profitable extraction of raw materials, including those critical for the transition of the economy towards sustainability. Implementation of R&D work. Engaging employees in development and innovation – "Invention Exchange".

9



Counteracting discriminatory practices enshrined in KGHM's policies and procedures: Diversity Declaration, Human Rights Policy, Code of Ethics, Ethics Line (anonymous whistleblower platform). Financial transparency.

10



Promotion of sustainable development among the local community through the organisation and sponsoring of sports activities, integration workshops and educational workshops. Cooperation with municipalities in the Copper Basin. Sponsorship of local projects – cultural and sporting events.

11



Production in accordance with The Copper Mark certification guidelines. Full compliance with environmental law and environmental policies of the KGHM Group. Efficient use of raw materials and moving away from fossil fuels. Investments in recycling and other circular economy initiatives.

12



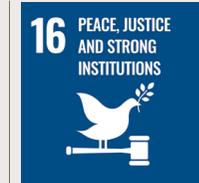
Reduction of Scope 1 and 2 greenhouse gas emissions by KGHM Polska Miedź S.A. by 30% by 2030 (compared to emissions in 2020). Supporting the economy's efforts to achieve climate neutrality by 2050. Investments in alternative and renewable energy sources. Improving the energy efficiency of infrastructure and machinery. Optimizing transport and logistics.

13



Counteracting the negative impact of the Group's activities on biodiversity in accordance with the Environmental Policy. Environmental programs promoting the protection of nature and increasing green areas.

15



Business activities in compliance with legal regulations and international standards within the supply chain and in cooperation with business partners. Zero tolerance for forced labor, child labor, and unethical conduct. Zero tolerance for corruption (anti-corruption policy). Transparent policies and solutions in the areas of HR, procurement, and corporate processes.

16

The Copper Mark – responsible copper production



We are proud holders of The Copper Mark in all our metallurgical plants: Głogów Copper Smelter and Refinery, Legnica Copper Smelter and Refinery, and Cedyňa Wire Rod Plant, confirming our compliance with responsible production criteria. The Copper Mark is the first and only compliance assurance system for the copper sector, created to demonstrate responsible production practices and highlight the industry's contribution to the UN Sustainable Development Goals (SDGs).



DID YOU KNOW THAT:

The Cedyňa Copper Wire Rod Plant is the first stand-alone processing plant in the world to receive this distinction. Receiving The Copper Mark confirms that the plant produces copper effectively and responsibly in accordance with the highest standards.



KGHM's metallurgical plants were assessed on the basis of 32 responsible production criteria. These criteria, set out in the Risk Readiness Assessment developed and managed by the Responsible Minerals Initiative, cover key requirements for responsible production in all key areas related to the environment, social issues, and governance (ESG).

The Copper Mark-approved due diligence standard – The Joint Due Diligence Standard for Copper, Lead, Nickel, Molybdenum and Zinc – is a recognised Track A standard of the London Metal Exchange (LME). By participating in The Copper Mark compliance system, KGHM's metallurgical plants can meet all LME requirements

for responsible sourcing of raw materials, including those related to environmental management and occupational health and safety systems.

The Copper Mark enables stakeholder engagement at every stage of the value chain – involving actors from across industrial sectors as well as civil society – to better understand and meet the growing demand for independently verified, responsible production practices.



The Copper Mark Standards

I. Responsible production standards – assessment of risk management capacity

The criteria for responsible production within the risk readiness assessment include corporate governance, human rights and social issues, employee rights and working conditions, as well as the natural environment. Specific issues considered during The Copper Mark audit include, among others:

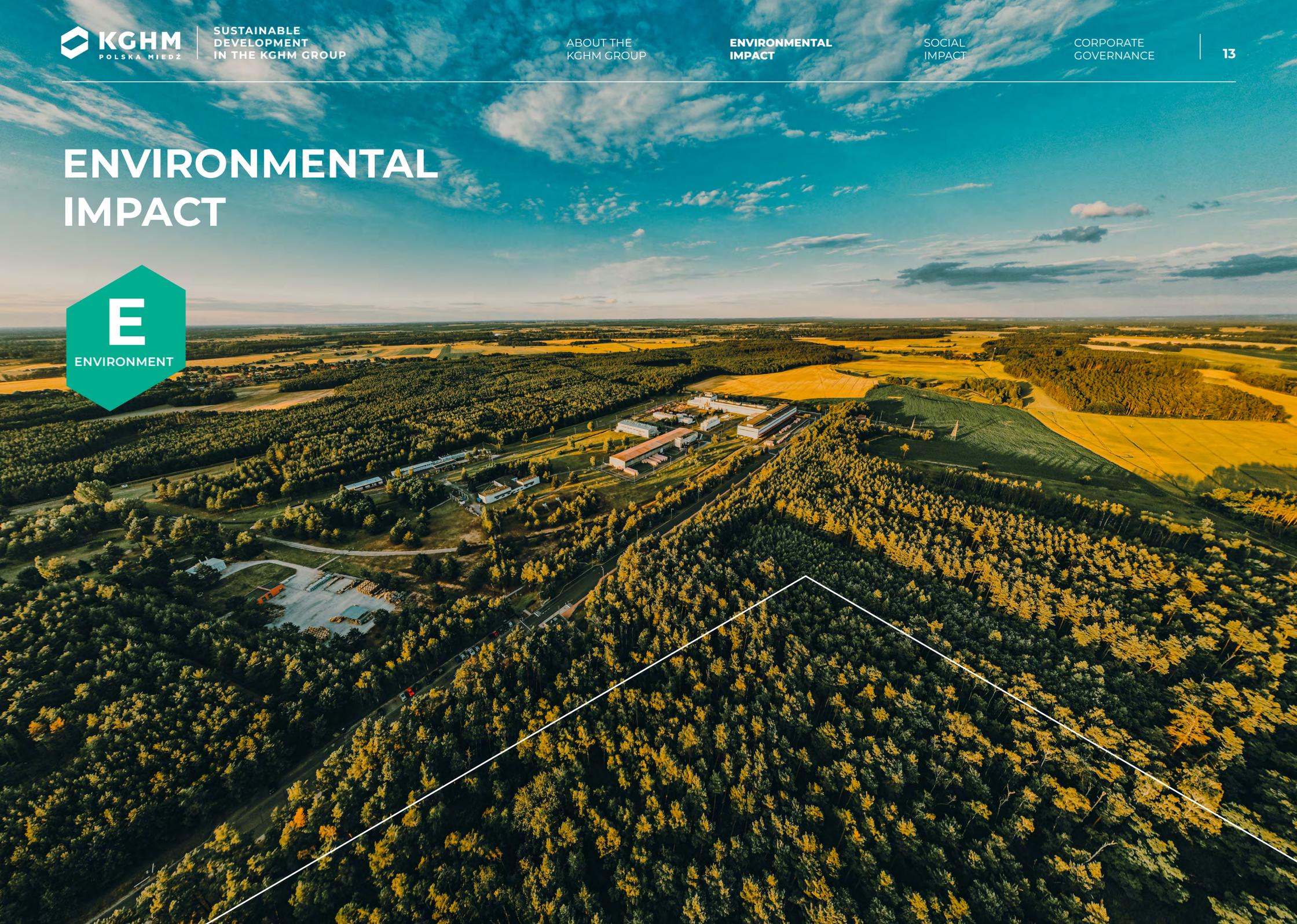
- Occupational Health & Safety
- Freedom of Association and Collective Bargaining
- Grievance Mechanism
- No Forced Labor
- No Child Labor
- Non-Discrimination and Harassment
- Diversity, Equity and Inclusion
- Community Development
- Community Health & Safety
- Security & Human Rights
- Stakeholder Engagement
- Indigenous Peoples' Rights
- Cultural Heritage
- Responsible Supply Chains
- Climate Action
- Greenhouse Gas Emissions' Reductions
- Water Stewardship
- Waste Management
- Tailings Management
- Pollution
- Biodiversity and Productive Land
- Mine Closure & Reclamation

II. Joint Due Diligence Standard for Copper, Lead, Molybdenum, Nickel and Zinc

The integrated due diligence standard for copper, lead, molybdenum, nickel, and zinc was developed to ensure a consistent approach to due diligence in the supply chains of these metals. The assessment of entities in terms of responsible sourcing of raw materials is carried out in five key areas:

1. Due Diligence Management System
2. Risk Identification
3. Risk Assessment
4. Risk Management
5. Public Reporting

ENVIRONMENTAL IMPACT



Environmental impact



Progress in the implementation of strategic success measures

Strategic measure of success (Strategic KPI)	Base value of the measure in 2020	Value of the measure in 2024	Targets for 2030
Capacity of own electricity generation assets	105 MW of total contracted capacity, i.e. 440 MW (24%)	132 MW of the total contracted capacity, i.e. 440 MW (30%)	220 MW of the total contracted capacity, i.e. 440 MW (50%)
	<p>✔ In 2024, compared to the base year 2020, there was an increase in the capacity of own generation sources (2020 – 105 MW, 2024 – 132 MW) from the total contracted electricity capacity, i.e. 440 MW. KGHM's own energy sources, including renewable energy sources from the Group, covered 30% of the total capacity ordered by KGHM Polska Miedź S.A.</p>		
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	<p>✔ In 2024, GHG emissions resulting from electricity consumption amounted to approx. 1.42 million t CO₂e and were lower by approx. 0.34 million t CO₂e compared to 2023. Achieving climate neutrality by 2050 is the overarching goal of KGHM Polska Miedź S.A.'s Climate Policy, with which the objectives of the Strategy are consistent</p>		
Scrap recycling	~124,000 tonnes of copper scrap	159,000 tonnes of copper scrap (by dry weight)	~350,000 tonnes of copper scrap
	<p>✔ The company is systematically increasing the amount of copper scrap processed in its smelters. The cumulative annual growth rate (CAGR) of scrap recycling in 2020-2024 was 6.4%.</p>		

¹ For KGHM Polska Miedź S.A., based on location-based methodology.

Environmental policy

We conduct our business in such a way as to contribute as much as possible to achieving sustainable development goals related to climate, pollution, responsible operations, and the circular economy. Climate and ecosystem changes affect the business activities of the KGHM Group, which is why we are taking a number of measures to mitigate them. In order to plan and implement initiatives related to environmental protection and climate change mitigation in a responsible and accurate manner, we have integrated the environmental risk management process with the corporate risk management process.

By improving the certified **Environmental Management System (EMS)** based on the PN-EN ISO 14001 standard, which has been in place for many years, we have adopted the **Environmental Policy of KGHM Polska Miedź S.A.**, approved by the President of the Management Board.



Key procedures and policies adopted for environmental management at KGHM Polska Miedź S.A.:

[Environmental Management System compliant with ISO 14001](#)

[Energy Management System compliant with ISO 50001](#)

[Climate Policy](#)

[Energy Policy](#)

[Environmental Policy](#)

[Business Continuity Management Policy](#)

[Business Continuity Management System compliant with ISO 22301](#)

In implementing the approved Environmental policy, we commit to:

- Continuous prevention and reduction of adverse impact on the environment and climate through the improvement and technological development of processes,
- Modernizing and replacing equipment, and preventing pollution and accidents,
- Rational use of environmental resources such as land, water, forests,
- Rational management of natural resources,
- Reducing the amount of waste generated and continuously developing waste management techniques,
- Reducing emissions to air, water, and soil,
- Reducing greenhouse gas emissions, taking into account the necessary economic aspects,
- Restoring the utility value of areas adversely transformed by our activities,
- Responsible use of new solutions and innovations, assessing their impact on the natural environment and climate during their design and implementation,
- Compliance with applicable law, respecting the ethical principles applicable within the KGHM Group,
- Respect for legally designated protected areas and ensuring that all new operations or changes to existing operations are carried out in accordance with the law under our operating license,
- Not conducting activities in World Heritage Sites, and in cases where our activities are adjacent to World Heritage Sites, ensuring that our activities do not threaten the safety and value of these sites,
- Open and respectful dialogue with local communities and relevant authorities on environmental and climate issues,
- Responsible management of chemicals in accordance with EU REACH and CLP regulations,
- Improving professional qualifications and employee awareness in the field of environmental and climate protection,
- Shaping pro-environmental attitudes among the company's employees, contractors, and the local community,
- Transparent reporting to all stakeholders on our actual impact on the environment and climate and our progress in this area.

Neutrality, transformation, decarbonization

Climate risk management is integrated into the Corporate Risk Management process at the KGHM Group, reflecting our commitment to responsible business and operational excellence. We treat climate risks as equally important as other categories of business risk. We undertake actions supporting the achievement of clima-

te neutrality by the economy, in order to firstly actively participate in the fight against climate change, the effects of which are negative for both societies and economic entities, and secondly minimize our impact on the environment.

Decarbonization of KGHM Polska Miedź S.A.

In January 2024, we adopted a resolution of the Management Board on the decarbonization program of KGHM Polska Miedź S.A., specifying measures to mitigate climate change in the short term until 2030 and in the long term until 2050. The decarbonization program is a formalized element of the transition plan, which can be considered a prelude to the development of a Transformation Plan in the future.

The main directions and objectives set out in the Climate Policy and Decarbonization Program of KGHM Polska Miedź S.A. are consistent with the current Strategy of the KGHM Polska Miedź S.A. Group until 2030, with an outlook to 2040.

The interim target adopted by us in the Climate Policy (30% reduction in Scope 1 and 2 emissions) is lower than the science-based emissions reduction scenario consistent with limiting global warming to 1.5°C, which is 42% by 2030. The adopted target is lower due to the fact that reducing emissions in line with the scientific target for energy-intensive companies in countries where the national energy mix is based on fossil fuels is not feasible without a radical change in the national energy mix.

Main actions by 2030



Reducing indirect emissions, i.e. emissions related to electricity consumption, is a key element of decarbonization efforts. The main direction in this area will be to move away from electricity obtained from the market and generated from fossil fuels in favor of the increasing use of our own low- and zero-emission sources of electricity and heat. The development of our own renewable energy sources will include the construction or acquisition of renewable energy installations, such as photovoltaic power plants and wind farms. All of the electricity generated in these installations will be used in our core production business.

