



**THE MANAGEMENT BOARD'S REPORT ON
THE ACTIVITIES OF KGHM POLSKA MIEDŹ S.A.
AND OF THE KGHM POLSKA MIEDŹ S.A. GROUP
IN 2025**

Lubin, March 2026

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1 KGHM POLSKA MIEDŹ S.A. GROUP

1.1 KGHM POLSKA MIEDŹ S.A. - AN OVERVIEW

1.1.1 Significant events in 2025 and up to the date of signing of this report

Date	Event	Section
Change in macroeconomic conditions		
2025	An increase in average annual copper prices by 9% and silver by 42%	2.2
2025	A decrease in the average annual USD/PLN exchange rate by 6%	2.2
KGHM Polska Miedź S.A. on the Warsaw Stock Exchange		
2025	An increase in the share price of KGHM Polska Miedź S.A. by 144% from PLN 115.00 to PLN 280.80	1.6.1
Changes in the composition of bodies of KGHM Polska Miedź S.A.		
8 January 2025	Information on the appointment of Joanna Zakrzewska to the composition of the Company's Supervisory Board	3.3
9 April 2025	Information on the dismissal of Iga Dorota Lis from the Company's Management Board	3.3
2 June 2025	Information on the appointment of Anna Sobieraj-Kozakiewicz to the Management Board	3.3
20 January 2026	Information on changes in the composition of the Company's Supervisory Board	3.3
30 January 2026	Information on the dismissal of Andrzej Szydło and Piotr Stryczek from the Company's Management Board and the delegation of a Member of the Supervisory Board, Remigiusz Paszkiewicz, to temporarily perform the duties of President of the Management Board and Vice President of the Management Board (Corporate Affairs)	3.3
24 February 2026	Resignation of Remigiusz Paszkiewicz from membership in the Company's Supervisory Board and his appointment to the composition of the Management Board as President of the Management Board	3.3
Impairment of assets		
5 February 2025	Information on identification of indications to verify the recoverable amount of Polish and international assets of the KGHM Polska Miedź S.A. Group	2.3, 2.5
4 March 2025	Information on the results of the conducted tests for impairment of Polish and international assets of the KGHM Polska Miedź S.A. Group	2.3, 2.5
28 January 2026	Information on identification of indications to verify the recoverable amount of Polish and international assets of the KGHM Polska Miedź S.A. Group	2.3, 2.5
10 March 2026	Information on the results of the conducted tests for impairment of Polish and international assets of the KGHM Polska Miedź S.A. Group	2.3, 2.5
Allocation of profit		
15 May 2025	Management Board proposal on the allocation of profit for 2024 by transferring the entire amount of the profit to the Company's reserve capital	1.6.1
19 June 2025	Resolution of the Ordinary General Meeting of KGHM Polska Miedź S.A. regarding the allocation of profit for 2024 by transferring the entire amount of the profit to the Company's reserve capital	1.6.1
Bond issuance program		
7 November 2025	Decision of the Management Board on the early redemption of series B bonds and the issuance of series D bonds	1.6.1
1 December 2025	Setting the detailed terms of the issuance of series D bonds	
Significant agreements		
3 June 2025	Agreement with Tele-Fonika Kable S.A. for the supply of copper wire rod	1.6.2
24 November 2025	Appendix to the Sierra Gorda S.C.M. agreement on a revolving credit facility with a syndicate of banks	1.6.2
26 November 2025	Consent of the Management Board to sign an unsecured revolving syndicated credit facility agreement in the amount of USD 1 500 million with an international syndicate of banks	1.6.2, 2.4.2
2 December 2025	Signing of an unsecured revolving syndicated credit facility agreement in the amount of USD 1 500 million with an international syndicate of banks	1.6.2, 2.4.2
16 February 2026	Annex to the long-term agreement with the NKT Group	1.6.2

Date	Event	Section
Other		
28 February 2025	Sale of KGHM mines in the Sudbury Basin	1.2.1
13 March 2025	Statement on the Company's compliance with the corporate governance principles contained in Best Practice for GPW Listed Companies 2021	3.1
17 December 2025	Approval by the Supervisory Board of the Budget of KGHM Polska Miedź S.A. and of the Budget of the KGHM Group for 2026	1.4.4
1 January 2026	On 1 January 2026, the Act of 21 November 2025 amending the act on the minerals extraction tax and certain other acts entered into force, introducing a reduction in the coefficients in the tax rate calculation formulas for 2026-2028 and a mechanism for deducting part of capital expenditures from the tax (from 2029).	

1.1.2 Aggregated data of the Company and the Group in the years 2018-2025

Data for the years 2018-2023 pursuant to annual reports for these periods, data for the years 2024-2025 pursuant to the current annual report

Basic items of the consolidated financial statements

		2025	2024	2023	2022	2021	2020	2019	2018
Revenues from contracts with customers	PLN mn	36 366	35 320	33 467	33 847	29 803	23 632	22 723	20 526
Profit/(loss) for the period	PLN mn	3 688	2 870	(3 691)	4 774	6 155	1 797	1 421	1 658
Adjusted EBITDA ¹	PLN mn	10 276	8 457	5 362	8 865	10 327	6 623	5 229	4 972
Total assets	PLN mn	58 240	53 892	51 383	53 444	48 027	42 780	39 409	37 237
Liabilities	PLN mn	25 342	22 834	22 753	21 298	20 889	21 699	19 207	18 012
Earnings per share (EPS) ²	PLN	18.44	14.34	(18.49)	23.86	30.78	9.00	7.11	8.29
Share price of the Company at the end of the period	PLN	280.80	115.00	122.70	126.75	139.40	183.00	95.58	88.88
Net debt/EBITDA ³		0.76	0.81	1.06	0.77	0.57	0.92	1.51	1.61
Payable copper production ⁴	kt	710.0	729.7	710.9	733.1	753.7	709.1	701.6	633.9
Payable silver production ⁵	t	1 347	1 341	1 428	1 327	1 366	1 353	1 417	1 205
C1 payable copper production cost ⁶	USD/lb	2.58	2.67	2.87	2.20	1.96	1.59	1.70	1.81
Cash expenditures on property, plant and equipment and intangible assets	PLN mn	5 519	5 855	4 776	4 118	3 890	3 457	3 232	2 875

Basic items of the separate financial statements

		2025	2024	2023	2022	2021	2020	2019	2018
Revenues from contracts with customers	PLN mn	30 964	29 894	29 084	28 429	24 618	19 326	17 683	15 757
Profit/(loss) for the period	PLN mn	1 946	2 788	(1 153)	3 533	5 169	1 779	1 264	2 025
Adjusted EBITDA	PLN mn	4 909	4 463	3 563	5 400	5 474	4 458	3 619	3 416
Total assets	PLN mn	53 560	50 405	48 896	47 995	43 458	39 342	35 989	34 250
Liabilities	PLN mn	22 046	19 251	20 078	18 320	17 618	18 616	16 100	15 205
Earnings per share (EPS) ⁷	PLN	9.73	13.94	(5.77)	17.67	25.85	8.90	6.32	10.13
Electrolytic copper production	kt	570.9	588.7	592.4	586.0	577.6	560.4	565.6	501.8
Metallic silver production	t	1 323	1 316	1 403	1 298	1 332	1 323	1 400	1 189
C1 payable copper production cost	USD/lb	3.16	3.07	2.98	2.38	2.26	1.62	1.74	1.85
Cash expenditures on property, plant and equipment and intangible assets	PLN mn	3 910	3 635	3 074	2 731	2 407	2 422	2 366	1 907

Macroeconomic data (average annual)

		2025	2024	2023	2022	2021	2020	2019	2018
Copper prices per the LME	USD/t	9 945	9 147	8 478	8 797	9 317	6 181	6 000	6 523
Silver prices per the LBMA	USD/oz t	40.03	28.27	23.35	21.73	25.14	20.54	16.21	15.71
Exchange rate	USD/PLN	3.76	3.98	4.20	4.46	3.86	3.90	3.84	3.61

¹ Comprises Sierra Gorda S.C.M. proportionally to the interest held (55%).

² Attributable to shareholders of the Parent Entity.

³ Adjusted EBITDA for the year, excluding EBITDA of the joint venture Sierra Gorda S.C.M.

⁴ Comprises Sierra Gorda S.C.M. proportionally to the interest held (55%).

⁵ As above

⁶ As above

⁷ Attributable to shareholders of the Parent Entity.

1.2 BASIC MANAGEMENT PRINCIPLES OF THE COMPANY AND THE GROUP

1.2.1 **Organisational structure of the Group and the Company and changes in the organisational structure in 2025**

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

In 2025, the multi-divisional organisational structure of the Company operating under the name of KGHM Polska Miedź S.A. with its registered office in Lubin, consisted of the Head Office of the Company and the 10 Divisions of KGHM Polska Miedź S.A.

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

		
Mining – Lubin Mine Division – Polkowice-Sieroszowice Mine Division – Rudna Mine Division – Concentrators Division – Tailings Division	Metallurgy – Głogów Copper Smelter and Refinery – Legnica Copper Smelter and Refinery – Cedynia Wire Rod Plant	Other – Head Office – Mine-Smelter Emergency Rescue Division – Data Center Division

Entities subject to consolidation

At the end of 2025, the Group consisted of the Parent Entity KGHM Polska Miedź S.A., 35 direct and indirect subsidiaries consolidated using the simultaneous method, and the KGHM INTERNATIONAL LTD. Group consolidated by including its consolidated financial statements in the statements at the highest level of the Group's consolidation.

As at the end of 2025, one jointly controlled entity was measured using the equity method in the consolidated financial statements - Sierra Gorda S.C.M.

Towarzystwo Ubezpieczeń Wzajemnych "CUPRUM", whose assets, revenues and profit or loss do not have a material impact on the data presented in the consolidated statement of financial position nor on the consolidated statement of comprehensive income, was excluded from consolidation, in accordance with the information in Part 1 of the consolidated financial statements.

The detailed structure of the KGHM Polska Miedź S.A. Group and the KGHM INTERNATIONAL LTD. Group as at 31 December 2025 is presented in the following diagrams.

Diagram 2. KGHM Polska Miedź S.A. Group structure as at 31 December 2025⁸

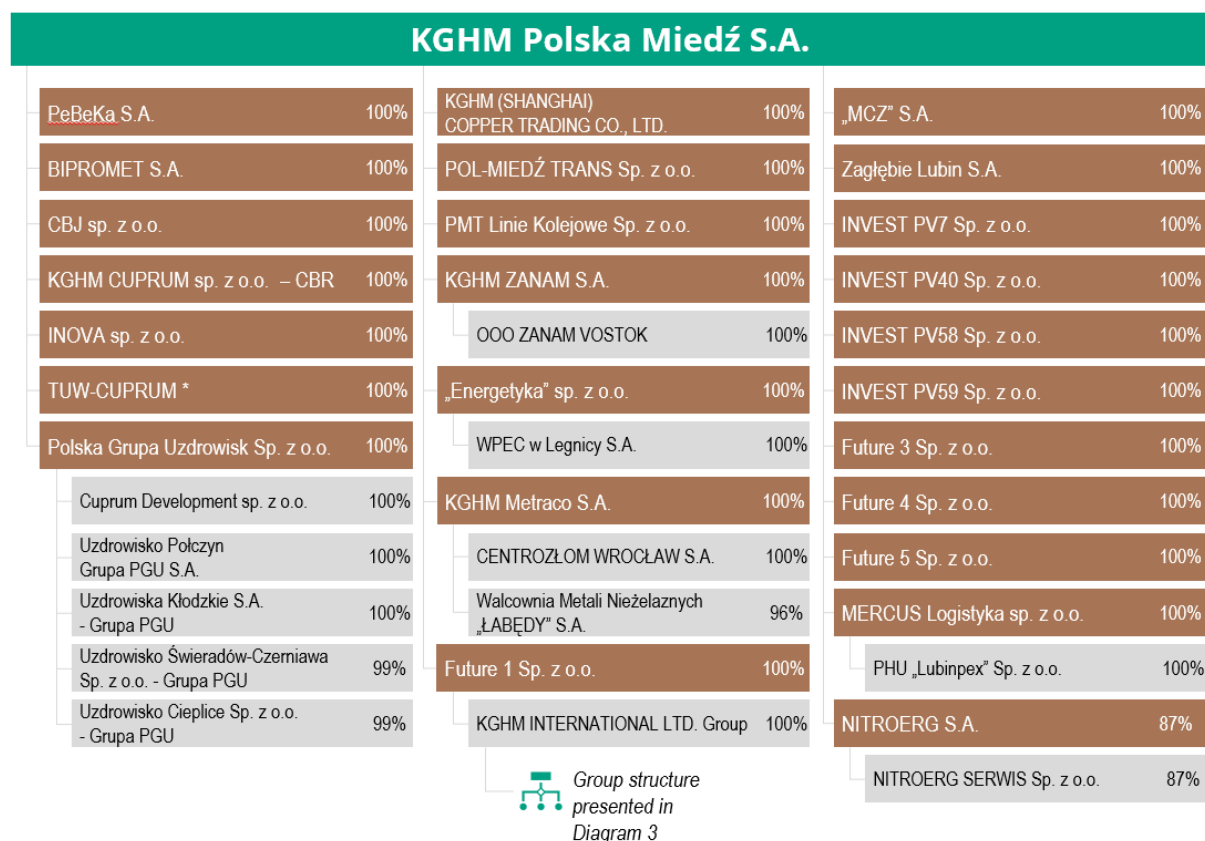


Diagram 3. KGHM INTERNATIONAL LTD. Group structure as at 31 December 2025⁹



⁸ Percentages represent the total share of the Group

⁹ As above

Companies in Poland

In 2025 there were no changes in the structure of Group companies.

In terms of companies in Poland in which KGHM Polska Miedź S.A. holds less than a 50% interest, in August 2025 the company NANO CARBON Sp. z o.o. in bankruptcy – a jointly-controlled entity in which KGHM Polska Miedź S.A. held a 49% interest in the share capital – was removed from the National Court Register.

In terms of equity investments within the group of domestic companies, KGHM Polska Miedź S.A. increased its direct interest in 10 entities. Details are in the following table.

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

Acquisition of newly-issued shares of PMT Linie Kolejowe Sp. z o.o.	In January and in July 2025 the Extraordinary Shareholders Meeting of PMT Linie Kolejowe Sp. z o.o. adopted resolutions to increase the company's share capital, respectively by PLN 35.34 million and PLN 43.50 million. All of the newly-issued shares in the increased share capital were acquired by KGHM Polska Miedź S.A. and were fully paid for in cash, at their nominal value. The share capital of the company following the increase amounts to PLN 183.54 million. The funds raised due to the increase in share capital will be used to advance the investment project called "Modernisation of the Railway Infrastructure". These are the third and fourth, out of four tranches of funds to be contributed by KGHM Polska Miedź S.A. to the company as part of the increases in the share capital for the purpose of acquiring non-current assets in order to realise the above-mentioned investment project. The first tranche in the amount of PLN 17.25 million was contributed in July 2023, the second one in the amount of PLN 70.21 million in January 2024. KGHM Polska Miedź S.A. owns 100% of the shares of the company.
Acquisition of newly-issued shares in the companies: INVEST PV 7 Sp. z o.o., INVEST PV 40 Sp. z o.o., INVEST PV 58 Sp. z o.o., INVEST PV 59 Sp. z o.o.	In June 2025, the Extraordinary Shareholders Meeting of the companies: (1) INVEST PV 7 Sp. z o.o., (2) INVEST PV 40 Sp. z o.o., (3) INVEST PV 58 Sp. z o.o., and (4) INVEST PV 59 Sp. z o.o., adopted resolutions to increase the share capital of these entities respectively by: (1) PLN 16.50 million, (2) PLN 31.60 million, (3) PLN 60.70 million and (4) PLN 78.70 million. All of the newly-issued shares in the increased share capital of these entities were acquired by KGHM Polska Miedź S.A. and were fully paid for in cash, at their nominal value. The share capital of these companies following the increases amounts to respectively: (1) PLN 16.73 million, (2) PLN 32.06 million, (3) PLN 60.71 million, and (4) PLN 78.72 million. The funds raised due to the increase in share capital were used by the companies to repay owner loans and accrued interest as at the date of repayment to KGHM Polska Miedź S.A. KGHM Polska Miedź S.A. owns 100% of the shares of all of the aforementioned entities.
Acquisition of newly-issued shares of POL-MIEDŹ TRANS Sp. z o.o.	In September 2025 the Extraordinary Shareholders Meeting of POL-MIEDŹ TRANS Sp. z o.o. adopted a resolution to increase the company's share capital by PLN 4.6 million. All of the newly-issued shares in the increased share capital were acquired by KGHM Polska Miedź S.A. and were fully paid for in cash, at their nominal value. The share capital of the company following the increase amounts to PLN 124.31 million. The funds raised due to the increase in share capital will be used to advance, in the years 2025-2029, the project called "Modernisation of the Rolling Stock". The aforementioned increase in share capital was the first step in financing the project.
Acquisition of newly-issued shares in non-operating companies: Future 3 Sp. z o.o., Future 4 Sp. z o.o., Future 5 Sp. z o.o.	In November 2025 the Extraordinary Shareholders Meeting of the companies: (1) Future 3 Sp. z o.o., (2) Future 4 Sp. z o.o., and (3) Future 5 Sp. z o.o., adopted resolutions to increase the share capital of these entities respectively by: (1) PLN 0.13 million, (2) PLN 0.13 million, and (3) PLN 0.12 million. All of the newly-issued shares in the increased share capital of these entities were acquired by KGHM Polska Miedź S.A. and were fully paid for in cash, at their nominal value. The share capital in each of these companies following the increase amounts to PLN 0.26 million. The funds raised due to the increase in share capital were used to finance the current activities of these companies. KGHM Polska Miedź S.A. owns 100% of the shares of all of the aforementioned entities functioning within the structure of the Tax Group.
Acquisition of shares of TUW-CUPRUM	In December 2025, KGHM Polska Miedź S.A. entered into a shares purchase agreement, based on which KGHM Polska Miedź S.A. acquired from INTERFERIE S.A. shares of TUW-CUPRUM, representing 0.51% of the share capital of this entity. Following the acquisition of the aforementioned shares of TUW-CUPRUM, the KGHM Polska Miedź S.A. Group owns 100% of the share capital of this entity.

Table 2. Equity investments in indirect subsidiaries in the Group

Equity investments of KGHM Metraco S.A.	
Acquisition of newly-issued shares of Walcownia Metali Nieżelaznych „Łabędy” S.A.	In December 2025, the Extraordinary General Meeting of Walcownia Metali Nieżelaznych „Łabędy” S.A. adopted a resolution to increase the company's share capital by PLN 34 million. All of the newly-issued shares in the increased share capital were acquired by KGHM Metraco S.A. and were fully paid for in cash in the amount of PLN 34 million. The share capital of the company following the increase amounts to PLN 47.4 million. The funds raised due to the increase in share capital will be used entirely to repay an owner loan to KGHM Metraco S.A. As a result of the aforementioned increase in share capital, the share of KGHM Metraco S.A. in the company Walcownia Metali Nieżelaznych „Łabędy” S.A. increased from 84.92% to 95.74%.
Equity investments of Polska Grupa Uzdrowisk sp. z o.o.	
Acquisition of newly-issued shares of Uzdrowiska Kłodzkie S.A. - Grupa PGU	In June 2025, the Extraordinary General Meeting of Uzdrowiska Kłodzkie S.A. – Grupa PGU adopted a resolution to increase the company's share capital by PLN 5.4 million. All of the newly-issued shares in the increased share capital were acquired by Polska Grupa Uzdrowisk sp. z o.o. and were fully paid for in cash in the amount of PLN 5.4 million. The share capital of the company following the increase amounts to PLN 61.31 million. The funds raised due to the increase in share capital will be used entirely to advance modernisation-related investments. Polska Grupa Uzdrowisk owns 100% of the shares of Uzdrowiska Kłodzkie S.A. – Grupa PGU.
Acquisition of newly-issued shares of Uzdrowisko Polczyn Grupa PGU S.A.	In June 2025, the Extraordinary General Meeting of Uzdrowisko Polczyn Grupa PGU S.A. adopted a resolution to increase the company's share capital by PLN 6.1 million. All of the newly-issued shares in the increased share capital were acquired by Polska Grupa Uzdrowisk sp. z o.o. and were fully paid for in cash in the amount of PLN 6.1 million. The share capital of the company following the increase amounts to PLN 31.82 million. The funds raised due to the increase in share capital will be used entirely to advance modernisation-related investments. Polska Grupa Uzdrowisk owns 100% of the shares of Uzdrowisko Polczyn Grupa PGU S.A.
Acquisition of shares of Uzdrowisko Cieplce Sp. z o.o. - Grupa PGU	In November 2025, Polska Grupa Uzdrowisk sp. z o.o. acquired from minority shareholders – physical persons, shares of Uzdrowisko Cieplce Sp. z o.o – Grupa PGU, representing 0.03% of the share capital of this company. As a result of the above, the share of Polska Grupa Uzdrowisk sp. z o.o. in this entity increased to 99.15%. The aforementioned transaction was carried out as part of the planned buyback of all of the shares from the minority shareholders.

International companies

In 2025, within the group of international companies, a new company was founded, acting under the brand DMC - DMC Underground LLC with its registered head office in Mongolia, aimed at expanding the DMC brand into new markets and acquiring new customers.

On 28 February 2025, based on a Sales Agreement signed on 11 September 2024, FNX Mining Company Inc. sold 100% of its shares in the special purpose company Project Nikolas Company Inc. to Magna Mining Inc. All of KGHM's mines in the Sudbury Basin were transferred to the special purpose company, i.e. those engaged in current mining activities: McCreedy West, as well as the Levack/Morrison and Podolsky mines in the state of care & maintenance.

On 27 August 2025 the German company KGHM Kupfer AG i L. was liquidated, which since 1 May 2024 had been in the process of liquidation.

In 2025 two companies operating under the DMC brand were liquidated: on 28 November 2025 the company „DMC Mining Services Colombia S.A.S. en liquidacion” was liquidated, and on 18 December 2025 the company „DMC Mining Services Mexico, S.A., de C.V. en liquidacion” was liquidated.

Table 3. Equity investments in international assets

Acquisition of shares of KGHM Ajax Mining Inc. with its registered head office in Canada	On 22 September 2025, KGHM INTERNATIONAL LTD. and Abacus Mining & Exploration Corporation (a partner in the joint venture), increased the share capital of the company KGHM Ajax Mining Inc. by the amount of CAD 3 million, proportionally to their share in the share capital of the company (i.e. KGHM INTERNATIONAL LTD. 80%; Abacus Mining & Exploration Corporation 20%), acquiring in exchange newly-issued shares - 240 by KGHM INTERNATIONAL LTD. and 60 by Abacus Mining & Exploration Corporation, i.e. a total of 300 newly-issued shares in the share capital of KGHM Ajax Mining Inc.). KGHM Ajax Mining Inc. is developing an open pit copper and gold mine in Canada (the Ajax project). The project is currently suspended (care & maintenance). In accordance with the agreement between the partners on financing the Ajax project, the amount of Abacus Mining & Exploration Corporation's share in the increase in share capital was financed by KGHM INTERNATIONAL LTD. in the form of a loan granted to Abacus Mining & Exploration Corporation.

Table 4. Loans granted to international companies

Agreement regarding the offsetting of mutual claims	On 27 November 2025, KGHM Polska Miedź S.A. and Quadra FNX FFI S.a.r.l. entered into an agreement regarding the offsetting of mutual claims with respect to loan agreements entered into between Quadra FNX FFI and Quadra FNX Holdings Chile Limitada. The disposed-of loans are part of the stream of financing Sierra Gorda. The first stream of loans designated as NL3- NL8 comprised the granting of financing by KGHM Polska Miedź S.A. to Quadra FNX FFI S.a.r.l. In the subsequent stage this stream comprised the transfer of funds from Quadra FNX FFI S.a.r.l. to Quadra FNX Holdings Chile Limitada aimed at financing Sierra Gorda (the loans in question: QL3- QL8). As a result of the planned activities there occurred the disposal, in the form of a ceding, of the loan claims of QUX towards FFI arising from the QL 3 – 8 loans to KGHM, at the market value of the loans in question, not exceeding USD 230 million. Appendices to loans QL3 – QL8, which will include a change of lender from Quadra FNX FFI S.a.r.l. to KGHM Polska Miedź S.A., will be prepared at a later stage.

1.2.2 Reporting segments

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

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

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

	KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Sierra Gorda S.C.M.	Other segments
Activities	Mined and metallurgical production of metals – copper, silver, gold	Mined production of metals –copper, gold, silver, nickel, platinum, palladium ¹⁰	Mined production of metals – copper, molybdenum, gold, silver	– Companies supporting the core business of KGHM Polska Miedź S.A. – Companies playing an important role in advancing CSR policy – Companies comprising the so-called Polska Grupa Uzdrowisk – Other companies
Most important production assets	Underground mines – Lubin mine – Polkowice-Sieroszowice mine – Rudna mine Metallurgical plants – Legnica Copper Smelter and Refinery – Głogów Copper Smelter and Refinery Cedynia Wire Rod Plant	Robinson mine in the USA (open pit)	Sierra Gorda mine in Chile (open pit)	
Most important development projects	– Głogów Głęboki-Przemysłowy (Deep Głogów) – Pre-production and exploration projects in south-west Poland	– Victoria project in the Sudbury Basin in Canada - construction of an underground copper and nickel mine	– Sierra Gorda Oxide project in Chile	

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

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

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

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

¹⁰ Following the sale of the Sudbury assets, which occurred on 28 February 2025, production of the metals Ni, Pt, Pd ceased.

Diagram 4 presents important production assets and projects advanced within the following reporting segments: KGHM Polska Miedź S.A. (only the Parent Entity), KGHM INTERNATIONAL LTD., Sierra Gorda S.C.M. (only the Sierra Gorda joint venture) and Other Segments.

1.2.3 Change in the basic principles of managing the Company and Group

On 18 June 2025 the Ordinary General Meeting of the Company adopted resolutions regarding changes in the resolutions of the Ordinary General Meeting regarding:

- the terms of setting the remuneration of Members of the Management Board,
- the terms of setting the remuneration of Members of the Supervisory Board,

Moreover, in connection with a request of the State Treasury as shareholder regarding including certain matters to the agenda of the AGM of KGHM Polska Miedź S.A., the General Meeting adopted resolutions regarding the introduction of amendments to the Company's Statutes, the unified text of which was set by the Supervisory Board on 24 June 2025.

In accordance with the „Remuneration Policy for the Members of the Management and Supervisory Boards of KGHM Polska Miedź S.A.” the Company's Management Board is obliged to submit to the General Meeting, at least once every four years, proposed amendments to the Policy. On 8 May 2025, the Management Board via the Supervisory Board, submitted a proposal to the General Meeting regarding amendments to the Policy. On 18 June 2025 the Ordinary General Meeting of KGHM Polska Miedź S.A. adopted a resolution regarding amendments to the „Remuneration Policy for the Members of the Management and Supervisory Boards of KGHM Polska Miedź S.A.”.

On 19 March 2025 the Supervisory Board introduced amendments to the Bylaws of the Supervisory Board of KGHM Polska Miedź S.A. and its Committees (Audit, Remuneration and Strategy) and adopted unified texts of the Bylaws of the Committees of the Supervisory Board of KGHM Polska Miedź S.A.

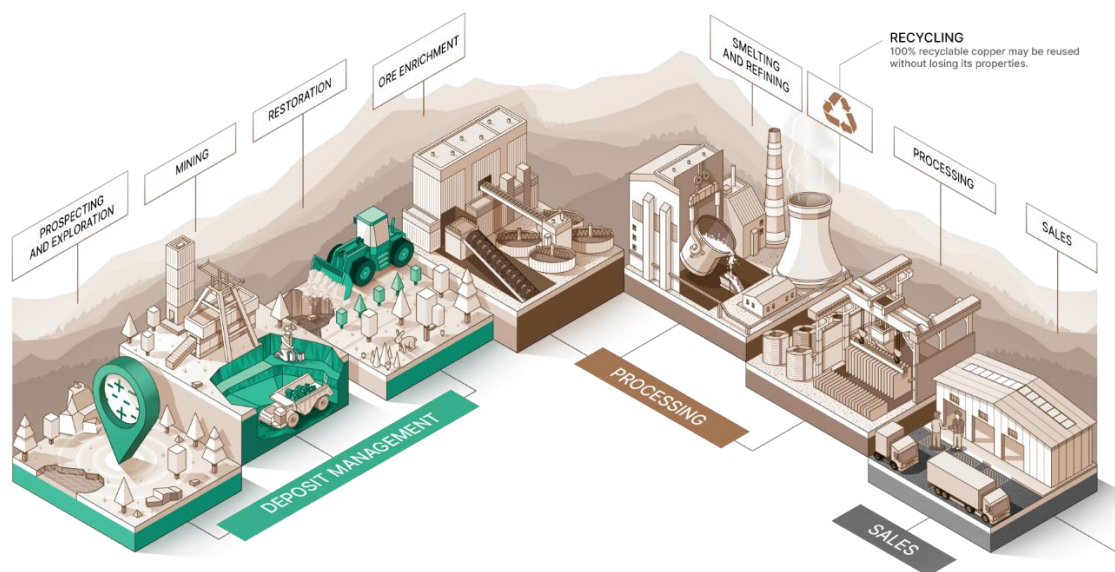
In 2025 there were no changes to the principles of management of the Group, of either its domestic or international entities.

1.3 CHARACTERISTICS OF THE COMPANY AND THE GROUP

1.3.1 Business model of KGHM Polska Miedź S.A.

The KGHM Polska Miedź S.A. Group is one of the ten largest producers of mined copper worldwide and the second largest producer of silver¹¹. It has over 35 thousand employees in more than 60 companies on four continents - Europe, North America, South America and Asia. The activity of the KGHM Group is based on seven key segments that form a complete value creation chain. They include areas such as exploration of raw materials, their mining, production, transport and the delivery of products to customers and stakeholders, as well as responsible waste management, in order to mitigate adverse impact on its surroundings.

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



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

¹¹ Source: CRU, June 2025 and World Silver Survey, April 2025, based on production volumes in 2024.

