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# Human Capital Management Policy

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KGHM Polska Miedź S.A.



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# Introduction

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The Human Capital Management Policy of KGHM Polska Miedź S.A. provides a framework for the Company's overall approach to human resources management, reflecting the strategic importance of employees for the long-term development of the organisation. Its purpose is to define the principles for building and maintaining an effective, responsible and committed team, while ensuring consistency of the actions with the mission, vision, strategy, values and principles adopted at KGHM. The management staff plays an active role in this process, both creating and implementing the Human Capital Management Policy, thereby ensuring its effective implementation and continuous updating in response to the changing needs of the organisation and its environment.

The Human Capital Management Policy serves to protect the common interest of the company and its employees, as an essential element of the organisational culture and a functional strategy with the assumptions providing the basis for specific procedures, programmes and day-to-day operations. KGHM's values are reflected in the Policy and affect all areas of human resources management, i.e.:

**Zero harm** is our top priority. Due to the nature and conditions of our work, we strive to ensure a safe and healthy working environment for every employee. We care about both physical and mental safety, as well as the ability to express opinions freely without fear of negative consequences. We foster a culture of mutual respect and equal opportunities and respond firmly to any signs of discrimination, bullying or other ethical violations;

We treat **teamwork** as the key to success. We believe that effective cooperation - based on open communication, mutual trust and support - is the foundation for achieving common goals.

We support the building of interdisciplinary teams, the sharing of knowledge and experience and the effective resolution of conflicts;

We understand **accountability** as a conscious and reliable approach to the tasks assigned and decisions taken. Every employee - regardless of his or her position - is responsible not only for his or her own actions, but also for their impact on the team and on all the company's stakeholders. We promote ethical attitudes, transparency and accountability at all levels of the organisation;

For us, **courage** means the readiness to take on challenges and openness to change and innovation. We encourage initiative, creativity and critical thinking. We are building a culture where mistakes are treated as an opportunity to learn and develop;

**Results-driven** means the consistent pursuit of strategic goals. We believe that personal and team effectiveness, measurable results and the systematic improvement of processes and competence are the key factors for our competitiveness and sustainable growth. At the same time, we care for the balance between performance.

The Human Capital Management Policy provides a guideline for all activities relating to recruitment, employment and remuneration conditions, employee development and incentives. Its principles apply at all organisational levels and constitute the foundation of our identity as a responsible and modern employer.



# I. Internal regulations

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All activities in the area of human resources management in KGHM are carried out in compliance with applicable laws, in particular the Labour Code. Personnel issues are additionally regulated by internal documents and normative acts such as:

- ❖ Collective Bargaining Agreement for Employees of KGHM Polska Miedź S.A.,
- ❖ Work Regulations,
- ❖ bonus regulations,
- ❖ Company Social Benefits Fund,
- ❖ organisational rules.

Integrating the Human Resources Policy with the provisions of the ZUZP and other regulations allows us to operate in a consistent, transparent manner and in compliance with KGHM values. This is the foundation for building stable, partnership and motivating relationships with employees, regardless of their position.

The implementation of the Policy is the joint responsibility of all employees, with a special role for managers taking HR decisions. The implementation of the Policy is provided through the annual management objectives set for the management staff and the social capital management projects carried out in the Company.

The Human Capital Management Policy may be adopted in its entirety by individual Companies of the KGHM Polska Miedź S.A. Group, while these companies may continue to improve their best personnel practice at their discretion.

# II. Recruitment

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For KGHM, recruitment is a strategic activity that directly affects the Company's performance, organisational culture and long-term development.

Each new employee contributes a unique set of knowledge, skills and experience to the organisation. We invite people with diverse specialisations and competence to work with us. We promote diversity and are strongly opposed to all forms of discrimination.

Our recruitment process is guided by clearly defined assessment criteria that match the requirements of the job. We carry out the selection of our personnel on the basis of uniform and transparent rules, in full compliance with the applicable legislation.

KGHM adopts the following principles of the recruitment process:

**Legalism.** Persons participating in the recruitment process follow the strict standards and rules contained in the Recruitment Policy

**Transparency.** Persons involved in the recruitment process act in a transparent manner, which means that they take decisions without any influence from third parties and treat all Candidates equally.

**Timeliness.** Persons participating in the recruitment process shall carry out activities as soon as possible, taking into account the need to maintain the continuity of the employer's business processes.

**Effectiveness.** Persons involved in the recruitment process take measures to achieve the desired outcome

using the minimum required inputs and resources.

**Equal access to employment.** All persons meeting the specified criteria for a given mode of the recruitment process shall be treated equally, irrespective of, among others, gender, age, disability, race, religion, nationality, political opinion, ethnic origin, religion or sexual orientation.

**Diversity.** Persons involved in the recruitment process strive to ensure reasonable diversity in the composition of teams, while maintaining the primacy of knowledge, substantive competence and social skills.