Striving to achieve climate neutrality by 2050

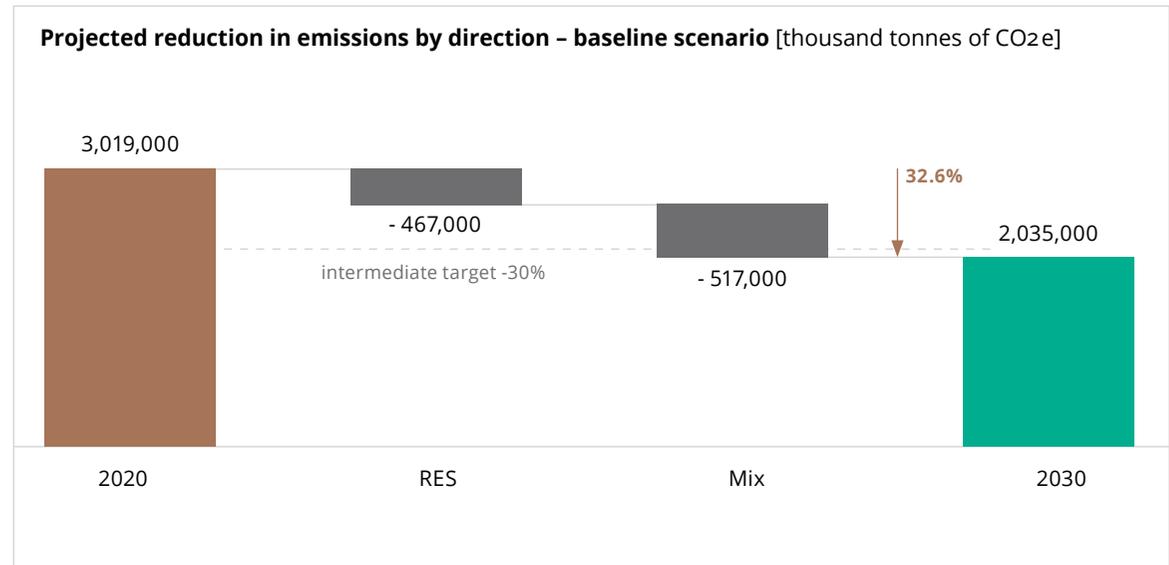


We plan to implement decarbonization initiatives in all areas of the Company's operations, with particular emphasis on reducing emissions resulting from the use of our own concentrates in metallurgical processes. One of the solutions under consideration is the use of CCS/CCU (*Carbon Capture and Storage / Carbon Capture and Utilization*) technology. In 2024, conceptual and research and development work was carried out on the implementation of a CO₂ capture installation. It is planned to continue work on the development of the project and its financing. Measures to reduce direct emissions (Scope 1) through the integration of CCS/CCU installations into the metallurgical process will be implemented gradually, with a view to full implementation by 2050.

Furthermore, due to the early stage of development of most decarbonization technologies, it will not be possible to achieve a significant reduction in direct emissions by 2030.

Our main activities until 2030 will be focused on reducing Scope 2 indirect emissions, while key activities to reduce Scope 1 direct emissions will be implemented gradually by 2050.

The main direction of decarbonization in the area of indirect emissions of KGHM Polska Miedź S.A. (Scope 2) will be a gradual shift away from the use of electricity purchased on the market and generated using fossil fuels in favor of increasing the use of our own zero-emission energy sources. Our strategic goal related to the energy transition by 2030 is to cover at least 50% (approx. 220 MW)



of our electricity demand from our own low- and zero-emission sources. Based on the analyses carried out and current trends, actions have been identified, including the acquisition of projects from the market (M&A) and the preparation and construction of our own renewable energy installations on land owned by KGHM.

Most of the greenhouse gas emissions in the KGHM Group come from the activities of KGHM Polska Miedź S.A., which is why the Climate Policy of KGHM Polska Miedź S.A. was developed primarily for these activities. The Group does not have a formal climate policy. Work on a climate policy for the Group is at an early stage and will continue.

We have adopted 2020 as the base year for tracking progress in reducing greenhouse gas emis-

sions, with emissions at 3,019,000 tonnes of CO₂e (chart above). Plans to reduce emissions by 2030 mainly concern investments in the area of renewable energy sources (467,000 tonnes of CO₂e) and in the area of purchasing electricity from an external supplier (517,000 tonnes of CO₂e).

The expected reduction in greenhouse gas emissions will result in direct greenhouse gas emissions under Scope 1 and indirect emissions under Scope 2 – market-based at the level of 2,038,000 t CO₂e in 2030. Therefore, the estimated reduction in emissions is 32.6% and includes KGHM Polska Miedź S.A. At this stage, emissions from KGHM Group companies are not covered by climate change mitigation targets.

Scope 1, 2, and 3 greenhouse gas emissions by KGHM Polska Miedź S.A. in 2024 [t CO₂ e]

Specification	2020 Base year	2024	2030 target	2050 target	Annual target % / Base year
Scope 1 greenhouse gas emissions					
Gross greenhouse gas emissions	1,413,129	1,438,297	-	-	-
Percentage of emissions from regulated emissions trading systems (%)	86.2%	82.2%	-	-	-
Scope 2 greenhouse gas emissions					
Gross greenhouse gas emissions (location-based)	1,592,368	1,415,930	-	-	-
Gross greenhouse gas emissions (market-based)	1,605,575	1,743,909	-	-	-
Scope 1 and 2 greenhouse gas emissions (location-based)	3,005,497	2,854,227	-30.0%	Climate neutrality	-5.0%
Scope 1 and 2 greenhouse gas emissions (market-based)	3,018,705	3,182,206	-30.0%	Climate neutrality	5.4%
Scope 3 greenhouse gas emissions					
Gross greenhouse gas emissions	-	1,254,909	-	-	-
Total greenhouse gas emissions (location-based)	-	4,109,137	-	-	-
Total greenhouse gas emissions (market-based)	-	4,437,115	-	-	-

Scope 1, 2, and 3 greenhouse gas emissions by the KGHM Polska Miedź S.A. Group in 2024 [t CO₂ e]

Specification	2020 Base year	2024	2030 target	2050 target	Annual target % / Base year
Scope 1 greenhouse gas emissions					
Gross greenhouse gas emissions	-	2,094,445	-	-	-
Percentage of emissions from regulated emissions trading systems (%)	-	76.9%	-	-	-
Scope 2 greenhouse gas emissions					
Gross greenhouse gas emissions (location-based)	-	1,602,852	-	-	-
Gross greenhouse gas emissions (market-based)	-	1,925,530	-	-	-
Scope 1 and 2 greenhouse gas emissions (location-based)	-	3,697,298	-	-	-
Scope 1 and 2 greenhouse gas emissions (market-based)	-	4,019,975	-	-	-
Scope 3 greenhouse gas emissions					
Gross greenhouse gas emissions	-	3,219,629	-	-	-
Total greenhouse gas emissions (location-based)	-	6,916,926	-	-	-
Total greenhouse gas emissions (market-based)	-	7,239,604	-	-	-

Source: Management Board Report on the activities of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group in 2024.

Energy transition and energy mix

Our strategic goal related to energy transition by 2030 is to **cover at least 50% (approx. 220 MW) of our electricity demand from our own low- and zero-emission sources**. Based on the analyses carried out and current trends, actions have been identified, including the acquisition of projects from the market (M&A) and the preparation and construction of our own renewable energy installations on land owned by KGHM.



Aware that the quality of life of our employees, associates, and shareholders depends on the financial condition and value of the Company, we strive, among other things, to:

- Ensure the required level of reliability of our operations,
- Reduce energy purchase costs by optimizing their consumption and by the use of alternative sources.

By improving the ISO 50001-based Energy Management System, we commit to:

- Ensuring the resources necessary to achieve the planned energy objectives and outcomes,
- Conducting activities in accordance with legal regulations and other requirements related to energy use,
- Fostering the desired attitudes, building awareness, and continuously improving the competencies of the Company's employees and associates performing tasks for KGHM Polska Miedź S.A.,
- Cooperating with partners and suppliers in the procurement of goods and services, taking into account energy efficiency as an important selection criterion,
- Continuous supervision and support of the Energy Management System*

* The first management system covering KGHM Polska Miedź S.A., operating on the basis of ISO 50001 and certified in 2017.



Energy mix in 2024

No. Energy consumption and energy mix

[MWh]

1	Fuel consumption from coal and coal products	15,248
2	Fuel consumption from crude oil and petroleum products	79,375
3	Fuel consumption from natural gas	2,496,360
4	Fuel consumption from other fossil sources	23,649
5	Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil fuel sources	3,950,940
6	Total fossil energy consumption (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 for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	0
9	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	0
10	The consumption of self-generated non-fuel renewable energy	3,334
11	Total renewable energy consumption (calculated as the sum of lines 8-10)	3,334
	<i>Share of renewable sources in total energy consumption [%]</i>	<i>0.05%</i>
	Total energy consumption (calculated as the sum of rows 6, 7, and 11)	6,568,905

Our ambition is to continuously increase our share in technological processes involving electricity from our own low-emission and zero-emission energy sources.

- We systematically record the share of processes in which we use energy media generated in our low-emission generation assets. At the same time, we eliminate those in which fossil fuels with a higher CO₂ emission factor than nitrogen gas are used during combustion.
- Our gas and steam units, operating in high-efficiency cogeneration and powered by gas from the Polish natural gas mine in Kościan, supply electricity, heat, and process steam not only for the Company's needs, but also for the heating systems of nearby towns.
- High-efficiency gas engines installed in the Surface-based Air Conditioning Stations of the Rudna and Polkowice-Sieroszowice mines supply electricity and chilled water used to cool work stations in the underground mines.

We are undertaking further investments to increase electricity production, where nitrogen-rich natural gas², i.e., with a lower methane content, will be used as an energy medium.

The carbon footprint of our products

Our goal is to provide our customers with key information about the environmental parameters of our products. To meet these expectations, in 2021 we conducted an analysis of the environmental impact and carbon footprint of our main products based on LCA analysis.

The LCA was performed in accordance with ISO 14040, ISO 14044, and ISO 14067 standards. In addition, environmental declarations (type II – so-called self-declared environmental claims) were prepared for selected products in accordance with the PN-EN ISO 14021 standard, which were subjected to independent verification. Furthermore, in order to meet market expectations, we are preparing Environmental Product Declara-

tions (EPDs) in accordance with the EN 14021 standard for two of the Group's key products – wire rod and OFE rod – in line with the EN 15804+A2 standard, so-called Type III declarations. Type III environmental declarations are international, independent, and certified documents that provide transparent and reliable information about a product's impact on the environment. They are based on a product life cycle assessment (LCA), which covers all stages of a product's life, from raw material extraction, through production and use, to disposal or recycling. After verification and certification, the declaration will be registered in the EPD system, which will make it publicly available and increase its credibility.



² If the methane content exceeds 85%, then we refer to it as high-methane gas (natural gas E). If it ranges from 30% to slightly over 80%, then the gas is called nitrogen-rich (natural gas Ls). High-methane gas has a higher calorific value than nitrogen-rich gas, which in turn is slightly cheaper. [source: Polish Geological Institute – PIB]

Examples of the carbon footprint of KGHM's products compared to industry averages

HMG 1 cathode
in kg CO₂ eq/t



HMG 2 cathode
in kg CO₂ eq/t



HML cathode
in kg CO₂ eq/t



OFE wire
in kg CO₂ eq/t



Wire rod
in kg CO₂ eq/t



CuAg wire
in kg CO₂ eq/t



Silver
in kg CO₂ eq/kg



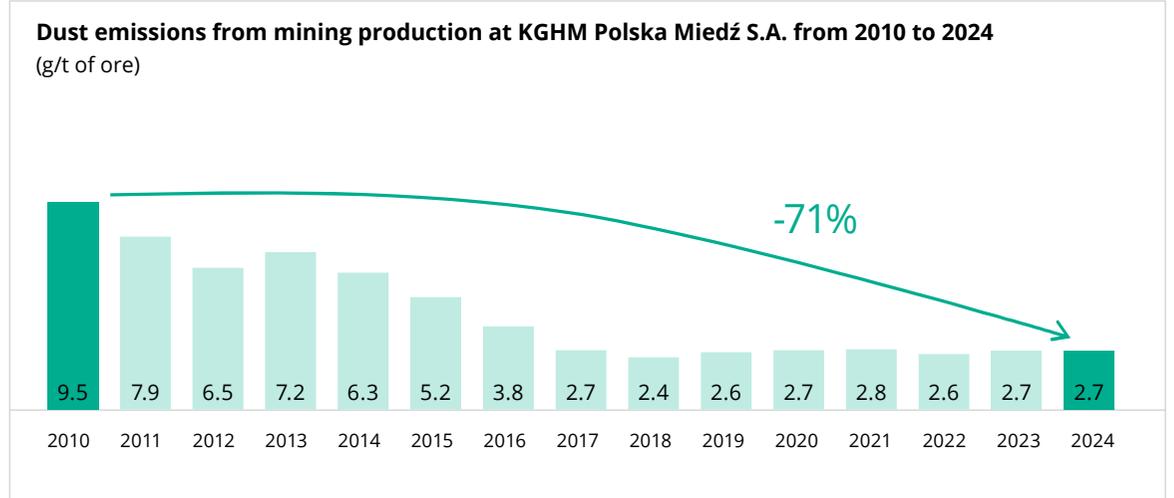
Data sources: Copper Environmental Profile (ICA, global average 2023), Copper and Copper Alloy Semi-Fabricated Products LCA (ICA, global average 2024), for silver – Ecoinvent (2021), KGHM (2020).

Reduction of air pollutant emissions

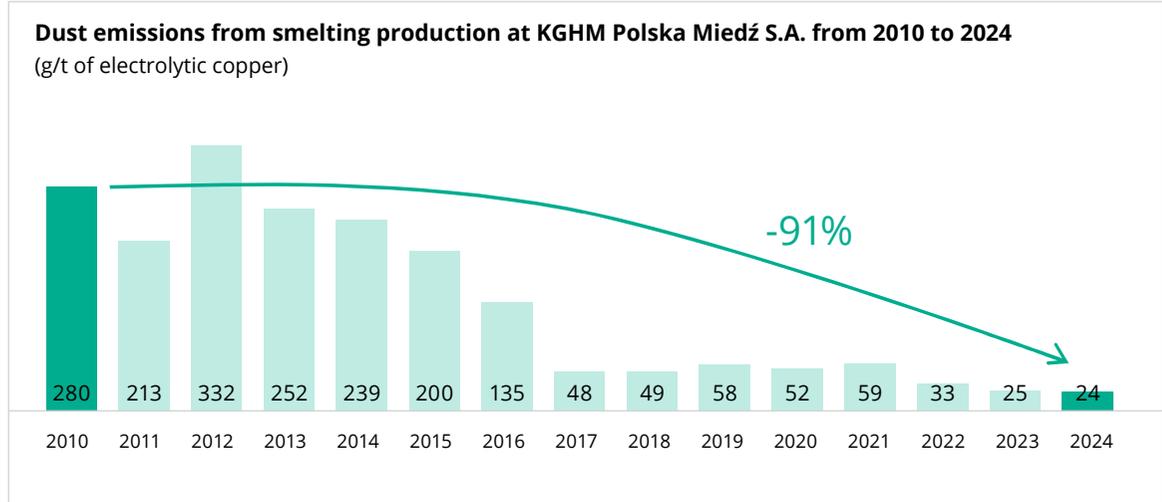
The process of extracting valuable raw materials from the ground and their subsequent processing will never be completely neutral for the environment. That is why we make every effort to responsibly manage the issue of air, water, and soil pollution. We limit the impact of the technologies we use on the environment and adapt them to changing environmental requirements.