Table 5. Description of the business model of the KGHM Polska Miedź S.A. Group

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

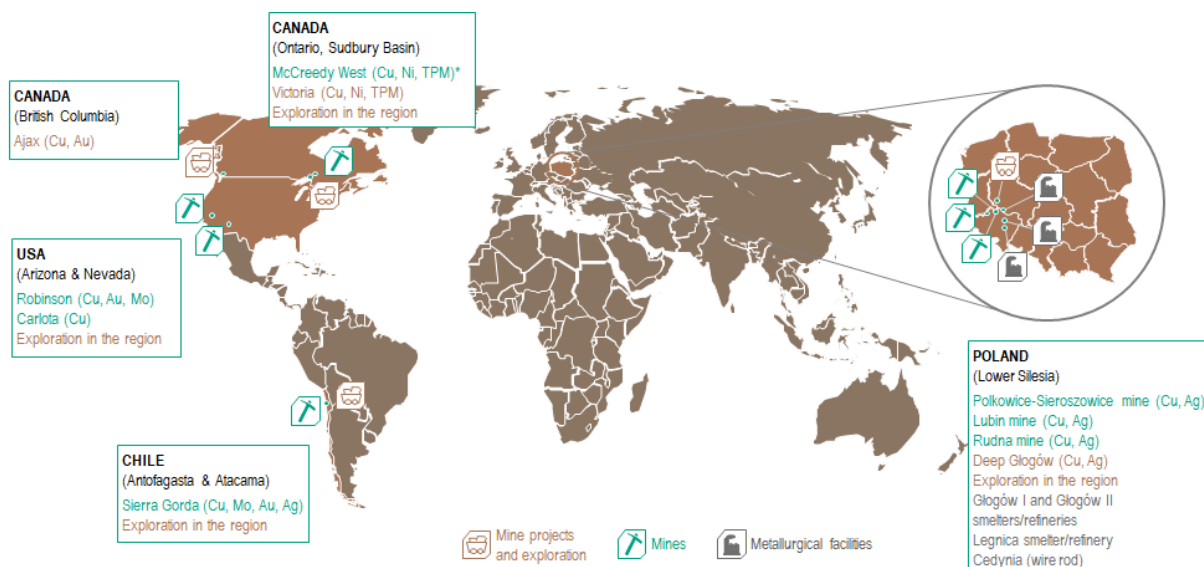
Table 6. Value-creating capital of the KGHM Polska Miedź S.A. Group

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

1.3.2 Our assets

The KGHM Polska Miedź S.A. Group holds geographically diversified mining assets (copper ore mines with associated minerals, such as silver, molybdenum, nickel, gold and other precious metals¹²) located in Poland, the USA, Chile and Canada as well as copper metallurgical facilities in Poland. The key international asset – the Sierra Gorda mine, which is a joint venture of KGHM INTERNATIONAL LTD. and South32 – is located in Chile. In addition, the KGHM Polska Miedź S.A. Group has a mine project which is at the pre-operational phase (Victoria), as well as other exploration projects.

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



* On 28 February 2025 (finalisation of transaction) the McCreedy West mine was sold

Poland

Polkowice-Sieroszowice mine

Location	Lower Silesia, Poland	The Polkowice-Sieroszowice mine is located in Lower Silesia, to the west of the town of Polkowice. Currently, it conducts mining works in four mining areas: Polkowice, Radwanice Wschodnie, Sieroszowice and in a part of the Głogów Głęboki – Przemysłowy (Deep Głogów) area. Within the Sieroszowice mining area, there are also rich deposits of rock salt above the copper-bearing horizon. Mining of the deposit is conducted using room-and-pillar methods with natural roof settlement, using blasting technology. The Polkowice-Sieroszowice mine's current production capacity is around 12.1 million tonnes of ore per year.
Ownership	KGHM Polska Miedź S.A. Division	
Type of mine	underground	
Main ore type	copper ore	
Associated metals	silver, lead, rock salt, gold	
Type of orebody	stratiform	
End product	copper ore	
Copper in extracted ore in 2025	202.1 kt	

¹² The McCreedy West mine, producing among others copper, nickel, silver, gold, platinum and palladium, remained in KGHM's International Assets portfolio to the date of conclusion of the sales transaction of a part of the assets in the Sudbury Basin, i.e. until 28 February 2025.

Rudna mine

Location	Lower Silesia, Poland
Ownership	KGHM Polska Miedź S.A. Division
Type of mine	underground
Main ore type	copper ore
Associated metals	silver, lead, gold
Type of orebody	stratiform
End product	copper ore
Copper in extracted ore in 2025	177.9 kt

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

The deposit is currently mined at a depth from 844 meters to 1 300 meters. Mining is conducted using room-and-pillar methods with natural roof settlement with hydraulic backfill, using blasting technology. The current average production capacity is approx. 11.5 million tonnes of ore per year.

Lubin mine

Location	Lower Silesia, Poland
Ownership	KGHM Polska Miedź S.A. Division
Type of mine	underground
Main ore type	copper ore
Associated metals	silver, lead, gold
Type of orebody	stratiform
End product	copper ore
Copper in extracted ore in 2025	72.4 kt

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

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

The current capacity of the mine is approximately 8.3 million tonnes of ore per year.

Głogów Copper Smelter and Refinery

Location	Lower Silesia, Poland
Ownership	KGHM Polska Miedź S.A. Division
Type of metallurgical plant	smelter/refinery
End product	electrolytic copper
Electrolytic copper production in 2025	448.6 kt

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

Legnica Copper Smelter and Refinery

Location	Lower Silesia, Poland
Ownership	KGHM Polska Miedź S.A. Division
Type of metallurgical plant	smelter/refinery
End product	electrolytic copper
Electrolytic copper production in 2025	122.3 kt

The copper smelter and refinery located in Legnica with a current production capacity of 123 thousand tonnes of electrolytic copper. In operation since the 1950s based on shaft furnace technology. Apart from electrolytic copper, the plant also annually produces around 30 thousand tonnes of refined lead and also around 70 thousand tonnes of sulphuric acid, as well as copper sulphate and nickel sulphate.

Cedynia Wire Rod Plant

Location	Lower Silesia, Poland
Ownership	KGHM Polska Miedź S.A. Division
Type of metallurgical plant	processing
End product	copper wire rod and Cu-OFE rod
Production in 2025	262.1 kt of copper wire and 17.8 kt of Cu-OFE rod

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

United States

Robinson mine

Location	Nevada, USA
Ownership	100% KGHM INTERNATIONAL LTD.
Type of mine	open pit
Main ore type	copper ore
Associated metals	gold and molybdenum
Type of orebody	porphyry/skarn
End product	copper and gold concentrate, molybdenum concentrate
Payable copper production in 2025	49.3 kt
Life of mine	11 years

The mine is located in White Pine county, Nevada, USA, around 11 km west of Ely (approx. 400 km north of Las Vegas), in the Egan range, at an average altitude of 2 130 meters a.s.l., near highway no. 50.

The mine is comprised of 3 large pits: Liberty, Tripp-Veteran and Ruth. In 2025, extraction was conducted in all of the pits.

The sulphide ore is extracted by conventional methods, and is then enriched through flotation. The end product is copper and gold concentrate, and separately molybdenum concentrate.

Carlota mine

Location	Arizona, USA
Ownership	100% KGHM INTERNATIONAL LTD.
Type of mine	open pit
Main ore type	copper ore
Type of orebody	porphyry
End product	copper cathodes
Payable copper production in 2025	2.7 kt
Life of mine	4 years

The Carlota mine is located in the western part of the United States, in the Miami-Globe mining region, in the state of Arizona at an altitude of 1 300 meters a.s.l. Surrounding the mine is mountainous, desert terrain.

Copper ore extraction by the Carlota mine is by conventional methods typical for open-pit metals mines, i.e. the ore is mined by blasting and then is transported by haulage trucks.

In the fourth quarter of 2024 excavation commenced from the Cactus pit – Phase 3, allowing the mine life to be extended to 2029.

Due to the nature of the oxide ore, it is processed using the heap leach, solvent-extraction and electrowinning of the metallic copper from the concentrated solution. The end product is electrolytic copper in the form of cathodes.

Canada

Sudbury Basin

Location	Sudbury, Ontario, Canada
Ownership	100% KGHM INTERNATIONAL LTD.
Type of mine	underground
Main ore type	copper, nickel, platinum, palladium and gold ore
Type of orebody	footwall/contact Ni
End product	copper and nickel ore with precious metals
Payable copper production in 2025	0.3 kt ¹³
Life of mine	-

Currently KGHM INTERNATIONAL LTD. does not have production assets in the Sudbury Basin.

Based on a Sales Agreement signed on 11 September 2024, FNX Mining Company Inc. sold 100% of the shares held in a special purpose company Project Nikolas Company Inc. to Magna Mining Inc. The subject of the transaction was the currently operational McCreedy West mine, the Levack/Morrison and Podolsky mines being in a state of care & maintenance, as well as five exploration concessions.

¹³ The finalisation of the disposal process and the closing of the transaction, resulting in the transfer of operational control of the disposed-of assets and thus updating KGHM's asset portfolio, occurred on 28 February 2025. It consequently means that the production of payable metal in the Sudbury Basin comprises only 2 months, i.e. January-February 2025.

Victoria project

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

In 2025, work continued on the project site, comprising the development of surface infrastructure and the sinking of the exploration shaft. As at the end of 2025, the shaft excavation was at a level of approximately 1303 meters below the shaft headframe. Underground stations at the 900L and 1200L levels were also constructed. Moreover, in 2025, surface work was also continued, including commencement of construction of a second waste rock dump and of a cores warehouse. Engineering work also continued, as well as actions related to cooperation with key stakeholders in the project. In 2025, two Impact and Benefit Agreements (IBA) were signed with the following groups: Atikameksheng Anishnawbek and Sagamok Anishnawbek.

Ajax project

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

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

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

As a result of the decision to not grant an Environmental Assessment Certificate, in 2025 work continued which was mainly related to environmental monitoring and work related to conformance with the requirements on environmental permits and assessment of the impact of the Project on the local environment, as well as the development of a concept for the restoration of the historic facilities of the former Ajax mine indicated by the Regulator and securing of the Project terrain in accordance with regulatory requirements, along with developing positive relationships with stakeholders and the Parties to the Project (Indigenous Groups).

Chile

Sierra Gorda mine, development projects

Location	Region II, Chile	The Sierra Gorda mine is located in the Atacama desert, in the Sierra Gorda administrative area in the Antofagasta region, in northern Chile, approx. 60 km south-west of the city of Calama. The mine is situated at an altitude of 1 700 meters a.s.l. and 4 km from the town of Sierra Gorda.
Ownership¹⁴	55% KGHM INTERNATIONAL LTD., 45% South32	
Type of mine	open pit	On 1 July 2015, the Sierra Gorda mine commenced commercial production (since then it has prepared statements of profit or loss). The ore extraction comprises its extraction using explosives, loading and hauling away in trucks to the processing plant, where it is subsequently crushed and milled.
Main ore type	copper ore	
Associated metals	molybdenum, gold	The end product of Sierra Gorda's processing plant is copper concentrate and molybdenum concentrate.
End product	copper concentrate, molybdenum concentrate	
Payable production in 2025	157.9 kt of copper in concentrate, 9.0 million pounds of molybdenum in concentrate – on a 100% basis, share of KGHM Polska Miedź S.A. is 55%	Since January 2023, the Sierra Gorda mine has been using 100% electricity from renewable sources - green energy is one of Sierra Gorda's strategic objectives.
Life of mine	23 years for the current deposit. In addition, a possibility exists of extending the operation to include new deposits.	

In 2025, design studies were continued on the project involving the construction of the 4th production line of the processing plant, and they are at the advanced stage of preparing the feasibility study. The Sierra Gorda Oxide project involves the leaching of the copper oxide ore of Sierra Gorda on a permanent heap and the production of high-quality copper cathodes in a solvent extraction and electrowinning (SX-EW) installation, with production capacity of approximately 30 thousand tonnes/year. At present most of the oxide ore planned for processing has already been excavated and is currently stored near the site of the future plant.

Other assets

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

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

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

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

In terms of capital committed, a significant and long-term investment are the shares held in TAURON Polska Energia S.A., a company listed on the Warsaw Stock Exchange. As at 31 December 2025, the interest held by KGHM Polska Miedź S.A. in the share capital of TAURON Polska Energia S.A. amounted to 10.39%. The value of the shares of TAURON Polska Energia S.A. held by KGHM Polska Miedź S.A. amounted to PLN 1 574 million.

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

1.3.3 Description of the production process

Production process of KGHM Polska Miedź S.A.

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

Mining

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

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

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

The flotation process results in concentrate with an average copper content of approx. 22-23%, and flotation waste. Concentrate with the highest copper content of 26.1% is produced in the Rudna Concentrator, while the concentrate with the lowest copper content of 13.7% is produced in the Lubin Concentrator. The Polkowice Concentrator produces concentrate of 24.8% copper content.

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

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

Metallurgy

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

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

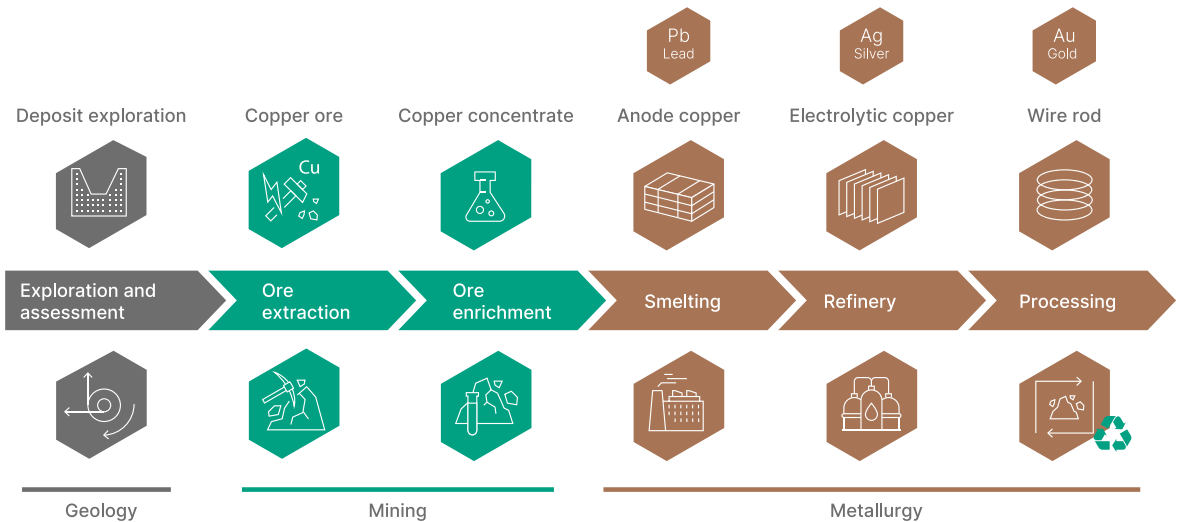
The Głogów Copper Smelter and Refinery applies one-stage flash furnace technology, based on a license of the Finnish company Outokumpu. The concentrate dried to a moisture content of 0.3% H₂O, is smelted in a flash furnace into blister copper with approx. 98.6% copper content, which is subject to fire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

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

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

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

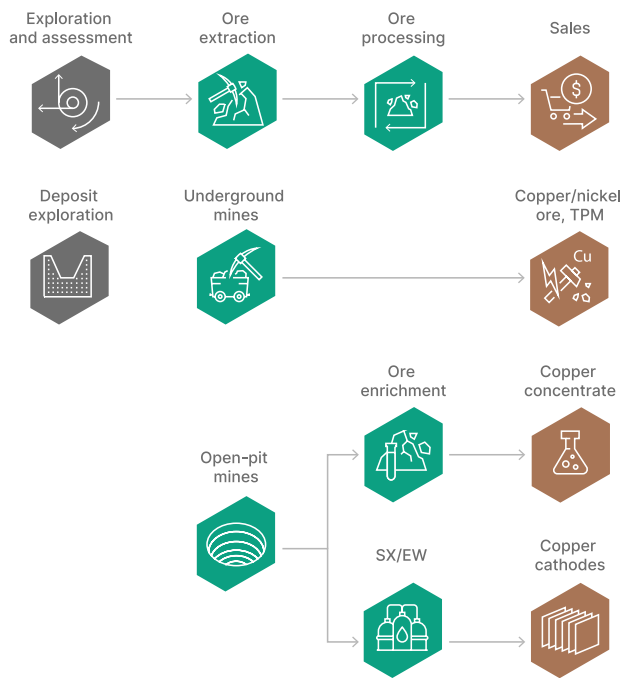
Diagram 7. Integrated geological, mining and metallurgical activities in KGHM Polska Miedź S.A.



Production process of KGHM INTERNATIONAL LTD.

The core business of the companies of KGHM INTERNATIONAL LTD. Group is the mined production of metals, such as copper, nickel, gold, platinum and palladium, from both open-pit and underground mines, as well as advancement of mining and exploration projects. The following diagram¹⁵ shows a simplified flowchart of the core business of the KGHM INTERNATIONAL LTD. Group.

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



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

1.3.4 Basic products and description of the industry



¹⁵ The McCreedy West underground mine extracting copper, nickel and TPM ore remained in the International Assets Portfolio of KGHM until the date of conclusion of the sales transaction of a part of the assets of KGHM in the Sudbury Basin, i.e. until 28 February 2025.

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

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

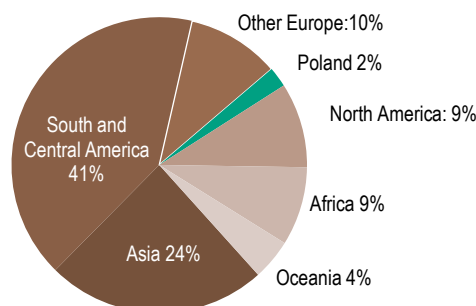
Copper

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

Copper concentrate

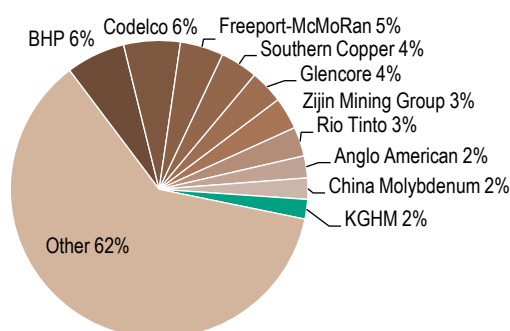
Copper concentrate is a product made by processing/enriching copper ore, which usually has a relatively low metal content (in a range of approx. 0.3-2% copper content) and is not suitable for direct metallurgical processing. The copper content in concentrate, depending on the copper ore from which the concentrate is produced, varies from a dozen or so to approx. 50-55%, which enables further processing in copper smelters and refineries. The cost of transporting products with a lower copper content (for example copper ore) basically eliminates them from trade in the global market (with certain exceptions), therefore it may be assumed that copper concentrate is the first product of processing copper ore that may be generally traded. As a result of metallurgical processes copper is produced as well as the by-products of processing (mainly precious metals, sulphuric acid, lead etc.). The main participants of the concentrate markets are mines supplying the product on the market and smelters and refineries, for which the concentrates are materials for production. Trading companies also play a role in the international trading, intermediating in the purchase/sale transactions and offering additional services expected by the parties. In 2025, the total global production of copper in copper concentrate is estimated at 18.5 million tonnes (according to CRU).

Chart 1. Geographical breakdown of global copper concentrates production in 2025
(source: CRU, KGHM Polska Miedź S.A.)



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

Chart 2. Structure of mined copper production by global producers in 2025
(source: Wood Mackenzie)



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

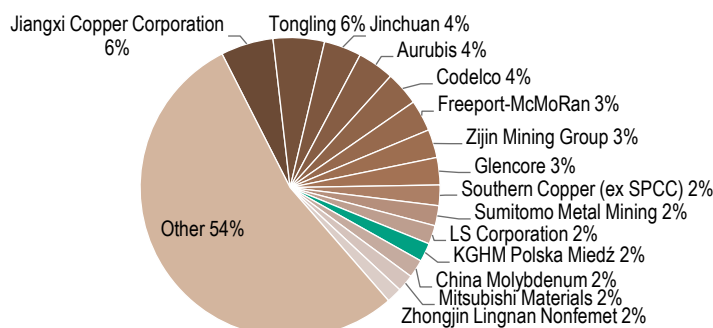
KGHM Group companies participate in the copper concentrate market mainly through the sale of the concentrate from Sierra Gorda in Chile and from the Robinson in the USA. At the same time, the Company purchases copper concentrates from the market with characteristics suitable for more efficient utilisation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

Copper cathodes

Primary commodities exchanges (including the LME and SHFE) enable cathodes to be registered (Grade A type, with a copper content of at least 99.99% under the BS:EN 1978:1998 – Cu-CATH-1 standard), and therefore their trading on exchanges and through LME-approved warehouses. The copper cathodes produced by KGHM are registered on the LME, SHFE and INE (Shanghai International Energy Exchange) under the brands HML, HMG-B and HMG-S. The copper cathodes produced by the Głogów Copper Smelter and Refinery under the HMG-S and HMG-B brands have been registered on the American exchange CME Group Inc. Commodity Exchange since May 2025. Unregistered cathodes are also traded on the physical market (for example those that do not meet quality parameters or the minimal yearly production conditions required by exchanges). One example of unregistered cathodes produced by KGHM is the Carlota brand. The main participants in the cathodes market are mining and smelting companies producing copper in the form of cathodes and wire rod plants and other companies engaged in copper processing, which use cathodes to produce wire rod, other rods, flat bars, pipes, sheets and tapes. Similarly as in the case of copper concentrates, trading companies and financial institutions intermediating in the cathodes trade also participate in the market. In 2025, CRU estimated total global production of refined copper at 28.2 million tonnes.

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

Chart 3. Structure of refined copper production by global producers in 2025
(source: Wood Mackenzie)



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

The companies of the KGHM Group participate on the cathodes market mainly by selling cathodes from the Group's Polish assets. The Głogów Copper Smelter and Refinery produces cathodes of the HMG-S and HMG-B brands, while the Legnica Copper Smelter and Refinery produces cathodes of the HML brand, registered on the exchanges in London (LME) and in Shanghai (SHFE and INE). Moreover, the KGHM Group offers cathodes produced through the leaching and electrowinning (SX/EW) process in the Carlota mine in the United States. Production of refined copper by companies of the KGHM Group amounted to 573.1 thousand tonnes in 2025, which represents 2% of global production. Annually, KGHM sells around 275-305 thousand tonnes of refined copper in the form of cathodes. The remainder is processed into copper half-finished products (mainly copper wire rod).

Chart 4. Geographical breakdown of refined copper production in 2025
(source: CRU, KGHM Polska Miedź S.A.)

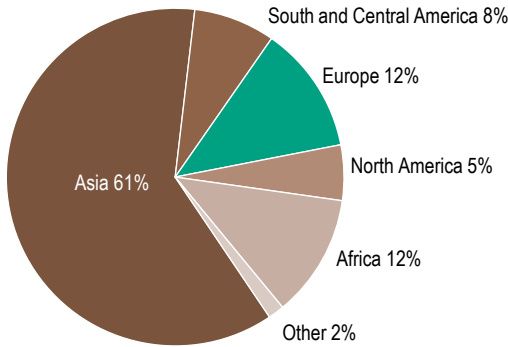
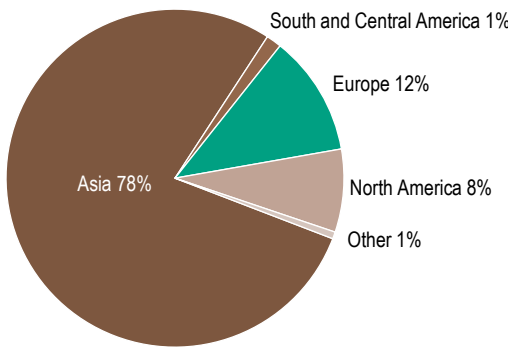


Chart 5. Geographical breakdown of global refined copper consumption in 2025
(source: CRU, KGHM Polska Miedź S.A.)



Copper wire rod

Copper wire rod is manufactured in the continuous process of melting, casting and drawing in plants processing refined copper. The material used in this production cycle is mainly copper in the form of cathodes, although higher-grade copper scrap may also be used. Wire rod is a half-finished product used in the production of single wires and strands used to produce conducting cores in cables and electric wires (for example: enamelled cable, car cables, power cords etc.) Similarly as for copper cathodes, apart from companies with production facilities (wire rod plants and companies processing wire rod into cables and bundled wires) there are also trading companies involved in the trading of half-finished products. The wire rod market, due to the quality characteristics of the product, is more of a local market, which also means that it is highly competitive and demanding. In 2025, total global production of copper in the form of wire rod is estimated by CRU at 21.5 million tonnes.

Chart 6. Geographical breakdown of global copper wire rod production in 2025
(source: CRU, KGHM Polska Miedź S.A.)

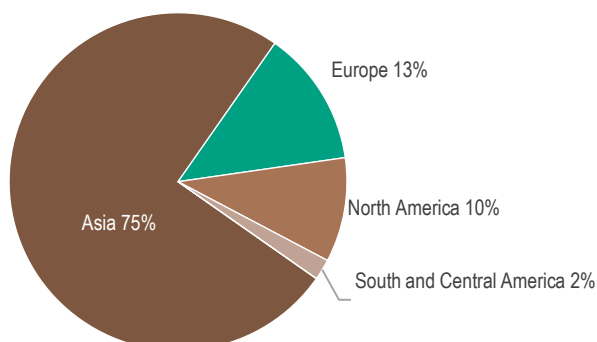
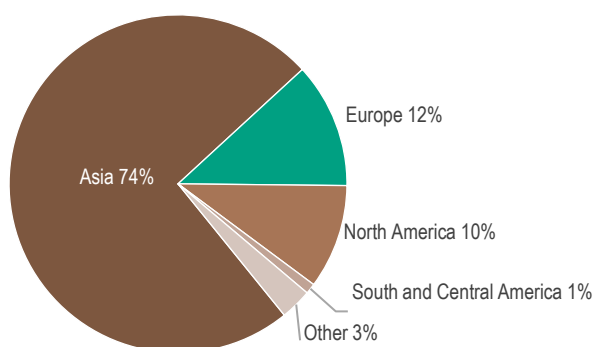


Chart 7. Geographical breakdown of global wire rod consumption in 2025
(source: CRU, KGHM Polska Miedź S.A.)



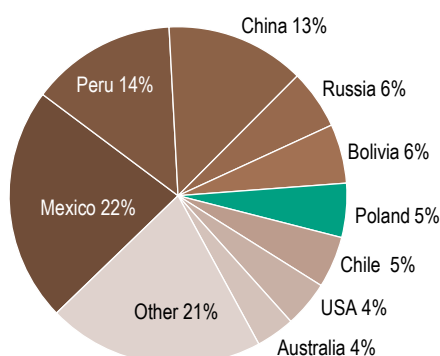
The wire rod price structure, apart from the copper quotations on the London Metal Exchange, also includes a producer's premium (added to the price of cathodes) and refining charges due to the costs of processing cathodes into wire rod. KGHM Polska Miedź S.A. offers wire rod which is produced in the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

Copper wire rod and wires are utilised in numerous sectors of the modern economy, while the products created from them (cables and bundled wires) account for approximately 60% of world copper consumption (source: CRU). The vast majority of wire rod and wire (estimated at more than 10 million tonnes per year; source: CRU) is used in the construction and infrastructure sectors. Distribution of electricity, building wiring and transmission as well as distribution networks are the most dominant subsectors. Amongst the most popular products manufactured from wire rod and wires are power lines, cables in the electrical installations in buildings and winding wires (together approximately 70%; source: CRU). In 2025, production of wire rod and wire by KGHM Polska Miedź S.A. reached 279.9 thousand tonnes.

Silver

Approximately 72% of global metallic silver production is a by-product of mining ores of other metals (source: Metal Focus - Silver Five-Year Forecasting Quarterly). Silver, due to its unique physical characteristics, is used in the jewellery, electronics and electrotechnical industries, as well as in medicine, optics, the energy industry and many others. It is also applied in the latest technological solutions, among others in infrastructure, the automotive industry and photovoltaics. In total, industry utilises approximately 64% of global silver production (source: Metal Focus - Silver Five-Year Forecasting Quarterly). It is also a valued investment precious metal. According to Metals Focus preliminary estimates, in 2025 global production of mined silver amounted to approx. 25.3 thousand tonnes.

Chart 8. Geographical breakdown of global mined silver production in 2025
(source: Metal Focus – preliminary data, KGHM Polska Miedź S.A.)



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

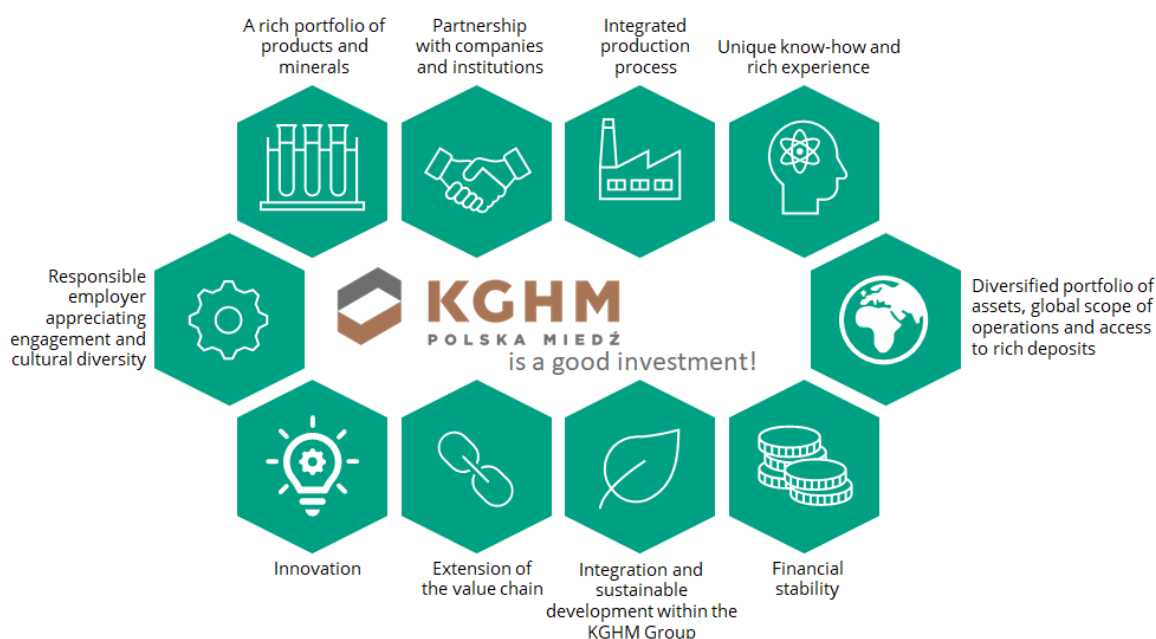
KGHM sells silver in the form of bars and grains (production takes place at the Głogów Copper Smelter and Refinery) and is one of the largest producers of metallic silver worldwide. In 2025, KGHM Polska Miedź S.A.'s silver production reached 1 323 tonnes, which places the Company among the world's top silver producers. This metal in the form of bars is registered under the brand KGHM HG and has a registered certificate on the COMEX (New York Mercantile Exchange) as well as Good Delivery certificates issued by the London Bullion Market Association. Silver is supplied in the form of grains to the jewellery and metals industries, which produce alloys containing silver. A significant part of silver in the form of bars (ingots) is purchased by financial institutions.