**Gender Balance.** Persons involved in the recruitment process respect the prohibition of gender discrimination, strive to ensure reasonable diversity in the composition of teams, maintaining the primacy of knowledge, substantive competence and social skills.

In order to achieve ambitious business goals, we need highly qualified staff. KGHM's development is possible due to the competence and commitment of the people we invite to work with us.

**We perceive the recruitment as the process on which not only the current efficiency, but also the development, innovation and stability of the organisation depends.**



# III. Adaptation

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We create favourable conditions for the professional adaptation of newly recruited people. We ensure that new employees are effectively introduced to the organisation and to the tasks they will perform in their new position. We support their integration into the social environment of the workplace and into the team.

The first days at work are crucial for effective induction into the organisation and for subsequent commitment and loyalty. At KGHM, we treat adaptation as something more than a formal welcome - it is an important process that affects performance, motivation and a sense of belonging from the very first days at the company.

The adaptation process is not only about transferring the knowledge of procedures, but more importantly about consciously building a positive experience for the newly employed person. A well-structured implementation process translates into effective use of one's skills in the execution of the tasks assigned.

At KGHM, we conduct a systematic adaptation process, which includes becoming familiar with the organisation, its structure and operating principles, an introduction to the company's values and culture, presentation of expectations regarding the role and scope of responsibilities, support from superiors and adaptation mentors, as well as access to induction materials. Through this well-planned implementation, we build stronger teams, support the development of the people employed and strengthen the culture of involvement.

**Effective adaptation promotes the creation of a stable and secure working environment, helps new team members to operate at full efficiency and encourages them to engage with KGHM for the long term.**

# IV. Competence development

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At KGHM, we believe that the development of the competence of the people employed directly translates into the development of the entire organisation. Our aim is to identify the potential, connect individual talents with the needs of the company and create an environment conducive to continuous learning.

Employees are encouraged to take challenges, initiate change and seek innovative solutions. We treat development as a collaborative process - based on dialogue, trust and responsibility. The development strategy at KGHM is based on a comprehensive approach comprising, among others:

- 📦 vocational and competence training;
- 📦 foreign language learning;
- 📦 educational programmes and postgraduate studies;
- 📦 retraining and certification courses;
- 📦 support for acquiring and updating qualifications.

Each employee has the opportunity to communicate their development needs to their supervisors. Their implementation takes into account business priorities and strategic directions of the Company in the area of human capital.

**By caring for the development of our employees, we not only increase the competence of our staff, but also strengthen commitment and corporate culture based on innovation and continuous improvement.**








# V. Motivation and remuneration

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We create a working environment where people feel appreciated, motivated and willing to associate their professional future with our organisation.

We approach the motivating of teams as a process that requires informed management, clear objectives and support in achieving them. It is not just limited to remuneration and reward systems - the relationships, communication and day-to-day attitudes of supervisors are equally important.

In our Company, motivation is based on:

-  **a tailored approach** - supervisors know their teams and select adequate tools and forms of support;
-  **providing systematic feedback** - productive conversation and appreciation of one's effort increases their commitment;
-  **setting a good example** - leaders play a key role in building a motivating working environment;
-  **strengthening motivation on a regular basis** - rewarding progress and supporting the implementation of tasks;
-  **creating conditions for effective action** - providing the adequate tools, knowledge and autonomy.

The basis of the incentive system is the modern remuneration model which includes both financial elements and non-wage forms of support. We believe that competitive remuneration, complemented by employment stability, development opportunities and transparent cooperation rules, effectively strengthens motivation and loyalty. The management staff systematically takes measures to increase the efficiency and rationality of the remuneration policy, adapting it to changing market conditions and the expectations of the people employed.

Implementing the Human Capital Management Policy on motivation means pursuing initiatives to increase employee engagement and satisfaction and maintaining a transparent and fair remuneration policy. We provide the adequate conditions, competence and tools necessary to perform our duties effectively, and care about health and safety at work. Moreover, we support managers in understanding incentive mechanisms and taking adequate measures that affect the level of commitment and promote openness in management and appreciation of a job well done.

**Due to the consistent approach to motivation, we are building a culture of recognition, accountability and collaboration that reinforces engagement and long-term relationships with our personnel.**





## VI. Benefits, work and life balance and Corporate Social Responsibility

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We rely on ambitious goals and continuous development as our priorities. The people employed are specialists in their fields and are distinguished by their high level of commitment to their duties. At the same time, we understand that good and effective work is the result of a healthy work and life balance.

We are aware that people employed fulfil many roles in life - they are parents, carers, athletes, members of the community. We offer access to knowledge about healthy lifestyles and safe physical activity, prevention programmes and health education. By investing in employee well-being, we are building a stronger, more sustainable organisation - prepared for the challenges of the future.

We feel responsible for the well-being of teams not only at the workplace, but also outside it. Therefore, we provide a comprehensive system of fringe benefits that supports various aspects of the lives of the persons employed and their families.