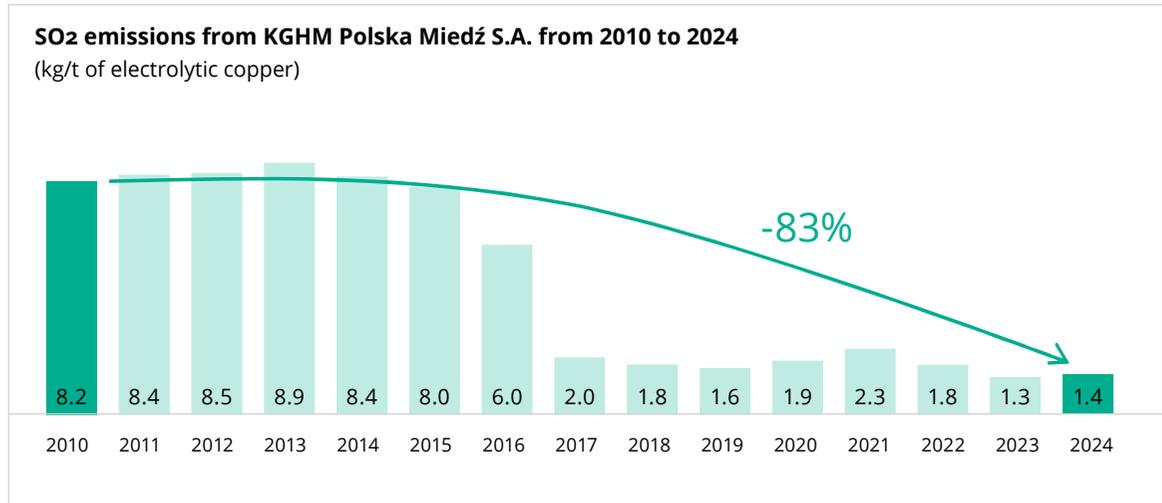
- Despite increasing production, dust emissions from mining operations at KGHM Polska Miedź S.A. are being consistently reduced. This is possible thanks to the appropriate organisation of the extraction process and the replacement of mining machinery and equipment (with low-emission or electric-powered machinery and equipment). We effectively reduced dust emissions as early as the 1980s. The projects we are currently implementing are aimed at further sealing the process and reducing fugitive emissions resulting from technological processes.



- Copper production generates dust that may contain metals and their compounds. Thanks to the use of Best Available Techniques (BAT) at KGHM Polska Miedź S.A., we have reduced dust emissions from electrolytic copper production by 91% (since 2010). Our goal is to further improve purification techniques, further mechanise processes and reduce fugitive emissions.

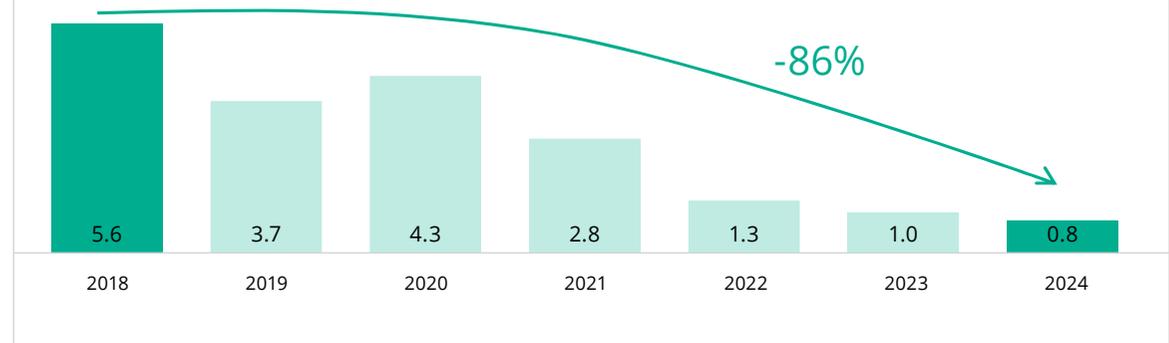


- Sulphur – along with copper, it is one of the main components of copper concentrates. The gaseous sulphur dioxide produced during the smelting of concentrates is converted into sulphuric acid in our installations. We are a pioneer in reducing sulphur dioxide emissions: emissions per tonne of copper produced have been reduced by approximately 83% compared to 2010. Our goal is to maintain sulphur dioxide emissions at a constant, minimum level.



- In metallurgical operations, a significant pollutant from non-ferrous metal production installations is the emission of arsenic into the air. The implementation of the BATAs program at the Company in 2017-2023 has significantly reduced these emissions. This is particularly evident in the form of decreasing arsenic concentrations in the atmospheric air in the areas that have been most polluted to date, i.e. around the metallurgical plants in Legnica and Głogów.

Arsenic emissions from the metallurgical production of KGHM Polska Miedź S.A. from 2018 to 2024
(g/t of electrolytic copper)



**BEST
PRACTICE**

We monitor air quality at our plants and respond immediately to any anomalies in this regard.



What are we doing to reduce the amount of pollutants emitted into the air? How are we counteracting their negative effects?

BATAs Program

In 2017, in response to the BAT conclusions issued by the European Commission, the Company launched the "Program for the adaptation of KGHM Polska Miedź S.A.'s technological installations to the requirements of the BAT Conclusions for the non-ferrous metals industry, including the reduction of arsenic emissions." The program was implemented at the Głogów Copper Smelter and Refinery and the Legnica Copper Smelter and Refinery through the construction of new technological installations and the modernization of existing ones. Its aim was to reduce dust and gas emissions, including arsenic compounds, through the use of modern filters and further sealing of technological processes. The implementation of the BATAs program has allowed for a gradual reduction in arsenic emissions into the air from the smelting production of KGHM Polska Miedź S.A. The first environmental effects in the form of decreasing arsenic concentrations in the atmosphere were achieved in areas where arsenic concentrations in the air are highest, i.e., around the metallurgical plants in Legnica and Głogów. An analysis of air quality, based on results obtained from several measuring stations operating as part of the State Environmental Monitoring office (Państwowy Monitoring Środowiska, PMŚ), indicates an overall reduction in average annual arsenic concentrations in the Lower Silesian Voivodeship. The program was completed in 2023.

Monitoring and investments for the protection of air

In 2024, KGHM continued to systematically modernize existing installations and implemented new investments aimed at reducing pollutant emissions. These activities are part of a comprehensive environmental protection program and are closely linked to the ongoing monitoring of the environmental quality of its own locations, which includes, among other things:

- Atmospheric air quality control**
 Regular measurements carried out in areas affected by the installations allow for an assessment of the actual impact of the activity on air

quality. The results of these measurements are compared with the applicable standards and form the basis for corrective action.

- Direct measurements of emissions from installations**
 Emission measurements carried out in accordance with applicable standards and methodologies ensure ongoing control over the quantity and quality of pollutants released.

At KGHM Polska Miedź S.A., environmental risk management is supervised by the Vice President of the Management Board for Production.

Examples of key activities in 2024 in the area of air quality improvement:

Legnica Copper Smelter and Refinery

- Modernization of wet electrostatic precipitators at the Sulphuric Acid Plant
- Reconstruction of the scrubber at the Sulphuric Acid Plant
- Modernization of the extraction system for rotary anode furnaces

Głogów Copper Smelter and Refinery

- Modernization of the sulphuric acid production system
- Modernization of ventilation in the Lead Department hall
- Expansion of the copper concentrate warehouse in the Feed Preparation Department

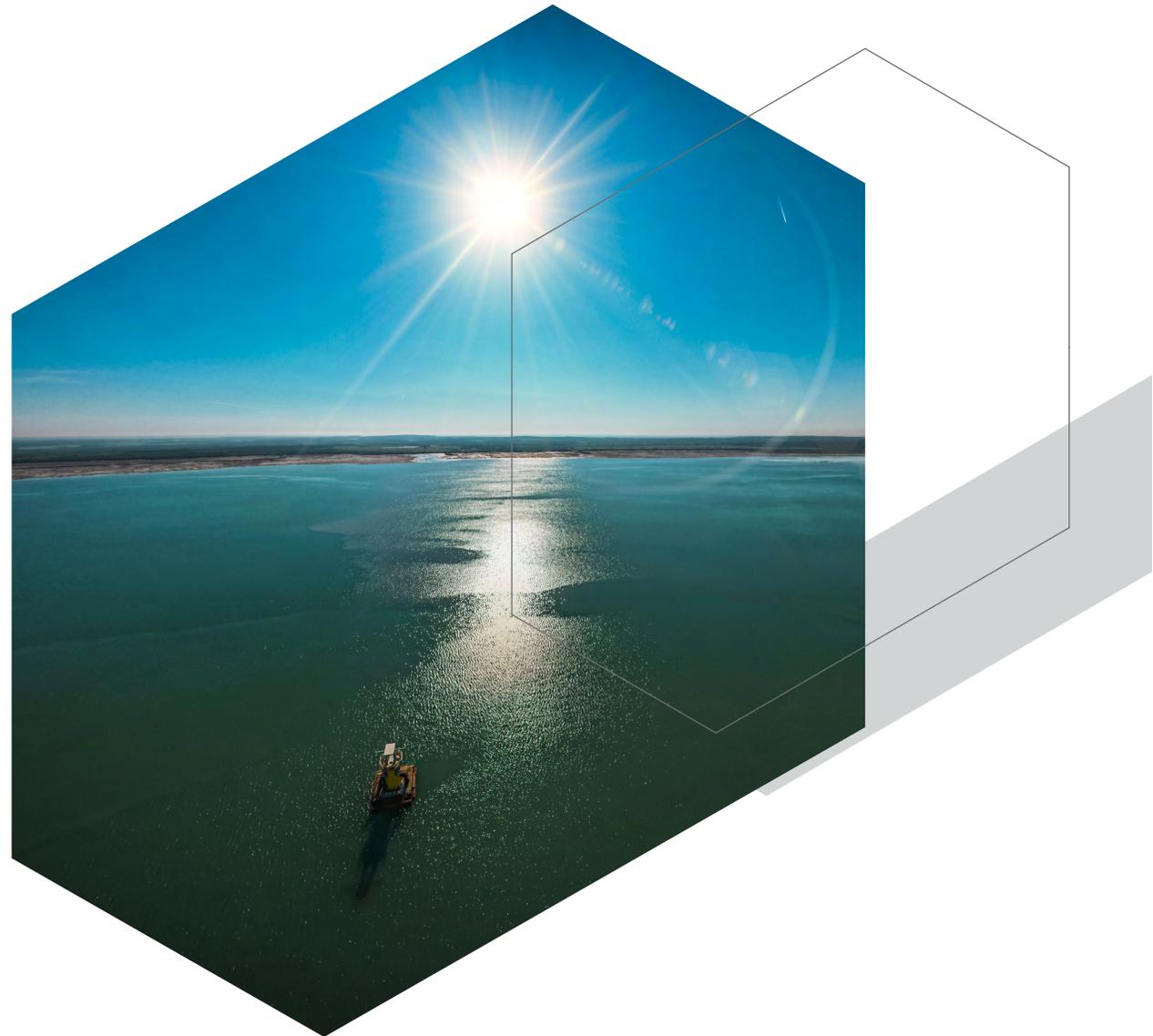
Hydrotechnical Plant

- Expansion of the water sprinkler/spray network, including the construction of a pumping station

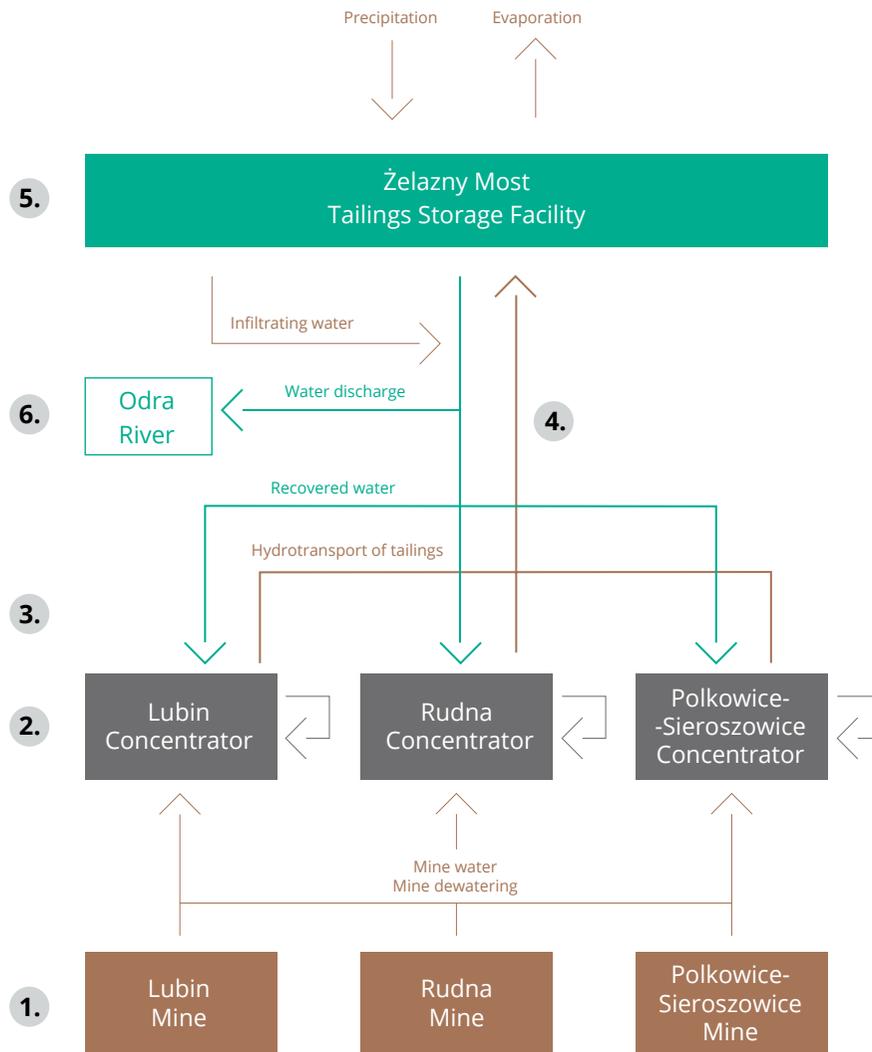
Protection of water resources

Mining and metallurgical activities are inextricably linked to the use of water – a valuable resource that we are committed to protecting as part of our approach to environmental impact management.