In the second half of 2025 KGHM Polska Miedź S.A. also offered small silver and gold ingots for sale, for the investment market (1 oz, 50 g, 100 g, 250 g, 500 g, 1000 g). These products are a response to demand by private investors wishing to acquire physical metal and to the growing market for investment silver and gold in Poland. These products are available for sale by renowned distributors.

1.3.5 Competitive advantages

The KGHM Group is distinguished for its strong position in the global metals market, being one of the largest producers of copper, silver and other precious and rare earth metals. The Company's significant competitive advantages include its access to a rich own raw material base, comprising both Polish and international deposits, which ensures long-term operational stability. The Company has an integrated business model, comprising the entire value chain, from exploration to mining to processing and sales, enabling the efficient management of operating costs. The scale and geographic diversification of its activities, advanced technological know-how and experience with managing large mining projects strengthens the Company's competitive position on the global market.

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



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

KGHM Polska Miedź S.A. is a global mining and processing entity carrying out mining projects on three continents. For a dozen of years or so, the Group has owned mining assets not only in Poland but also in Canada, the USA and Chile. The copper ore deposits controlled by KGHM guarantee an important position in the global mining sector.

The heart of KGHM is Europe's largest, and one of the world's largest, copper ore deposit, located in south-western Poland, which is also rich in associated metals, mainly silver.

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

Integrated production process

A unique competitive advantage of the KGHM Group is a full, integrated process - from deposit exploration, mining, ore enrichment, smelting, refining, processing to the sale of finished goods. KGHM Polska Miedź S.A. is dynamically developing elements related to the implementation of the circular economy concept as part of its activities, developing recycling and striving to make even better use of post-production waste as so-called secondary raw material sources in the production process.

Unique know-how and rich experience

In its over 60-years' history, KGHM Polska Miedź S.A. developed interdisciplinary human capital, rich in experience, knowledge and skills. It is one of the fundamental assets for creating a competitive edge in the industry and for building a strong international position of Poland as an industrial centre. KGHM is uniquely qualified to carry out work at great depths in underground mines, advancing among others the deepest project in the non-ferrous metals industry in Europe (the GG-1 shaft at a depth of 1 348 meters).

The Company's comprehensive, long-standing experience and know-how is desired by experts worldwide and attracts scientific and business interest.

Partnership with companies and institutions

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

Financial stability

One of the pillars of growth of the KGHM Group is to ensure its financial stability and implement systemic solutions aimed at increasing its value. As part of enhancing its competitive advantage in this respect, KGHM strives to base its financing structure on long-term instruments, shorten the cash conversion cycle and manage market and credit risk effectively and to reduce financial costs of the KGHM Group sustainably. These actions improve the liquidity of the Group and affect the availability of funds for growth, the realisation of strategic tasks and increase profits.

A responsible employer appreciating commitment and cultural diversity

The KGHM Group has built a culture of cooperation, based on rich experience, commitment, improvement of skills and synergy resulting from the cultural diversity of the employees.

The KGHM Polska Miedź Group employs around 35 thousand people. KGHM Polska Miedź S.A. is a stable and responsible employer, focused on the health and safety of employees, their professional development and continuous improvement of working conditions.

The employees are the foundation due to which the Company may continuously build its business potential.

Extension of the value chain

KGHM Polska Miedź S.A. is consistently extending the value chain, both in main areas such as mining and exploration (upstream), as well as regards the end product (downstream), to increase its competitiveness and efficiency. In the upstream area, it invests in the development of its own raw material deposits, such as exploration projects in Poland, Sierra Gorda in Chile or the acquisition of copper-bearing scrap to ensure a stable supply of raw materials. In the downstream area, KGHM is developing its processing operations, producing high-quality copper, silver, gold and other metals with a high added-value.

Integrity and sustainable development within the KGHM Group

The integrity of the KGHM Group means the coherence and synergy of activities in different areas of operation. The fully-integrated subsidiaries are an added value, engaged in complementary services and extending the core business into areas such as, among others, the production of mining machinery, blasting materials and metals recycling. The Group consists of entities with significant expertise, both in the field of broadly-defined operational assurance of the core production line – directly related to it – as well as ensuring future development prospects, continuity of electricity supply or dealing with technology development. In addition, KGHM Polska Miedź S.A. has a number of subsidiaries engaged in complementary activities, including, among others, comprehensive research and development services, advanced data analysis, as well as laboratory testing and analysis.

The Company's integrity also includes the commitment to climate and environmental action and adherence to ethics, transparency and social responsibility, building trust with customers, investors and partners. This comprehensive approach allows KGHM to stand out from its competitors as a stable, innovative and sustainable growth-oriented organisation, as evidenced by the numerous awards and distinctions received by the Company, among others, for its activities related to its presence on the capital market, communication with investors and CSR initiatives.

Innovation

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

A rich portfolio of products and mined minerals

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

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

The Company attaches great importance to the quality of its products, as confirmed by numerous certificates such as the LME London Metal Exchange certificate for copper and silver and ISO 9001 certificates, which recognise high quality management standards. The Company's metallurgical Divisions also hold the prestigious Copper Mark certificate, confirming responsible practices in copper production in line with global sustainability principles.

1.4 STRATEGY, PLANS AND OBJECTIVES

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

In the current reporting period, the Company continued the implementation of the “Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040”, adopted on 14 January 2022 by the Supervisory Board of the Company, based on the development directions: Elasticity/flexibility, Efficiency, Ecology, E-industry and Energy.

The mission and vision remained unchanged, in the following wording - mission: To always have the copper, and vision: To use our resources efficiently to become the leader in sustainable development. The implementation of the Strategy is supported by KGHM's values: zero harm, teamwork, results driven, accountability and courage.

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



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

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

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

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

1.4.2 Advancement of the Strategy - key achievements

The key achievements in advancing the strategic activities in individual strategic directions of development in 2025 are presented below:

Table 7. Key achievements in individual strategic development directions

Efficiency	– The Deposit Access Programme was continued – 42.7 km of tunnelling were excavated in the Rudna and Polkowice-Sieroszowice mines. The work carried out was related to building infrastructure as regards among others the power system, building piping and local pumps, conveyor belt haulage and air conditioning. – Preparatory work commenced related to the sinking of three new mine shafts (Retków, GG-2 Odra, Gaworzyce). The site of the Retków shaft was designated and geological-hydrogeological investigations commenced. The site of the Gaworzyce shaft was designated, where research drillings will begin, aimed at acquiring data necessary among others to design the shaft lining and to select appropriate shaft sinking technology. – The development of the Żelazny Most Tailings Storage Facility was continued. An environmental impact statement decision was obtained as well as a construction permit to develop the TSF above the crown height of 195 m a.s.l. as well as a decision to enable operation of the TSF. Work was carried out on building up the walls of the eastern section of the dam, construction of the north-eastern load embankments, construction of the body of the Southern Quarter and infrastructure. Work related to the Eastern pumphouse together with a power station, construction of the western load embankments and deforestation of the north-western load embankments was completed. – Work was carried out involving actions to restrict the level of the water hazard in the mines. The project to construct an anti-filtration barrier was continued in order to limit the inflow of mine water to mining areas of the Polkowice-Sieroszowice mine and to increase the capacity to pump-out the mine water. – Actions were taken to obtain financing from external sources for R&D and investment projects¹⁶. In 2025 KGHM Polska Miedź S.A. obtained PLN 276 million in financing. – To foster a culture of innovation and engagement amongst employees as part of the efforts to enhance efficiencies in the core business, an Inventor's Market was held in the Divisions of KGHM. 86 innovative technical and technical-organisational solutions were received in the area of technology, but also involving the working environment, with particular emphasis on improving workplace health and safety. – Work was carried out related with developing a Costs Optimisation Program in the KGHM Polska Miedź S.A. Group. Optimisation initiatives comprise all of the Company's key business areas, which in a permanent and strategic manner will enable enhancement of the economic efficiency of the entire KGHM Group. – An unsecured revolving credit facility agreement was entered into with an international consortium of banks in the amount of USD 1 500 million (RCF credit facility). The Agreement was concluded for a five-year tenor and has extension options as well as a non-binding option to increase the amount of the credit facility. – An issuance of 7-year series D bonds were issued with a total nominal value of PLN 1.6 billion was carried out. The issuance refinanced the redemption of the series B bonds, enabling a decrease in the margin and extension of the tenor of the financing in the form of corporate bonds.
Elasticity/ Flexibility	– Exploration projects continued in Poland for copper deposit exploration and evaluation. Work, including geological work, re-commenced on the Bytom Odrzański concession. – The preparation of a feasibility study to manage the Mioszyno potassium and magnesium salts deposit in the vicinity of Puck was completed. – Work commenced on preparing technical and economic assumptions for a project to adapt the mobile crusher in the mine aimed at improving the efficiency of the ore haulage process. – In terms of metallurgy, work continued on the analysis of development directions, enabling the continued high efficiency of the own concentrates smelting process and the recovery of associated metals, as well as flexibility as regards the processing of purchased metal-bearing materials, including scrap. – Modernisation work continued as regards the electrowinning process by converting to permanent starter sheet technology at the Legnica Copper Smelter and Refinery. – Activities to extend the Company's value chain continued, including those related to the commencement of design work for the construction of the Upcast II production line together with the Conform installation at the Cedynia Wire Rod Plant, including among others as regards obtaining external sources of financing for the investment. Design work continues on building a new Contirod installation. – An investment was carried out on building a copper concentrates warehouse at the Rudna Concentrator, aimed at restricting environmental impact. – As part of the continued assessment of the technical, technological and market potential for the production of lead alloys, the production of a sample lot of a lead-calcium alloy at the Legnica Copper Smelter and Refinery was concluded. An analysis of potential changes in the alloy technology process is being prepared. – The Company expanded its products portfolio by investment gold and silver bars, aimed at individual customers. These products are characterised by a purity of 99.99% gold and 99.99% silver. The offer includes bars weighing 1 oz, 50 g, 100 g, 250 g, 500 g and 1 kg. – Development projects in the international assets were continued. The sinking of an exploration shaft under the Advanced Exploration stage of the Victoria project in Canada continued. As regards the Sierra Gorda mine, work was carried out on preparing design documentation to build a fourth grinding line.

¹⁶ Including under EU programs (such as, among others: LIFE, Horizon Europe, KIC Raw Materials) as well as the National Fund for Environmental Protection and Water Management and the National Center for Research and Development.

Ecology, Safety and Sustainable Development	– The balance of Scope 1, 2 and 3 greenhouse gas emissions for 2024 for the KGHM Group was prepared to meet the disclosure requirements regarding climate change in accordance with the ESRS reporting standard, and to evaluate the level of achievement of the target reduction goals. – Annual reports on CO₂ emissions for 2024 were verified by an authorised external entity to meet the needs of the system for the trading of greenhouse gas emissions allowances. – Type-III Environmental Product Declarations (EPDs) were prepared and published in accordance with standards for the wire rod and OFE rod produced at the Cedynia Wire Rod Plant. – An „Environmental Policy for the KGHM Polska Miedź S.A. Group” was adopted and introduced. – Work on the Transformation Plan for KGHM Polska Miedź S.A. for climate change mitigation continued. – Actions were continued related to managing water and reducing the salt content of water discharged to the Odra river. Tests were concluded positively for the desalinisation of mine water in a pilot reverse osmosis installation at the Lubin Concentrator, and work began on analysing the possibility of financing construction of the installation from external sources. – The first Audit of the Oversight of the Continuity Management System for the Core Production Business of KGHM, the second Audit of the Oversight of the Energy Management System and the second Group Audit of the Oversight of the OHS Management System and the Environmental Management System were conducted, by independent Certification Bodies, which ended in positive results.
E-industry	– Projects aimed at automation of production lines of the Company's Mining Divisions continued. Among others, functional testing of a prototype bolting rig with an automated bolting turret at the Rudna mine, the modernisation of the DOTRA wireless communications to digital format and modernisation of the underground main ventilators station at the R-XI shaft were carried out. Initiatives were carried out related with testing electric battery-powered mining machines for the transport of people and materials. – Work was carried out in an inter-divisional working team as regards developing standards for the Personnel Registry System in the underground mines. – Actions were carried out as regards the utilisation of real-time automated optic fibre diagnostics of conveyor belts. – Functional testing of a specialised robot capable of high-temperature operation in the Głogów II Copper Smelter and Refinery concluded with positive results – the robot was transferred as a fixed asset of the Division and will be further used pursuant to its designation. – Work concluded on designing an automated system for the cleaning of gas passages between the flash furnace and the recovery boiler at the Głogów I Copper Smelter and Refinery. Work is underway on building machines which will undergo operational testing. – Projects continued in the area of digital transformation, focused on implementing tools based on new technology, IT solutions and in terms of cybersecurity. Key actions included among others the implementation of new back-office systems and digitalisation enhancements as well as automatisisation of work whilst maintaining the highest security standards.
Energy	– Intensive actions continued in the area of energy, aimed at increasing the Company's energy security and independence. Work was carried out aimed at improving the Company's energy efficiency, including work aimed at obtaining additional financial support from Polish and European sources. – The Company joined the Demand Side Response program, which obligates buyers of electricity to voluntarily limit for brief periods their offtake from the National Power System whenever a lack of electrical power starts to be noticed. – The package of projects aimed at increasing electricity generation from own sources was developed, including from RES, such as photovoltaic farms and a wind farms, with a total capacity of approx. 180 MW. – Analyses continued on the utilisation of energy storage facilities, which will ultimately cooperate with the photovoltaic farms and wind farms planned to be built. – Market analysis continued as regards the possibility of advancing acquisition processes, located in the vicinity of KGHM Polska Miedź S.A., in particular in the area of wind power. – Analytical work was underway as regards the capture, transport and geological storage of carbon dioxide under conceptual work to construct a Carbon Capture and Storage installation for the metallurgical production line at the Głogów Copper Smelter and Refinery. – The Energy Strategy of KGHM Polska Miedź S.A. was adopted, setting forth the directions of energy management aimed at ensuring cost effectiveness, energy security and restricting environmental impact. It comprises the optimisation of energy consumption, diversifying energy sources and advancing actions which support long-term business goals as regards restricting emissions. – The Sierra Gorda mine operates solely on RES-generated power.

Table 8. Status of progress on realisation of strategic success ratios - level in 2025

Strategic success ratio (Strategic KPI)	Base ratio value in 2020	2030 targets	Value of the ratio in 2025	Notes
Domestic production of electrolytic copper	~560 kt	~600 kt (including based on increased processing of purchased copper-bearing materials and recycled copper).	~571 kt	Production of electrolytic copper in the domestic assets in Poland in 2025 exceeded the target for 2025 by 0.7% (plan for 2025: 567 kt).
International production of payable copper	~150 kt	Higher production by the international assets of KGHM by extending the life-of-mine (LOM) of active mines, developing assets in the mine projects portfolio held and increasing the resource base thanks to advancement of the International Exploration Strategy.	139 kt	Payable copper production in the international assets: Sierra Gorda 86.8 kt ¹⁷ ; Robinson 49.3 kt; Carlota 2.7 kt; Sudbury Basin 0.3 kt ¹⁸ Payable copper production in 2025 (segments KGHM INTERNATIONAL LTD. and Sierra Gorda S.C.M. - 55% share) was lower y/y by 1.4%, due to lower production (in line with budget assumptions) of payable metal by the Robinson mine due to lower ore quality parameters and the disposal of some Sudbury Basin assets.
Silver production ¹⁹	~1 320 t (in the top three)	Maintaining the position as one of the top three silver producers in the world (approx. 1 200 t).	1 347 t	In 2025, the Group's silver production amounted to 105% of the planned target for this period (plan for 2025: 1 284 t). The Company maintained its first place in the ranking „the largest silver mines in the world” (World Silver Survey 2025) and second place in the global ranking of "the largest silver producers".
Power capacity of own electricity generation sources	105 MW of total contracted capacity, i.e. 440 MW (24%)	220 MW of total contracted capacity, i.e. 440 MW (50%)	174 MW of total contracted capacity, i.e. 440 MW (39%)	In 2025, the total power capacity of own electricity generation sources of KGHM Polska Miedź S.A. amounted to 174 MW, including mainly: 111 MW was natural gas and 51 MW renewable energy sources (RES). Own energy sources covered 39% of total contracted capacity (440 MW).
Reduction in estimated CO₂ emission from electricity consumption ²⁰	~1.6 million tonnes of eCO₂	1.0 million tonnes of eCO₂	~1.385 million tonnes of eCO₂	In 2025, Scope 2 emissions by the Company KGHM Polska Miedź S.A. amounted to 1.385 million tonnes of eCO ₂ , a decrease by 0.031 million tonnes of eCO ₂ (or -2.2%) compared to 2024. The reduction in emissions compared to the previous year resulted from among others a more favourable in 2025 location-based emission ratio for electricity and to the acquisition of emissions guarantees.
Diversification of the trade offer of metals	2%	10%	2.29%	The ratio relates to the share of sales of half-finished copper products, i.e. OFE-Cu rod and OFE-Cu granules, in total revenues from sales of products. In 2025, sales of OFE-Cu rod amounted to 15.7 kt, OFE-Cu granules 1.9 kt (2020 – 12.9 kt; 1.4 kt).
Scrap recycling	~124 kt of copper scrap	~350 kt of copper scrap	173 kt of copper scrap (dry weight)	The Company is conducting a financial analysis of the developed directions of metallurgy, within which scenarios analyses of the functioning of the metallurgical assets are being prepared, reflecting an alternative structure of purchased metal-bearing materials in production in the medium and long term, including reflecting the use of a larger amount of

¹⁷ 55% share of KGHM Polska Miedź S.A.¹⁸ Execution in 2025 for the Sudbury Basin comprises January-February, as the Sudbury Basin assets were sold on 28 February 2025¹⁹ For the KGHM Polska Miedź S.A. Group²⁰ For KGHM Polska Miedź S.A., using the location based method.

copper scrap of various quality, i.e. expansion of the assortment by scrap of lower quality. At the current stage, this analysis comprises the development of the Legnica Copper Smelter and Refinery by its transformation into a recycling smelter, producing electrolytic copper based on the processing of scrap. The result of the work conducted will be a precise determination of the need for the assortment of scrap to produce copper in the Company's metallurgical installations and the eventual verification of the Company's currently defined goals in this regard.

Revenues from sales in external markets of selected Companies of the Group	Base 2020 Base year = 100% The amount of revenues from sales in external markets in the base year 2020.	147% to the base year for the following companies: ZANAM, NITROERG, PeBeKa	121% ²¹ to the base year for the following companies: ZANAM, NITROERG, PeBeKa	Support activities were carried out in order to ensure the financial stability of the KGHM Group and to implement the systemic solutions targeted at increasing the Group's value. The volume of revenues from sales in external markets of selected companies of the Group, which is one of the key ratios for the KGHM Group's Strategy: – for the company DMC exceeded the target for 2030, – for three domestic companies, the ratio higher than the base ratio results from higher sales revenues generated by the companies NITROERG S.A. and KGHM ZANAM S.A.
		163% to the base year for the company DMC	192% ²² to the base year for DMC	
LTIFR²³ and TRIR²⁴	LTIFR 7.31	Target: 0 accidents	6.65	In the area of occupational health and safety, the long-term vision of „zero accidents due to personal and technical causes, zero occupational diseases among our employees and contractors” is being advanced. In both the Company KGHM as well as in the international assets, OHS indicators are similar to the levels achieved in prior years.
	TRIR 0.52	Target: 0 accidents	0.37	
Level of support to the Health Area implemented by the KGHM Polska Miedź Foundation	~ PLN 11.5 million ²⁵	~ PLN 7 million	PLN 15.55 million (total for institutions and natural persons)	The KGHM Polska Miedź Foundation in the area „Health and safety” in 2025 provided the following subsidies: – to 73 institutions in the total amount of PLN 13.66 million, – to 227 natural persons in the total amount of PLN 1.89 million.
Number of volunteer projects advanced	25 volunteer campaigns	30 volunteer campaigns	190 volunteer campaigns (including 64 campaigns in the KGHM Group)	The “Copper Heart” employee volunteer programme, launched in KGHM in 2014, was consistently implemented. In 2025, there were 190 volunteer campaigns, in which 1267 employees took part, donating around 5165 hours in their preparation and execution.
Level of support provided for the arts, sport and healthcare	~ PLN 38.5 million	~ PLN 48 million	PLN 42.52 million	The level of support provided for the arts, sport and healthcare was in line with the target for 2025 and was closely related with the activities conducted in the area of Corporate Social Responsibility (CSR). The funds were used to advance planned activities, aimed at promoting the Company by the presence of the KGHM brand, among others at prestigious events with a national or international reach, as well as supporting valuable initiatives and cultural, sport-related and prevention-related enterprises, promoting health and supporting social development.

²¹ Calculated as: 2025 to 2020. Data prior to auditor review.

²² Calculated as: 2025 to 2020.

²³ LTIFR (Lost Time Injury Frequency Rate) - the total number of accidents at work standardised to 1 million hours worked.

²⁴ TRIR (Total Recordable Incident Rate) - the ratio of accidents at work that meet the conditions for registration as defined by the ICMM (International Council on Mining & Metals) standard.

²⁵ Due to the epidemic conditions, the area of activity of the KGHM Polska Miedź Foundation - “Health and Safety” was the particular priority in 2020, thus the significantly higher financing in this area in the base year.

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

Of fundamental importance for the Group is development of the resource base and ensuring profitable production, while at the same time maximising the value of the assets held in the long term. In the short-term perspective, the existing policy aimed at adapting the functioning of the organisation to the business model and the market environment, as well as at cooperation between the Group's entities, will be continued. Nevertheless, an important task will be the advancement of investments with a view to ensuring cost effectiveness and development scenarios for the individual international assets in the Company's portfolio.

Acting in accordance with the targets of the energy transition, an increase is expected in the scope of investment in renewable energy sources to meet own needs, projects related to improving energy efficiency and projects aimed at protecting the environment and adapting to increasing regulatory requirements in this regard.

Key development-related investments include projects as regards the Core Production Business, including among others:

- searching for and exploring deposits in areas under exploration concessions,
- the Deposit Access Program in the area of Deep Głogów, including building shafts, central air conditioning stations, and the construction of access and development tunnels,
- outfitting new mining areas along with the construction of conveyor belts,
- replacement of mining machinery (among others replacement of the machine park with machines with low-emission engines),
- construction of mine de-watering systems,
- construction of air cooling systems,
- development of the Żelazny Most Tailings Storage Facility above the dam's crown height of 195 m a.s.l.,
- adapting the metallurgical assets in terms of optimising the utilisation and development of existing production infrastructure as regards the production and processing of electrolytic copper, taking into account the possibility of intensification of smelting purchased charge materials, including copper scrap and the recovery of other elements,
- construction of installations and acquisitions as regards renewable energy.

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

Table 9. Factors influencing the development of the KGHM Group

Factor	Description	Nature
Stable resource base	KGHM has one of the largest monogenic copper ore deposits, which offers the company competitive advantage and the ability to plan its mining operations in the long term.	Favourable
Increasingly difficult conditions as regards the mining of copper ore deposits in Poland	KGHM is extracting ore under increasingly difficult mining conditions, such as increasing mining depth, lower metal content in ore and growing requirements as respects the safety of employees and environmental protection, which require the development and implementation of advanced technological solutions which have a substantial impact on the increase of unit production costs.	Restricting
Geographical diversification	The presence of the operations in Poland, Chile, Canada and the USA enables KGHM to benefit from a diverse range of markets and reduces the risks associated with local regulatory or political constraints.	Favourable
Social responsibility and respect for ESG issues	KGHM's initiatives related to decarbonisation of production, energy efficiency and sustainable development and adapt the Company to the requirements of stakeholders and global investors.	Favourable
Development of own low-emission power sources	Advancement of the construction of installations and acquisitions in the area of renewable energy.	Two-way
Human capital	Availability of qualified staff, including investment in employee development and the use of long-standing and unique experience in mining, metallurgy or processing builds KGHM's human potential.	Favourable

Applied corporate governance principles	Effectiveness of the established corporate governance framework strengthens KGHM's day-to-day operations, particularly in terms of the efficiency of the management structure and decision-making processes in the organisation.	Favourable
Rational investment policy	KGHM applies a rational investment policy in the medium to long term ensuring adequate resources and taking into account the specific nature of the industry and the regulatory environment.	Favourable
Experience in terms of the hedging policy	The effects of the implemented hedging policy enable KGHM to maintain a stable position on the market.	Favourable
Financing	The economic potential and KGHM's brand increase financial security – the KGHM Group has access to stable and effective sources of external financing.	Favourable

Table 10. External factors affecting the development of the KGHM Group

Factor	Description	Nature
Technological progress and investment in innovation and efficiency	Continuous modernisation of mining and smelting processes, including automation and digitalisation projects allows KGHM to increase productivity, reduce operating costs and limit its environmental impact.	Favourable
Increased demand for copper and silver	The global energy transition and increasing investment in green technologies or decarbonisation initiatives, including the development of the RES sector, electromobility and technological infrastructure, are increasing the demand for copper components as a strategic raw material, thereby ensuring KGHM's stable market position. Silver, as the key component in the production of photovoltaic cells and electronics, additionally supports the development potential.	Favourable
Risk of a global economic slowdown	Restriction in global economic development, among others connected with: – a slowdown of the Chinese economy and its impact on global supply chains and Chinese demand for copper, – a slowdown of the German economy, – changes in the monetary policy of central banks and changes in interest rates, – volatility in crude oil prices due to tensions in the Persian Gulf, global trade war and the production policy of OPEC+, – the commodities policies of the USA, which influences among others raw materials prices and shapes demand in various regions of the world.	Restricting
Greater importance of critical raw materials	An increase in importance of critical raw materials such as among others lithium, cobalt, nickel, rare earth metals (REE) in the European Union due to the energy and digital transformation and efforts to gain independence from external suppliers as well as the need to ensure economic and technological security. A sustainable raw materials economy is supported by the CRMA - the European Commission's Critical Raw Materials Act. Thanks to its strong technological base and experience in the mining and processing sector, KGHM has the potential to invest in new commodities and to diversify its portfolio.	Favourable
Volatility on the currency market	Volatility in the USD/PLN exchange rate.	Two-way
Regulatory environment, including stricter environmental regulations	An increase in the number and level of restrictiveness of regulatory solutions affecting the operations of the Group, particularly in the context of technological risk associated with the transition to a low-carbon economy or environmental risks, increases operating costs and forces KGHM to implement additional capital-intensive investments in environmentally friendly technologies. KGHM is required to pay a minerals extraction tax on copper and silver. On an annual basis, this tax accounts for a significant part of the company's operating costs, affecting its financial results, including operating profitability and debt levels, and therefore impacting the level of investment capacity and competitiveness in the international market. In December 2025 the Act on the change in the act on the minerals extraction tax and certain other acts was adopted, which reduces the Company's fiscal obligations, and as a result positively impacts its financial situation, in particular in the context of strengthening the investment foundations and long-term planning.	Restricting
Requirements as regards ESG	KGHM faces increasing stakeholder expectations in terms of ESG requirements, which may, among others, affect the conditions as regards the acquisition of funding.	Restricting

Rising energy costs and an increase in the demand for RES energy	As one of the most energy-intensive companies in Poland, KGHM, which relies on conventional energy sources, incurs significant costs due to rising electricity prices and CO ₂ certificates, increasing the cost of mining and processing of raw material, which additionally affects the company's competitiveness in the global market. The growing demand for energy from RES forces the KGHM Group to diversify its energy supply and invest in its own low- and zero-emission energy sources.	Restricting
Volatility in cost-related factors	Volatility in the costs of producing electrolytic copper, including in particular due to the minerals extraction tax, changes in the value of purchased copper-bearing materials and volatility in the prices of energy carriers and electricity.	Two-way
Geopolitical uncertainty	The geopolitical situation, e.g. given the conflict in Ukraine and conflicts in the Middle East, has a significant impact on KGHM's operating risk. International conflicts, economic sanctions and trade tensions may destabilise the supply chains of commodities and the availability of materials and components, fuels and energy on international markets. International projects, particularly those advanced in Chile, are exposed to political risks, changing tax regulations and local public protests, which may affect the stability of the Company's operations.	Restricting
Dependence on global copper and silver prices	Significant sensitivity to fluctuations in international commodity prices may affect the company's financial stability, especially under the conditions of economic downturns or demand volatility. KGHM must effectively manage financial risk and hedge prices with futures contracts, which requires detailed market analysis and a flexible management strategy.	Restricting
Competition and alternative technologies	The increased importance of copper recycling and the development of substitutes by the technology sector may limit the growth rate of demand for primary copper, which will affect KGHM's long-term results.	Restricting

The segment KGHM Polska Miedź S.A.

KGHM Polska Miedź S.A. engages in technologically advanced activities involving metals exploration, extraction and metallurgy (especially copper, silver and gold). To ensure its stable functioning, growth and its continued competitive position on the global market, the Company undertakes a broad variety of development-related activities. These activities focus on strengthening its entire value chain within the core mining-metallurgical business while simultaneously adapting the Company to the challenges facing the raw materials sector.

In terms of mining, ensuring long-term access to the copper and silver ore resource base in Poland and its efficient management remain of fundamental importance. Key investments include developing the mining infrastructure, enabling sustainment of the current level of domestic mining output over the next a dozen or so years. The most capital-intensive of these are investments related with building the GG-2, Retków and Gaworzyce shafts together with ore access mine works and a central air cooling system. Moreover, work will continue on developing the Żelazny Most Tailings Storage Facility, above the crown height of 195 m a.s.l. as critical infrastructure to ensure production continuity. At the same time the Company will carry out intensive exploratory work related with documenting the domestic copper ore geological resources base in the Copper Basin, enabling the acquisition of concessions to mine the copper ore, and consequently gaining mine access to subsequent mining regions, which will enable sustainment of the level of production from the Company's own resource base and extending the profitable mining activities of KGHM in Poland. Two projects are currently underway involving the acquisition of concessions to mine copper ore from the „Retków - Grodziszczce” deposit and from the „Radwanice” area of the „Radwanice - Gaworzyce” deposit.

In terms of metallurgy, investments will be advanced aimed at maintaining the high efficiency of the own concentrates smelting process and the recovery of associated metals, as well as flexibility as regards the processing of purchased metal-bearing materials, including scrap. Key development-related investments comprise the modernisation and development of a metallurgical installation as regards smelting, electrorefining and processing. In the medium term, the Company plans to transform the Legnica Copper Smelter and Refinery into a modern, automated metallurgical recycling plant and to expand its products portfolio in terms of extending the value chain.