Available benefits include:



group  
insurance



medical care  
subscription



psychological  
care



commuting  
subsidies



training and  
language courses



sports packages  
to promote physical activity



preventive and  
therapeutic holidays



Employee Pension Scheme



subsidized recreation for  
children and young people



subsidising integration  
and cultural/educational  
events



support for young parents  
- KGHM's Miracle  
Parents package



a cash equivalent for  
school expenses



housing and renovation  
loans, use of the Employee  
Loan and Assistance Fund

Our approach to supporting people employed by the Company is an important part of building their well-being as well as their work and life balance.

## VII. Building the employer's image

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Building a positive image of KGHM as an employer is one of the pillars of our Human Capital Management Policy. We carry out communication activities that promote our organisational culture, values and daily practice. We engage people employed by the Company as brand ambassadors and actively participate in external initiatives supporting labour market development. We monitor employee satisfaction levels and, based on their feedback, we systematically implement changes to create an increasingly friendly working environment. We use internal communication channels to nurture the Company's values among the workforce and provide space for people to share their passions and achievements. This builds a sense of belonging to KGHM as a unique community.

For us, cooperation with the education sector, local authorities and NGOs is an investment in the future - not only of the company, but of the whole community. Through cooperation, we strengthen the competence of inhabitants of the region, promote the technical professions and build a strong and responsible Human Capital Management Policy.

**We have the ambition to become the first choice employer for people who want to work together with us to achieve business success and associate their career plans with our company. Our goal is to create a working environment conducive to long-term employment and job satisfaction.**

## VIII. Cultivation of mining and metallurgical traditions

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The work ethos of miners and metallurgists is a deeply rooted system of values that has shaped the professional identity of people involved in the mining and processing industries for generations. It involves not only performing technical duties, but above all is based on responsibility, courage and a sense of community.

As one of the largest mining companies in Europe and worldwide, we proudly nurture and promote long-standing traditions forming an integral part of our corporate identity. In our daily activities, we build a strong sense of belonging, professional pride and respect for the heritage of the sector.

We support the inter-generational transmission of values, ensuring the transfer of knowledge, work ethos and professional experience. We actively participate in and co-organise the traditional celebrations of the Miners Day, the Metallurgists Day and other events that strengthen the integration of the workforce and inhabitants of the region, while reminding them of the importance of these professions. We cultivate professional symbolism – from miners' and metallurgists' dress uniforms, through industry decorations and miners' swords, to miner initiation ceremonies. We develop initiatives to support new recruits in learning about and continuing these traditions.

**Tradition is our strength. The work ethos based on brotherhood, continuous process improvement and the search for innovative solutions is shaping the future of our Company.**

# IX. Gender balance

In industries such as metallurgy or mining, employment has traditionally been dominated by men, due to the specific nature of the industry, the particularly physically demanding working conditions involved as well as occupational health and safety regulations. Consequently, women are less likely to choose work in heavy industry in the production line and the number of female candidates interested in joining the Company is limited.

KGHM has been taking steps for years to avoid creating barriers wherever it has influence. We actively promote gender balance, including through:



**supporting women in the development of technical skills**



**cooperation with schools and universities to promote engineering courses**



**building an inclusive working environment**



**creating a work place where everyone can develop his or her potential**

Gender equality principles in our organisation are based on mutual respect, responsibility and openness. We provide equal opportunities in access to employment, professional development and promotion. Recruitment processes are carried out in a transparent manner, based on objective, gender-neutral criteria.

The following gender equality principles have been introduced in KGHM:

**A corporate culture of respect and responsibility** - KGHM develops a working environment based on mutual respect, openness and cooperation, in compliance with the fundamental values of the Company. We exploit the potential of the team's diversity - with a particular focus on gender balance at all levels of the organisation, taking into account the specific nature of the industry and labour market considerations;

**Equal opportunities and non-discrimination** - the Company ensures that all applicants for employment at KGHM have equal opportunities in access to employment and that persons who are employed have the same opportunities in terms of development and promotion;

**Transparency and objectivity** - Recruitment processes, promotions and appraisals are conducted in a transparent manner, based on clearly defined, uniform and gender-neutral criteria;

**Diversity and inclusion** - KGHM actively promotes diversity and inclusion, seeking balanced gender representation where possible and reasonable, and eliminating barriers to participation by underrepresented genders.

**On a daily basis, we support diversity, build an inclusive company culture and actively encourage women to take up technical positions. In this way, we contribute to the development of both our Company and the industry as a whole.**





# X. Regulations supporting the implementation of the human capital management policy

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Human Rights Policy at KGHM Polska Miedź S.A.

Code of Ethics in the KGHM Group

Anti-Corruption Policy of the KGHM Group.

Occupational Safety And Health Policy Of KGHM Polska Miedź S.A.

Privacy policy and Personal Data Processing Policy

Information Security Policy of the KGHM Group

**The aforementioned regulations can be found on the corporate website of KGHM Polska Miedź SA.**