We regularly monitor the quality of groundwater and surface water in the vicinity of our plants to ensure that the Company's operations meet strict environmental protection standards. Importantly, only mine water collected from the rock mass is used in the flotation processes, so that no fresh water resources, either groundwater or surface water, are used at this stage of production.



Water in the mining processes of KGHM Polska Miedź S.A.



1. KGHM's three Polish mines extract ore located at a depth of 400-1350 m below the surface. Due to the constant inflow of water from the rock mass into the mining excavations, saline mine water is pumped to the surface.

2. On the surface, at each mining plant and ore enrichment plant (Concentrator), there are retention reservoirs that collect rainwater, cooling water overflows, and pumped mine water.

3. From the retention tanks, the water is pumped into the so-called flotation circuits (in some cases, mine water is pumped directly into the flotation circuits). Thanks to this, neither mine water nor wastewater is discharged into local rivers.

4. At the Concentrator, all water is used in the flotation process and then for the hydrotransport of flotation waste to the Żelazny Most Tailings Storage Facility.

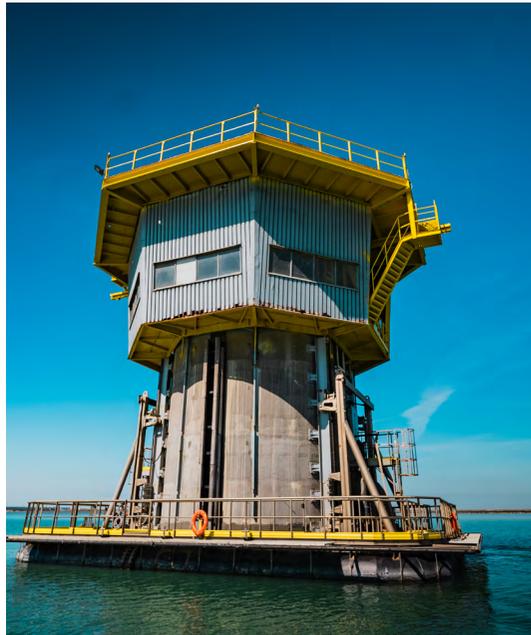
5. At the Żelazny Most wastewater treatment plant, the flotation waste undergoes sedimentation, and the clarified water is returned to the Concentrators via a system of pipe decanting towers on the surface.

Important: The copper ore processing processes at the Concentrators, in particular milling and flotation, require the supply of significant amounts of process water. At KGHM Polska Miedź S.A., **only water from mine dewatering, i.e. water which filters into the mines from the rock mass and circulates between the Concentrators**

and the Żelazny Most Tailings Storage Facility, is used for ore processing and concentrate preparation processes. Annually, KGHM Polska Miedź S.A. recycles over 130 million m³ of water into the ore enrichment process.

6. To maintain the safety of the Żelazny Most Tailings Storage Facility, excess mine water is discharged in a controlled manner into the Odra River.

Important: The water system undergoes a constant inflow of water from the mines as well as rainwater, therefore it is necessary to remove the excess. The discharge of mine water/technological water is carried out in accordance with applicable laws and water law permits, taking into account the hydrological conditions of the Odra River. The volume of discharge and the chemical condition of the water discharged from the Żelazny Most TSF are monitored and regulated on an ongoing basis in relation to the water level in the river. The retention and dosing system allows for full control and supervision of water discharge into the Odra River. In addition, the obligation of regulating the salt load contained in the discharged wastewater is strictly adhered to, so as not to exceed 1,000 mg/l of total chlorides and sulfates in the river water after mixing with the wastewater. In 2024, an underground retention reservoir with a capacity of approximately 1.5 million m³ of saline water was launched at the Lubin Mine in the event of a reduction in discharge into the Odra River. An analysis of the Selective Water Management System concept has also been initiated.



Water is also used in metallurgical processes. The smelter/refineries of KGHM Polska Miedź S.A. (Głogów and Legnica) draw water from the Odra and Kaczawa rivers. The water used is sent to the subsidiary "Energetyka" sp. z o.o. for treatment. Industrial wastewater treatment plants operating for the smelters specialize in the removal of heavy metals, including the particularly difficult compounds of arsenic, mercury, and cadmium. Due to the high quality of the wastewater, approximately 30% of the treated wastewater is reused in the plants' technological processes. The remaining treated wastewater is discharged in the case of HM Głogów into the Odra River and in the case of HM Legnica into the Pawłówka stream, which feeds into the Kaczawa River.

Water management in the KGHM Polska Miedź S.A. Group in 2024

Consumption

Quantity [m³]

Surface water (total)	10,248,691
Groundwater (total)	24,810,120
Seawater (total)	0
Mine water	45,051,660
Water purchased from outside the Group	357,920
Total consumption	80,468,390

Discharge

Quantity [m³]

Surface water	69,279,133
Soil and ground	1,432
Seas	0
Discharge of sewage into the sewage system of an external entity outside the Group, public network	2,192,209
Sale of water to an external entity outside the Group	1,252,069
Total discharge	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-related risks

7,743,547



DID YOU KNOW THAT:

The KGHM Group reuses over 140 million m³ of water annually in its technological processes. This water is not taken from freshwater resources, but comes from internal circulation and recovery. This allows us to reduce pressure on local water resources, putting the principles of the circular economy into practice and supporting sustainable water management in line with the UN Sustainable Development Goals.

Protection of biodiversity and ecosystems



For years, we have been involved in activities aimed at preserving biodiversity and responsible land and forest management. In these activities, we do not focus solely on managing the areas occupied by our installations, technological equipment, and other auxiliary infrastructure, but go far beyond the territorial scope of our operations in order to adequately limit the impact of our processes on the environment, including, above all, on local communities.

<p>Rational use of environmental resources such as land, water, and forests</p>	<p>Economical land management, limiting soil sealing to necessary situations, such as the need to protect land and groundwater from pollution migration, reuse of water and treated wastewater, management of forests that perform protective functions and enhance biodiversity; no production role for forest areas.</p>	<p>Rational management of natural resources</p>	<p>Ore extraction using methods appropriate to the characteristics of the deposit – in underground mines operating in Poland, the chamber and pillar system is used, while in the international assets, the open pit system dominates.</p>
<p>Restoring the utility value of land that has been adversely transformed by our activities</p>	<p>Remediation and reclamation of our own land, cooperation with local governments through the financing of liming of farmland.</p>	<p>Withdrawal from operations in World Heritage sites and, in cases where our activities are adjacent to World Heritage sites, ensuring that our activities do not threaten the safety and value of these sites</p>	<p>The KGHM Polska Miedź S.A. Group does not conduct technological operations in or near World Heritage sites.</p>
<p>Respecting legally designated protected areas and ensuring that any new operations or changes to existing operations are carried out in accordance with the law under our operating license</p>	<p>Investments and modernizations that meet the criteria set out in the law are carried out after an environmental impact assessment, an important element of which is assessing the impact on the living world; any change to a decision constituting a license to use the environment takes into account the potential impact on legally designated protected areas; implementation of active measures to support biodiversity in an area designated at the Company's initiative – the "Łęgi Głogowskie" ecological site.</p>	<p>Reducing emissions into the air, water, and soil</p>	<p>Continuous improvement of processes and technological operations in order to minimize emissions into the environment. Minimizing emissions has a positive impact on biodiversity.</p>

When undertaking activities related to biodiversity protection, we follow the following hierarchy of procedures:

- 1** *First:*
We avoid negative impacts
- 2** *Second:*
We reduce negative impact if we have not been able to avoid it
- 3** *Third:*
We restore what has been damaged
- 4** *Fourth:*
We restore what has been degraded as a result of our actions

All our new projects are subject to an environmental permit procedure. Environmental studies are always carried out at the beginning of a project to enable its development in accordance with the hierarchy of mitigation measures. They are carried out by independent experts. The results of biodiversity studies allow us to select the best possible location for new investments in terms of natural value, in order to avoid potential impacts on biodiversity. Environmental impact assessments of natural and cultural values are carried out at an early stage of the permitting process for new projects or changes to existing operations.



In cases where nature conservation is not possible, we make efforts to compensate for the lost natural value. These measures are implemented based on best practices and in accordance with applicable regulations, taking into account the principles of sustainable development and minimizing the impact on the natural environment. For example, in 2024, in connection with the continuation of mining of backfill sand from the "Obora" deposit, it was necessary to relocate a red wood ant (Formica rufa) colony. Pursuant to the decision of the Regional Director for Environmental Protection on the issuance of a permit for an exemption from the prohibitions applicable to this species, we moved the anthill to a place safe for insects, with microenvironmental conditions similar to those of the area where they normally live. In order to ensure effective translocation, the work was carried out under the supervision of an entomologist-myrmecologist in the autumn (October 2024), in the morning hours when most of the insects were in the anthill. The work continued for the next five days to gradually move the ants gathering in the previous location of the anthill to the new one.



**BEST
 PRACTICE**

In order to protect the high natural assets of part of the former protection zone of the Głogów Copper Smelter and Refinery, by order of the Lower Silesian Voivodeship Governor of October 28, 2005, we created the Łęgi Głogowskie ecological site. This area covers the floodplain of the Odra River valley across the entire width of the embankment. Among other things, the old river beds of the Odra River and plant communities ranging from aquatic and reed beds to fertile deciduous forests with numerous protected species of fauna and flora are subject to protection. The presence of 339 species has been confirmed in the area, including many rare and endangered species listed in the Polish Red Book of Plants, 10 species of amphibians, 4 species of reptiles, 100 species of birds and other species. Every year, we carry out measures in this area aimed at maintaining existing conditions, restoring habitats and protecting the valuable flora and fauna found in this area.

We do not operate in areas of outstanding natural value (defined as national parks, nature reserves or Natura 2000 sites) or in the immediate vicinity of such areas. However, in the vicinity of one of our plants – the Cedynia Copper Wire Rod Plant – many years after production began in 1979, the following regional forms of nature protection were established:

- in 2007, the Natura 2000 area – Special Area of Conservation Natura 2000 Łęgi Odrzańskie (PLC020002) – was designated,
- in 1994, the Skarpa Storczyków reserve was created, covering 65.17 ha of forest area.

Within a distance of several to over a dozen kilometers from the locations of our divisions, there are areas of high natural or landscape value covered by various forms of protection, among which it is worth mentioning:

- Special Areas of Conservation Natura 2000, such as Pątnów Legnicki (PLH020052), Stawy w Brzeszczach (PLB120009), Dolina Małej Panwi (PLH160008) and others,
- Nature reserves: Jakubowska Beech Forest, Obiszów Wilderness, Żukowskie Śnieżyce, Skarpa Storczyków, Dalkowskie Jary,
- Ecological land, including Łęgi Głogowskie, Glinki in Lasek Złotoryjski (1 km – Legnica Copper Smelter and Refinery, KGHM Zanam S.A., KGHM Metraco S.A., "Energetyka" sp. z o.o.) and others,
- Nature and landscape complexes, including: Grodowiec, Guzicki Potok, Trzebiecz, Las Dąbrowa, and Żubrowisko.

Soil protection



Our Group's production facilities may cause emissions of pollutants into the soil, which is why we implement a number of measures to limit the negative impact on this component of the environment, for example:

- We conduct production processes in accordance with technological instructions that are part of the Integrated Management System adopted by our Group,
- We store raw materials and solid products in paved storage areas or in designated, supervised warehouses,
- We store liquid raw materials and products in tanks made of materials that are protected against uncontrolled leakage, materials resistant to the substances they contain,
- We transport raw materials and products by rail and road; loading and unloading points are equipped with protective trays that enable the collection and effective neutralization of any leak,
- We use sealed road and yard surfaces, from which we treat rainwater and meltwater in settling tanks and separators,
- We use separate, sealed sewerage systems for the selective collection of sewage requiring separate treatment technologies,
- Waste storage facilities are separated from the environment by a purpose-designed system of barriers and seals, and are equipped with leachate drainage systems,
- We store waste in designated areas on an impermeable base; depending on the composition of the waste, it is stored in bulk or in sealed containers, bins, or plastic bags,
- Hazardous waste is mandatorily stored under a roof that eliminates the impact of weather conditions.

Waste management

A significant portion of the waste generated in the mining industry is flotation waste. It is produced as a residue from the flotation process, a key method of ore enrichment. Responsible management of flotation waste is very important in our Group's operations, which is why we have been taking consistent measures for many years to ensure its safe storage, minimize the risk to the environment, and maximize the reduction of its negative impact. We are confident that only through a responsible approach to the entire value chain of our operations can we make a real contribution to protecting the environment and building public trust.

The Żelazny Most Tailings Storage Facility

- It is meticulously monitored and managed in accordance with modern best practice, and is the largest facility of its kind in Europe. The retention capacity of the Żelazny Most TSF allows for several weeks of storage of excess flotation water during periods when the water level in the Odra River is low.
- Most of the principles set out in the global standard for the management of tailings storage facilities, GISTM (Global Industry Standard on Tailings Management), are applied in the daily management of the Żelazny Most TSF. This standard was created primarily for use in countries where local regulations do not regulate the management of mining waste disposal facilities or where these issues are not regulated. In Europe and Poland, there are restrictive legal regulations governing the operation of mining waste disposal facilities.
- We have implemented many solutions to minimize the impact of the Żelazny Most TSF on the environment, including the introduction of water curtains to prevent dust formation.
- We have also expanded the drainage systems and ditches in the dam area and carried out a number of drainage works along the TSF's foundations. Thanks to all these measures, the surface water in the vicinity of the Żelazny Most TSF meets even the most stringent purity standards.



At the Żelazny Most facility, we use solutions and techniques considered to be the best available techniques (BAT). According to the EU standard, the so-called MWEI BREF*, the Żelazny Most TSF is a facility operated at the highest global level, and its methods of operation and expansion are often cited as an example of a well-managed tailings storage facility at the most important geotechnical conferences in the world.

Żelazny Most also has ISO certificates:

1. Environmental Management System (compliant with ISO 14001),
2. Occupational health and safety management system (compliant with ISO 45001),
3. Energy management system (compliant with ISO 50001).

Żelazny Most is monitored and regularly analyzed by a team of world-renowned independent experts. They have extensive professional and scientific experience, backed by references concerning the implementation of complex engineering projects, management of scientific institutions in the field of geotechnics, hydrotechnics, hydrogeology, hydraulics, water and earth structures and environmental protection.