Projects will also be advanced to improve production efficiency and optimise processes, which is crucial in the context of rising deposit mining costs and challenges related with safety and sustainable development. In terms of advancing the climate policy and energy transition in KGHM, there will be an increase in investments in projects related with renewable energy sources, improved energy efficiency and environmental protection as well as adaptation to increasing regulatory requirements in this regard. The Company is consistently developing initiatives in accordance with the highest ESG standards. Moreover, a variety of actions of an R&D nature are being continued, related with new intelligent technologies, the automation and mechanisation of processes, electromobility, digital transformation and the search for new machines and equipment adapted to KGHM's production line. Work continues related with the circular economy (including: the management of technological water and floatation tailings as well as the management of waste heat). In this segment, activities also involving a broad range of analytical work in the search for optimisation and development potential will continue to be advanced. KGHM is engaged in innovative initiatives and R&D ventures, in cooperation with international scientific centers as regards seeking and implementing advanced technology in the core business.

The segment KGHM INTERNATIONAL LTD.

KGHM INTERNATIONAL LTD. is involved in the exploration for and mining of, primarily, copper and gold deposits. Its operating activities include mines, deposits and mining areas, as well as mining companies, i.e. Robinson, Carlota, DMC, and the projects Victoria and Ajax. The most important production asset is the Robinson mine in the state of Nevada (USA), where mining is carried out by conventional open-pit methods.

Development of the segment KGHM INTERNATIONAL LTD. is focused on increasing copper production and resource diversification by optimising and developing the Robinson mine, as well as development of the Victoria Project. Growth directions also foresee the search for new exploration projects. Moreover, the international assets portfolio is constantly being optimised and consists among others in divestment of a part of the assets of KGHM in the Sudbury Basin²⁶.

The segment Sierra Gorda S.C.M.

Sierra Gorda is involved in the mined production of metals (copper, molybdenum, gold, silver), while its most important production asset, with a long-term operating outlook, is the Sierra Gorda mine in Chile.

Sierra Gorda is focused on optimising its activities by the long-term development of the mine and by increasing its production volumes. The potential for increasing production capacity and eventual expansion of the processing plant lies in the projects for the fourth grinding lines and Sierra Gorda Oxide. Moreover, exploratory work is being carried out to expand the resource base and to prolong the life of the mine.

Other segments

The segment Other segments is comprised of companies within the KGHM Group having a variety of operating activities, belonging to the investments of KGHM Polska Miedź S.A. These may be sorted into the following categories:

Companies supporting the core production business of KGHM Polska Miedź S.A.	The portfolio of companies supporting the Core Production Business (CPB) is the largest group of subsidiaries of KGHM Polska Miedź S.A., which together with the production divisions of KGHM develop the CPB in Poland. They participate in the projects being advanced by their participation in carrying out services and delivering products. They are an integral part of the entire process, cooperating with CPB at each stage of the mining and processing of copper, while their overriding task is among others to ensure the safety and continuity of the CPB's operations, to build and maintain critical infrastructure and to supply materials critical for the CPB. The development of these companies is therefore inextricably linked and adapted to the development directions of KGHM Polska Miedź S.A. and the associated challenges, related among others with new mining directions and the increasingly demanding conditions in this process. The companies supporting the core production business, correspondingly to KGHM Polska Miedź S.A., are also continuing to develop as regards adapting to growing demands related with environmental protection.
Companies comprising the so-called Polish Spa Group	As regards the adopted directions of development of companies comprising the so-called Polish Spa Group, the target business model is based on four specialised pillars in the areas: rehabilitation and physiotherapy, biological restoration, improvement of the physical condition and of the mental condition. The goal is to ensure that the spas, as modern medical facilities (with a hotel standard and medical function), provide specialised services based on a developed curative base. The Wellness/SPA segment will be treated as one of the supplementary service segments, representing a natural expansion of the value chain for clients of such services.
Companies with a substantial role in advancing CSR policy	The companies with a substantial role in advancing CSR policy (MCZ S.A. and Zagłębie Lubin S.A.) carry out their public mission by supporting social interests and helping in the realisation of the concept of a sustainable world. MCZ S.A. ensures access to medical care, and under the adopted directions of development it will continue its basic activities of providing healthcare and advancing initiatives supporting the health of KGHM's employees and local communities, amongst others by prevention-related programs and health surveys. Zagłębie Lubin S.A., in its development plans, will concentrate on the active support of young athletes and of persons related with football, by developing the Football Academy (based on developing sport, education and teaching young people).
Other companies, including special purpose companies in the holding structure	The development directions of other companies in the Group are primarily the building of value on external markets and ensuring efficient management of investments and Group assets, thanks to the generation of stable financial returns.

²⁶ Finalised on 28 February 2025. An element of this transaction was the sale of the active McCreedy West mine, which until the date of closure of the transaction contributed to the segment's production results, such as copper, nickel, silver, gold, platinum and palladium.

1.4.4 Main assumptions of the Budget for 2026, realisation of the assumptions of the Budget for 2025

Table 11. Main assumptions of the Budget for 2026, realisation of the assumptions of the Budget for 2025

		2021	2022	2023	2024	2025	Budget 2025	Realisation (%)	Budget 2026	Change (%)
KGHM Polska Miedź S.A.										
Production of copper in concentrate	kt	391.3	392.5	395.4	400.1	401.1	392.3	102.2	395.9	(1.3)
Production of silver in concentrate	t	1 303	1 316	1 320	1 318	1 321	1 278	103.4	1 296	(1.9)
Electrolytic copper production, including:	kt	577.6	586.0	592.4	588.7	570.9	567.1	100.7	589.4	+3.2
- from own concentrate	kt	381.4	381.5	385.5	383.7	375.4	375.4	100.0	384.9	+2.5
Metallic silver production	t	1 332	1 298	1 403	1 316	1 323	1 260	105.0	1 270	(4.0)
Copper products sales volume	kt	561.5	565.0	584.7	589.6	572.5	572.9	99.9	594.7	+3.9
Silver products sales volume	t	1 249	1 338	1 352	1 347	1 335	1 261	105.9	1 293	(3.1)
Total unit cost of electrolytic copper production from own concentrate ²⁷	PLN/t	22 210	27 775	33 255	31 641	28 786	35 375	81.4	32 811	+14.0
Capital expenditures on property, plant and equipment ²⁸	PLN mn	2 404	2 604	3 199	3 573	3 565	3 800	93.8	4 100	+15.0
Other investments, including loans ²⁹	PLN mn	58	31	1 054	391	271	679	39.9	205	(24.4)
KGHM INTERNATIONAL LTD.										
Payable copper production	kt	71.7	56.2	39.9	60.5	52.2	52.1	100.2	51.0	(2.3)
TPM production	koz t	51.3	55.9	40.6	53.5	43.4	36.2	119.9	32.1	(26.0)
Sierra Gorda (55%)										
Payable copper production	kt	104.4	90.8	78.7	80.5	86.8	87.2	99.5	90.8	+4.6
Molybdenum production	mn lb	8.2	2.9	3.5	3.3	5.0	4.1	122.0	2.1	(58.0)

Achievement of Budget targets in 2025

In 2025, the Company recorded higher production of electrolytic copper by 3.8 thousand tonnes (+1%) than assumed in the Budget for 2025, all of which concerned the production from purchased metal-bearing materials. In the case of silver, production was higher by 63 tonnes (+5%). The increase in production contributed to silver sales exceeding the planned volume by 74 tonnes, while copper sales were realised at a level lower by 0.4 thousand tonnes, as a result of keeping some of the copper products in inventories.

The production of payable copper by KGHM INTERNATIONAL LTD. was at a level similar to that assumed in the Budget, while TPM production was higher by 20%, mainly due to higher recovery and higher gold content in feed, which offset lower processing.

In Sierra Gorda, copper production in 2025 was slightly lower than planned – higher recovery did not offset lower copper content in ore and lower processing.

Total unit cost of electrolytic copper production from own concentrate compared to the budget was lower by 19%. This level was affected both by lower costs as well as a substantially higher contribution from anode slimes (arising mainly from higher silver and gold prices).

Capital expenditures on property, plant and equipment were realised at the level of PLN 3 565 million, or 6% lower than assumed in the Budget. Other investments however, including increases in the share capital of subsidiaries and other equity investments, amounted to PLN 271 million versus the target of PLN 679 million. The failure to meet the budget targets was mainly with respect to investments in Renewable Energy Sources (RES).

²⁷ The sum of costs of mining, flotation, smelter processing per cathode and support functions, together with cathode selling costs, adjusted by the value of inventories of half-finished products and work in progress, less value of anode slimes and divided by the volume of electrolytic copper production from own concentrate.

²⁸ Excluding costs of borrowing, leases per IFRS 16 unrelated to an investment project, expenditures on the purchase of CO₂ emission allowances as well as expenditures on development work – uncompleted.

²⁹ Acquisition of shares and investment certificates together with loans.

Budget targets for 2026

Production – higher copper production by the Group in 2026 by 21.3 thousand tonnes (+3%) compared to the amount recorded in 2025:

- KGHM Polska Miedź S.A. +18.5 thousand tonnes (+3%) both from own concentrate +9.5 thousand tonnes (+3%), and from purchased metal-bearing materials +9.0 thousand tonnes (+5%),
- KGHM INTERNATIONAL LTD. -1.2 thousand tonnes (-2%) a decrease mainly due to the mineralogical composition of the ore planned for excavation by the Robinson mine (lower copper content),
- Sierra Gorda +4.0 thousand tonnes (+5%) – an increase mainly due to the higher copper content in processed ore.

As a result of higher production, the expected level of copper sales by KGHM Polska Miedź S.A. is higher by 22.2 thousand tonnes (+4%).

The total unit cost of electrolytic copper production from own concentrate (KGHM Polska Miedź S.A.) is higher by 14% mainly due to a rise in costs and a lower assumed contribution from the valuation of anode slimes.

Capital expenditures on property, plant and equipment (excluding costs of borrowing, leases per IFRS 16 unrelated to an investment project and expenditures on uncompleted development work) – an assumed increase by 15% as compared to the amount recorded in 2025 due to the greater scope of work and the expected price increases.

Equity expenditures planned in 2026 mainly comprise loans and increases in capital in the domestic subsidiaries of KGHM Polska Miedź S.A., to be used to advance investment projects. In the Budget for 2026, RES investments were included as part of planned expenditures on property, plant and equipment.

1.5 RISK MANAGEMENT

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

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

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

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

The Company has implemented a comprehensive business continuity management system, which also enables a detailed breakdown of the scope of actions undertaken as regards managing corporate risk in terms of the risk of a catastrophic impact and the limited probability of occurrence. In 2025, the first oversight audit of the ISO 22301-compliant Business Continuity Management System ("BCMS") was conducted in KGHM Polska Miedź S.A. The audit covered the Divisions of KGHM Polska Miedź S.A. where the production processes comprising the core business and the Head Office are carried out. The documentation in force as part of the BCMS sets forth the principles and requirements to build the resilience of KGHM Polska Miedź S.A. as regards catastrophic events by sorting out and unifying the current approach to management of the risk of loss of operational continuity of the core production business and preparing for unforeseen events.

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

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



STEP 1 Defining the Context	The first step in the process is comprised of three actions: defining the external context, the internal context and the risk management context. The external context is the environment in which the KGHM Polska Miedź S.A. Group advances its Strategy. Here the definition needs to update the understanding of the social, political, legal, regulatory, financial, economic and technological aspects of the environment which affect its activities. During this step also assessed, based on the results of scenario analysis, are the most important factors for transitioning to a low-emission economy and the paths of climate change and weather models, which are processed in subsequent steps of the process. During the process of defining the internal context, goals are analysed (strategic/business), changes in the organisational structure are planned and performed, new areas of activities, projects, etc. The last part of this step is to define the risk management context, which comprises the setting or updating of goals, the scope, responsibilities and procedures and methodologies applied in the risk management process.
STEP 2 Identification and Evaluation	In this step of the process risks which could impact the achievement of goals at the level of the KGHM Polska Miedź S.A. Group are identified and evaluated. The main task in this step is to prepare a complete list of threats which could facilitate, impede, accelerate or delay the achievement of goals. Each identified risk is assigned to a category and a sub-category in the form of a Risk Model, which provides the KGHM Polska Miedź S.A. Group with a consistent risk taxonomy. The following input parameters, data sources and assumptions are used as part of the identification and evaluation: – results of the context analysis; – risk model - a key tool in the context of ensuring that the list of risks is complete; – the results of audits and other control tasks identifying potential new risks in operational areas; – incidents that occurred in the past in connection with the identified risks, non-standard events that caused the risk to materialise and had an actual (loss or gain) or potentially positive or negative impact on the achievement of objectives; – events that may result from the materialisation of risks and their potential consequences; – ESG risk factors, – the approach of the most likely loss or gain rather than the greatest possible loss or gain when assessing risk. When identified, each corporate risk is subjected to assessment using the Risk Assessment Matrix, which provides scaled assessment ranges for the scale of impact, vulnerability and probability. A risk may have various effects, and therefore in order to ensure the broadest possible recognition of potential impact and the limitation of subjective evaluation, the following Impact evaluation measures have been defined: – finance – impact of the effects of a given risk in its financial aspect by applying value ranges, – strategy – evaluation of the risk's impact on the ability to achieve strategic goals, – reputation and stakeholders – impact of the risk on the Company's reputation, trust in the brand, investor relations, relations with stakeholders, also including the context of the effectiveness of actions related to building a responsible business and sustainable development, – health and safety – direct impact on health and safety and human life,

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

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

STEP 3

Analysis and Response

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

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

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

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

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

STEP 4

Monitoring and Communication

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

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

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

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

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

1.5.1 Corporate risk – key risks and risk factors and mitigation

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

The comprehensive approach in this area is also reflected in the actions taken by KGHM in the reporting period regarding **risks associated with the ESG area**, i.e. environmental, social and corporate governance issues. The approach to ESG risk management is further described in section [4.1.1 IRO-1 Description of the process to identify and assess significant impacts, risks and opportunities](#) and [SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model](#).

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

The **Risk Model** is a tool used to identify risk in the KGHM Polska Miedź S.A. Group. Its structure is based on the sources of risks and is divided into the following six categories: Technological, Value Chain, Market, External, Internal and Climate. Several dozen sub-categories have been identified and defined for each of these categories, covering particular areas of

the operations or management. The KGHM Polska Miedź S.A. Group applies due diligence when undertaking actions aimed at minimising exposure to risk by lowering vulnerability to individual risk factors and reducing the probability of the materialisation of events which such factors could induce.

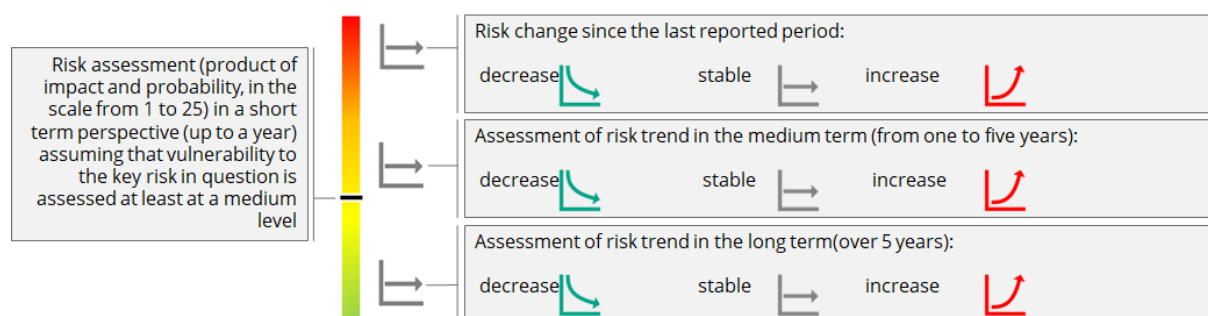
The KGHM Polska Miedź S.A. Group, as part of the improvement of the corporate risk management process, applies a **two-track approach** consisting not only of limitation of the risk and minimisation its negative effects, but also in optimisation of the ability to take risks and the effectiveness of the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

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

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

Following is the detailed description of **key risks** and their factors for the KGHM Polska Miedź S.A. Group in 2025, broken down into individual categories along with means for their mitigation, including identification of the specific risk for the Parent Entity and the KGHM INTERNATIONAL LTD. Group. A key risk is future uncertain events having the greatest impact on the achievement of the business goals of the KGHM Polska Miedź S.A. Group, reflecting an evaluation of vulnerabilities, i.e. the ability of the organisation to limit the possibility of the occurrence of risk and the impact of its materialisation.

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



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

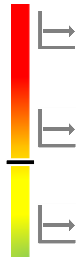
Risk	Score	Description	Mitigation
(Parent Entity) 1.1 Risk of failure to adapt the technology to the requirements of the production process in terms of capacity of metallurgical installations		Sources of risk include potential breakdowns of key elements of the core production line and failure to adapt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

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

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

(KGHM INTERNATIONAL Group) 2.2 Risk related to the exhaustion of deposits		Due to the high maturity of KGHM INTERNATIONAL LTD. assets and their relatively short Life of Mine, the risk also relates to the possibility of exhaustion of deposits before new production capacity is secured.	Expenditures incurred on exploration and evaluation enable the estimation of mineral resources and investigation of geological-mining conditions aimed at planning further mining activities and the potential reclassification of resources and their inclusion in production plans. Individual assets focus on investment in near-mine exploration opportunities, productivity gains, cost optimisations and efficiency gains to expand the reserve base and consequently expand the LOM Plan.
(KGHM INTERNATIONAL Group) 2.3. Risk related to insufficient exploration of parameters and characteristics of deposits		The risk of changes in the evaluation and management of ore deposits involves, among others, geological factors related to the reliable estimation of resources or mining conditions. Risk factors related to the limited reliability and completeness of data, based on which new resource projects are evaluated, may lead to the taking of less than optimal decisions on advancing or suspending projects.	Input data for models are collected in accordance with geological documentation possessed, which is prepared pursuant to laws in force as well as reviewed and consulted internally with experienced staff. Over the next 3 years there will be additional drilling at the Victoria Project, which will enable the potential reclassification of resources to a higher category. At the Robinson mine there will be additional supplementary drilling for the Ruth West pit, which will enable greater precision in the estimation of resources.
(KGHM INTERNATIONAL Group) 2.4. Risk of lower metal recovery and quantity and quality relative to budget targets		The risk is associated with factors relating to the parameters and characteristics of the deposit that affect the recovery, quantity and quality of the products. The risk may result in a decline in production due to lower extraction from metal-poor zones or due to the content of undesirable elements.	Ongoing analyses and forecasts of results are carried out in order to optimise the mixing strategy, optimise recovery or other processes that may affect the quantity and quality of the products obtained. The increase over 1 – 5 years is due to a limited amount of material for mixing located on heaps and the impact of geotechnical events at the rate of accessing the deposit. Over the course of >5 years the risk decreases, as targeted metallurgical testing of ore from the Victoria Project will be available, and the Veteran and Ruth West 6 deposits will be mined, which are characterised by better ore quality parameters and higher deposit predictability.
(Parent Entity) 2.5. Risk of limitation or inability to store and manage mine tailings		The Parent Entity is exposed to the risk of a lack of sufficient tailings storage capacity at the Żelazny Most Tailings Storage Facility. Risk factors involve the management and control of the facility, maintaining the technological regime and meeting environmental requirements. Another source of risk are external factors with respect to administrative bodies and the requirement to obtain the necessary administrative decisions for the functioning of the facility. Risk exposure is also linked to the possible unscheduled shutdowns resulting from infrastructure breakdowns, which may impact the continuity of operation of the Core Production Business. The risk is also related to the increase in tailings volume, including the increase in the mass of raw materials processed in the context of content of metals and substances processed to products. The limitation or inability to continue the storage/management of tailings may result in restrictions or suspension of operations of the entire facility (or a part thereof).	Advancement of the project of development of the Żelazny Most Tailings Storage Facility in accordance with obtained administrative decisions. Monitoring of the venture is performed, and realistic timetables have been developed for the realisation of activities with the involvement of specialised staff and management. At the same time, a number of activities are in progress related to the development of the most optimal and effective model of cooperation with the local community and other stakeholders in the project. As part of the Core Production Business' operations, work is carried out to modernise the tailings transport infrastructure and ensure that there is a sufficient reserve capacity in the facility, with the right technological regime during realisation. Advance preparation of landfills and storage sites that comply with legal requirements is carried out as well as the segregation of tailings. Research and development work is conducted on further ways of using and managing the tailings. Ongoing monitoring of waste stocks is carried out in order to comply with the regimes determined by the integrated permits, i.e. within certain limits and specific rules. Waste records, reports, external reporting and compliance assessments are carried out.

(KGHM Group) 2.6. Risk of exceeding the permissible emissions limits set forth in permits and leakage of substances hazardous to the environment 	The KGHM Group is exposed to the risk of impact on individual components of the natural environment resulting from the mining activity, followed by its processing at all stages of the production process, which could lead to exceeding of permissible emissions limits. The risk also relates to leakages which can extend beyond the company and result in negative environmental impacts, leading to penalties and compensation for potential environmental damage. The financial effects simultaneously represent the costs associated with investments enabling, among other things, the detection of environmental leakages in multiple locations or the costs associated with the need to stop a leakage, e.g. as a result of an accident and in the extreme case, the costs of shutting down the operation of an installation as a result of an administrative decision. Materialisation of the risk may also adversely affect KGHM's reputation.	KGHM's metallurgical divisions have been included in the Air Protection Programme since 2015. In view of the legal requirements in force, KGHM has developed a BATAs investment program adapting metallurgical installations to the requirements contained in the BAT conclusions, thereby reducing emissions of pollutants, in particular arsenic emissions. Installations belonging to KGHM are obliged to monitor emissions of pollutants to the extent established in the relevant permits, which now also include the requirements of the BAT Conclusions. Emission monitoring allows confirmation that installations are emitting pollutants in quantities allowed by the permits. Preventive measures include leakage detection kits available at each site, an environmental incident management system and a standard of operations, maintenance and surveillance for facilities management. Relevant equipment standards and leakage detection protocols also apply.
(KGHM Group) 2.7. Risk related to the lack of availability of necessary utilities 	The KGHM Group is exposed to the risk of lack of availability of utilities for its operations. Potential disruptions in the supply of key utilities (in particular electricity) is mainly related to risk factors on the part of external suppliers and breakdowns of their distribution infrastructure. Risk is also related to the suspension of delivery of utilities as a result of long-lasting droughts, leading to periodically lower water levels in rivers, which could cause restrictions in operations of KGHM's suppliers. Amongst internal factors, the most important involve questions of maintaining operations, mining, advanced investments and modernisation work. The potential impacts relate to losses associated with reduced/suspended production. As a result of risk materialisation, industrial water supply interruptions and the inability of water-using installations and units to operate (e.g. cooling of metallurgical units) may occur. The risk is associated with the physical climate risk, which includes risks resulting from the low level of the Odra River. Potential financial losses are related to reduced or suspended production if the risk materialises.	Ensuring back-up systems for the supply of critical utilities and on-going assessment of the security of the power network. Conducting investment projects aimed at strengthening energy security. Framework agreements with utility suppliers increasing the security of supplies. Systematic limitation of energy consumption under the implemented, ISO 50001:2018 compliant Energy Management System. Systematic increase in the efficiency and flexibility of the KGHM Group in terms of its Polish and international assets, among others by partially satisfying the demand for electricity from its own sources as well as from renewable energy sources („RES”). Activities in line with the water permit and taking care of the technical condition of the distribution infrastructure. Reliable design of water networks for new investments, renovations. Safeguarding the operation of water systems during freezing weather. Research and development activities aimed at reducing industrial water consumption. Securing the distribution infrastructure against accidental damage during construction, earthworks (work not directly related to infrastructure maintenance). Emergency procedures including the description of the procedure to be followed in the event of the low level of the Odra River.

(KGHM Group) 2.8. Risk related to infrastructure breakdowns which disrupt the core production operations, associated with natural hazards as well as internal factors related to the applied technology		The KGHM Group is exposed to risk related to the technological potential and efficiency of its infrastructure to meet the needs of the production process. By utilising infrastructure required to maintain its operations, KGHM is exposed to the risk of industrial breakdowns resulting in unplanned shutdowns. Such breakdowns could result both from natural hazards, i.e. catastrophic natural events and force majeure as well as internal factors dependent on the KGHM Group (day-to-day operations, maintaining production, key suppliers, servicing).	Preventive management of key infrastructure elements affecting production continuity. Appointment of task and expert teams in the area of counteracting infrastructure breakdowns. Current geotechnical risk analyses. Gradual replacement of older technology with newer solutions, reflecting the corporate architecture standard. Use of prism and radar monitoring systems with warning system in all open pit mines. Corporate standard for geotechnical risk management. Improved mine design parameters. Third party reviews and guidelines on design parameters. Since 2024 the Parent Entity has had a Business Continuity Management System (BCMS) compliant with ISO 22301 in KGHM Polska Miedź S.A. The Audit of the Business Continuity Management System covers the Divisions of KGHM Polska Miedź S.A. where the production processes comprising the core business and the Head Office are carried out. The result of the first oversight audit conducted in 2025 was a positive recommendation to maintain the certificate.
(KGHM Group) 2.9. Risk of disruption to the continuity of sales and service processes		Due to its extensive sales and service structure, the KGHM Group is at risk of disruptions of the continuity of these processes caused primarily by external factors. For the Parent Entity, the key risk is the limitation of the ability to sell sulphuric acid (due to loss of market/customers and/or a decline in demand). Risk related to macro- and microeconomic factors involving political actions which result in privileges for a specific group of producers or the introduction of additional fees/legal restrictions. Risk related to unfavourable prices (volatility to the disadvantage of KGHM), high requirements in terms of market parameters for sulphuric acid and lower demand for the product on international markets, including as a result of the deterioration of the financial condition of a key customer as well as disruptions in transport and logistics. In the case of the KGHM INTERNATIONAL Group, the risk is related to lower sales of ore and concentrates in a given year than expected. The main risk factors relate to sales and logistics processes, including, among others, the operational efficiency of the port used for transport or the availability of rail carriages.	Increasing the number of internal storage tanks at the metallurgical plants as well as of reservoirs in the port in Szczecin. Search for new markets. Long-term contracts. Search for alternative ways to manage the acid and utilise it in the Concentrators. Improving the efficiency of the way production is forecasted and planned in all areas. An increase in the rate of extraction and the quality of the material obtained. Regular discussions with potential and current customers. Ongoing monitoring of the customer situation, enabling a dynamic response to customer needs (among others cyclical teleconferences, availability and mobilisation of staff, use of various information exchange channels and response to emerging disruptions), analysis of the situation affecting customer operations and logistics in individual recipient countries and transit routes.

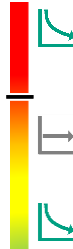
(KGHM Group) 2.10. Risks associated with disruptions in the supply of strategic materials and components affecting the continuity of the Core Production Business		The KGHM Group is exposed to the risk of disruptions in the management of the supply chain resulting mainly from external factors causing an increase in the sensitivity of the supply chain. These factors include unpredictable variations in supply and demand, changes in supplier bases, technological changes, changing inventory buffers and lead times, dependence on suppliers, as well as logistical disruptions, force majeure and fluctuations in currency exchange rates and metal prices. The efficiency of global supply chains can also be affected by the level of inflation. The risk is also associated with disruptions in the transport of concentrate to the smelters due to the lack of rail carriages, inability to load concentrate and/or forward it, railway breakdowns, etc.	Permanent contact with suppliers is maintained to enable a quick response to delays through the supplier and supply direction diversification strategy employed in the KGHM Group and application of alternative solutions, e.g. substitutes, changes in production/assembly schedules. Alternative supply channels, buffers in the form of inventories, advance planning in terms of materials and components while maintaining the compatibility of the solutions used in the infrastructure are also used. Moreover, business continuity and recovery plans have been developed as part of the implementation of an ISO 22301-compliant business continuity management system. Systematic measures are taken to eliminate single instances of delays on the side of suppliers due to unavailability of components, logistics limitations or delays on the side of the manufacturers of materials and machinery or their parts. In the context of the transport of concentrate to the smelters, agreements have been concluded to guarantee the security of supplies. Initiatives to improve the availability of rail carriages are underway, the Improved Concentrate and Ore Logistics program has continued and alternative means of transport have been developed for rail transport incidents.
(KGHM Group) 2.11. Risks related to the execution of production plans in relation to availability and efficiency of the use of resources		The KGHM Group is exposed to the risk of failing to meet production plans in relation with the availability of human resources. Key risk factors relate to, among others, the legal requirements regarding work in the KGHM Group plants, the status of employment and the applicable employment and remuneration rules. The risk is associated with the availability of suitably qualified workers on the labour market.	Ongoing identification of staffing needs in terms of necessary qualifications and their complementation while taking into account staff turnover. Ongoing recruitment to balance out natural employee departures, e.g. due to retirement. Intra-departmental transfers. Implementation of a range of HR initiatives to reduce negative and increase positive impacts on the workforce e.g. the implementation of health and prevention programmes to reduce sickness absence and improve the overall health of employees, provision of regular occupational health and safety training to minimise accidents at work, implementation of talent and career management programmes including succession plans to ensure continuity and development of the organisation, training.
		In the case of the KGHM INTERNATIONAL LTD. Group, the risk also relates to the other resources required to meet the production plans (logistics) and is related to the effectiveness of their use in conjunction with the efficiency and availability of these resources.	The solutions used for reporting and analysing critical indicators have been improved to enable more effective decision-making in this area. Controls and improvements in the renovation policy and emergency procedures have been implemented. Periodic inspections and maintenance as well as reliability maintenance are performed to minimise the likelihood of unscheduled repairs. Systematic service and supervision by qualified staff. Providing financial resources for maintenance, repair and investment management.

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

Risk	Score	Description	Mitigation
(KGHM Group) 3.1. Risk of reduced revenues as a result of adverse fluctuations in copper and silver prices, currencies and interest rates		Market risk is understood as the possibility of a negative impact on the results of the KGHM Group resulting from changes in the market prices of merchandise, exchange rates and interest rates, as well as changes in the value of debt securities and share prices of listed companies.	This risk is actively managed by the Parent Entity, in accordance with the Market Risk Management Policy currently in force. One of the methods used to manage market risk in the Company are the hedging strategies using derivatives. So-called natural hedging is also used, which involves borrowing in the currencies in which revenues are generated. <i>More information on market risk is included later in this subsection.</i>
(KGHM Group) 3.2. Credit risk related with trade receivables and loans granted		The KGHM Group sells some of its products with deferred payment dates, as a result of which there may arise the risk of late payments from customers for delivered products. The Parent Entity is exposed to credit risk related to the loans granted to the joint venture Sierra Gorda S.C.M., which depends on the risks associated with the realisation of the mining project.	This risk is actively managed by the Parent Entity, in accordance with the Credit Risk Management Policy currently in force. Limiting exposure to credit risk by assessing and monitoring the financial condition of customers, setting credit limits and using legal collateral for trade receivables. The companies of the KGHM Group have for many years cooperated with a large number of customers, leading to the geographic diversification of trade receivables. <i>More information on credit risk is included later in this subsection.</i>
(KGHM Group) 3.3. Liquidity risk		The risk of loss of liquidity is understood as the ability to pay current liabilities on time and carry out required purchases as well as to rapidly obtain financing for the operations.	This risk is actively managed in the Parent Entity, as well as in the short, medium and long term, in accordance with the Financial Liquidity Management Policy currently in force. <i>Further information on liquidity risk is presented later in this section.</i>
(KGHM Group) 3.4. Risk related to the cost efficiency of the production process, mining projects, processing of copper-bearing materials, reflecting the risk of a substantial rise in prices of materials, services and utilities		The KGHM Group is exposed to risks related to external and internal factors, including among others metals prices, foreign exchange rates, the cost of purchased metal-bearing materials and the amount of processing and refining premiums, as well as sales bonuses and the cost of services and utilities. The risk is significantly linked to the increase in operating costs as a result of the rise in the price of energy carriers.	Ongoing control of processing costs, monitoring the market situation, optimising costs, including supplies of purchased metal-bearing materials, hedging transactions and management of the net position. Creating multi-year plans and budgets enabling the achievement of profitability under the conditions prevailing on the market. Ongoing monitoring of selected financial information to support management processes under conditions of increased uncertainty. The purchase of electricity is carried out within bilateral contracts, framework agreements, the Polish Energy Exchange. On the other hand, the purchase of gaseous fuel is carried out through a long-term contract with the gas supplier. At the same time, the Company also implements its hedging policy, in which it may additionally make use of financial markets. Securing the supply of electricity in various periods and on many levels, using in-house generation, which significantly increases the energy security of the KGHM Group. The KGHM Group also carries out ongoing activities to optimise the level of cost of energy resources (electricity, gas fuel, CO₂ emission allowances). The purchasing policy of energy resources is implemented within the Energy Committee established by Order of the President of the Management Board.

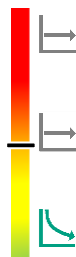
4. Risk category - External Risks in the risk model of KGHM Polska Miedź S.A.

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

(Parent Entity) 4.3. Risk of reduced production due to unfavourable climate conditions in mines 	KGHM is exposed to a specific risk related to the underground climate, limiting activities or increasing costs, involving geological conditions, the temperature of the air sent into the mines and underground mining conditions.	The use of solutions to counteract underground climate risk using neutral means (e.g. the use of short airways and directing air from the lowest temperature rock mass, high-speed air) and through the use of central, workplace and personal air conditioning. Ongoing monitoring of the microclimate parameters and introduction of remote control and visualisation and surveillance systems (CCTV cameras) in workplaces with particularly adverse climate parameters. Securing access to system functionality and against data loss as part of an IT/OT systems approach. Reduction of external and internal losses and relative humidity and increase in airing intensity. The use of shortened working time.
(Parent Entity) 4.4. Risk of loss of excavation functionality associated with underground water hazards 	The company KGHM is exposed to the risk of natural hazards and force majeure in the form of underground water hazards resulting from breakdowns of the main drainage equipment, human error (actions contrary to the project or technology) or errors in geological exploration. Unfavourable hydrogeological conditions may lead to a reduction in activity (e.g. a reduction in mining) or increased costs associated with, among others, the management of increased water inflows at the Żelazny Most tailings storage facility. Exposure to risk is increased by climate factors associated with periodic droughts and the low level of the Odra River.	The Company carries out extensive risk mitigation on many levels by, among other things, monitoring of hydrogeological conditions and water hazards, maintaining a water balance from inflow to mine workings, carrying out mining work in accordance with the technology for safe mining work in underground mines, systematic inspection of workings at risk of water intrusion, controlling the condition of water flow paths and dams according to a specific schedule. The activities of the water hazard team continue, among others, with regard to the ongoing assessment of the water hazard status for mining works and the adaptation of prevention. Rock mass injection is carried out to reduce inflow and stabilise the layers above the workings. Measures have been taken to adjust the drainage capacity to the expected projected (updated) inflows. A reserve of main drainage pumps is made to maintain operating continuity of the pumping station. Development of local pump stations and the piping system, construction of dams aimed at stopping water inflow, drilling exploratory holes to stabilise uncontrolled water inflow. Securing access to system functionality and preventing data loss as part of the approach used in the area of IT/OT systems. Conducting the monitoring of hydro-technical conditions and the technical performance of facilities and infrastructure. Ongoing modernisation, refurbishment, proceeding in accordance with the operating instructions. Exploring technological and organisational options for reducing the amount of water retained in the Żelazny Most tailings storage facility and for alternative management of this water. With the current level of underground water inflows, in order to maintain the safety of the Żelazny Most Tailings Storage Facility and consequently mitigate risks, water discharges are carried out in accordance with and within the limits of the water rights permits held.

(KGHM Group)

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



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

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

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

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

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

(KGHM Group)

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



The KGHM Group operates in variable regulatory environments in many jurisdictions. The consequence of the necessity to adapt technologically and organisationally to the changing regulatory environment (e.g. environmental requirements, tax requirements, permissible parameters of the working environment) may be an increase in the cost of operations or a reduction in operations. The risk of interruptions to operations or the need to reorganize work due to new legislation may have a substantial impact on the operations of the KGHM Group.

Active cooperation with the academic environment, which issues opinions on changes to legal acts, and the on-going providing of positions and opinions with respect to numerous areas subject to legislative change (including as part of membership in many national and EU organisations). In 2025, representatives of KGHM Polska Miedź S.A. participated in the work of approx. 40 national and international organisations.

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

More information on compliance is included later in this subsection.

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

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

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

		at the level of prevention. Compliance management as part of a comprehensive compliance management system. The KGHM Group implemented the Anti-Corruption Management System compliant with the ISO 37001 standard, resulting in the adoption of an Anti-Corruption Policy and a number of procedures regulating, among others, the principles of handling business gifts, situations bearing the features of corruption or conflicts of interest. Moreover, the KGHM Group has procedures in place with respect to violation of the law resulting from the Act of 14 June 2024 on the protection of whistleblowers in conjunction with the provisions of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law. A „Human Rights Policy at KGHM Polska Miedź S.A.” is also in place, which supports the regulations and procedures in force in the Company related to human rights aspects compliant with the sustainable development model, such as, for example, the Code of Ethics, the Code of Conduct, the OHS Policy, the Climate Policy, the Responsible Supply Chain Policy.
(KGHM Group) 5.5. The risk of exceeding project/programme budgets and schedules and deviations from the scope and assumed quality. Risk related to the operational management and development of strategic projects, taking into account the issues of incurred costs, permits and infrastructural requirements.	 The KGHM Group is exposed to risk related to the advancement of projects and programmes. The risk of changes in budgets, schedule, scope and deviations from the expected quality of outputs of projects and/or programmes is related to a variety of factors of an internal nature involving both the methodical approach and the projected structure of management and supervision. Improperly selected tools and techniques, lack of established criteria and principles for evaluating projects, or inconsistency in their application or adherence to them may restrict or prevent the achievement of the KGHM Group's strategic goals. In terms of external factors, there remains the question of meeting legal and formal requirements which could generate deviations from the assumed schedule, and in extreme instances may halt the advancement of a project/programme.	Improve standards in the management of portfolios and projects and implement a projects management system aimed at supporting the organisation in the planning and management of portfolios and projects. Standardisation in the scope of planning and preparation processes and in the advancement of investment projects, comprising such aspects as scheduling, preparing costs projections, technical designing, project review, investment handover documentation, risk analysis of projects/programs. Management of projects in accordance with international standards and conducting on-going monitoring of progress. On-going evaluation of the economic feasibility of current and future development projects.

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

Risk	Score	Description	Mitigation
(KGHM Group) 6.1. Physical climate risk related to negative climate changes		The KGHM Group is exposed to climate risk related to the adverse impact of factors resulting from specific events, in particular ones related to rapid (acute) and chronic weather events resulting from climate change, such as storms, floods, fires or heat waves as well as permanent changes in weather patterns, which may disrupt the value chain and the business continuity of the KGHM Group. The risk is associated with the changes in the conditions of running business activity or disturbances in the operation of the Core Production Business, resulting from climate changes and adaptation to such changes. Permanent changes in weather patterns as a consequence of climate change may also have the effect of making work more onerous and increasing operational costs directly related to business activities.	Adoption of the Climate Policy of KGHM Polska Miedź S.A. as a guidance document, which presents the Company's climate ambitions and determining the scope of process and organisational changes needed to achieve them. The main goals and assumptions of the Climate Policy of KGHM Polska Miedź S.A. are described in section 4.2.2 [E1] Climate change. The implemented and continuously improved risk management system encompassing also climate risk management allowing for risk categorisation, identification, assessment and management as well as plans for its mitigation. The implemented and improved compliance management system encompassing managing the risk of loss of compliance with climate-related requirements. Adaptation to regulations, best recognised practice and ESG standards (including climate-related) as regards preparing and publishing financial statements, disclosing emissions and certification as regards ESG, both at the organisational level as well as in terms of individual products.
(KGHM Group) 6.2. Climate risk arising from transitioning to a low-carbon economy that is resilient to climate change		The KGHM Group is exposed to risks arising from the necessity for the economy to adapt to gradual climate changes, in particular by using low-emission solutions. The transition risk category includes issues related to legal Requirements, how clients and other stakeholders perceive climate issues, technological progress towards a zero-emission economy, as well as changes in demand for and supply of certain products and services whose production has an adverse impact on climate. Risks relate to changes in business conditions due to climate change and adaptation to these changes in the context of the observed challenges faced by the mining and metallurgical sector.	Advancement of projects consistent with the Group's Strategy, the Decarbonisation Program or the tenets of the Energy Transformation in cooperation with commercial partners as well as with academic-research institutions (domestic and foreign). Detailed information on climate risk is provided in section 4.1.1 [ESRS 2] General disclosure of information.

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

The situation regarding the war in Ukraine did not have a material, direct impact on the operations of the Company and the Group in 2025. Detailed information concerning this impact and the related risks is presented in notes 1.2.2 of the financial statements and 1.3.2. of the consolidated financial statements.

1.5.3 Impact of risks associated with operations in other countries

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

1.5.4 Compliance

The KGHM Polska Miedź S.A. Group has a compliance system which is an important element of management under the area of corporate governance, among others by more efficient reaction to and preparedness for regulatory changes, caring about the Company's reputation and building an ethical culture in the organisation and increasing awareness and a feeling of responsibility for compliance amongst employees.

To unify the approach to the systematic identification, evaluation and analysis of the risk of loss of compliance, since 2020 a **Compliance Management Policy in the KGHM Polska Miedź S.A. Group together with a Compliance Management Procedure and Methodology in KGHM Polska Miedź S.A.**, adopted by the Management Board of KGHM Polska Miedź S.A., have been in force. The compliance management process, which is related to the corporate risk management process in the KGHM Group, is an important business tool used to counter the occurrence of events which could lead to sanctions.

The KGHM Polska Miedź S.A. Group defines compliance as meeting:

- **Requirements**, i.e. obligations arising from External Regulations in force and permits, licences and other forms of rights issued on their basis, as well as voluntarily-adopted legal obligations and standards, the failure to comply with which could lead to sanctions.
- **Other requirements**, i.e. obligations arising from internal rules adopted at the corporate level which create specified duties for individual organisational units.

Registries are also maintained which contain Requirements in force arising from identified external regulations determining the regulatory situation of the KGHM Polska Miedź S.A. Group in terms of its various operational aspects, as well as permanent monitoring of Requirements projects at various stages of the legislative process in key areas. The identified external regulations are accompanied by a registry of related regulations regarding the internal legal state of entities of the KGHM Polska Miedź S.A. Group. This approach enables the systematic identification, evaluation and analysis of the risk of loss of compliance or potential non-compliance with generally-prevailing law, internal-corporate regulations and voluntarily-adopted legal obligations and standards in force, including ethical norms, in order to design and implement actions ensuring compliance as a result of this process.

The above is aimed at ensuring that the KGHM Polska Miedź S.A. Group has up-to-date information regarding non-compliance, the risk of loss of compliance and its impact on the organisation, which ensures the creation and protection of shareholder value by establishing a consistent approach to ensuring compliance and avoiding non-compliance or the risk of loss of compliance, as well as supporting the achievement of business goals by implementing tools to minimise the risk of sanctions.

The process of managing compliance is also a valuable tool under the broadly-defined actions carried out in the **area of sustainable development**. The identification of external Requirements, which creates an obligation as regards maintaining a proper approach to questions related with sustainable development, including also Requirements with reference to reporting standards as regards sustainable development, enables the comprehension and adaptation of the Company's actions to a dynamic regulatory environment in this regard.

The identification of Requirements related with individual areas which comprise ESG, i.e. environment, social and corporate governance, as well as the appropriate management of data acquired at various stages of the compliance management process, such as information about incidents, the risk of loss of compliance or non-compliance, are an element in the approach based on due diligence in conducting activities in accordance with sustainable development principles.

The compliance management process adopted in the KGHM Group, presented in the Policy and Procedure, is also inspired by solutions adopted in the ISO 37301 standard, best practice in management compliance and the nature of the KGHM Group, and comprises the following steps:

STEP 1 Defining the Context	The goal of this step is to collect required information to conduct a cyclical process of compliance management and its constant improvement by among others: updating the adopted approach and the method of acting based on the knowledge and experience of the participants of this process, the results of monitoring, including internal and external audits, internal and external controls, reviews and verifications conducted by external entities. Defining the Context is comprised of three actions: – defining the external context, – internal context, and – the compliance management context.
STEP 2 Identification and Evaluation	The goal of this step is to evaluate the degree of fulfilment of the Requirement, to evaluate the impact of the Requirements and to prepare, based on the collected information, a Radar of Compliance of the KGHM Group Polska Miedź S.A. The evaluation is made by applying an Impact Evaluation Matrix, which contains a scaled breakdown of evaluations, according to which an evaluation of the impact of the Requirements is carried out, with degrees of fulfilment defined as „unfulfilled”, „partially fulfilled” and „potentially unfulfilled”. The Impact Evaluation Matrix identifies 5 levels of materiality (5-point evaluation scale), where 1 is the lowest and 5 is the highest level of impact. The classification diagram of the identified Requirements is based on a Requirements Model, which recognizes four main categories of Requirements: – Sector,

	– Integrated Management System (IMS), – Finances and Markets, – Corporate governance.
STEP 3 Analysis and Response	The goal of this step is to deepen knowledge and understand the specifics of individual Requirements, in order to ensure Compliance with the Requirements by designing and implementing Actions as regards ensuring Compliance .
STEP 4 Monitoring and Communication	The purpose of the monitoring process is to ensure that the KGHM Polska Miedź S.A. Group has up-to-date information regarding external and internal regulations and Requirements and their impact on the entities of the KGHM Group Polska Miedź S.A., as well as to ensure that the compliance management process, including actions geared to ensuring compliance, is efficient, effective and transparent.

A leading role in **supervising the compliance management process** at the KGHM Group level is performed by the Corporate Risk and Compliance Committee, which is responsible for analysing the ad-hoc compliance reports provided and the Consolidated Quarterly Reports of the KGHM Group and other information. Based on this the Committee among others:

- monitors realisation of the Action plans as regards ensuring Compliance,
- issues recommendations as regards adoption by the Management Board of the Consolidated Quarterly Compliance Report of the KGHM Group and ad-hoc compliance reports.

A leading role in **monitoring the compliance management process** at the KGHM Group level is performed by the Audit Committee of the Supervisory Board, which also carries out an annual evaluation of the effectiveness of this system. The effectiveness of the Compliance function is determined by the degree to which KGHM avoids incidences of breaches of the Requirements and protecting the Company's reputation and the trust placed in it by its employees, its business and social environment, including clients, partners and other stakeholders.

In 2025, the KGHM Polska Miedź S.A. Group continued to implement the complex tool eGRC to serve the compliance management system.

In 2025, the **most important legislative subjects** in which the KGHM Polska Miedź S.A. Group was involved were with respect to:

Requirement Category	Description
Sector	– water-effluents management (including review of the Framework Water Directive), – mine rescue.
Integrated Management System	– industrial emission norms, – cybersecurity (including the act on the national cybersecurity system), – energy law and energy efficiency, – integrated mining permits.
Finance and Markets	– minerals extraction tax, – Clean Industrial Deal State Aid Framework (CISAF) and technical criteria regarding copper extraction and production, – customs duties.
Corporate Governance	– labour law, – balanced representation of women and men in management and supervisory bodies.

1.5.5 Market, credit and liquidity risks

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

- Market Risk Management Policy, Market Risk Management Principles in the KGHM Polska Miedź S.A. Group and the Rules of the Market Risk Committee,
- Credit Risk Management Policy and the Rules of the Credit Risk Committee,
- Financial Liquidity Management Policy and the Rules of the Financial Liquidity Committee,
- Rules of purchase and price hedging of electricity, gaseous fuel, CO₂ emission allowances, property rights, guarantees of origin and the Rules of the Energy Committee.

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

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

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

Market Risk Management

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

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

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

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

Table 12. Risk category – Market, in the Risk Model of the KGHM Polska Miedź S.A. Group

Commodity risk, currency risk	In 2025, the Group was mainly exposed to the risk of the changes in the prices of metals it sells: copper and silver. Of major significance for the Parent Entity was the risk of changes in exchange rates, in particular the USD/PLN exchange rate. The Group’s companies are additionally exposed to the risk of volatility in the prices of other metals. Market risk related to changes in metals prices arises from the formula for setting prices in physical metals sales contracts, which are usually based on the average monthly market prices for the relevant future month. In accordance with the Market Risk Management Policy, in 2025 the Parent Entity continuously identified and measured market risk related to changes in metals prices, exchange rates and interest rates (analysis of the impact of market risk factors on the Parent Entity’s activities – profit or loss, balance sheet, statement of cash flows), and also analysed the metals, currencies and interest rates markets. These analyses, along with assessment of the internal situation of the Parent Entity and the Group, represented the basis for taking decisions on the application of hedging strategies on the metals, currency and interest rates markets. Detailed disclosures regarding the management of the risk of changes in metal prices and exchange rates in 2025 in the Parent Entity and in the Group are presented in Notes 7.5.1.2 and 7.5.1.3 of the financial statements and the consolidated financial statements.
Interest rate risk	Interest rate risk is the possibility of the negative impact of changes in interest rates on the Group’s position and results. In 2025, the Group was exposed to such risk due to loans granted, cash depositing, the reverse factoring program and borrowings. Detailed disclosure on the balances of the Parent Entity and Group exposed to interest rate risk as at 31 December 2025 is presented in notes 7.5.1.4 of the financial statements and the consolidated financial statements. In 2025, the Group used financial instruments based on SOFR, CME TERM SOFR and EURIBOR (foreign currency instruments) and WIBOR (PLN instruments). The Steering Committee of the National Working Group on benchmark reform, which was established in connection with the reform of benchmarks in Poland, selected a benchmark to replace WIBOR in December 2024. The decision was taken to select an index proposal from the WIRF family, based on the deposits of unsecured credit institutions and financial institutions, and on 24 January 2025 it was announced that the target name POLSTR (Polish Short Term Rate) for the index proposal had been selected. The planned changes are due to come into force in 2027. One of the key events in 2025 was the formal adoption of documentation required by the Benchmark Regulation as regards the proposed POLSTR index and the start of its publication. The Steering Committee of the National Working Group announced that on 2 June 2025 the official designation of the POLSTR index commenced, and on 1 September 2025 the POLSTR index was applied for the first time. Consequently the POLSTR index gained the status of reference indicator pursuant to the requirements of the Benchmark Regulation. In 2026, indications of the occurrence of the regulatory event defined by article 23c sec. 1 of the Benchmark Regulation are to be verified. The occurrence of the regulatory event may be the cause to initiate a regulatory procedure resulting in the issuance of a decree by the Minister of Finance, in which a

	substitute for the key reference indicator WIBOR will be indicated. The rules of this decree will also define the adjusting spread and the date from which the substitute will be applied. Detailed disclosure on the impact of the IBOR reform on the Group's financial instruments may be found in Note 7.5.1.4 of the consolidated financial statements.
Result on derivatives and hedging transactions	The total impact of derivatives and hedging instruments (transactions on the copper, silver, currency and interest rate markets as well as embedded derivatives and USD-denominated loans designated as a hedge against a change in the exchange rate) on the Group's profit or loss for 2025 amounted to -PLN 73 million, of which: – PLN 107 million increased revenues from contracts with customers, – PLN 260 million decreased the result on other operating activities, – PLN 80 million increased the result on financing activities. Moreover, in 2025 a gain on the settlement of an instrument hedging the interest rate of bonds (CIRS) in the amount of PLN 47 million was reclassified to non-current assets. Meanwhile, other comprehensive income was decreased by PLN 2 841 million (impact of hedging instruments, a decrease from PLN 78 million to -PLN 2 763 million). As at 31 December 2025, the fair value of open transactions in derivatives of the Group (on the metals, currency and interest rate markets and in embedded derivatives) amounted to -PLN 2 770 million.
Risk of volatility in prices of energy and energy carriers	In terms of the management of market risk arising from changes in energy and energy carriers prices, the scale and profile of operations of the Parent Entity have the greatest significance and impact on the results of the KGHM Polska Miedź S.A. Group. This represents a commodity risk for the Parent Entity, which is measured based on its impact on cash flows. Commodity price risk management for planned purchases of electricity and natural gas involves managing the exposure to the risk of changes in the price of electricity and natural gas over a time horizon of up to 36 consecutive months resulting from energy and natural gas purchase plans, less previously-concluded purchase contracts with delivery in future periods. Detailed disclosure regarding the risk of changes in energy and energy carrier prices in 2025 in the Parent Entity is presented in notes 7.5.1.5 of the financial statements and the consolidated financial statements.
Price risk related to the change in share prices of listed companies	Price risk related to the shares of listed companies held by the Group is understood as the change in their fair value due to changes in their quoted share prices. As at 31 December 2025, the carrying amount of shares of companies listed on the Warsaw Stock Exchange and on the TSX Venture Exchange amounted to PLN 1 612 million.

Credit risk management

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

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

In 2025, the KGHM Polska Miedź S.A. Group was exposed to this risk, mainly in four areas:

Table 13. Areas of credit risk in the Risk Model of the KGHM Polska Miedź S.A. Group

Credit risk related to trade receivables	To reduce the risk of insolvency by its customers, the Parent Entity has a receivables insurance contract, which covers receivables from entities with buyer's credit which have not provided strong collateral or have provided collateral which does not cover the total amount of the receivables. Taking into account the collateral held and the credit limits granted by the insurance company, as at 31 December 2025 the Parent Entity had secured 87% of its trade receivables (as at 31 December 2024: 80%). Detailed information regarding credit risk management related to trade receivables in 2025 are presented in notes 7.5.2.3 of the financial statements and the consolidated financial statements.
Credit risk related to cash and cash equivalents and bank deposits	The Group periodically allocates free cash in accordance with the requirements to maintain financial liquidity and limit risk and in order to protect capital and maximise interest income. Credit risk related to deposit transactions is continuously monitored by the on-going review of the credit ratings of those credit financial institutions with which the Group cooperates, and by limitation of the level of concentration in individual institutions. As at 31 December 2025, the maximum share of a single entity in terms of credit risk arising from funds of the Group deposited in financial institutions amounted to 27% (as at 31 December 2024: 29%).

Credit risk related to derivatives transactions	All of the entities with which the Group enters into derivative transactions (with the exception of embedded derivatives) operate in the financial sector. These are mainly financial institutions, with a medium-high rating. According to the fair value as at 31 December 2025, the maximum share of a single entity with respect to credit risk arising from open derivative transactions entered into by the Group and from net receivables due to settled derivatives amounted to 15% (as at 31 December 2024: 29%). Due to diversification of risk in terms both of the nature of individual entities and of their geographical location, as well as taking into consideration the ongoing monitoring of the rating of financial institutions with which it cooperates, the Group is not materially exposed to credit risk as a result of derivative transactions entered into.
Credit risk related to loans granted	As at 31 December 2025, the balance of loans granted by the Parent Entity amounted to PLN 8 375 million. The most important of these are long-term loans in the total amount of PLN 8 236 million granted to the company Future 1 sp. z o.o. and the KGHM INTERNATIONAL LTD. Group. Detailed information regarding the loans granted by KGHM Polska Miedź S.A. is presented in note 6.2 of the financial statements. As at 31 December 2025, the balance of loans granted by the Group amounted to PLN 8 458 million. The most important of these are long-term loans in the total amount of PLN 8 436 million, or USD 2 390 million, granted by the KGHM INTERNATIONAL LTD. Group for the financing of a mining joint venture in Chile. The loans granted in connection with the financing of a mining joint venture in Chile are subordinated to liabilities due to a credit facility of up to the amount of USD 500 million received by Sierra Gorda S.C.M. from the syndicate of banks. In order to guarantee the subordinating of owner loans to the borrowings granted by the syndicate of banks, a Subordination Agreement was concluded. Under this Agreement, a possibility exists to repay the owner loans by the joint venture Sierra Gorda S.C.M., which is contingent on the acceptance of the syndicate of banks following the fulfilment of parameters strictly-defined in the Subordination Agreement. Credit risk related to the loans granted to the joint venture Sierra Gorda S.C.M. is dependent on the risk related to mine project advancement and is assessed by the Management Board of the Parent Entity as moderate.

Management of financial liquidity risk

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

Table 14. Risk category – Liquidity risk, in the Risk Model of the KGHM Polska Miedź S.A. Group

Financial liquidity management	Management of the Group's liquidity is conducted in accordance with the "Financial Liquidity Management Policy in the KGHM Group". This document describes the process of financial liquidity management in the Group, which is realised by the Group's companies, while the organisation and coordination as well as the supervision thereof is performed in the Parent Entity. The basic principles resulting from this document are: – the need to ensure stable and effective financing for the Group's operations, – constant monitoring of the Group's level of debt, and – effective management of working capital. Detailed information regarding available sources of financing and their utilisation in 2025 is included in section 2.4.2 Sources of financing in the Group. The available sources of financing fully cover the liquidity needs of the Group. The status of the Group's liabilities due to borrowings and bonds issued as at 31 December 2025 amounted to PLN 5 120 million.

1.6 OTHER INFORMATION

1.6.1 Shareholders and the Capital Market

Shareholding structure of KGHM Polska Miedź S.A.

As at 31 December 2025 and as at the date of signing of this report, the share capital of the Company, in accordance with the entry in the National Court Register, amounted to PLN 2 000 million and was divided into 200 000 000 shares, series A, fully paid, with a face value of PLN 10 per share. All shares are bearer shares. The Company has not issued any preference shares. Each share grants the right to one vote at the general meeting. The Company does not hold any treasury shares.

In the financial years 2024 and 2025 there was no change in either registered share capital or in the number of shares issued.

Both in 2025 and 2024 there were no changes in the ownership of significant blocks of shares in KGHM Polska Miedź S.A.

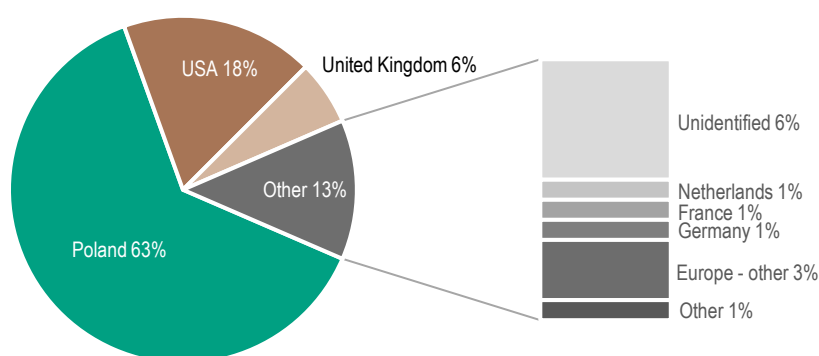
The shareholder structure of the Company as at 31 December 2025 and as at the date of signing this report, established on the basis of notifications received by the Company pursuant to article 69 of the Act on public offerings and conditions governing the introduction of financial instruments to organised trading, and on public companies, was as follows:

Table 15. Shareholder structure of the Company as at 31 December 2025 and as at the date of preparation of this report

shareholder	number of shares/ number of votes	total nominal value of shares (PLN)	interest in the share capital/total number of votes
State Treasury ³⁰	63 589 900	635 899 000	31.79%
Allianz Polska Otwarty Fundusz Emerytalny ³¹	11 961 453	119 614 530	5.98%
Nationale-Nederlanden Otwarty Fundusz Emerytalny ³²	10 104 354	101 043 540	5.05%
Other shareholders	114 344 293	1 143 442 930	57.18%
Total	200 000 000	2 000 000 000	100.00%

Other shareholders, whose combined interest in the share capital and in the total number of votes amounts to 57.18%, are mainly institutional investors, both international and domestic. The data is based on research into the Company's shareholder structure performed in January-February 2026.

Chart 9. Geographic shareholder structure



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

Based on the information held by KGHM Polska Miedź S.A., as at 31 December 2025 and as at the date this report was signed, none of the Members of the Management Board or the Supervisory Board of the Company held shares of KGHM Polska Miedź S.A. or rights to them.

Based on information held by the Company, as at 31 December 2025 and as at the date this report was signed, neither the Members of the Management Board nor of the Supervisory Board held shares of related entities of KGHM Polska Miedź S.A.

In 2025, the Company did not have an employee share incentive program. All Company shares are ordinary shares.

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

On 29 May 2024, an issuance agreement was signed under which the Management Board of KGHM Polska Miedź S.A. established a bond issuance program of up to PLN 4 billion. The parties to the issuance agreement included KGHM Polska Miedź S.A. as the Issuer, and Powszechna Kasa Oszczędności Bank Polski S.A., Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A. as the Organisers and Dealers. The signing of the issuance agreement was due to the necessity to re-finance 5-year series A bonds with a redemption date falling on 27 June 2024.

The first issuance under the aforementioned agreement was made in June 2024, the maximum total nominal value of the bonds amounted to PLN 1 billion. 7-year Series C Bonds were issued under the Bond Issuance Program. The issuance of the bonds took place pursuant to article 33 point 1) in conjunction with article 34 section 2 of the Bond Act of 15 January 2015, i.e. through a public offering of securities which, in accordance with the law, does not require the release of a prospectus or information memorandum, while the offers to purchase the bonds were addressed to qualified investors.

³⁰ based on a notification received by the Company dated 12 January 2010

³¹ based on a notification received by the Company dated 15 May 2023

³² based on a notification received by the Company dated 18 August 2016

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

A subsequent issuance under the Bond Issuance Program was conducted in December 2025. The Company issued 7-year series D bonds in the amount of PLN 1.6 billion. The issuance took place pursuant to article 33 point 1) in conjunction with article 34 section 2 of the Bond Act, i.e. through a public offering of securities, without the need to release a prospectus or information memorandum.

The nominal value of one series D bond amounts to PLN 1 000.00 and, in the amount of 1.6 million bearer bonds based on a resolution of the Management Board of the Warsaw Stock Exchange, series D has been traded on the Catalyst alternative trading system from 23 February 2026.