** MWEI BREF - Best Available Techniques Reference Document for the Management of Waste from Extractive Industries - a reference document on the best available techniques for waste management from the extractive industries.*

Circular economy

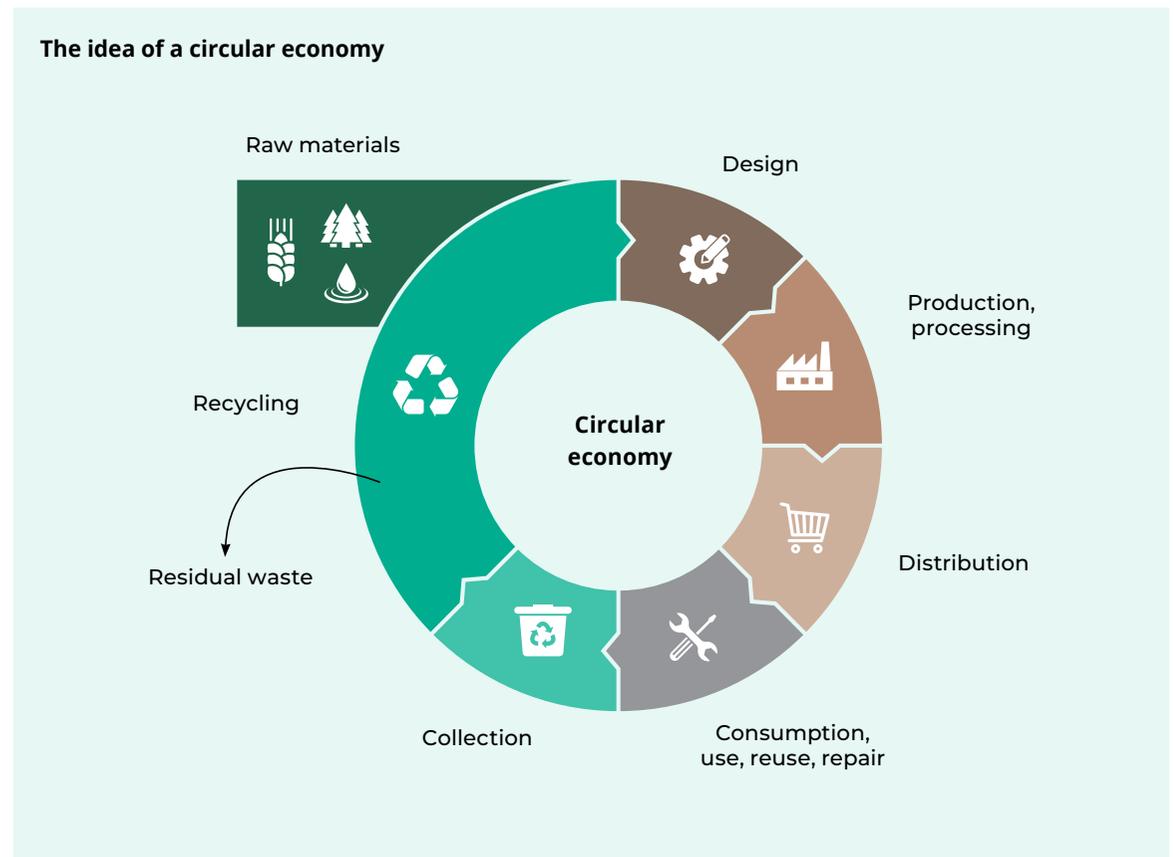
Waste generation is a by-product of all industrial activity. The copper industry, due to the need for multi-stage ore processing to obtain useful end products, also generates huge amounts of industrial waste. We are aware of this impact and are taking steps to reduce the amount of stored waste in favor of its reuse.



DID YOU KNOW THAT:

Copper is one of the few materials that does not degrade or lose its chemical or physical properties during recycling.

Waste that cannot be avoided is first recovered, and when this is not possible for technological, economic, or environmental reasons, it is disposed of. Waste is only stored in a landfill when other methods of disposal are not possible.



Fundamentals of the policy on resource use and the circular economy

Rational management of natural resources	Developing deposit mining systems with a view to optimizing the extraction process and waste rock management.
Reducing the amount of waste generated	Reducing waste by using it as raw material.
Development of waste management techniques	Striving to maximize the further use of production residues from our own technological lines in order to recover copper and associated metals from them through the development of waste management techniques.
Compliance with regulations and standards	Compliance with applicable waste management regulations at the national, regional, and local levels. Application of Best Available Techniques (BAT) in waste management.
Public participation and transparency	Cooperation with local communities and non-governmental organisations in order to understand their concerns and take their opinions into account in the decision-making process. Ensuring transparency of the company's activities related to natural resources, providing information on waste storage and emissions.
Accident prevention and crisis management	Emergency plans are developed to minimize the impact of potential accidents related to waste management. Employees are trained in how to respond to accidents, and cooperation with local emergency services remains at a high level. Waste treatment sites are monitored on an ongoing basis.
Innovations in environmental protection	Investments in research and development of technologies aimed at optimizing resource use and minimizing negative environmental impact.
Review and improvement	Periodic reviews of the company's policy on the use of natural resources and waste management are carried out in order to adapt to new legal, technological, and social requirements.



The primary objective of our waste management is to utilize waste from technological processes at every stage of production in order **to maximize the recovery of copper and associated metals while minimizing the impact on the natural environment**. The production processes carried out in our technological installations are conducted in such a way as to utilize the process residues generated in them to the greatest possible extent. These activities allow us, among other things, to:

- Recover metals from dust and sludge generated in dust emission reduction systems. Depending on their composition, dusts are returned to the feedstock in copper or lead production facilities, while sludge from wet dedusting of converter gases is sent for recovery in the lead production facility,
- Recovery of copper from copper-rich slag suspension (recovery in electric furnaces at the Głogów Copper Smelter and Refinery),
- Transfer of decopperized cast slag to the production of construction aggregate, and granulated decopperized slag to the production of abrasives,
- Transfer of used refractories mixed with copper concentrate for the production of copper concentrate, and non-copper-containing refractories to external recipients for the production of refractory materials,
- Total internal recycling of all slag from converters and melting furnaces as feedstock for pyrometallurgical processes,
- Use of electrolyte withdrawn from electrowinning circuits for the production of copper sulfate and nickel sulfate, and the use of de-copperized electrolyte for the preparation of working electrolyte used in the production of cathode copper,

- Returning spent anodes to pyrometallurgical copper production processes,
- Use of anode sludge from the electrowinning process as a raw material for the production of precious metals,
- Recovery of metals from sludge from converter gas treatment plants in lead production installations,
- Recovery of selenium from circulating water in the wet gas dedusting unit in the precious metals plant,
- Recovery of silver from spent electrolyte.



DID YOU KNOW THAT:

An example of effective waste recovery is raw lead smelted in Dörschl furnaces or the electrolyte decopperization installation, which are installed at the Głogów Copper Smelter and Refinery. Granulated slag from the electric furnace at the Głogów II Copper Smelter and Refinery is used as an abrasive material in the renovation of steel structures and in the expansion of the Żelazny Most Tailings Storage Facility.



Where we cannot reuse process waste, we take measures to prevent its generation, reduce its quantity, and lessen its negative impact on the environment:

- We conduct production processes in accordance with the so-called technological regime,
- We use materials and resources of high quality standards, we use them rationally,
- We maintain our machines and equipment in good technical condition, we strive to prevent breakdowns and malfunctions through constant supervision,
- Monitor the course of the processes carried out, which enables us to react quickly to prevent the generation of waste,
- We store waste taking into account its chemical composition and properties in a manner that protects the environment from the negative impact of pollution.

Reclamation of post-mining areas

Our activities in a given area do not end with the closure of a mine. The process of restoring post-mining areas to people and nature is an important aspect of our environmental policy. The reclamation of post-industrial land involves a number of activities aimed at restoring soil properties, restoring biological diversity, and improving aesthetic and socio-economic conditions. We always ensure that the areas occupied by our metallurgical facilities and mines can be revitalized after the end of economic operations. Closure and reclamation plans are developed in accordance with applicable law for each site to be decommissioned.



DID YOU KNOW THAT:

Our Group's Robinson mine in the US received the Nevada Excellence in Mine Reclamation Award. This award, in the "Legacy Waste Rock Remediation" category, was granted in 2020 for the reclamation of the Lane City Waste Rock Facility. Nevada's state government recognized the Group's activities in the area of responsible environmental management were recognized by the Nevada state administration, which justified the award with the following words: "This project is an excellent example of the mine operator's commitment to environmental protection and land reclamation in order to protect the community in which the mine operates."




**BEST
 PRACTICE**

For over 20 years, we have been developing the former protection zones of our metallurgical facilities in Głogów and Legnica. Currently, as a result of consistent efforts, most of these areas have been classified as forests. We currently manage over 1,360 ha of forested and wooded land, which we own or have in perpetual usufruct. Of these, forests account for over 98%.

In the forests managed by us in 2024 alone, we planted the following trees and shrubs:

KGHM Polska Miedź S.A. Legnica Copper Smelter and Refinery

- European beech – 26,800 trees
- English oak – 12,000 trees
- Common hornbeam – 3,000 trees
- Black alder – 6,150 trees
- Small-leaved lime – 50 trees

KGHM Polska Miedź S.A. Głogów Copper Smelter and Refinery

- Trees and shrubs (including biocenotic, phytomeliorative, admixture, honey-bearing and pollen-producing) – 194,630 trees (including 20,000 trees in the Łęgi Głogowskie ecological reserve).

SOCIAL IMPACT

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SOCIAL



Social impact



Progress in the implementation of strategic success measures

Strategic measure of success (Strategic KPI)	Base value of the measure in 2020	Value of the measure in 2024	Targets for 2030
Accident rates LTIFR ¹ and TRIR ²	LTIFR 7.31	LTIFR 6.64	aiming for 0 accidents
	TRIR 0.52	TRIR 0.30	
Level of support for the Health area implemented by the KGHM Foundation	~PLN 11.5 million¹	PLN 8.07 million (total for institutions and individuals)	~PLN 7 million
	<input checked="" type="checkbox"/> The Health area, implemented by the KGHM Polska Miedź Foundation, was considered a particular priority in 2020 due to the COVID-19 pandemic, which translated into a high value of support in the base year. In 2024, the level of involvement in this area exceeded the value adopted as a strategic goal for 2030.		
Number of volunteer projects completed	25 volunteer campaigns	137 volunteer activities (incl. 38 actions in the KGHM Group)	30 volunteer activities
	<input checked="" type="checkbox"/> The lower number of initiatives in 2020 was a result of pandemic restrictions in force in the country and under KGHM's internal regulations. In turn, the increase in the number of volunteer activities in 2024 was due to both the promotion of altruistic attitudes among employees and the development and active promotion of the "Copper Heart" program. Last year, aid activities were carried out, among others, related to risk management and flood damage removal, which affected the inhabitants of Lower Silesia.		
Level of support provided for culture, sport, and health	~PLN 38.5 million	PLN 48.15 million	~PLN 48 million
	<input checked="" type="checkbox"/> In 2024, the level of support provided for culture, sport, and health was close to the strategic target set for 2030.		

¹ LTIFR (Lost Time Injury Frequency Rate) – total number of accidents at work, within the meaning of the Act of October 30, 2002 on social insurance for accidents at work and occupational diseases (Journal of Laws of 2025, item 257, as amended), standardized to 1 million hours worked. The indicator is calculated for KGHM Polska Miedź S.A.

² TRIR (Total Recordable Incident Rate) – an indicator of accidents at work that meet the conditions for registration within the meaning of the ICMM (International Council on Mining & Metals) standard. The indicator is calculated for the international assets.



To mark the 60th anniversary of KGHM Polska Miedź, we created a unique publication: **„60 best CSR practices for the 60th anniversary of KGHM Polska Miedź”** – an overview of real activities that have been building our identity as a socially responsible company for years. This is not only a jubilee celebration, but also concrete examples of how we combine care for people, the environment, and local communities with ambitious business development. The publication, available online, has become a point of reference for other companies and organisations, and the practices presented in it – from education and mental health to ecology and empathy – inspire action. We show that CSR is more than just a strategy for us – it is a daily practice based on values.



Our initiatives have been recognized and highlighted in the reports **„Responsible Business in Poland. Best Practices.”** This is a regular publication by the Responsible Business Forum, which compiles companies' ESG and sustainable development activities for a given year. It is the largest overview of corporate responsibility initiatives in Poland.



Among the practices recognized in the categories of work and social engagement and local community development, our campaigns promoting preventive medical examinations, the CUdwni Rodzice program, the Mie(d)z Rodzinę campaign, the Pączek ze Szlachetnym Nadzieniem charity campaign, and the KGHM Readers' Club were highlighted. This proves that our activities for employees, families, and local communities are not only real but also inspiring, even in the eyes of independent experts.



WE are KGHM – achieving success together

We build our business potential and competitive advantage by putting people at the center. It is we, the employees, who are the foundation without which the Group's development would not be possible. At KGHM Group, we care about good working conditions and a cooperative atmosphere, as well as our surroundings – the natural environment and the communities in which we operate.

For years, we have been investing in the labor market and actively supporting the education of current and future staff. We draw on the wealth of opportunities offered by KGHM Group, develop our potential, and take on challenges that require courage and responsibility. We know that it is people who give our Group global significance and make us an integrated, future-oriented organisation.



Key procedures and policies for managing the employee area adopted by the KGHM Polska Miedź S.A. Group:

[Code of Ethics of the KGHM Polska Miedź S.A. Group](#)

[Anti-Abuse Procedure in the Group](#)

[Human Rights Policy of KGHM Polska Miedź S.A.](#)

[Occupational Health and Safety Policy](#)

[Collective Bargaining Agreement for Employees of KGHM Polska Miedź S.A., together with the Work Regulations and the Company Social Benefits Fund](#)

Employment structure

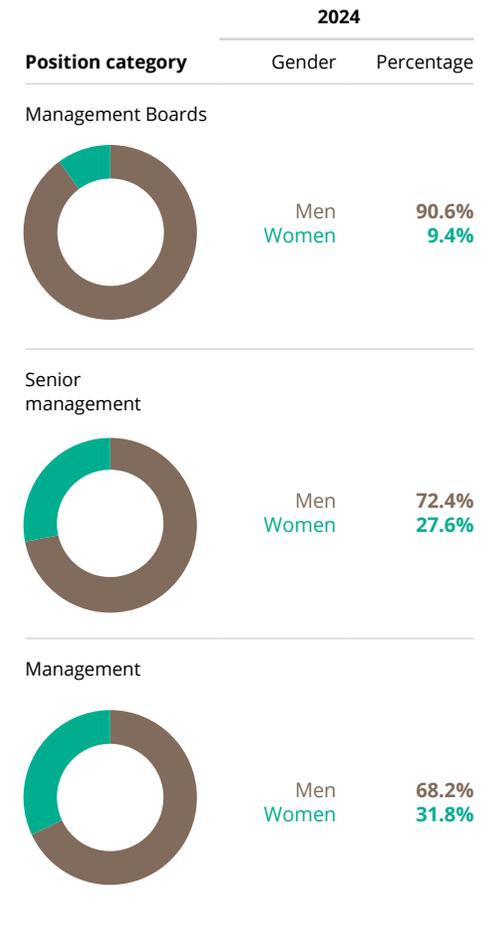


Specification	KGHM Polska Miedz S.A. Group		
	Men	Women	Total
Number of employees (per person)*	28,799	6,229	35,028
Full-time	28,755	6,142	34,897
Part-time	44	87	131
Number of permanent employees	25,611	5,477	31,088
Number of temporary employees	3,188	752	3,940
Number of employee departures	2,443	522	2,967
Turnover rate**	8.5%	8.4%	8.5%

* Number of employees (calculated per person) as at the last day of the year. Does not include members of the Management Board employed under civil law contracts – management service agreements.