The funds obtained from the issuance were used to make an early redemption, on 27 December 2025, of the 10-year series B bonds issued in June 2019. As a result of the early redemption of the series B bonds, trading of these bonds on the Catalyst alternative trading system ceased.

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

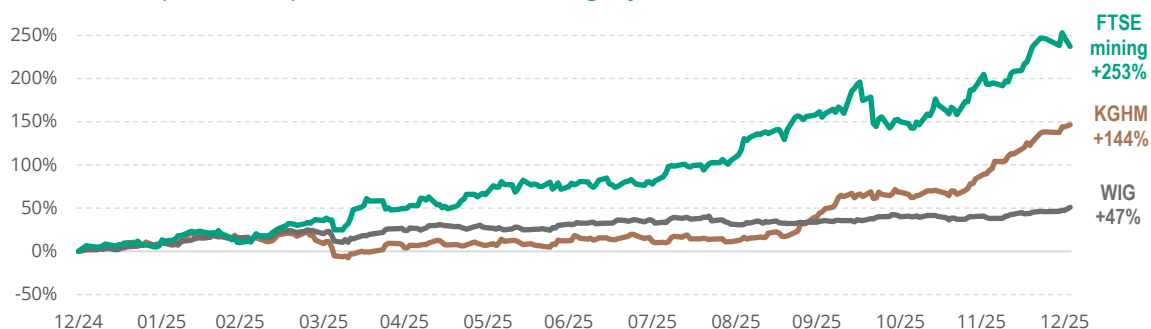
KGHM Polska Miedź S.A. on the Warsaw Stock Exchange

KGHM Polska Miedź S.A. debuted on the Warsaw Stock Exchange (WSE) in July 1997. The Company's shares are traded on the primary market of the WSE in the continuous trading system and are a component of the WIG, WIG20 and WIG30 main indices. KGHM Polska Miedź S.A. is also a component of the sector index WIG-Mining and is a component company of the prestigious FTSE4Good Index Series. The FTSE4Good Index Series is part of the group of ethical investment indicators, reflecting criteria of corporate social responsibility and ESG risk management.

In 2025, the share price of KGHM Polska Miedź S.A. reached its historic highs several times. In the end the share price rose by 144% and at the close of trading on 30 December 2025 amounted to PLN 280.80. In the same period, the price of copper - the Company's main product - increased by 42%, with a decrease in the average USD/PLN exchange rate by 12%. At the same time, some of the WSE's main indices recorded growth: WIG by 47%, WIG20 by 45% and WIG30 by 46%. Meanwhile, the FTSE 350 mining index, which includes companies in the mining sector listed on the London Stock Exchange, more than doubled (+253%).

The Company's shares reached an annual maximum closing price of PLN 280.80 on 30 December 2025. The minimum closing price was recorded on 9 April 2025 - the closing price then stood at PLN 106.50.

Chart 10. Percentage change in the share price of KGHM Polska Miedź S.A. versus the WIG index and FTSE 350 mining indices (compared to the price from the last WSE trading day in 2024)



The table below presents key share price data of KGHM Polska Miedź S.A. on the WSE in the years 2024-2025:

Table 16. Key share price data of the Company on the WSE

Source: KGHM, WSE Statistic Bulletin for 2024 and 2025, Bloomberg

Symbol: KGH ISIN: PLKGHM000017	Unit	2025	2024
Number of shares	million	200	200
Market capitalisation of the Company at year's end	PLN billion	56.2	23.0
Average trading volume per session	shares	853 527	696 305
Turnover	PLN billion	32.1	23.2
Change in share price from the end of the prior year	%	+144.2	-6.3
Highest closing price during the year	PLN	280.80	170.00
Lowest closing price during the year	PLN	106.50	105.75
Closing price from the last day of trading in the year	PLN	280.80	115.00

Dividend policy and payout of dividend

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

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

In accordance with Resolution No. 6/2025 of the Ordinary General Meeting of KGHM Polska Miedź S.A. dated 18 June 2025 regarding allocation of the profit of KGHM Polska Miedź S.A. for 2024, it was resolved to transfer all of the Company's profit for 2024 in the amount of PLN 2 787 596 997.52 to the Company's reserve capital.

Investor relations

The investor relations actions taken by KGHM Polska Miedź S.A. are aimed at maintaining the positive image of the Company and the KGHM Group by providing consistent, comprehensible and transparent information about their activities.

The Investor Relations team, on behalf of the Management Board of KGHM Polska Miedź S.A., maintains an open dialogue with capital market participants. The goal of these activities is to ensure equal, rapid and comprehensive access to information to all market participants: shareholders (individual and institutional), bondholders, financial analysts and other capital market institutions as well as to the media.

The communications actions engaged in are aimed at strengthening efforts towards these participants, ensuring continuous communication and transparent dialogue. This dialogue with market investors is carried out in accordance with prevailing laws (including the Market Abuse Regulation), informational requirements and the principles of the Best Practice for GPW Listed Companies 2021.

2025 was another year of intensive efforts undertaken by the Company as regards communication with the capital market. The Company continued its active informational policy, utilising various channels of communication:

Periodic reports	We promptly published quarterly, half-year and annual reports, containing detailed financial statements and descriptions of our activities. The publication calendar was planned in such a way as to enable investors to review the Company's financial results in the shortest possible time after the conclusion of the reporting period (via the ESPI system).
Investor conferences in Poland and abroad	Representatives of the Company actively met with investors and analysts in Poland and abroad during conferences organised by brokers. In 2025, the Company took part in investor conferences and in more than 100 meetings with portfolio managers and analysts representing investment and pension funds as well as other asset management firms. Participation in investor conferences took place both on-site and via electronic means of communication.
Result conferences	The Investor Relations Department organised meetings for the capital market with the participation of the Management Board to discuss the financial results of the Company and the KGHM Group. In 2025, the publications of financial results were accompanied by results conferences open to all stakeholders via live webcasts in Polish and English, with the possibility of submitting questions by e-mail. Members of the Management Board discussed the financial results achieved and responded to questions raised prior to and during the conference. Video recordings of these conferences are available on the Company's corporate website, amongst others under the tab Investors and the tab Media.
Fireside chat	The Company communicated with institutional investors and sell-side analysts via a fireside chat. Under this initiative, with the assistance of a presenter (a representative of the Brokerage House), Experts from the Issuer held a question and answer session with approx. 16 institutional representatives.
Roundtable with CFO	In December, the Investor Relations Department organised a meeting between the Vice President of KGHM (Finance) and Polish and international analysts preparing analytical reports about the Company - roundtable with CFO. This event took place under a hybrid formula and was an opportunity to summarise the past year and to discuss the current operations and future plans of the Group.
WallStreet conference, Forum of Finance and Investment	KGHM Polska Miedź S.A. once again marked its presence at the annual WallStreet conference – the largest meeting of investors and entrepreneurs in Poland. KGHM's activity involved participation in a panel, participation of management staff during lectures and a presentation, and an opportunity for individual investors to meet and have direct talks with the Investor Relations team of KGHM. Participation in the Forum of Finance and Investment, organised under the trade fair and conference formula, was an excellent platform for individual meetings and talks with participants at KGHM's stand. The event was aimed at everyone interested in personal finances, investing and saving.

Effective Fundamental Investor conference	Representatives of KGHM took part in another edition of the Effective Fundamental Investor conference organised by Strefa Inwestorów. The event was dedicated to market investors, who invest primarily on the basis of fundamental analysis. The activity includes conducting a substantive workshop and participating in educational lectures, meetings with company representatives and networking sessions.
Capital market events	The Company actively participated in sector events organised by major capital market institutions, whose main goal was to deepen investors' knowledge. Representatives of the Company attended the IDM Conference of the Chamber of Brokerage Houses and the Investor Relations Congress of the Association of Stock Exchange Issuers.
Investor chats	Representatives of the Company participated in four online investor chats organised for individual investors periodically after the publication of financial results.
ESG	KGHM Polska Miedź S.A. implements ESG communication activities targeted at all identified stakeholder groups. The Company actively participates in improving its practices, drawing on the best standards used by listed companies, and systematically adapts its communication regarding sustainable development to meet stakeholder expectations. Detailed information on communications with individual stakeholder groups and the thematic scope of these activities is presented in section 4 „Sustainability reporting”.
IR Newsletter	The initiative related to publication and distribution of the Newsletter for Investors was continued, which summarises the most important quarterly events for subscribers. The goal of the publication is to provide its recipients with an accurate source of knowledge about KGHM and the global copper market and to facilitate analysis and assessment of the possibilities associated with investing in the Company's shares.
Investor relations tab “Investors” on the corporate website	The investor relations tab on the Company's corporate website is continuously updated with information and documents, available in Polish and English. Investors can find there, amongst others, regulatory filings and periodic reports, information on shareholder structure, documents related to general meetings, corporate governance, as well as multimedia materials, such as presentations and videos for investors.
KGHM IR profile on LinkedIn	The Company is actively participating in the social media, including a dedicated KGHM Investor Relations profile for investors and analysts, available on the LinkedIn platform. On this profile, the Investor Relations Department publishes the latest information that are important for capital market participants.
IR Release	The IR Release is a communication tool that provides information for investors and analysts on important events for the Company and Group. The material is usually distributed after each disclosure of financial results in an electronic form and is also available to all stakeholders on the Company's corporate website.

The Investor Relations Department of KGHM Polska Miedź S.A. is at the disposal of its stakeholders, with contact constantly available via amongst others communications tools such as the telephone, email (ir@kghm.com), social media or direct communications in the form of meetings with Company representatives.

In 2025, analytical reports concerning KGHM Polska Miedź S.A. were prepared by 9 sell-side analysts from Poland and 5 from abroad.

Table 17. List of brokerage houses preparing analytical reports on KGHM Polska Miedź S.A.

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

Awards and prizes in 2025 for activities related to communication with investors and presence on the capital market:

KGHM Polska Miedź S.A. was once again a winner in the competition „The Best of The Best” organised by the Institute of Accounting and Taxes - The Best Annual Report, which promotes annual reports which have the greatest utility for shareholders and investors.

1.6.2 Significant contracts for the Company and Group

Table 18. Significant contracts for the Company and Group

Revolving credit facility agreement with a syndicate of banks	On 2 December 2025 an unsecured revolving syndicated credit facility agreement in the amount of USD 1 500 million was signed with the bank Powszechna Kasa Oszczędności Bank Polski S.A. as credit agent and lender and other banks and financial institutions. The Agreement was concluded for five-year tenor and has two one-year extension options exercisable at the request of the Company (at the discretion of each syndicate member). The Agreement includes a non-binding option to increase the amount of the credit facility by a total amount not exceeding USD 500 million within 36 months of its signing, with the total amount of the revolving credit facility up to USD 2 000 million. The terms concerning the accordion will be identical to the terms of the committed amount. The credit facility replaced the revolving syndicate credit facility in the amount of USD 1 500 million dated 20 December 2019 (which was announced by the Company via a regulatory filing no. 38/2019). Following the signing of the aforementioned syndicated credit facility Agreement, the credit facility agreement from 2019 was terminated. According to the agreement, the credit facility may be drawn in USD in the form of renewable tranches. The funds obtained from the credit facility will be used to finance general corporate purposes, including capital expenditures and/or current operations of the Company and companies of the KGHM Polska Miedź S.A. Group. Interest on the credit facility was set based on the SOFR base rate plus a margin, which depends on the net debt/EBITDA financial ratio. Other provisions of the agreement are in accordance with the standard terms of these types of transactions.
Appendix to the Sierra Gorda S.C.M. revolving credit agreement with a syndicate of banks	On 24 November 2025, Sierra Gorda signed an appendix to the RCA (Revolving Credit Agreement) extending the possibility of increasing the financing by USD 500 million by a subsequent 12 months. The appendix involves the agreement dated 16 September 2024 of Sierra Gorda S.C.M. for revolving credit with a syndicate of banks to refinance its debt with Bank Gospodarstwa Krajowego. The value of the Revolving Credit Agreement was USD 500 million for 100% of the shares, of which USD 400 million was used to refinance Sierra Gorda S.C.M.'s debt towards BGK, and USD 100 million was used to secure the current liquidity needs of Sierra Gorda S.C.M.
Agreement with Tele-Fonika Kable S.A. for the supply of copper wire rod	On 3 June 2025, KGHM Polska Miedź S.A. signed an agreement with Tele-Fonika Kable S.A. for the supply of copper wire rod in the years 2026-2030. The estimated value of sales, based on forecasted copper prices and exchange rates, ranges from PLN 6.9 billion to a maximum PLN 9.7 billion.
Annex to the agreement with the NKT Group	On 16 February 2026 the Company concluded an annex to a long-term agreement with the NKT Group dated 7 August 2023, which extended cooperation on deliveries of copper wire rod by additional nine years (2028-2036). The current agreement is in force until the end of 2027. The total estimated value of the extended contract, based on forecasted copper price and exchange rates, will range from PLN 22.77 billion to PLN 29.28 billion.

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

The only entity whose turnover with the Parent Entity exceeded 10% of the sales revenues of KGHM Polska Miedź S.A. in 2025 was KGHM Metraco S.A. (value of purchases: gross amount of PLN 7 419 million).

The copper smelters and refineries of KGHM Polska Miedź S.A. produce electrolytic copper from their own concentrates as well as from purchased copper-bearing material (concentrates, copper scrap and blister copper). In 2025, the production of electrolytic copper from purchased copper-bearing materials amounted to 195.5 thousand tonnes, which represented 34% of total electrolytic copper production.

This production mostly came from copper scrap (157.9 thousand tonnes of copper, 28% of total electrolytic copper production), which is supplied to the metallurgical plants of KGHM Polska Miedź S.A. by KGHM Metraco S.A. - a 100% subsidiary of the Parent Entity.

KGHM Metraco S.A., due to its specialisation and familiarity with the scrap market, as well as to its equity relationship with KGHM Polska Miedź S.A., supplies scrap to the metallurgical plants of KGHM based on exclusivity and as a result revenues from sales of this company to KGHM Polska Miedź S.A. are significant and represent 19% of KGHM Polska Miedź S.A.'s sales revenue and 17% of sales revenue of the Group.

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

In 2025, neither the Parent Entity nor its subsidiaries entered into related party transactions under other than arm's length conditions.

1.6.5 Litigation and claims

Table 19. Material proceedings pending before courts, arbitration bodies or public administration bodies

Proceedings regarding royalties for use of invention project no. 1/97/KGHM "Method for increasing the production capacity of the electrorefining sections of the Metallurgical Plants"	In the claim dated 26 September 2007, the Plaintiffs (14 natural persons) filed a claim against KGHM Polska Miedź S.A. with the Regional Court in Legnica for the payment of royalties for the use by the Company of invention project no. 1/97/KGHM called „Sposób zwiększenia zdolności produkcyjnej wydziałów elektorafinacji Huty Miedzi” (Method for increasing the production capacity of the electrorefining sections of the Metallurgical Plants) (the “Project”) for the 8th calculation period (2006). The amount of the claim (principal amount) was determined by the Plaintiffs in the statement of claim in the amount of approximately PLN 42 million (principal amount excluding claimed interest and court costs). In its response to the statement of claim of 21 January 2008, the Company requested that the claim be dismissed in its entirety and filed a counterclaim for the reimbursement of unduly paid remuneration for the sixth and seventh years of application of the Project (2004 and 2005), also raising a possible claim to mutually charge the asserted claims. The amount of the claim (principal amount excluding claimed interest and court costs) in the counterclaim was determined by the Company in the amount of approximately PLN 25 million.
	In the judgement of 25 September 2018, the Regional Court in Legnica dismissed the counterclaim and partially upheld the principal claim to the total amount of approx. PLN 24 million, and at the same time ordered the payment of interest in the amount of approx. PLN 30 million, totalling to approx. PLN 54 million. Both parties to the proceedings appealed against this judgement.
	In the judgement of 12 June 2019, the Court of Appeals in Wrocław dismissed the appeals of both parties, changing the judgement of the court of first instance only with regard to the decision on the costs of the main action, charging them to KGHM. The judgements are legally binding and were executed by KGHM on 18-19 June 2019. As a result of the execution of the liabilities, there is no basis to create a provision for the liabilities. KGHM Polska Miedź S.A. filed a cassation appeal against the judgement of the court of second instance as regards the partially-reflected principal claim of the Plaintiffs in the principal amount of around PLN 24 million and as regards the dismissed counterclaim in the principal amount of around PLN 25 million. The Plaintiffs did not file a cassation appeal with respect to the partially-dismissed principal claim.
	In the judgement of 24 November 2022, the Supreme Court repealed the appealed judgement and referred the case to the Court of Appeals in Wrocław for reconsideration. In a letter prepared as at 5 May 2023, KGHM petitioned for the return of the benefits fulfilled by KGHM towards the Plaintiffs, justified by the judgement of the court of first instance and amended by the costs of the judgement of the court of second instance (petition of restitution).
	In a judgement dated 4 December 2024 the Court of Appeals in Wrocław again dismissed the appeal of KGHM and the Company's petition of restitution, charged the parties with the costs of the appeals and cassation proceedings, and also partially amended the decision as regards the costs of the proceedings in respect of the principal claim in the first instance. In a cassation appeal dated 14 March 2025, KGHM filed a claim against the judgement of the Court of Appeals in Wrocław in its entirety. The records of the case were sent to the Supreme Court on 30 September 2025, and on 15 October 2025 the case was registered under the designation III PSK 203/25 (currently the designation I PSK 366/26).

1.6.6 Expenditures incurred to support culture, sports, charities, media, social organisations, trade unions etc.

As part of its non-business objectives, the KGHM Group supports local and national initiatives in the broader social area. The support is of financial nature, in the form of donations for charitable activities, sponsorship of sport, science and culture and the arts. KGHM also participates in a number of sector organisations, provides financial support for trade union organisations and promotes the Company in the media. The aforementioned objectives are mainly realised by the Parent Entity of the KGHM Polska Miedź S.A. Group.

The expenditures incurred in this regard amounted to PLN 103 million in the Group and PLN 95 million in the Company.

Table 20. Expenditures incurred to support culture, sports, charities, media, social organisations, trade unions etc.

	KGHM Polska Miedź Group	KGHM Polska Miedź S.A.
Charitable activities	19	18
Media (informational)	4	3
Sponsoring	47	44
Associations and community organisations	13	11
Trade unions	21	19
Total	103	95

2 KEY RESULTS OF THE GROUP AND REPORTING SEGMENTS

2.1 KEY OPERATIONAL AND FINANCIAL INDICATORS BY BUSINESS SEGMENTS

Table 21. Key operational and financial indicators by operating segments in 2025

	Unit	KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Sierra Gorda S.C.M. (55%)	Other
Production					
– Payable copper	kt	570.9	52.2	86.8	x
– TPM	koz t	88.6	43.4	28.1	x
– Silver	t	1 323	0	24	x
Production cost					
– C1 payable copper production cost	USD/lb	3.16	1.03	0.86	x
Financial data					
– Revenue from contracts with customers	PLN mn	30 964	3 439	4 619	13 487
– from external customers	PLN mn	30 358	3 421	4 619	2 569
– Profit/(loss) for the period	PLN mn	1 946	2 249	1 224	(132)
– EBITDA	PLN mn	4 909	1 860	3 115	392
– Assets	PLN mn	53 560	16 614	12 959	6 923
– Liabilities	PLN mn	22 046	17 544	11 334	3 649
– Cash expenditures on property, plant and equipment and intangible assets	PLN mn	3 910	1 016	1 104	533

2.2 KEY FACTORS AFFECTING THE RESULTS OF THE KGHM POLSKA MIEDŹ S.A. GROUP IN 2025 - MACROECONOMIC CONDITIONS

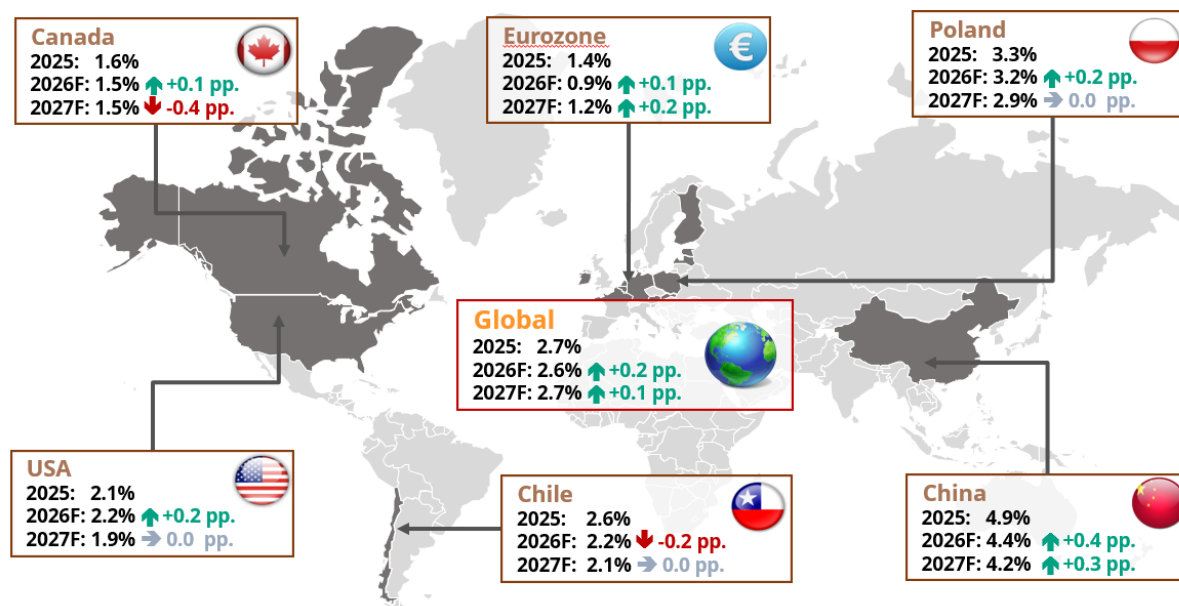
The KGHM Group, due to the specific nature of the products it sells, operates in a market highly dependent on the market environment, including macroeconomic conditions. In particular, the KGHM Group's results achieved in 2025 were significantly affected by the general economic situation impacting the level of metal consumption worldwide and, consequently, metal prices and exchange rates as well as the geopolitical situation, which increased investor demand for raw materials (in particular precious metals).

The year 2025 was a period of high uncertainty in the global economy. The main source of uncertainty were the changes imposed on the world's economic and political order by the new American administration, acting from January 2025. The most significant risk factors for the markets in which the Group operates are as follows:

Political risks	– the escalating trade war and the highest barriers to global commercial trade in decades – prolonged armed conflict triggered by Russia's actions in Ukraine – deterioration in transatlantic cooperation between the USA and the European Union – the escalation in international tensions and attempts to reconstruct the current geopolitical order in the direction of rivalry over spheres of influence
Copper market foundations	– production constraints amongst key producers, resulting from hard-to-anticipate factors, such as industrial accidents or changes in political conditions – the low scale of new investments in mining projects, limiting the possibilities for higher supply – the difficult situation amongst smelters, which are dealing with intense competition for copper-bearing materials and very low processing premiums – the changing structure of copper demand in China - increased demand from high-tech and energy transition sectors – the continuing activity of central banks on the precious metals market, in particular as regards purchases of gold as part of diversification of reserves beyond the USD – strong investment demand by the market for gold and silver, which in connection with the heightened geopolitical tensions led to increases in the prices of both metals to levels which substantially exceed those recorded in previous decades
Macroeconomic environment	– continuation of the cycle of quantitative easing – the rising dispute between President Donald Trump and the chairman of the Federal Reserve Jerome Powell, perceived by the markets as a potential threat to the Fed's independence – the potential time-deferred impact of duties on prices and the situation on the labour market in the American economy – a change in the dynamic on the currency market, comprised of a weakening USD and the increased importance of alternative currencies given geopolitical tensions

Diagram 15. Forecasts of real GDP growth per the International Monetary Fund from January 2026 versus previous forecasts.

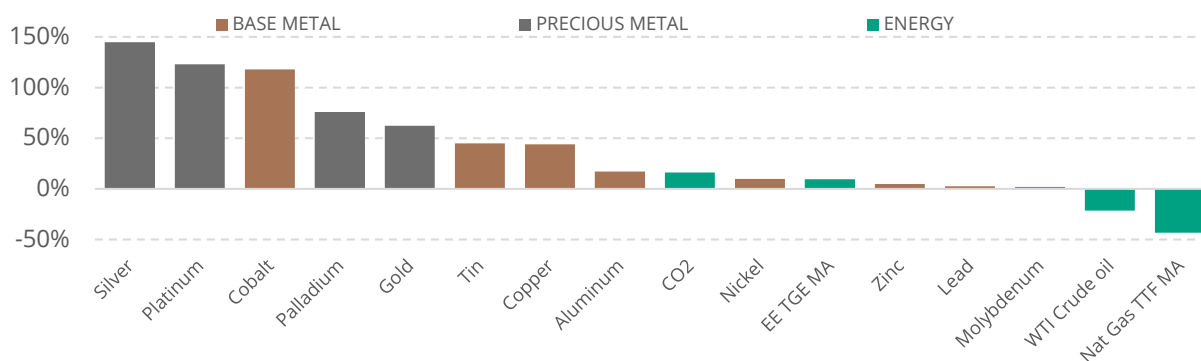
Source: KGHM Polska Miedź, International Monetary Fund



Forecasts (F) of real GDP growth – International Monetary Fund - World Economic Outlook from January 2026 compared to June 2025; for Canada October 2025 compared to June 2025

Chart 11. Changes in commodity market prices in 2025 (first versus last day of the year)

Source: Refinitiv, KGHM Polska Miedź S.A.

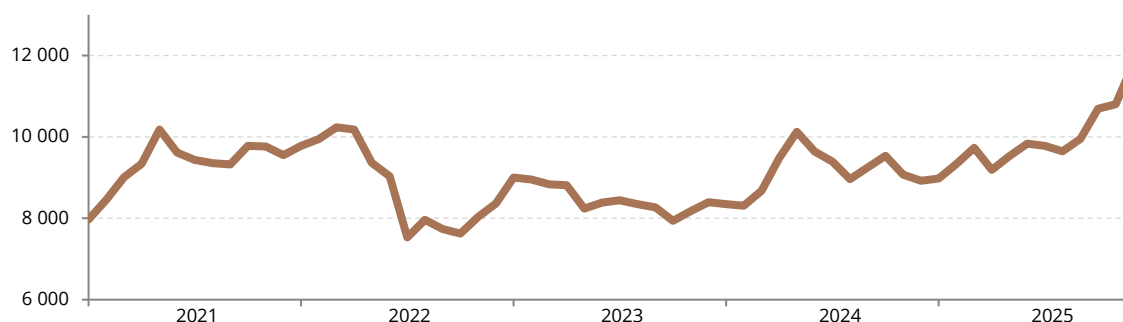


The first half of 2025 was impacted by responses to the duties imposed on copper imports to the USA, which led to a drastic influx of metal to the American market in order to beat the new commercial rules before they came into effect. This led in consequence to the accumulation of substantial inventories in the United States at the cost of other parts of the world, which in turn was reflected in a rapid increase in inventories in COMEX warehouses and, at the same time, a drop in inventories in LME and SHFE exchanges. The intense demand for physical metal destined for delivery to the USA led to a strong rise in COMEX premiums versus the LME, which in July approached 3 000 USD/t.

In terms of copper supply, the key disturbance-causing factor in 2025 turned out to be the accident at the Grasberg mine – the second-largest copper mine in the world, where, as a result of a mudslide, there occurred a serious mine stoppage and the declaration of *force majeure* by the operator Freeport-McMoRan. This incident substantially reduced the forecast for copper production, suggesting a potential loss of over 500 thousand tonnes production in the years 2025–2026. In connection with the situation at Cobre Panama, which remained closed throughout 2025, there was a reversal in the global metal balance forecast, from surplus to deficit, and resulted in an increase in the price of copper. The collapse of production in one of the main centers of mining highlighted the fragility of global metal supply chains and cast attention on the rising risk resulting from concentration of production at strategic locations.

The average copper price (cash settlement on the LME) in 2025 was 9 945 USD/t. The highest cash settlement price was recorded on 30 December and amounted to 12 512 USD/t, which was the highest price in history. The lowest level was recorded on 9 April, when the price of the red metal was 8 539 USD/t. Taking into consideration cash settlement prices, the average copper price increased by 8.7% compared to the previous year. Due to the appreciation of the Polish currency in 2025, the average price expressed in PLN increased in 2025 by approximately 2.5% compared to 2024 and amounted to 37 303 PLN/t (daily LME prices calculated after the NBP fixings).

Chart 12. Copper price (monthly averages) per the London Metal Exchange (in USD/t)
(Source: Bloomberg, KGHM Polska Miedź S.A.)



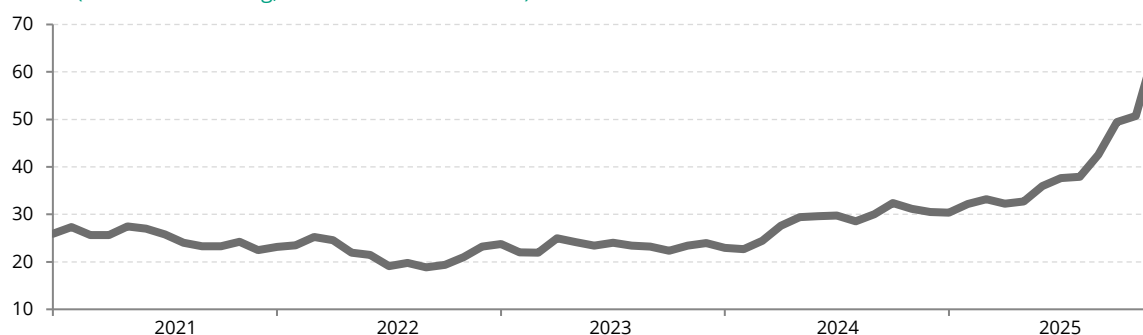
2025 was the year of precious metals, the prices of which reached new historic records multiple times during the course of the year. The largest impact on the rise in gold and silver prices was the geopolitical turbulence and fears of a change in the global order, following the questioning by the new American administration of the global order which had existed for decades. Over the course of another year, the great demand for gold was generated by central banks increasing the share of the metal in their reserves. Moreover, investors perceived gold as a safe haven given the rise in geopolitical tensions, which led to higher purchases. Although silver prices also rose in tandem with the rise in gold prices, silver is not favoured by central banks, so the rate of change in prices was perceptibly lower. It wasn't until the second quarter of the year when the rising price divergence between these metals caught investors' interest. As a result, the price of silver rose dramatically, bringing the gold-silver ratio to a level similar to the multi-year average.

Another factor which traditionally affects the valuation of precious metals were, in 2025, expectations as regards a drop in interest rates by the FOMC in the USA, the ECB in the eurozone and other important central banks.

The price of gold in 2025 exceeded 4 500 USD/oz t in intraday trading, while the LBMA AM fixing price of 23 December was 4481.85 USD/oz t. The average gold price in 2025 amounted to 3 436 USD/oz t and rose by nearly 44%, from 2 387 USD/oz t in 2024.

During the year the price of silver moved in an upward trend, recording only a small correction in October after reaching its until-then historic maximum above 54 USD/oz t. Already by November the price had returned to its rising trend. Silver recorded its LBMA-fixing high in 2025 of 74.84 USD/oz t on 30 December. The price of silver ended 2025 at the level of 71.99 USD/oz t. The average price of the metal per the London Bullion Market Association (LBMA) recorded a rise in 2025 of nearly 42% and amounted to 40.03 USD/oz t versus 28.27 USD/oz t in 2024.

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



In 2025, quotations of the Polish zloty were characterised by lower variability than in prior years, while the PLN remained relatively strong against the global basket of currencies. The first half of the year saw a clear strengthening of the zloty, supported by a solid rate of economic growth and improved geopolitical sentiment related to expectations of a de-escalation in the Russia-Ukraine conflict. In the second half of the year, after the start of a cycle of interest rate reductions by the Polish Monetary Council in total by 175 bp, the EUR/PLN rate stabilised, entering a phase of consolidation. Given the limited volatility in the EUR/PLN exchange rate, the variability of the USD/PLN exchange rate was mainly due to movements in the EUR/USD rate, reflecting global trends on the USD market.

In 2025, the Polish zloty strengthened versus the USD from 4.10 to around 3.60, taking advantage of the global weakening of the USD, and at the same time maintaining its sideways trend versus the EUR. The highest EUR/PLN exchange rate, amounting to 4.30, was recorded in the second quarter of the year. The PLN ended 2025 at the level of 3.6016 to the USD (NBP fixing of 31 December 2025). The average USD/PLN (NBP) exchange rate in 2025 amounted to 3.7588 and was more than by 5% lower than the exchange rate for 2024 (3.9799 USD/PLN).

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

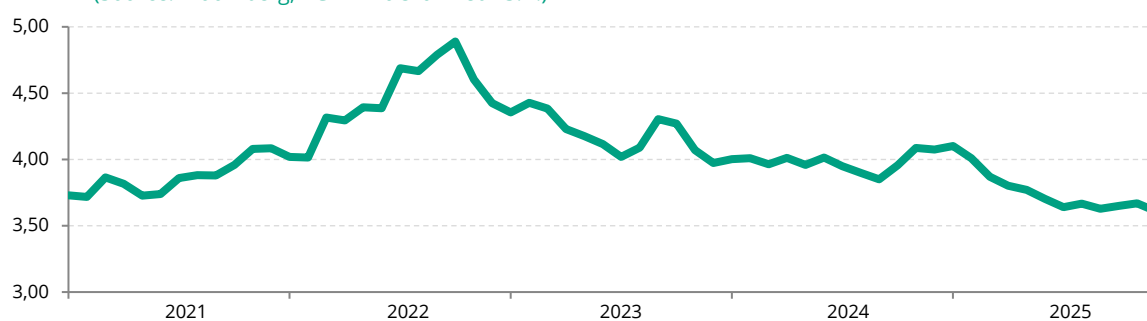


Table 22. Market conditions significant for the operations of the KGHM Polska Miedź S.A. Group - average prices

	Unit	2025	2024	Change (%)	Q4'25	Q3'25	Q2'25	Q1'25
Copper price per the LME	USD/t	9 945	9 147	+8.7	11 092	9 797	9 524	9 340
Copper price per the LME in PLN	PLN/t	37 303	36 401	+2.5	40 392	35 706	35 782	37 286
Gold price per the LBMA	USD/oz t	3 436	2 387	+43.9	4 141	3 455	3 281	2 859
Silver price per the LBMA	USD/oz t	40.03	28.27	+41.6	54.73	39.40	33.68	31.88
Molybdenum price per Platts	USD/lb	22.15	21.30	+4.0	23.06	24.17	20.61	20.62
USD/PLN exchange rate per the NBP		3.76	3.98	(5.5)	3.64	3.64	3.76	3.99
USD/CAD exchange rate per the Bank of Canada		1.40	1.37	+2.2	1.39	1.38	1.38	1.44
USD/CLP exchange rate per the Bank of Chile		951.46	943.58	+0.7	935.42	959.15	947.25	964.01

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

2.3.1 Production

In 2025, copper production by the Group was lower by 2.7%, or by 19.7 thousand tonnes compared to 2024.

The decrease was in respect of KGHM Polska Miedź S.A. (-17.8 thousand tonnes) and KGHM INTERNATIONAL LTD. (-8.3 thousand tonnes). Higher copper production versus the prior year was recorded by Sierra Gorda SCM (+6.3 thousand tonnes on a 55% basis).

Copper production by KGHM Polska Miedź S.A. in 2025 was lower than in the prior year – the decrease was due to the execution of planned maintenance of metallurgical plant infrastructure (Głogów II Copper Smelter and Refinery).

The decrease in copper production in the segment KGHM INTERNATIONAL LTD. was due to lower production by the Robinson mine and to conclusion of the sales transaction under which the production assets of the Sudbury Basin were sold to Magna Mining Inc. in February 2025.

The improved copper production results in Sierra Gorda S.C.M. compared to the previous year were due to higher copper content in the ore mined and higher recovery, despite a lower volume of processed ore.

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

The Group's production results are shown below.

Table 23. Production by the Group³³

	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Payable copper (kt)							
Group	710.0	729.7	(2.7)	183.5	182.5	174.8	169.2
- KGHM Polska Miedź S.A.	570.9	588.7	(3.0)	149.9	148.6	138.4	134.0
- KGHM INTERNATIONAL LTD.	52.2	60.5	(13.7)	11.6	11.4	14.8	14.4
- Sierra Gorda S.C.M.	86.8	80.5	+7.8	21.9	22.5	21.6	20.8
TPM (koz t)							
Group	160.0	173.4	(7.7)	40.8	35.4	42.1	41.7
- KGHM Polska Miedź S.A.	88.6	86.8	+2.1	26.2	18.6	22.3	21.5
- KGHM INTERNATIONAL LTD.	43.4	53.5	(18.9)	9.0	9.1	12.1	13.2
- Sierra Gorda S.C.M.	28.1	33.1	(15.1)	5.7	7.7	7.7	7.0
Silver (t)							
Group	1347	1341	+0.4	354	336	337	321
- KGHM Polska Miedź S.A.	1323	1316	+0.5	347	330	331	316
- KGHM INTERNATIONAL LTD.	0	1	(100.0)	-	-	-	0
- Sierra Gorda S.C.M.	24	23	+4.3	7	6	6	5
Molybdenum (mn lb)							
Group	5.2	3.4	+52.9	1.1	2.4	1.2	0.5
- KGHM Polska Miedź S.A.	-	-	x	-	-	-	-
- KGHM INTERNATIONAL LTD.	0.2	0.1	×2.0	0.1	0.1	0.0	0.0
- Sierra Gorda S.C.M.	5.0	3.3	+51.5	1.0	2.3	1.2	0.5

³³ Sierra Gorda S.C.M. – 55% Group share

2.3.2 Sales

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

Chart 15. Geographic structure of Group sales

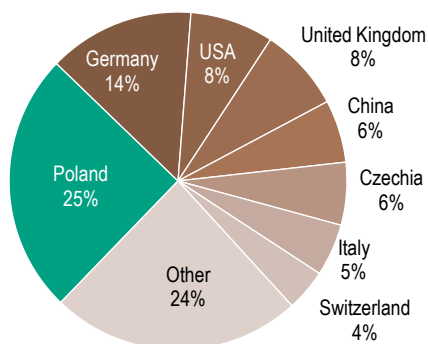
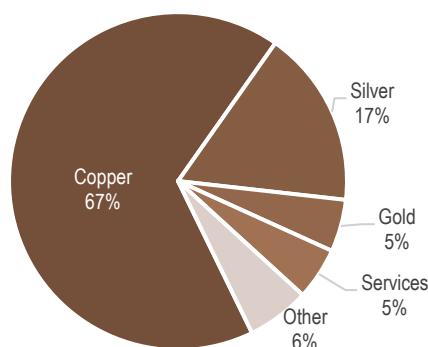


Chart 16. Product structure of Group sales



2.3.3 Costs

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

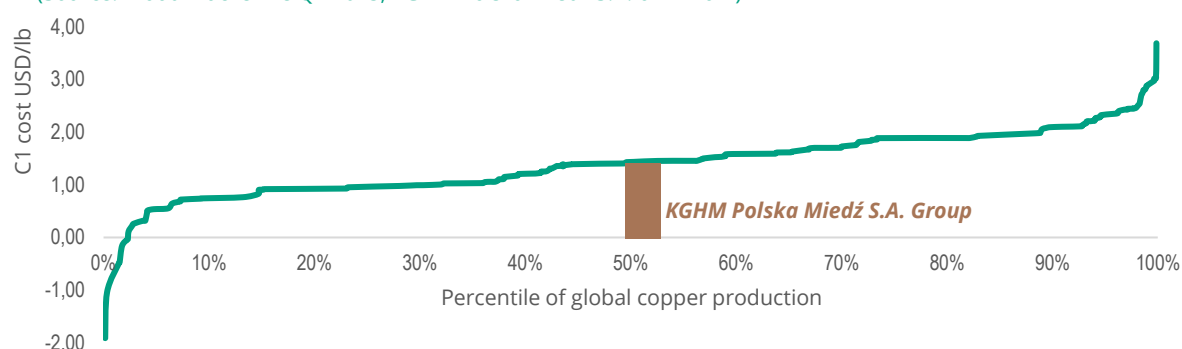
Table 24. C1 cost of producing payable copper in the Group, including mining taxes (USD/lb)

	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Group	2.58	2.67	(3.4)	2.51	2.57	2.61	2.62
- KGHM Polska Miedź S.A.	3.16	3.07	+3.0	3.19	3.12	3.16	3.15
- KGHM INTERNATIONAL LTD.	1.03	1.52	(32.2)	1.01	1.18	0.93	1.03
- Sierra Gorda S.C.M.	0.86	1.60	(46.3)	0.54	0.68	1.07	1.18

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

Chart 17. C1 cost curve (USD/lb) – C1 cost excluding mining taxes

(Source: Wood Mackenzie Q4 2025, KGHM Polska Miedź S.A. own work)



While C1 cost is one of the best indicators in terms of demonstrating the situation of entities with various mining profiles, due to differences in cost calculation methodology and the differing macroeconomic parameters selected for calculation, the C1 cost of the Company and of the KGHM Group presented above may differ from the amounts published by analytical institutions.

2.3.4 Statement of profit and loss

Table 25. Financial results of the Group (PLN mn)

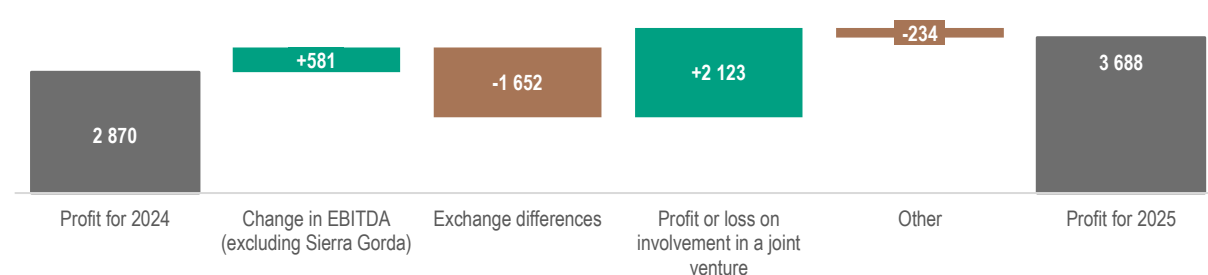
	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Revenues from contracts with customers	36 366	35 320	+3.0	10 495	8 315	8 614	8 942
Cost of sales, selling costs and administrative expenses	(32 407)	(31 553)	+2.7	(9 496)	(7 456)	(7 641)	(7 814)
Profit or loss on sales	3 959	3 767	+5.1	999	859	973	1 128
Profit or loss on involvement in a joint venture	2 901	778	×3.7	2 319	144	288	150
Other operating income and (costs)	(1 623)	444	×	(197)	(23)	(766)	(637)
Finance income and (costs)	172	(381)	×	49	(56)	86	93
Profit or loss before income tax	5 409	4 608	+17.4	3 170	924	581	734
Income tax expense	(1 721)	(1 738)	(1.0)	(495)	(491)	(331)	(404)
Profit/(loss) for the period	3 688	2 870	+28.5	2 675	433	250	330
Adjusted EBITDA	10 276	8 457	+21.5	3 073	2 340	2 374	2 489

Adjusted EBITDA, defined as profit/loss on sales increased by depreciation/amortisation recognised in expenses by nature and adjusted by recognition/reversal of impairment losses on property, plant and equipment in the core business, is one of the basic parameters considered by the Management Board of the Parent Entity when evaluating the results of individual operating segments. A detailed definition of this indicator and its reconciliation to profit or loss for the period of the Group may be found in Part 2 (Information on segments and revenues) of the Consolidated financial statements for 2025.

Table 26. Main factors impacting the change in profit or loss of the Group

Item	Impact on change in profit or loss (PLN mn)	Description
EBITDA	+581	Increase in total EBITDA of operating segments (excluding Sierra Gorda), comprised of: - EBITDA of the segment KGHM Polska Miedź S.A. +PLN 446 million, - EBITDA of the segment KGHM INTERNATIONAL LTD. +PLN 217 million, - EBITDA of the segment other segments -PLN 82 million (a decrease). The results of the aforementioned segments are described respectively in sections 2.5, 2.6 and 2.8 of this report.
Exchange differences	(1 652)	A decrease in the result on exchange differences, comprised of: - a lower result by PLN 2 053 million on exchange differences presented in other operating income and costs (mainly due to loans within the Group), - a higher result by PLN 401 million on exchange differences from the measurement and realisation of borrowings presented in finance income and costs (mainly exchange differences on borrowings of KGHM Polska Miedź S.A.)
Profit or loss on involvement in a joint venture	+2 123	An increase in the profit or loss on involvement in a joint venture, mainly comprised of: - an increase in profit due to the reversal of allowances for impairment of loans PLN 258 million, - share in profits of a joint venture +PLN 1 608 million, - reversal of an impairment loss on shares +PLN 252 million.
Other	(234)	Other factors responsible for the decrease in profit for the period compared to the prior year, mainly with respect to: - change in the result on derivatives (excluding adjustments due to hedging recognised in revenues from contracts with customers) -PLN 300 million, - change in provisions +PLN 149 million.

Chart 18. Change in profit/loss of the Group in 2025 (PLN mn)



2.3.5 Cash flows

Table 27. Cash flows of the Group (PLN mn)

	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Net cash generated from/(used in) operating activities	4 035	4 690	(14.0)	1 353	864	415	1 403
Change in working capital	(2 335)	(875)	×2.7	(951)	(769)	(620)	5
Net cash generated from/(used in) investing activities	(4 321)	(5 506)	(21.5)	(1 290)	(997)	(715)	(1 319)
Net cash generated from/(used in) financing activities	(111)	(217)	(48.8)	(58)	80	(168)	35
Net cash flows	(397)	(1 033)	(61.6)	5	(53)	(468)	119
Exchange differences	125	19	×6.6	27	34	29	35
Cash and cash equivalents at beginning of the period	715	1 729	(58.6)	411	430	869	715
Cash and cash equivalents at end of the period	443	715	(38.0)	443	411	430	869

Net cash generated from operating activities in 2025 amounted to +PLN 4 035 million and mainly comprised:

- EBITDA, excluding Sierra Gorda S.C.M. +PLN 7 161 million,
- negative effect of the change in working capital -PLN 2 335 million,
- expenditures on and proceeds from income tax -PLN 915 million.

Net cash used in investing activities in 2025 amounted to -PLN 4 321 million and mainly comprised:

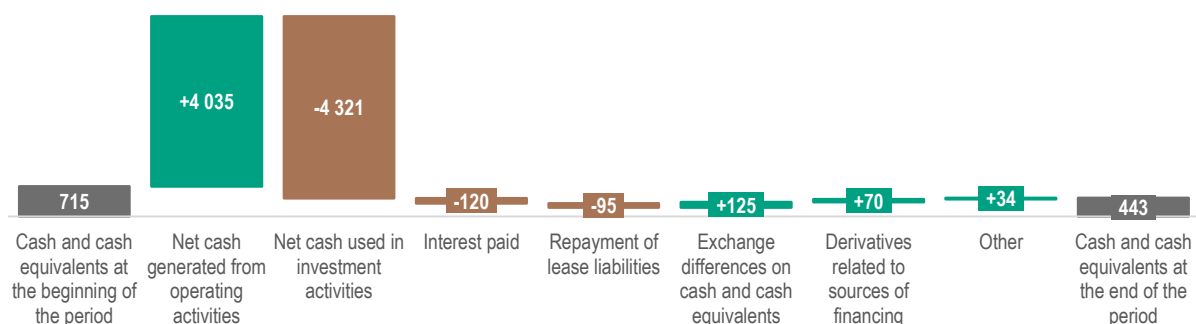
- expenditures on property, plant and equipment and intangible assets of the segment KGHM Polska Miedź S.A., PLN 3 910 million,
- expenditures on property, plant and equipment and intangible assets of the segment KGHM INTERNATIONAL LTD., PLN 1 016 million,
- expenditures on property, plant and equipment and intangible assets of the segment other segments, PLN 533 million,
- repayment of the loan by Sierra Gorda S.C.M., together with interest, PLN 1 206 million.

Net cash used in financing activities in 2025 amounted to -PLN 111 million and mainly comprised interest paid in the amount of -PLN 120 million, liabilities due to financial leasing -PLN 95 million, the balance of proceeds and expenses due to derivatives associated with sources of external financing +PLN 70 million and the balance of proceeds and expenses due to borrowings +PLN 22 million.

On 17 December 2025 KGHM Polska Miedź S.A. issued 7-year bonds series D with a nominal value of PLN 1 600 million. The funds obtained from this issuance were used for the early redemption of 10-year bonds series B issued in June 2019.

After reflecting exchange differences on cash and cash equivalents, the balance of cash and cash equivalents decreased by PLN 272 million and at the end of 2025 amounted to PLN 443 million.

Chart 19. Cash flows of the Group in 2025 (PLN mn)



2.3.6 Assets

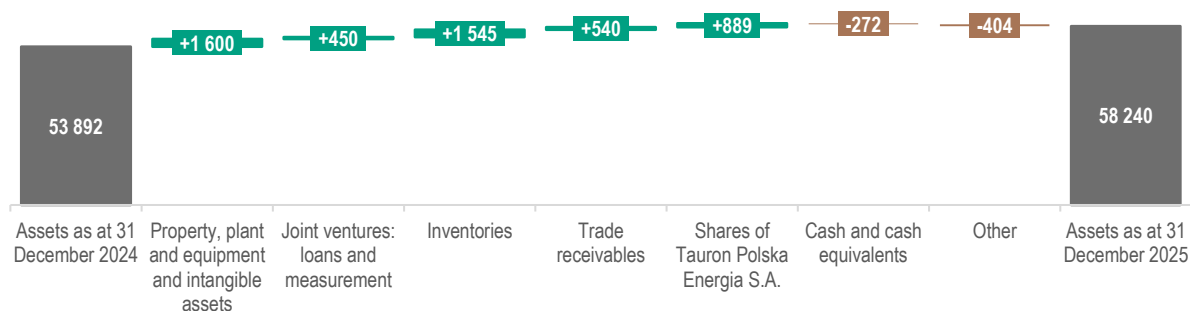
Table 28. Consolidated assets (PLN mn)

	31 December 2025	31 December 2024	Change (%)	30 September 2025	30 June 2025	31 March 2025
Property, plant and equipment and intangible assets	31 780	30 180	+5.3	30 883	30 696	30 376
Involvement in joint ventures	10 250	9 800	+4.6	8 482	8 663	9 210
Financial Instruments	2 526	1 726	+46.3	2 611	2 607	1 947
Deferred tax assets	189	302	(37.4)	310	297	306
Other non-financial assets	270	277	(2.5)	268	269	271
Non-current assets	45 015	42 285	+6.5	42 554	42 532	42 110
Inventories	9 608	8 063	+19.2	9 338	8 765	8 321
Trade receivables	1 885	1 345	+40.1	1 458	1 204	1 418
Tax assets	659	453	+45.5	475	338	365
Derivatives	128	219	(41.6)	243	293	196
Other financial assets	237	317	(25.2)	182	275	287
Other non-financial assets	265	366	(27.6)	448	568	572
Cash and cash equivalents	443	715	(38.0)	411	430	869
Assets held for sale	-	129	x	-	-	-
Current assets	13 225	11 607	+13.9	12 555	11 873	12 028
Total assets	58 240	53 892	+8.1	55 109	54 405	54 138

In 2025, the main changes in the value of assets comprised:

- an increase in the value of property, plant and equipment and intangible assets by PLN 1 600 million, mainly due to cash expenditures on property, plant and equipment and intangible assets in the amount of PLN 5 519 million, depreciation/amortisation of PLN 2 818 million, exchange differences from the translation of statements of operations with a functional currency other than the PLN, -PLN 618 million, and recognition/reversal of impairment losses of -PLN 382 million,
- an increase in the value of the share in the joint venture by PLN 450 million, including recognition of valuation using the equity method +PLN 1 814 million and a decrease in the value of loans to Sierra Gorda S.C.M. by PLN 1 364 million (details in part 6 of the consolidated financial statements),
- an increase in the value of inventories by PLN 1 545 million, including mainly an increase in the value of half-finished goods and work in progress by 1 894 PLN million, with a decrease in the value of finished goods by PLN 255 million,
- an increase in trade receivables by PLN 540 million, including mainly receivables measured at fair value by PLN 635 million,
- an increase in the value of shares of Tauron Polska Energia S.A. by PLN 889 million presented in non-current assets in the item other financial instruments measured at fair value,
- a decrease in cash and cash equivalents by PLN 272 million.

Chart 20. Change in assets of the Group in 2025 (PLN mn)



2.3.7 Equity and liabilities

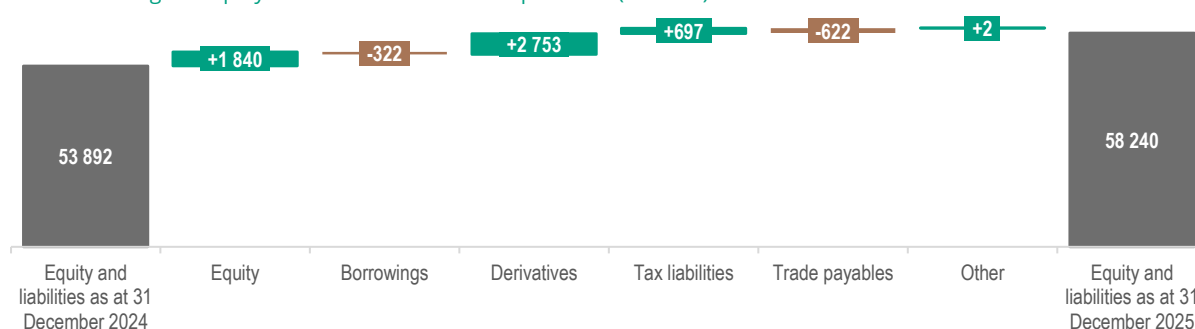
Table 29. Consolidated equity and liabilities (PLN mn)

	31 December 2025	31 December 2024	Change (%)	30 September 2025	30 June 2025	31 March 2025
Equity	32 898	31 058	+5.9	32 380	32 115	31 411
Borrowings, leases and debt securities	5 034	4 910	+2.5	5 259	5 271	4 963
Derivatives	1 626	269	×6.0	390	142	161
Employee benefits liabilities	2 892	2 784	+3.9	2 857	2 934	2 847
Provisions for decommissioning costs of mines and other facilities	2 123	2 084	+1.9	2 058	2 063	2 086
Deferred tax liabilities	1 227	1 384	(11.3)	1 838	1 749	1 437
Other liabilities	371	397	(6.5)	373	369	368
Non-current liabilities	13 273	11 828	+12.2	12 775	12 528	11 862
Borrowings, leases and debt securities	815	1 261	(35.4)	664	585	1 229
Derivatives	1 440	44	×32.7	280	96	136
Trade and other payables	4 510	5 132	(12.1)	4 643	4 592	4 949
Employee benefits liabilities	2 216	2 019	+9.8	1 905	1 830	2 035
Tax liabilities	1 746	1 049	+66.4	1 156	893	970
Provisions for liabilities and other charges	137	280	(51.1)	194	215	261
Other liabilities	1 205	1 061	+13.6	1 112	1 551	1 285
Liabilities associated with assets held for sale	-	160	×	-	-	-
Current liabilities	12 069	11 006	+9.7	9 954	9 762	10 865
Non-current and current liabilities	25 342	22 834	+11.0	22 729	22 290	22 727
Total equity and liabilities	58 240	53 892	+8.1	55 109	54 405	54 138

In 2025, the main changes in the value of liabilities and equity comprised:

- an increase in equity by PLN 1 840 million including:
 - profit for the period PLN 3 688 million,
 - an increase by PLN 734 million in reserves from the measurement of equity instruments measured at fair value through other comprehensive income (mainly an increase in the valuation of shares of Tauron Polska Energia S.A. reflecting an adjustment in deferred tax),
 - a decrease by PLN 2 301 million in reserves from the measurement of future cash flow hedging financial instruments,
 - a decrease by PLN 289 million in the balance of exchange differences from the translation of statements of operations with a functional currency other than the PLN (Future 1 Sp z. o.o and entities of the KGHM INTERNATIONAL LTD. Group).
- a decrease in liabilities due to borrowings by PLN 322 million, mainly loans -PLN 574 million with an increase in liabilities due to bank loans PLN 253 million. The currency structure in terms of debt at the end of 2025 remains at a substantially unchanged level, with 60% of debt denominated in PLN and 38% denominated in USD,
- an increase in liabilities due to derivatives (long- and short-term) by PLN 2 753 million mainly with respect to the valuation of open hedged positions on silver PLN 2 247 million, and copper PLN 612 million. The hedged notional includes only a part of the sales volume planned for the following quarters. In other respects, the Company fully participates in increases in metals prices. The resulting potential increase in revenues offsets the increase in liabilities due to derivatives. Detailed information on derivatives, including transaction notional and average-weighted hedged prices may be found in Note 7.2 of the consolidated financial statements,
- an increase in tax liabilities by PLN 697 million, including PLN 300 million due to current income tax and PLN 397 million as an increase in liabilities due to other taxes (mainly due to the minerals extraction tax in the Parent Entity).
- a decrease in current trade and other payables by PLN 622 million, including trade payables within the reverse factoring mechanism by PLN 703 million.

Chart 21. Change in equity and liabilities of the Group in 2025 (PLN mn)



2.3.8 Contingent assets and liabilities due to guarantees granted

As at 31 December 2025, contingent assets amounted to PLN 490 million and related mainly to promissory notes receivables in the amount of PLN 216 million and guarantees received in the amount of PLN 256 million.

As at 31 December 2025, the balance of the liabilities of the Group due to guarantees and letters of credit granted amounted to a total of PLN 2 746 million (as at 31 December 2024: PLN 1 150 million), and due to promissory notes payables PLN 211 million (as at 31 December 2024: PLN 223 million).

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

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

2.4 SOURCES OF FINANCING IN THE GROUP

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

2.4.1 Net debt in the Group

Borrowings of the Group at the end of 2025 amounted to PLN 5 849 million. The debt structure is based on diversified and long-term financing sources, ensuring financial stability over the long term.

The Group's free cash and cash equivalents, which as at 31 December 2025 amounted to PLN 425 million, are of a short term nature.

Table 30. Net debt structure of the Group (PLN mn)

	31 December 2025	31 December 2024	Change (%)	30 September 2025	30 June 2025	31 March 2025
Liabilities due to:	5 849	6 171	(5.2)	5 923	5 856	6 192
Bank loans	1 109	856	+29.6	1 043	929	986
Other loans	1 406	1 980	(29.0)	1 499	1 584	1 775
Debt securities	2 604	2 602	+0.1	2 645	2 602	2 649
Leases	730	733	(0.4)	736	741	782
Free cash and cash equivalents	425	691	(38.5)	394	417	853
Derivatives related to sources of external financing	-	177	(100)	-	122	167
Net debt	5 424	5 303	+2.3	5 529	5 317	5 172

Table 31. Net debt structure of the Parent Entity (PLN mn)

	31 December 2025	31 December 2024	Change (%)	30 September 2025	30 June 2025	31 March 2025
Liabilities due to:	6 122	6 351	(3.6)	6 193	6 097	6 494
Bank loans	1 047	793	+32.0	974	862	925
Other loans	1 267	1 794	(29.4)	1 355	1 427	1 608
Debt securities	2 604	2 602	+0.1	2 645	2 602	2 649
Cash pooling	611	561	+8.9	598	601	671
Leases	593	601	(1.3)	621	605	641
Free cash and cash equivalents	209	359	(41.8)	288	292	680
Derivatives related to sources of external financing	-	177	(100)	-	122	167
Net debt	5 913	5 815	+1.7	5 905	5 683	5 647

2.4.2 Sources of financing in the Group

As at 31 December 2025, the Group held open lines of credit, loans and debt securities with a total available amount of PLN 15 814 million, out of which PLN 5 119 million had been drawn.

Table 32. Sources of financing in the Group³⁴

Unsecured, revolving syndicated credit facility in the amount of USD 1.5 billion	A credit facility in the amount of USD 1 500 million (PLN 5 402 million), acquired on the basis of a financing agreement entered into by the Parent Entity with a syndicate of banks on 2 December 2025, with maturity falling on 2 December 2030 and the option of extending for a further 2 years (5+1+1) as well as the non-binding option to increase the credit amount by a maximum PLN 500 million. Interest is based on SOFR plus a margin, which depends on the Consolidated Total Net Debt/ Consolidated EBITDA ratio. The funds obtained under this credit facility are used to finance general corporate purposes, including capital expenditures.
Investment loans, including loans from the European Investment Bank in the total amount of PLN 3.5 billion with financing periods of up to 12 years	Financing agreements signed by the Parent Entity with the European Investment Bank: – in August 2014 in the amount of PLN 2 000 million, which was drawn in the form of three instalments with maturities falling on 30 October 2026, 30 August 2028 and 23 May 2029. The funds acquired through this loan were used to finance selected investment projects related to modernisation of metallurgy and development of the Żelazny Most tailings storage facility, – in December 2017 in the amount of PLN 1 340 million, under which four instalments were drawn with maturities falling on 28 June 2030, 23 April 2031, 11 September 2031 and 6 March 2035. The funds acquired through this loan were used to finance the Parent Entity's development and replacement projects at various stages of the production line. Interest on the instalments drawn is based on a fixed interest rate or the SOFR rate plus a margin, which depends on the Consolidated Total Net Debt/ Consolidated EBITDA ratio.
Debt securities in the amount of PLN 2.6 billion	The bond issuance program on the Polish market was established under an issuance agreement dated 29 May 2024 up to the amount of PLN 4 000 million for a period of 10 years, under which: – on 26 June 2024, 7-year series C bonds were issued with a nominal value of PLN 1 000 million with a redemption date of 26 June 2031, – on 17 December 2025, 7-year series D bonds were issued with a nominal value of PLN 1 600 million with a redemption date of 17 December 2032. Interest on the bonds is based on the WIBOR rate plus a margin. The funds raised from the bond issuance are used to finance general corporate purposes and to refinance 10-year series B bonds issued in 2019, which were redeemed early in December 2025
Bilateral bank loans in the amount of up to PLN 4.3 billion	The Group holds lines of credit in the form of short-term and long-term bilateral agreements in the total amount of PLN 4 333 million. Interest is based on a fixed interest rate or on the variable interest rates WIBOR, SOFR and EURIBOR plus a margin. The funds obtained under the aforementioned bank loan agreements are a tool supporting the management of current financial liquidity and support the financing of investments.