** The turnover rate is calculated as the number of employee departures divided by the total number of employees, then multiplied by 100 to obtain a percentage. The number also includes employees who changed jobs within the companies of the KGHM Polska Miedz S.A. Group.

Percentage distribution of genders in senior and lower management in the KGHM Polska Miedz S.A. Group.




**BEST
 PRACTICE**
Equal in (neuro)diversity

With a strong emphasis on building an inclusive organisational culture, we continued to develop our employees in the context of increasing knowledge about neurodiversity. In 2024, we held in-person training sessions entitled "Managers in a world of neurodiversity – strategies for effective management of neuroatypical talent," which were attended by 162 people from the Company's metallurgical divisions. An online webinar entitled "The Neurodiverse World of Children" was also held, open to all interested employees, with the option of replaying it at a later date.

The strength of diversity, the power of equality

Respect for diversity and equal opportunities are an important part of our organisational culture. We make sure that the environment and workplace we create are free from any discrimination.

As a global company, we apply the standards of work and employee relations applicable in individual countries and defined by international institutions such as the International Labor Organization (ILO) and the UN Global Compact. In accordance with our Code of Ethics, we are committed to conducting our operations in accordance with the UN Universal Declaration of Human Rights, creating a culture, environment and workplace free from discrimination.

Our approach to diversity management is defined in the "KGHM Polska Miedź S.A. Diversity Declaration." Our Group is committed to the principles of mutual respect, equal treatment, ensuring access to development opportunities, and utilizing the potential of all employees, including, above all:

- Compliance with labor laws in the jurisdictions in which we operate, as well as with accepted standards of internal labor law,
- Compliance with regulations on working hours and minimum wages,
- Respecting the right of employees to join employee organisations and trade unions and to conduct collective bargaining,
- Ensuring the development of employees, supporting them in improving their skills through various forms of training and opportunities to participate in new projects,
- Respecting human rights and not allowing any forms of illegal or forced labor, including child labor.



We say a firm "no" to discrimination and abuse!

The Anti-Abuse Procedure adopted by the KGHM Group supports 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 accordance with international standards for the protection of employee rights. The procedure describes a catalog of preventive measures aimed at preventing abuse by introducing a prevention system, specifying the procedure in the event of abuse, and defining the obligations and responsibilities of employers and employees in this regard. It applies to all employees of our Group, regardless of the type of contract they have or the position they hold. We promote ethical attitudes and behavior in accordance with the principles of social coexistence in interpersonal relations, we disseminate knowledge about the phenomenon of

abuse, methods of preventing its occurrence and the consequences of its occurrence, and we provide employees with access to training on the issue of abuse. We also have a dedicated, anonymous channel for reporting violations, the "[KGHM Ethics Line](#)", which is available to all employees, both our own and those in the value chain. We treat each report with the utmost seriousness and care, ensuring full protection for whistleblowers against any form of retaliation, reprisals, or discrimination.

In our activities, we focus on cooperation with employees, ensuring their protection and respect for their rights in accordance with the guidelines adopted by our Group. The main tasks in this area include:

Communication and engagement	Regular meetings, integration, workshops, and training on human rights and employee rights, which increase employee awareness of their rights and obligations.
Compliance with labor standards	Ensuring fair pay and working conditions in accordance with health and safety standards. Compliance with national law and international standards.
Cooperation with trade unions	Enabling freedom of association, supporting social dialogue, and participating in collective bargaining to improve working conditions.
Monitoring and reporting	Systematically monitoring working conditions, identifying areas for improvement, and implementing corrective measures.
Education and development	Investing in skills development through training, educational programs, and initiatives that promote a conscious approach to human rights.
Complaint mechanisms	Providing employees with access to effective mechanisms for reporting complaints and irregularities, supporting the protection of their rights (whistleblower platform called "KGHM Ethics Line" and ethics representatives).

Social protection and benefits

Caring for the well-being of our employees is one of our key values – we know that a sense of security and support in difficult life situations are essential for effective and satisfying work. That is why we provide social protection in our domestic and international companies in accordance with applicable labor laws, which protect employees against loss of income due to illness, unemployment, accidents at work, parental leave, and retirement.

Selected companies in our Group also offer a wide range of additional benefits, such as group life insurance, subscription healthcare, an Employee Pension Plan, and attractive benefits from the Company Social Benefits Fund.

In 2024, 89.7% of employees in the KGHM Group were covered by collective agreements. The percentage of employees covered by collective agreements in Polish companies was 94.3%.

Social packages at KGHM Polska Miedź S.A.

 <p>Attractive remuneration*</p>	 <p>Family benefits package**</p>	 <p>Subscription-based medical care</p>	 <p>Life insurance</p>	 <p>Subsidies for cultural and educational events</p>
 <p>Training and foreign language learning</p>	 <p>Subsidized commuting</p>	 <p>Sports packages</p>	 <p>Employee Pension Plan</p>	

* Annual bonus on Miner's/Metallurgist's Day, 14th salary, profit-sharing bonus, jubilee bonuses, holiday allowance, and retirement and disability severance pay.

** Subsidies for children's and youth holidays, and allowances to cover school and kindergarten expenses.



Comprehensive programs supporting the physical and mental health of employees

We are aware that occupational diseases in the mining and metallurgical industries pose a serious threat to the health of employees due to the specific working conditions and exposure to various harmful factors. For many years, we have been implementing our long-term vision of "Safe people among the elements – zero accidents due to human or technical causes, zero occupational diseases among our employees and contractors." We take measures to ensure the health and well-being of our most valuable asset – our employees. As part of our health programs, we provide, among other things, regular preventive medical

examinations and access to subscription-based medical care. We also focus on psychological support, offering assistance in coping with stress and improving the balance between professional and private life. Psychological support is a benefit dedicated to all employees of KGHM Polska Miedź S.A. and their loved ones. It includes psychological assistance in the form of individual sessions, couples and family therapy, parenting consultations, and supervision for managers. In 2024, 660 people took advantage of the program.

Our Group companies run a number of regular health promotion campaigns covering both physical and mental health. As part of health promotion activities in 2024, online educational campaigns and promoted or subsidized

employee initiatives related to health promotion (the "ZG Run" running group, cycling group, etc.). The company also organized the "Pink October" campaign, "Movember," blood drives, regional sporting events (e.g., the Bieg Piastów Run, Kolej na Bieg, KGHM Cup), and provided financial support to local sports clubs. Another initiative worth highlighting was the Care Solutions educational project. As part of the project, webinars on the mental and physical health of employees were conducted. The training was dedicated to employees of KGHM Polska Miedź S.A. from all branches and their families, with no limit on the number of participants. Seven 1-hour webinars were offered, with the option of replaying them later on YouTube.



Safety first

KGHM Polska Miedź S.A. has high health and safety standards, confirmed by the ISO 45001:2018 certificate, which apply to both company employees and entities providing services at our plants. All our employees are thoroughly familiarized with the risk assessment for their workstations. We continuously monitor the working environment and conduct periodic reviews and assessments of potential hazards, inspections of equipment and tools, as well as the required technical tests and approvals. Employees undergo regular safety training and continuously improve their qualifications. The current assessment of work safety is carried out at weekly meetings of the Vice President of Production and at monthly meetings of the Management Board with the management of all branches.

We also organize regular meetings with mining supervisory authorities and representatives of the National Labor Inspectorate, attended by social labor inspectors representing employees from individual divisions. At least once a year, occupational safety issues are presented to the Occupational Safety Council at KGHM Polska Miedź S.A. The Council consists of representatives of the highest management from the social side, i.e. trade unions operating at KGHM Polska Miedź S.A. and the Social Labor Inspectors at KGHM Polska Miedź S.A. divisions.



A good neighbour – supporting local communities



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 Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. We undertake a number of activities aimed at compensating our neighbors – local communities – for the negative impact we have on their environment. We organize meetings with local governments to discuss issues important to residents

By participating in regional development, we support infrastructure investments (water supply systems, sewage treatment plants, urban monitoring, improvement of communication and transport, health care) and social investments, including participation in the organization of events for employees and residents, as well as charity events. Our neighbors – the residents of the areas where we operate – also have the opportunity to contact us directly through various communication channels, such as social media, traditional and electronic correspondence, open days, meetings, telephone conversations, and channels for reporting irregularities.

In the Human Rights Policy adopted by KGHM Polska Miedź S.A., which is reflected in our approach to both our employees and our local communities, we commit ourselves to conducting our business in accordance with the International Bill of Human Rights, the UN Guiding

Social initiatives

Every year, as part of our cooperation with local government units in the areas where we operate, we provide financial support to local governments in the Copper Basin as part of a broad program of CSR and socially responsible business activities that we implement for the benefit of residents.

We support local governments in their investments in initiatives promoting health, healthy lifestyles, and pro-social activities in their municipalities. Local governments receiving financial support are required to submit reports on the expenditure of funds allocated to investments and tasks. This makes it possible to monitor and evaluate the effectiveness of the measures taken. In 2024, thanks to our support, the following were implemented, among others:

- Examinations and consultations at the Endocrinology Clinic in Głogów,
- Health prevention programs, trips to the swimming pool for primary school students and children, the organisation of health retreats for children and young people from Jerzmanowa,
- Development of playgrounds and sports fields, additional equipment for village halls and community centers in the Kotla municipality,
- Construction of a brine graduation tower in the historic park in the municipality of Radwanice,
- Continuation of the "Healthy Legnica" program, which aims to promote a healthy and active lifestyle, health prevention, and integration of the local community,
- Chess lessons, additional sports activities for students in Lubin,
- Concerts, workshops, and themed events in the municipalities of Grębocice, Polkowice, Rudna, and Żukowice.





We also undertake activities and programs supporting the local community, launched on the initiative of our CSR team, including:

■ **KGHM Academy**

As part of the KGHM Academy, launched in 2024, we have implemented 44 prevention programs, including: Archipelago of Treasures,

School for Parents and Educators, Leader100, and the original program of the KGHM NGO Academy – Prevention Zone. The beneficiaries of these activities were 2,700 people, including students, their parents and guardians, and teachers.

■ **KGHM Family Zones and "Mie(dź) Rodzinę" ("Have a Family") Program**

As part of our social campaign entitled "Mie(dź) Rodzinę" ("Have a Family"), we actively promote and support foster parenting in the region. One of the key events of the campaign in 2024 was the Foster Family Rally, which took place at Polana Jakuszycka in Szklarska Poręba.

■ **"Mie(dź) apetyt na czytanie" ("Have an Appetite for Reading")**

An initiative in which we support local libraries and cooperate with them to promote reading in the region.

■ **"Miedziane serce" ("The Copper Heart") Employee Volunteer Program**

Through volunteer work, which our employees have been doing for over a decade with the active support of the company, we reinforce the values that guide us every day: responsibility, safety, results orientation, courage, and teamwork. Thanks to their involvement in organizing or participating in charitable activities, our employees become brand ambassadors and the best confirmation of the effectiveness of our sustainable development and corporate social responsibility policy.

Our employees working in the shift system show particular commitment, using their free time to visit kindergartens and schools. Our volunteers are responsible for extremely popular original projects such as: KGHM na wesoło (KGHM in a cheerful mood), KGHM Dzieciom (KGHM for Children) and Śladami Jasia Wyżykowskiego (In the footsteps of Jaś Wyżykowski). A group of employees also took care of the children at the Educational Center in Lubin. A regular part of KGHM volunteers' activities is supporting sports initiatives. Events such as the Integrative Sports Olympics for people with disabilities, the Piast Summer Run, the Run in Hour W, and the KGHM Cup tournament have become a permanent fixture in the volunteer calendar. In 2024, our employees volunteered to provide extensive support in flood protection and flood damage removal.



DID YOU KNOW THAT:

In 2024, our volunteers carried out as many as 137 initiatives, involving 1,010 people in their preparation and implementation, who devoted a total of over 4,898 hours to this cause.



**BEST
PRACTICE**

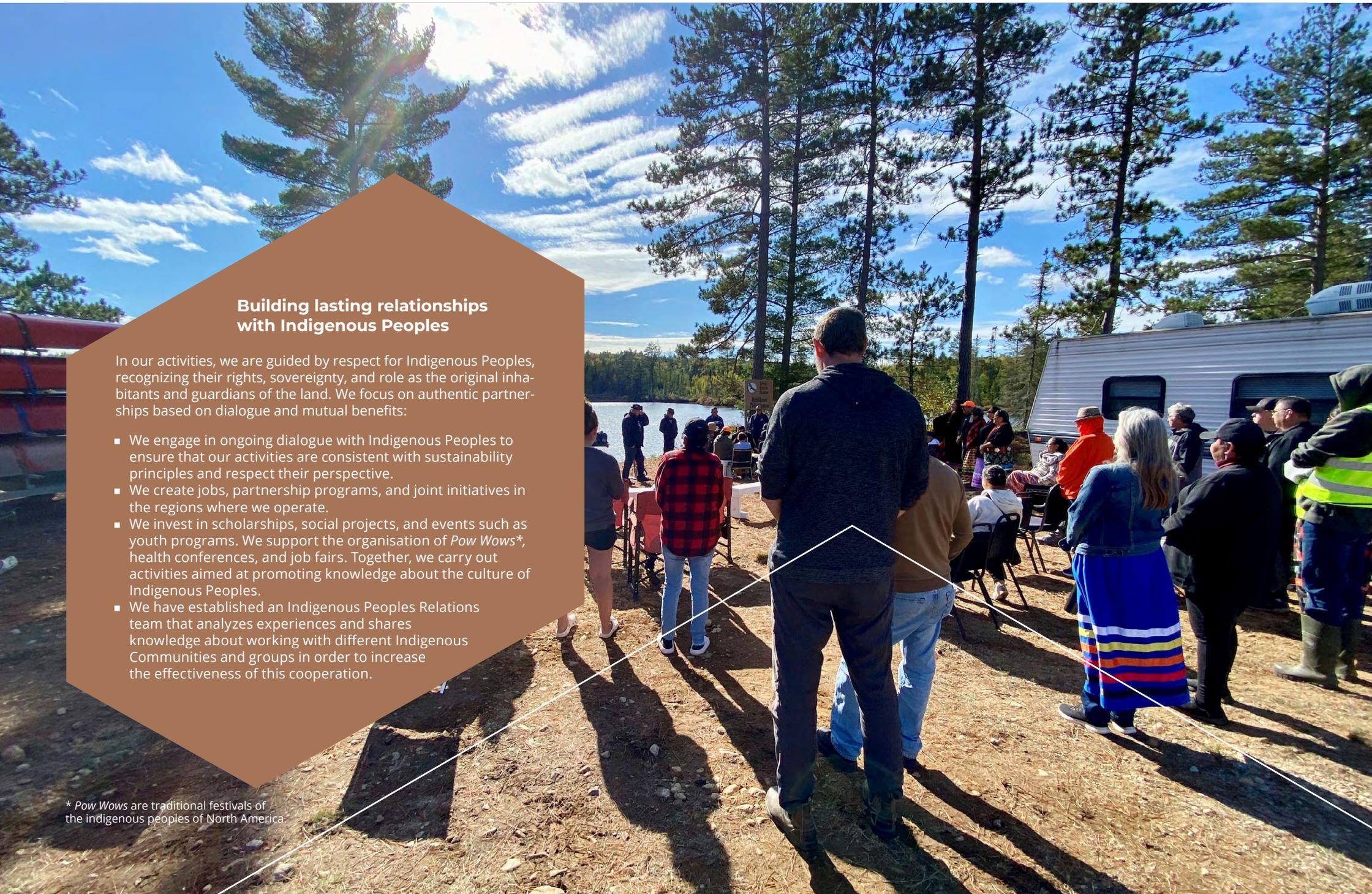
One of the measures of effectiveness included in the Group's Strategy is the number of volunteer activities carried out during the year by KGHM Polska Miedź S.A. and the companies of the Group. The Company's Management Board is responsible for the implementation of the program.

Building lasting relationships with Indigenous Peoples

In our activities, we are guided by respect for Indigenous Peoples, recognizing their rights, sovereignty, and role as the original inhabitants and guardians of the land. We focus on authentic partnerships based on dialogue and mutual benefits:

- We engage in ongoing dialogue with Indigenous Peoples to ensure that our activities are consistent with sustainability principles and respect their perspective.
- We create jobs, partnership programs, and joint initiatives in the regions where we operate.
- We invest in scholarships, social projects, and events such as youth programs. We support the organisation of *Pow Wows**, health conferences, and job fairs. Together, we carry out activities aimed at promoting knowledge about the culture of Indigenous Peoples.
- We have established an Indigenous Peoples Relations team that analyzes experiences and shares knowledge about working with different Indigenous Communities and groups in order to increase the effectiveness of this cooperation.

* *Pow Wows* are traditional festivals of the indigenous peoples of North America.



Mining damage

Our mining activities may affect local land, roads, and buildings belonging to the communities around us. In cases where this leads to damage to infrastructure, we take specific remedial action. We have a clearly defined procedure for reporting damage resulting from mining activities, which allows us to effectively process reports and take appropriate remedial action.

We take responsibility for mining damage that could not be prevented and take preventive measures to minimize the impact of mining on the surface and its buildings, including:

- Covering the costs of structural safeguards in buildings erected in mining areas exposed to the harmful effects of deformation and mining tremors,
- Modernizing buildings that are not resistant to the harmful effects of planned mining,
- Covering the costs of land improvement in areas exposed to waterlogging and flooding as a result of mining operations,
- Repair of structures damaged as a result of mining operations or reimbursement of the costs of such repairs.

Through these measures, we aim to minimize the impact of our activities on the residents of the Copper Basin.



Procedure for reporting mining damage:

1 Who can report damage?

Any owner or user who has noticed damage that may be the result of mining activities.

2 Where to report damage?

Claims should be submitted to the mine in whose mining area the property is located (for more information, visit the KGHM website under the tab "For residents"; „[Dla mieszkańców](#)“).

3 How to report damage?

It is recommended to submit a written application containing the applicant's details (first and surname or company name, address and contact telephone number), a description of the damage and its location (address or building plot number) and a map excerpt with the location of the damage marked (if possible).

GOVERNANCE AND ORGANISATIONAL CULTURE



What makes us stand out?

Our unique competitive advantage is our integrated value creation model, based primarily on our own assets: from exploration and mining, through ore enrichment, smelting, refining, and processing, to the sale of finished products. Our subsidiaries, which provide complementary services supporting our main business line, add value. This enables us to optimize costs, improve quality, and increase operational control, which translates into greater flexibility in responding to changing market conditions. High management standards, transparent rules, and consistent enforcement ensure our efficiency, safety, and responsibility at every stage of our operations.



DID YOU KNOW THAT:

We conduct our business in accordance 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 Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Competitive advantages of the KGHM Group



A diversified asset portfolio, global reach and access to rich deposits



Integrated production process



Unique know-how and extensive experience



A responsible employer that values commitment and cultural diversity



A rich portfolio of products and extracted elements



Extension of the value chain



Innovation



Partnerships with companies and institutions



Integrity and sustainable development within the Group



Financial stability

Integrated Management System

The Integrated Management System based on ISO standards implemented at KGHM Polska Miedź S.A. helps us operate in a more coordinated and effective manner, in line with international standards. This brings a number of benefits both in management and in achieving operational excellence by combining requirements from various areas, such as quality, environment, health and safety, risk management, including corruption, information security, monitoring of actions taken, and identifying areas for improvement.



Key policies of KGHM Polska Miedź S.A.:

- [Code of Ethics](#)
- [Human Rights Policy](#)
- [Energy Policy](#)
- [Occupational Health and Safety Policy](#)
- [Environmental Policy](#)
- [Climate Policy](#)
- [Anti-Corruption Policy](#)
- [Information Security Policy](#)
- [Business Continuity Management Policy](#)
- [Compliance Management Policy](#)
- [Corporate Risk Management Policy](#)
- [Procurement Policy](#)
- [Responsible Supply Chain Policy](#)
- [Competition Law Policy](#)
- [Remuneration Policy](#)



We currently have the following standards and certification systems in place*:

- ISO 9001
- ISO 14001
- ISO 45001
- ISO/IEC 20000-1
- ISO 50001
- ISO 22301

* The current status of implementation and certification of standardized management systems at the headquarters and divisions of KGHM Polska Miedź S.A. is presented in the table available at <https://kgm.com/en/our-business/management-systems>

Corporate culture

The key tool supporting the development of our corporate culture and defining our priorities and principles of conduct is the **Code of Ethics of the KGHM Polska Miedź S.A. Group**, based on values shared by the entire Group: safety, teamwork, results orientation, responsibility, and courage. Our values unite all employees regardless of their position in the organisation or nationality, and form the basis for all our decisions and actions. It is not only what we do that is important to us, but also how we achieve our goals.



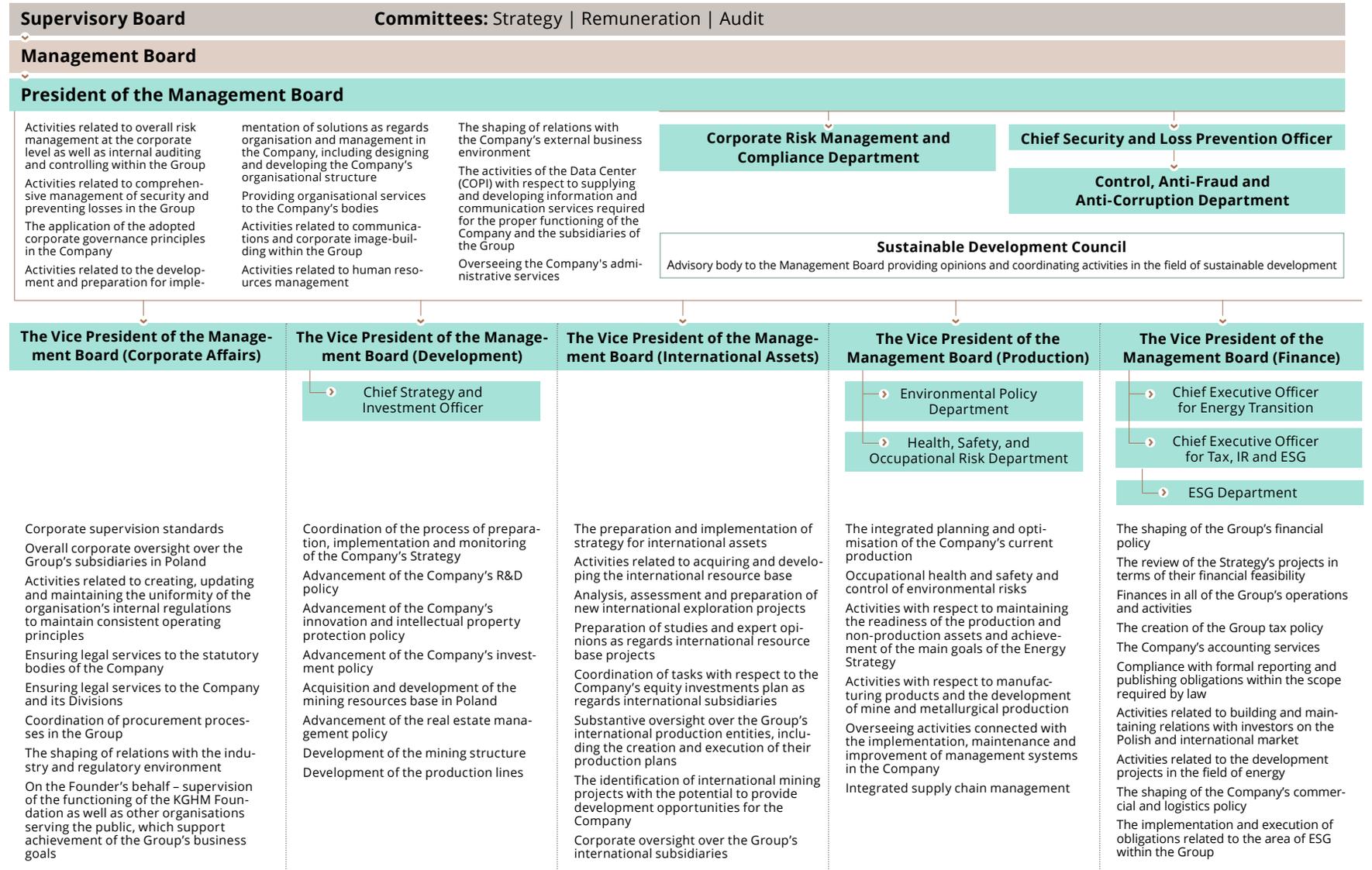
KGHM Polska Miedź S.A. Group ethical standards

 HUMAN WELFARE	 We are all jointly responsible for our own safety and that of our workplace	 At KGHM Polska Miedź S.A. we do not tolerate abuse	 We set high standards in employer-employee relations	 At KGHM, we create an environment and a workplace free from discrimination	 Cooperation is the basis for our success	
 COMPANY WELL-BEING	 We act in compliance with applicable regulations	 We strive to ensure information security and protect personal data	 We avoid conflicts of interests	 We apply a zero-tolerance policy towards corruption	 We take responsibility for the quality of our products and services	 We care about the company's assets and manage entrusted property responsibly
 STAKEHOLDER'S WELL-BEING	 We are committed to sustainable global development	 We build relationships with external partners based on transparency, honesty, trust and professionalism	 In our relations with shareholders, we follow the best practices of the Warsaw Stock Exchange	 We enter into partnerships with numerous national and international organisations	 We take responsibility for our impact on the environment	



Violations of the rules of conduct can be reported anonymously or by name through the confidential "[KGHM Ethics Line](#)", available in Polish, English, Spanish and Russian. Every report is handled with the utmost care, ensuring confidentiality and full protection for the whistleblower. Anonymous submissions are treated as seriously as those made by name, and all whistleblowers are safeguarded against any form of retaliation.

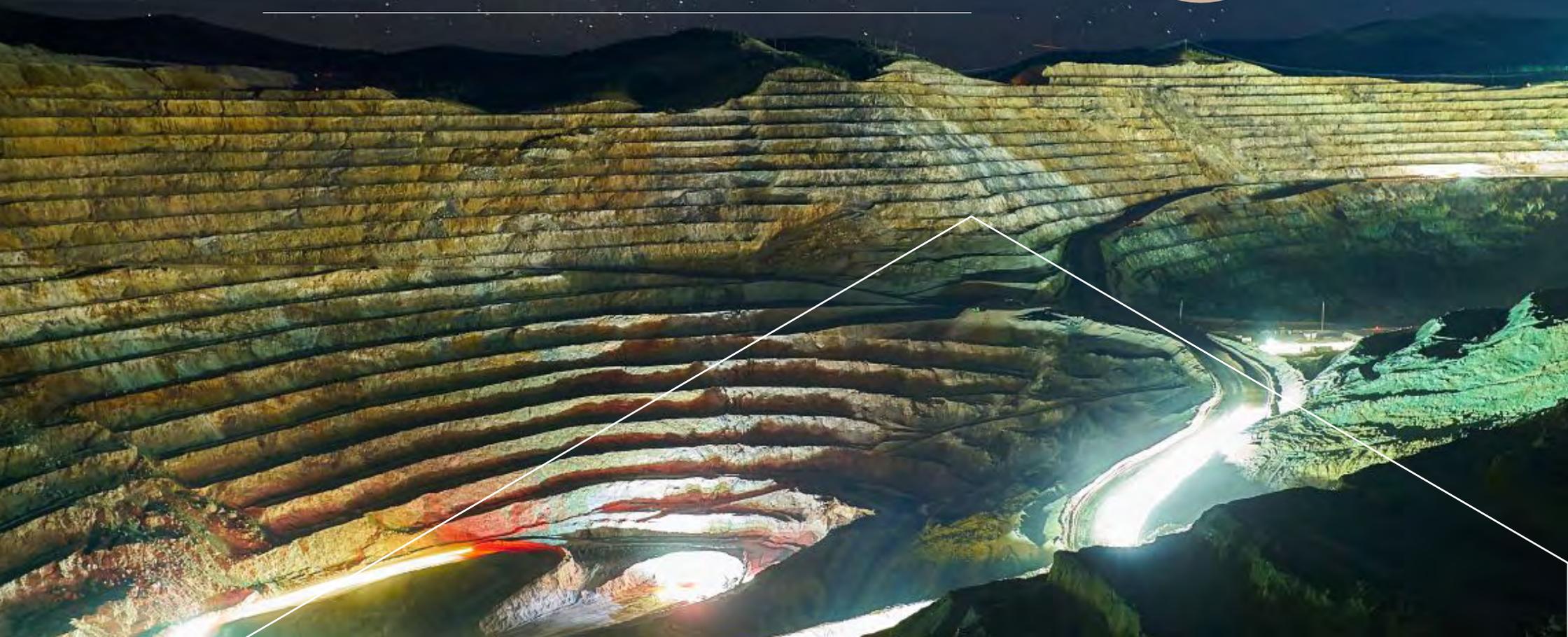
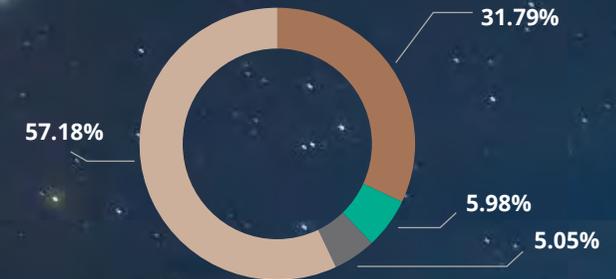
Structure of the administrative, management and supervisory bodies of the KGHM Group and division of responsibilities among Management Board members, including areas of sustainable development



Shareholder structure of the Company as at December 31, 2024

Shareholder	Number of shares/ number of votes	Total nominal value of shares (PLN)
State Treasury	63,589,900	635,899,000
Allianz Polska Open Pension Fund	11,961,453	119,614,530
Nationale-Nederlanden Open Pension Fund	10,104,354	101,043,540
Other shareholders	114,344,293	1,143,442,930
Total	200,000,000	2,000,000,000

Share in share capital/total number of votes



The fundamental importance of the KGHM Group's stakeholders

Relations with stakeholders are an important element of every organisation's activities, and in the context of achieving sustainable development goals, they are of fundamental importance. Transparent dialogue and cooperation allow for the creation of a consensus that takes into account different perspectives, needs, and goals, the effects of which are more lasting and effective.

Our Group cooperates with a wide range of stakeholders. In our communication with the outside world, we promote trust and openness, which is why we do not limit ourselves to the regulations applicable to listed companies and communicate with various stakeholder groups – from employees to local communities, both at the national and international level. We strive to maintain an open and transparent dialogue that allows us not only to understand the needs of our environment and respond to its expectations, but also to jointly shape a responsible and sustainable future.



KGHM Group stakeholders and main methods of communication, dialogue, and cooperation

In our contacts with stakeholders, we use a variety of communication channels that are tailored to the specific nature and individual needs of our various stakeholder groups. The diversity of communication forms is aimed at effective cooperation, obtaining opinions and perspectives of stakeholders on our activities, and building relationships based on trust. Selected forms of communication with the main stakeholder groups identified in 2024 are presented in the table below.

Selected communication channels, purpose and frequency of dialogue

Stakeholder group	Approach to dialogue	Objective	Main communication channels
 Employees, including union members	<ul style="list-style-type: none"> Constant, open communication between employees and the employer Dialogue with trade unions 	<ul style="list-style-type: none"> Increasing employee engagement Building understanding for the implementation of strategies and strategic goals Dialogue on working conditions Preparation and adaptation to change and crisis situations Raising awareness and engaging in ESG initiatives Maintaining transparency in decisions regarding the company's activities Encouraging employees to participate in new initiatives Promotion of best practices 	<ul style="list-style-type: none"> Meetings and consultations with employee representatives on important decisions or events Intranet, internal publications and television, newsletters, electronic correspondence Company events, competitions, employee volunteering, training, engagement surveys Publications in local and national media concerning the Company's activities and projects Engagement surveys Internal and team meetings Inviting trade unions to participate in consultation and agreement processes Whistleblowing system
 Owners, KGHM Group	<ul style="list-style-type: none"> Owner supervision over subsidiaries Appointed coordinators in subsidiaries 	<ul style="list-style-type: none"> Effective cooperation with subsidiaries of the Group 	<ul style="list-style-type: none"> Exchange of experiences, meetings, reports KGHM Polska Miedź S.A. representatives sitting on the supervisory boards of Group entities Uniform approach to management standards in key areas of the Group's operations Cooperation based on adopted policies

Stakeholder group	Approach to dialogue	Objective	Main communication channels
 <p>Representatives of local and national government, regulators, supervisory authorities</p>	<ul style="list-style-type: none"> ■ Cooperation in debates and conferences ■ Ongoing dialogue and consideration of recommendations 	<ul style="list-style-type: none"> ■ Supporting the development of best market practices ■ Ensuring compliance with regulatory and supervisory requirements ■ Co-shaping the regulatory environment ■ Identifying the actual and potential effects of implementing new regulations, including legal provisions and recommendations, both at the level of the European Union and the national government 	<ul style="list-style-type: none"> ■ Meetings and consultations ■ Traditional and electronic correspondence ■ Internet
 <p>Members of the local community</p>	<ul style="list-style-type: none"> ■ Ongoing direct communication ■ Employee volunteering ■ Supporting the development of local communities 	<ul style="list-style-type: none"> ■ Encouraging employees to participate in social and environmental initiatives ■ Employee volunteering ■ Supporting the development of local communities 	<ul style="list-style-type: none"> ■ Publications in local media and social media ■ Meetings, conferences, seminars, and events (sports, cultural) sponsored by KGHM ■ CSR programs, e.g. Eco-Health ■ Participation of KGHM representatives in events and celebrations organized in the municipalities and counties of the Copper Basin
 <p>KGHM's stock and metal exchange environment, Market exchanges in Warsaw and London</p> <p>Financial markets</p>	<ul style="list-style-type: none"> ■ Constant, two-way communication between the Company's management and capital market participants based on best practices 	<ul style="list-style-type: none"> ■ Building investor confidence ■ Transparency of operations ■ Equal access to information affecting investment decisions ■ Encouraging shareholders to participate in key decisions ■ Providing information about the business model, strategy, and value creation by the Group ■ Increase in the Group's capitalization ■ Providing information on the dividend policy and plans for profit distribution 	<ul style="list-style-type: none"> ■ General meetings ■ Current and periodic reports, investor newsletter ■ Conferences, including international ones, meetings and study visits (Investor Days, Analyst Days), regular earnings conferences ■ E-mail correspondence, telephone contact, investor chats ■ Internet and social media (LinkedIn), information posted on www.kghm.com ■ Publications in national and economic media



Stakeholder group	Approach to dialogue	Objective	Main communication channels
 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 deliveries ■ Monitoring and quality assessment ■ Improving the quality of goods and services ■ Expanding suppliers' knowledge of the Group's needs ■ Raising awareness of ESG issues and incorporating ESG principles into business and purchasing processes 	<ul style="list-style-type: none"> ■ Ongoing and periodic meetings and negotiations with new and existing suppliers ■ Direct communication with suppliers ■ On important issues related to cooperation ■ Online meetings, video conferences, e-mail ■ Order management platforms
 Customers	<ul style="list-style-type: none"> ■ Constant and open communication with customers ■ Quality and suitability of products and services 	<ul style="list-style-type: none"> ■ Creating transparent terms and conditions for offers and contracts ■ Understanding customer needs and expectations ■ Building trust and loyalty ■ Informing about new products and services ■ Understanding customer needs and expectations ■ Personalizing offers ■ Collecting feedback and monitoring satisfaction 	<ul style="list-style-type: none"> ■ Conferences and trade fairs ■ Meetings, traditional and electronic correspondence ■ Corporate website www.kghm.com ■ Social media



**BEST
 PRACTICE**

As part of the process of identifying and assessing impacts, risks, and opportunities in the area of sustainable development conducted in 2024, we asked our key stakeholders what they consider important in our Group's activities. We organized a dedicated survey in the form of interviews, focus groups, and questionnaires, and we took the results of this survey into account both in the process of selecting topics relevant for ESG reporting and in the process of revising our Group's development strategy.

We incorporate the results of this dialogue into our activities by, among other things:

- **Integrating the results into our strategy** – the opinions gathered from our stakeholders are analyzed and incorporated into our decision-making processes, particularly in the context of our strategy on sustainable development,

environmental protection, and relations with local communities,

- **Setting priorities** – the results of consultations help us identify the most important topics, which we then report on in our reports,
- **Shaping operational activities** – based on the opinions collected, we take appropriate corrective, adaptive, or proactive measures, such as changing CSR programs, investing in local infrastructure, or updating the Environmental Policy,
- **Feedback** – the results, which we take into account in our activities, are communicated to stakeholders in order to maintain transparency and trust in our relationships.

The sustainable development of the KGHM Polska Miedź S.A. Group consists in achieving business objectives while taking into account the impact of our activities on the environment and society. The involvement of stakeholders in this process helps us to become more aware of this impact – both negative and positive – and thus to take effective and appropriate action to improve the quality of life for present and future generations. We are attentive observers of changes in our environment and global trends. We listen to the arguments of many parties to the dialogue and try to reconcile their often conflicting interests. We conduct regular consultations with employees, representatives of local and national government, local communities, suppliers, customers, regulators, and other key stakeholders. Transparency and monitoring the needs and opinions of stakeholders are an integral part of our day-to-day operations. In this way, our stakeholders become not only recipients of the effects of our actions, but also co-creators of our success in the field of sustainable development.

Mutual influences between the KGHM Polska Miedź S.A. Group and selected stakeholder groups

Stakeholder group	Interdependence
 <p>Local communities and local government representatives</p>	<p>Mining and metallurgical activities involve land exploitation and emissions of pollutants into the environment. At KGHM, we minimize the negative effects of our activities in accordance with our principle of "good neighborliness." We invest in technological solutions that minimize or eliminate the release of pollutants, we reclaim post-mining areas, and we reduce noise emissions. We invest in the development of infrastructure in the region, health care, and social programs aimed at supporting local communities. All our new investments are preceded by public consultations. We create jobs – not only directly in the mining and metallurgical industries themselves, but also in supporting sectors.</p>
 <p>Environment</p>	<p>Natural resources are a fundamental part of our business. The environment provides us with our main raw material and is our precious capital, which is why we have a duty and an obligation to take care of it. We implement a number of initiatives and technological solutions to reduce emissions and environmental degradation, taking into account not only the growing regulatory requirements and environmental expectations of stakeholders, but also our inseparable interdependence with nature.</p>
 <p>Employees</p>	<p>Employees, like natural resources, are our precious capital and the driving force behind our development. Our Group's priority is to provide our employees with the highest safety standards in demanding working conditions and full respect for their human and employee rights. We invest in professional development, improving qualifications, attracting new talent, ensuring satisfactory remuneration, and implementing a range of benefits that increase satisfaction and belonging.</p>
 <p>Investors and regulators</p>	<p>The trust of investors and their contribution to the Group's development are an important part of our business. We carry out well-thought-out and responsible activities, striving for profitability and compliance with legal regulations, while taking into account the principles and objectives of sustainable development.</p>
 <p>Customers and business partners</p>	<p>Our cooperation with our customers and business partners is based on transparent principles and mutual trust. We supply raw materials in a responsible manner, taking into account both their quality and the ethics of the supply chain.</p>

Membership in organisations and associations

The table below presents selected key organisations and associations to which the KGHM Group belongs and whose programs and projects address issues related to sustainable development. Our membership is an expression of our commitment to the development of the industry, our concern for the highest standards of operation, and our desire to actively participate in initiatives aimed at supporting innovation, sustainable development, recycling, and professional ethics.

	Name	Date of accession	Jurisdiction	KGHM share
1	Związek Pracodawców Polska Miedź (Polish Copper Employers' Association)	1996	Poland	A representative of KGHM serves as the Chairperson of the Council of the Association. Other KGHM representatives serve as Members of the Council.
2	International Copper Study Group	1996	International	KGHM participates in the Association's activities at the request of the Government of the Republic of Poland.
3	International Wrought Copper Council	1996	International	KGHM representatives take part in the work of the Wire Rod Committee. The Company annually supports the Joint Meeting, of all members of this organisation, with its representatives actively participating in the event.
4	London Bullion Market Association	2000	International	KGHM is a member of this organisation.
5	Euromines	2004	EU	A KGHM representative participates in the work of the Executive Committee. KGHM employees are also involved in the expert committees of this organisation, such as the Communication Committee, Health and Safety Committee, the Policy Committee, the Environment Committee, the Energy Committee, and the Sustainability Committee.
6	Eurometaux	2005	EU	A KGHM representative participates in the work of the Management Committee. KGHM employees are also engaged in the expert committees of this organisation, including the International Trade Committee, the Sustainable Development Committee, the Energy and Climate Change Committee, the Chemicals Management Committee, and the Communication and Public Affairs Committee.
7	Izba Energetyki Przemysłowej i Odbiorców Energii (Polish Chamber of Industrial Power and Energy Consumers)	2006	Poland	KGHM representatives participate in the expert working groups of the Chamber, such as the Climate Policy Group, the Energy Market Group, the Energy Efficiency Group, the Industrial Energy Group, the Coal and Gas Market Group, and the Energy Policy and Renewable and CHP Support Systems Group.
8	Izba Gospodarcza Metali Nieżelaznych i Recyklingu - IGMNiR (Economic Chamber of Non-Ferrous Metals and Recycling)	2009	Poland	A KGHM representative holds a seat on the Council of the Chamber.

	Name	Date of accession	Jurisdiction	KGHM share
9	European Precious Metals Federation	2009	EU	KGHM employees take part in the work of the organisation's REACH and Non-REACH Platforms.
10	International Lead and Zinc Study Group	2012	International	KGHM participates in the work of the International Lead and Zinc Study Group (ILZSG) at the request of the Government of the Republic of Poland.
11	Polish-Canadian Chamber of Commerce	2012	International	KGHM is a member of this organisation with Patron status.
12	Minor Metals Trade Association	2013	International	KGHM is a member of this organisation.
13	European Sulfuric Acid Association, CEFIC – ESA	2013	EU	KGHM is a member of this organisation and participates in the activities of the European Sulphuric Acid Association (ESA), which operates within CEFIC.
14	Consejo Minero	2014	Chile	KGHM is a member of this organisation.
15	EIT RawMaterials – the Knowledge and Innovation Community (KIC) on Raw Materials	2018	UE	KGHM is a member of this organisation.
16	Polska Izba Przemysłu Chemicznego (Polish Chamber of Chemical Industry)	2019	Poland	A KGHM representative serves on the Council of the Chamber. KGHM representatives are involved in the Chamber's committees, including the Environmental Protection Committee, the Research and Innovation Committee, and the Safety and Technology Committee.
17	Business & Science Poland	2019	EU	A KGHM representative holds a seat on the Council of the Chamber. KGHM employees take part in the work of the Policy Committee.
18	American Chamber of Commerce in Poland	2019	International	KGHM is a member of this organisation.
19	International Lead Association	2020	International	A KGHM representative participates in the work of the organisation's Board of Directors. KGHM representatives are also involved in its expert groups, such as the Environment and Occupational Health and Safety Group and the Materials Management Group.
20	European Raw Materials Alliance	2020	EU	KGHM is a member of this organisation.



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