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

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

³⁴ Detailed information on the aforementioned borrowings and debt securities may be found in note 8.4 of the financial statements

2.4.3 Debt position as at 31 December 2025

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

Table 33. Amount of borrowing available and drawn by the Group (PLN mn)

	Amount drawn as at 31 December 2025	Amount drawn as at 31 December 2024	Change (%)	Amount available as at 31 December 2025	Amount drawn (%) as at 31 December 2025
Unsecured, revolving syndicated credit facility	-	-	-	5 402	-
Loans	1 406	1 980	(29.0)	3 479	+40.4
Bilateral bank loans	1 109	856	+29.6	4 333	+25.6
Debt securities	2 604	2 602	+0.1	2 600	+100.2
Total	5 119	5 438	(5.9)	15 814	+32.4

As at 31 December 2025, 60% of the Group's debt came from liabilities drawn in PLN, 38% in USD, 1% in EUR and 1% in CAD.

2.4.4 Evaluation of financial resources management

In 2025, the KGHM Polska Miedź S.A. Group was fully capable of meeting its obligations with respect to liabilities drawn. The cash and cash equivalents held by the Group along with the external financing obtained ensure that liquidity will be maintained and will enable the achievement of investment goals.

As at 31 December 2025, the Group held PLN 425 million of free cash and cash equivalents and had open credit lines for total available financing in the amount of PLN 15 814 million, out of which PLN 5 119 million had been drawn.

In 2025, the Group continued activities aimed at ensuring long-term financial stability, diversifying debt capital and optimising short-term sources of financing.

Under the unsecured, syndicated credit facility, the two bilateral bank loans and the investment loans granted to the Parent Entity from the European Investment Bank, the Group is obliged to maintain the financial covenant at a specified level. At the reporting date, during the financial year and following the reporting date, up to the date of publication of this Report, the level of reportable financial covenant as at 30 June 2025 and 31 December 2025, met the conditions specified in agreements.

Table 34. Net debt / EBITDA ratio of the Group

	31 December 2025	31 December 2024	Change (%)	30 September 2025	30 June 2025	31 March 2025
Net debt / Adjusted EBITDA	0.76	0.81	(6.2)	0.80	0.79	0.72

2.4.5 Loans granted by Group companies

As at 31 December 2025, the balance of receivables due to loans granted by the Parent Entity, in accordance with the measurement pursuant to IFRS 9, amounted to PLN 8 375 million, while the balance of receivables due to loans granted by the Group, in accordance with the measurement pursuant to IFRS 9, amounted to PLN 8 458 million.

Table 35. The most significant³⁵ loans granted by Group companies as at 31 December 2025

Lender	Borrower	Year granted	Total amount of loans	Total balance of receivables due to loans granted ³⁶		Maturity date
Loans granted within the Group						
KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	2015-2024	USD 218 mn	USD 222 mn	PLN 800 mn	from 31.12.27 to 30.06.34
KGHM Polska Miedź S.A.	Future 1 Sp. z o.o.	2013-2016	USD 568 mn	USD 1033 mn	PLN 3 720 mn	31.12.32
KGHM Polska Miedź S.A.	Quadra FNX Holdings Chile Limitada	2015-2017	USD 437 mn	USD 404 mn	PLN 1 455 mn	31.12.33
KGHM Polska Miedź S.A.	Quadra FNX Holdings Chile Limitada	2017	USD 214 mn	USD 410 mn	PLN 1 477 mn	31.12.32
Future 1 Sp. z o.o.	KGHM INTERNATIONAL LTD.	2012	USD 453 mn	USD 508 mn	PLN 1 803 mn	31.12.27
Future 1 Sp. z o.o.	Quadra FNX FFI S.à r.l.	2017	USD 1 046 mn	USD 1 657 mn	PLN 5 968 mn	15.12.32
KGHM INTERNATIONAL LTD.	FNX Mining Company Inc.	2015	USD 140 mn	USD 297 mn	PLN 1 070 mn	on demand
Robinson Holdings USA Ltd.	KGHM INTERNATIONAL LTD.	2018	USD 51 mn	USD 339 mn	PLN 1 222 mn	on demand
DMC Mining Services Ltd.	DMC Mining Services Chile SpA	2021-2022	USD 14 mn	USD 17 mn	PLN 60 mn	on demand
FNX Mining Company Inc./ KGHM Chile SpA	DMC Mining Services Ltd.	2019-2021	CAD 57 mn	CAD 57 mn	PLN 163 mn	on demand
	Minera Carizalillo SpA	2022	USD 9 mn	USD 9 mn	PLN 34 mn	on demand
KGHM INTERNATIONAL LTD.	Minera Carizalillo SpA	2024	USD 4.5 mn	USD 38 mn	PLN 137 mn	from 31.12.27 to 31.12.28
FNX Mining Company Inc.	KGHM Chile SpA	2012	USD 56 mn	USD 7 mn	PLN 26 mn	on demand
Robinson Nevada Mining Company	Robinson Holdings USA Ltd.	2016	USD 200 mn	USD 106 mn	PLN 384 mn	on demand
Franke Holdings LTD	KGHM INTERNATIONAL LTD.	2022	CAD 23 mn	CAD 28 mn	PLN 74 mn	31.12.27
Loans granted to other entities						
Quadra FNX FFI S.à r.l.	Sierra Gorda S.C.M.	2012	USD 1 146 mn	USD 2 570 mn	PLN 9 255 mn	31.12.32

The following table presents significant loans granted in 2025 by the Parent Entity and Group companies, with the balance of receivables due to loans granted as at the end of 2025 (reflecting accrued interest, redemption and measurement pursuant to IFRS 9).

Table 36. Loans granted by the Parent Entity and Group companies in 2025

Lender	Borrower	Year granted	Total amount of loans	Total balance of receivables due to loans granted ³⁷		Interest on loans as at 31 December 2025	Maturity date
Loans granted within the Group							
KGHM Polska Miedź S.A.	Quadra FNX Holdings Chile Limitada	2025	USD 347 mn	USD 236 mn	PLN 1 809 mn	from 4.43% to 7.84%	from 31.12.34 to 31.12.36
KGHM INTERNATIONAL LTD.	DMC Mining Services Ltd.	2025	CAD 6.0 mn	CAD 6.1 mn	PLN 16 mn	4.32%	30.06.26
Quadra FNX FFI S.à r.l.	DMC Mining Services Ltd.	2025	CAD 3.5 mn	CAD 3.71 mn	PLN 13.4 mn	6.06%	31.03.2026

³⁵ Balance of receivables over PLN 25 million

³⁶ Including accrued, unpaid interest as at 31 December 2025

³⁷ Including accrued, unpaid interest as at 31 December 2025

2.4.6 Cash pooling in the Group

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

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

2.5.1 Production

The main goals set by the Management Board in terms of production and occupational health and safety for 2025 were:

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

The goals set required advancement of the following actions:

in mining	– expanding mining operations within the Deep Głogów (Głogów Głęboki-Przemysłowy) area, – continuation of work related to exploration of the „Radwanice” and „Retków” copper ore deposits, – improvement of the ore extraction technology, greater mining efficiency and improved occupational health and safety, by: – adapting the geometry of mining systems to local geological and mining conditions, – improving the efficiency of technological and active methods of limiting the threat of rock bursts and of other associated natural threats, – proper waste rock management in mining areas (selective extraction, siting of rock), – underground tests of a prototype bolting rig for low workings with an automated bolting turret, – continuing the search for battery-powered electric mining machines with the technical parameters required for use in our mine conditions. – a greater scope of work with respect to identifying gas-related threats and the use of new technical solutions and means of prevention to counteract this threat, – continued construction of the Central Air Conditioning Station at the GG-1 shaft with target capacity of 40 MW, – Functionality-Utilisation Programs obtained for construction of the Surface-based Air Conditioning Station with trigeneration at the GG-2 shaft, and construction of the Ice Water Delivery System for the Central Air Conditioning System at the GG-2 shaft. – construction completed of rigid reinforcement for the lift equipment at the GG-1 shaft, environmental impact decision received to advance the investment in the target period, start of construction of target facilities, – commencement of geological research work for the Retków shaft, – development of the mine dewatering system, – maintaining the efficiency of mining vehicles in an assortment required to execute production tasks along with successive replacement of the machine park, – execution of the tangible scope of preparatory and access work using the commissioning system at the level of 57.9 thousand meters,
in ore enrichment	– maintaining the production capacity of individual areas of the Concentrators Division Areas to the amount of 32 million tonnes of ore wet weight and the quality of ore supplied, – maintaining the production of concentrates in an amount and quality necessary for optimal use of the production capacity of the fire phases of the smelters, – the continuity of concentrate deliveries to the smelters continued despite the Modernisation of Railway Infrastructure on the terrain of KGHM, replacement of railway rails at the Rudna and Polkowice Concentrators, – an investment was advanced involving construction of a copper concentrate warehouse at the Rudna Concentrator, aimed at limiting environmental impact, – improvements were made in the coordination of maintenance and service work requiring shutdowns, – optimisation was made in the logistics of transport and storage of both ore and concentrate, – the final decisions were received as regards the possibility of raising the crown height of the dam above 195 m a.s.l. in order to ensure the continued functioning of the Żelazny Most TSF.
in metallurgy	– maintaining the share of imported concentrates and copper scrap accompanying the smelting of own concentrates in order to carry out the planned high level of electrolytic copper production, – environmental impact was minimised by improving the efficiency of the dedusting and hermetic sealing of processes and the optimisation of water and effluents management, – at the Głogów Copper Smelter and Refinery an installation was built and commissioned to produce gold and silver investment ingots for individual retail customers,

	– optimal utilisation of infrastructure enabled the full execution of production tasks in terms of the main commercial products, – maintaining the share of recycling in copper production as a result of an increase in the processing of scrap in the furnaces of the Głogów Copper Smelter and Refinery and maximisation of scrap processing in all fire phases at the Legnica Copper Smelter and Refinery, in order to carry out the planned high level of electrolytic copper production, – modernisation work continued as regards the electrorefining process with respect to conversion to permanent starter sheet technology at the Legnica Copper Smelter and Refinery.
in occupational health and safety	– consistent striving to ensure safe and hygienic workplace conditions, – the mobilisation and increased engagement of all Company employees in the question of occupational health and safety, – searching for new solutions to negate threats occurring in mining and metallurgy, – constant monitoring of threats occurring in the workplace and the realisation of organisational and technical goals aimed at limiting professional risks and accident rates, – continuous improvement of the occupational health and safety management system implemented by the Company pursuant to the PN ISO 45000:2018 standard.

Mine production

In 2025, extraction of ore (dry weight) amounted to 30.3 million tonnes and was lower by 0.26 million tonnes than in 2024.

Average copper content in extracted ore amounted to 1.49% and was higher than the level achieved in 2024. In the case of silver in ore, content amounted to 50.76 g/t and was higher compared to the previous year.

As a result the amount of copper in extracted ore was higher than in 2024 by 0.8 thousand tonnes of copper and amounted to 452.4 thousand tonnes. The volume of silver in ore increased by 2.2 tonnes and amounted to 1 539 tonnes.

In 2025, 30.3 million tonnes of ore (dry weight) were processed (0.28 million tonnes less compared to 2024). The lower processing of ore with a higher copper content, extracted by the mines, had a direct impact on the amount of recovered copper in concentrate, which amounted to 401.1 thousand tonnes (1.0 thousand tonnes more compared to 2024).

The production of concentrate (dry weight) increased by 2.9 thousand tonnes compared to 2024.

The amount of silver in concentrate was higher than in 2024 by 0.2%.

Table 37. Mine production

	Unit	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Mined ore (wet weight)	mn t	32.0	32.2	(0.6)	7.6	8.2	8.0	8.1
Mined ore (dry weight)	mn t	30.3	30.6	(1.0)	7.2	7.8	7.6	7.7
Copper grade	%	1.49	1.48	+0.7	1.50	1.50	1.48	1.48
Copper in ore	kt	452.4	451.6	+0.2	108.6	117.1	113.0	113.7
Silver grade	g/t	50.8	50.3	+1.0	52.2	50.3	50.2	50.4
Silver in ore	t	1 539	1 537	+0.1	378	392	383	387
Production of concentrate (dry weight)	kt	1 779	1 776	+0.2	430	461	447	441
Copper in concentrate	kt	401.1	400.1	+0.2	96.4	103.8	101.5	99.4
Silver in concentrate	t	1 321	1 318	+0.2	325	336	331	329

Metallurgical production

The production of electrolytic copper as compared to 2024 decreased by 17.8 thousand tonnes, or 3.0%. The lower level of electrolytic copper production was due to the planned maintenance of railway rails and current disconnectors at the Głogów II Copper Smelter and Refinery in the first half of 2025.

The production of metallic silver and gold compared to 2024 increased respectively by 7.0 tonnes and 54.7 kilograms. The higher production of metallic silver and gold results from the availability of charge materials at the Precious Metals Plant.

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

Table 38. Metallurgical production

	Unit	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Electrolytic copper, including:	kt	570.9	588.7	(3.0)	150.0	148.6	138.4	134.0
- production from own concentrates	kt	375.4	383.7	(2.2)	95.3	97.6	92.2	90.3
- production from purchased metal-bearing materials	kt	195.5	205.0	(4.6)	54.7	51.0	46.1	43.7
Wire rod, OFE and CuAg rod	kt	280.0	287.2	(2.5)	62.2	75.6	70.1	72.0
Metallic silver	t	1 323	1 316	+0.5	347	330	331	316
Metallic gold	koz t	88.6	86.8	+2.1	26.2	18.6	22.3	21.5
Refined lead	kt	30.0	28.8	+4.2	7.9	6.4	7.9	7.7

Main production goals

The main goals set by the Management Board in terms of production and occupational health and safety for 2026 are a continuation of actions taken in 2025, i.e.:

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

Key tasks in 2026:

in mining	– access and development work to intersect the deposit in the Deep Głogów (Głogów Głęboki-Przemysłowy) and Gaworzyce mining areas, – continuation of work related to exploration of the „Radwanice” and „Retków” copper ore deposits, – continuation of work related to prevention of gas-related threats (hydrogen sulphide and methane) and the use of new technical solutions and means of prevention to counteract this threat, – continuation of work related to utilising the capacity of the input and output ventilation shafts in the interconnected mine ventilation system, – maintaining the efficiency of mining vehicles in an assortment and quantity required to execute production tasks, – the consistent introduction of mining vehicles with low-emission engines and the continuation of work related to introduction of zero-emission, electric and battery-powered mining vehicles, – completion of development of the Central Air Conditioning Station at the GG-1 shaft with target capacity of 40 MW, – continued geological exploration for the Retków shaft and the start of geological exploration for the GG-2 and Gaworzyce shafts, – continued construction of target facilities and equipment for the GG-1 shaft, – the start of construction of the Central Air Conditioning Station at the GG-2 shaft, – expansion of the mine dewatering system, – realisation of the planned scope of preparatory and access work using the commissioning system at the level of 59 thousand meters,
in ore enrichment	– execution of the processing plan by the Concentrators Division as regards planned investment and maintenance activities (amongst others replacement of spiral classifiers, mill drums, mill drives (new SMH engines)), – operational tests of equipment for breaking up foam in thickeners – Froth Duc, Rudna Concentrator, – optimisation of water management (especially during the summer period) – continuation of tasks, Rudna Concentrator, – cooperation with teams from CBJ as regards implementation of an installation for collecting samples of concentrate for shipping and samples of the charge material from mills used for 1st-stage milling, Rudna Concentrator, – optimisation of the work of filtration presses at the Lubin Concentrator by the construction of new air compressors, enabling an increase in cake pressure and intensification of the blowing process – a savings in natural gas consumed during the thermal drying process, – modernisation of two main floatation machines of the second processing line at the Lubin Concentrator – maintenance of the proper level of technological parameters and electricity consumption.
in metallurgy	– optimisation of the processing of recycled materials and scrap in all fire phases aimed at maximising the production of electrolytic copper at the Legnica Copper Smelter and Refinery and the Głogów Copper Smelter and Refinery, – maintaining the high level of electrolytic copper production by the Legnica Copper Smelter and Refinery and the Głogów Copper Smelter and Refinery, – further minimisation of environmental impact by actions directed towards improving the effectiveness of the dedusting and hermetic sealing processes and optimisation of water-effluents management, – optimum management of materials between the metallurgical facilities, – continued work on the technological transformation of the Legnica Copper Smelter and Refinery, – realisation of a project on converting electrolytic copper technology to permanent starter sheet technology,
in occupational health and safety	– ensuring safe and hygienic working conditions by implementing organisational, technical and behavioural measures aimed at preventing injuries and work-related diseases, – permanent improvement aimed at making employees more safety-conscious, including their habits, attitudes and views, in particular awareness of causes and the consequences of their actions, – preparation for changes in hygienic and biological standards and the successive transposition of new requirements, – improving the identification and monitoring of hazards and the mitigation of risks in the working environment, – searching for new technical and organisational solutions to negate changes in working conditions, in particular in mining, – maintaining a certificate confirming conformance of the OHS Management System with the ISO 45001 standard.

2.5.2 Sales

In 2025, the level of sales of copper products by the Company was lower than that achieved in 2024, and finally amounted to 572.5 thousand tonnes, versus 589.6 thousand tonnes in the previous year. In 2025, sales of copper cathodes amounted to 278.8 thousand tonnes, meaning a decrease by 6% compared to 2024. However, sales of copper wire rod and OFE rod increased by 0.4%, in 2025 amounting to 290.3 thousand tonnes.

Sales of metallic silver in 2025 amounted to 1 335 tonnes, meaning a decrease by 1% compared to the volume recorded in 2024. Sales of gold in 2025 amounted to 89.0 thousand troy ounces.

Table 39. Sales volume of basic products of KGHM Polska Miedź S.A.

	Unit	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Cathodes and cathodes parts	kt	278.8	297.4	(6.3)	82.0	63.0	63.8	70.0
Copper wire rod and OFE rod	kt	290.3	289.0	+0.4	64.6	75.6	77.6	72.5
Other copper products	kt	3.4	3.2	+6.3	0.7	0.8	1.1	0.8
Total copper and copper products	kt	572.5	589.6	(2.9)	147.3	139.3	142.5	143.3
Metallic silver	t	1 335	1 347	(0.9)	347	304	351	333
Metallic gold	koz t	89.0	90.7	(1.9)	24.5	17.6	21.6	25.3
Lead	kt	32.2	31.7	+1.6	7.9	7.6	8.7	8.0

Total revenues from sales by KGHM Polska Miedź S.A. in 2025 amounted to PLN 30 964 million, representing an increase by 4% versus 2024, when revenues amounted to PLN 29 894 million.

Revenues from sales of copper products in 2025 decreased by 2% and amounted to PLN 22 378 million (compared to revenues in 2024 at a level of PLN 22 789 million).

Revenues from metallic silver sales in 2025 increased by 25% to PLN 6 133 million compared to PLN 4 917 million in 2024. Revenues from sales of metallic gold in 2025 increased to PLN 1 144 million, versus PLN 853 million in 2024 (+34%).

The increase in revenues from contracts with customers compared to 2024 by PLN 1 070 million was mainly due to:

- an increase by PLN 3 817 million in revenues due to higher prices of silver (+11.76 USD/oz t, +42%), gold (+1 049 USD/oz t, +44%) and copper (+798 USD/t, +9%),
- a decrease by PLN 1 514 million in revenues from the sale of basic products (copper, silver, gold) due to a less-favourable average annual USD/PLN exchange rate (a change from 3.98 to 3.76),
- a decrease by PLN 705 million in revenues due to lower sales volume of basic products: copper (-17.1 thousand tonnes, -3%), silver (-12 tonnes, -1%) and gold (-1.7 thousand troy ounces, -2%)
- a change by -PLN 501 million in adjustments to revenues due to hedging transactions, from +PLN 608 million to +PLN 107 million,
- a decrease by PLN 26 million in other revenues from sales, including revenues from the sale of merchandise (-PLN 16 million).

Table 40. Revenues from contracts with customers of KGHM Polska Miedź S.A.³⁸ (PLN mn)

	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Cathodes and cathodes parts	10 776	11 181	(3.6)	3 444	2 316	2 344	2 672
Copper wire rod and OFE rod	11 470	11 484	(0.1)	2 767	2 880	2 958	2 865
Other copper products	132	124	+6.5	31	29	42	30
Total copper and copper products	22 378	22 789	(1.8)	6 242	5 225	5 344	5 567
Metallic silver	6 133	4 917	+24.7	2 016	1 370	1 407	1 340
Metallic gold	1 144	853	+34.1	372	218	267	287
Lead	258	285	(9.5)	61	60	69	68
Other goods and services	670	654	+2.4	173	161	155	181
Merchandise and materials	381	397	(4.0)	114	92	81	94
Total revenues from contracts with customers	30 964	29 894	+3.6	8 978	7 126	7 323	7 537

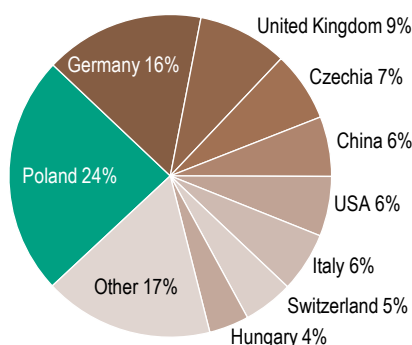
³⁸ Reflecting adjustment due to hedging transactions

Geographical structure of sales

In 2025, KGHM Polska Miedź S.A. generated most of its revenues from domestic sales, which amounted to 24% of the total revenues. The remaining major customers of KGHM came from Germany (16%), the United Kingdom (9%), Czechia (7%), China (6%), the USA (6%), Italy (6%), Switzerland (5%) and Hungary (4%).

The following chart shows the geographic structure of revenues in 2025. Sales revenue includes the result from the settlement of hedging instruments.

Chart 22. Sales revenues of KGHM Polska Miedź S.A. by market (PLN mn)³⁹



2.5.3 Costs

Table 41. Cost of sales, selling costs and administrative expenses of KGHM Polska Miedź S.A. (PLN mn)

	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Cost of products, merchandise and materials sold	26 187	25 503	+2.7	7 498	6 055	6 206	6 428
Selling costs	178	177	+0.6	48	41	44	45
Administrative expenses	1 443	1 358	+6.3	500	347	340	256
Cost of sales, selling costs and administrative expenses	27 808	27 038	+2.8	8 046	6 443	6 590	6 729

The Company's cost of sales, selling costs and administrative expenses (cost of products, merchandise and materials sold plus selling costs and administrative expenses) in 2025 amounted to PLN 27 808 million and was 3% higher compared to the corresponding period of 2024. The increase in the value of the Company's cost of sales, selling costs and administrative expenses was significantly affected mainly by costs dependent on metals prices due to their increase, i.e. the minerals extraction tax and purchased metal-bearing materials. A factor which decreased costs was an increase in the value of inventories, mainly half-finished goods, accumulated for the maintenance shutdown at the Głogów Copper Smelter and Refinery which is planned in 2026.

Total expenses by nature for 2025 in relation to 2024 were higher by 9% or PLN 2 311 million, of which PLN 896 million (+12%) were the cost of purchased metal-bearing materials (an increase in volume by 11 thousand tonnes of copper and a higher price by 6%) and a higher minerals extraction tax charge by PLN 828 million (21%), mainly due to the increase in copper and silver prices and slightly higher production of copper and silver from own concentrates.

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

	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Depreciation of property, plant and equipment and amortisation of intangible assets	1 753	1 607	+9.1	419	444	445	445
Employee benefits expenses	6 303	5 891	+7.0	1 854	1 505	1 498	1 446
Materials and energy, including:	12 556	11 650	+7.8	3 518	2 916	2 931	3 191
- purchased metal-bearing materials	8 335	7 439	+12.0	2 521	1 862	1 902	2 050
- electrical and other energy	1 814	1 699	+6.8	404	490	432	488
External services	2 776	2 793	(0.6)	718	708	685	665
Minerals extraction tax	4 693	3 865	+21.4	1 542	1 069	1 022	1 060
Other taxes and charges	715	686	+4.2	170	179	172	194
Other expenses	144	137	+5.1	65	23	37	19
Total expenses by nature	28 940	26 629	+8.7	8 286	6 844	6 790	7 020

³⁹ Reflecting adjustment from hedging transactions

Expenses by nature, excluding purchased metal-bearing materials and the minerals extraction tax amounted to PLN 15 912 million and were higher as compared to the corresponding expenses of the previous year by PLN 587 million (+4%) mainly due to increases in the following costs:

- labour (+PLN 412 million; +7%) – due to an increase in wages and a higher revaluation of the provision for future employee benefits expenses with a similar amount budgeted for the annual bonus,
- energy resources (+PLN 115 million; +7%) – mainly due to a higher purchase price of electricity and a higher purchase volume, with lower own power generation,
- depreciation/amortisation (+PLN 146 million; +9%) - an increase due to investments advanced and commissioned,
- other taxes and charges (+PLN 29 million; +4%) – mainly due to higher costs of environmental fees for water discharges, operating fees and the real estate tax, with lower fees due to CO₂ emission allowances,

with lower costs of the following:

- consumption of materials and fuels (-PLN 105 million; -4%) – mainly due to lower fuel and process gas prices and a lower volume of consumption of technological materials,
- external services (-PLN 17 million; -1%) – mainly due to lower mine development costs.

The structure of expenses by nature in 2025 is presented below. As compared to the prior year, it is at a very similar level.

Chart 23. Structure of expenses by nature in 2025

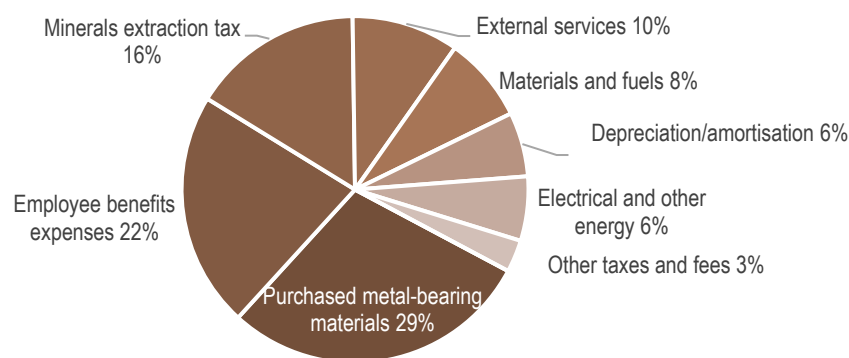
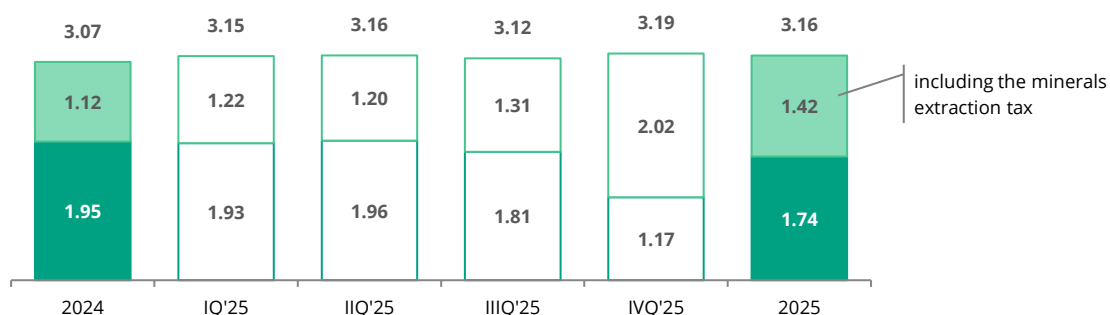
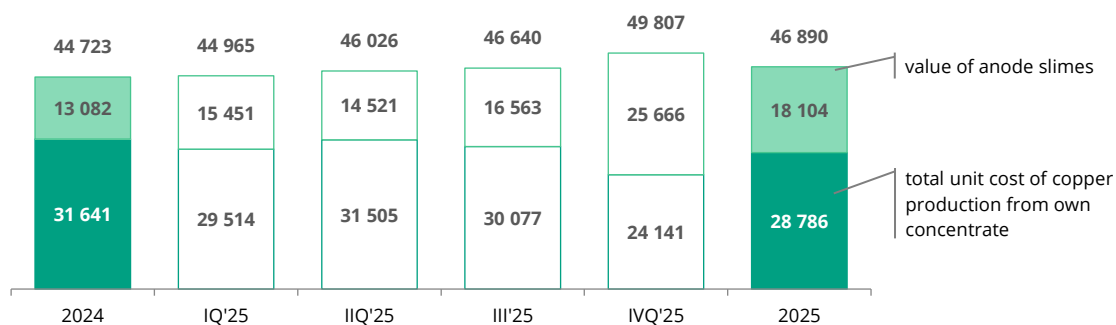


Chart 24. C1 cost of producing copper in concentrate (USD/lb)



C1 cost of producing copper in concentrate amounted to, respectively: 3.07 USD/lb in 2024 and 3.16 USD/lb in 2025. The 3% increase in cost was driven by an increase in the minerals extraction tax charge due to higher copper and silver prices, higher labour costs, energy resources, other taxes and charges and strengthening of the PLN against the USD. Positive impact on the level of costs came from the valuation of by-products due to higher silver and gold prices and higher production of copper and silver in own concentrate. C1 cost excluding taxation for 2025 compared to 2024 was at a lower level (-11%).

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



The pre-precious metals credit unit cost of copper production from own concentrate⁴⁰ was higher than that recorded in 2024 by 2 167 PLN/t (+5%). The increase in unit cost was mainly due to lower production from own concentrate by 8 thousand tonnes of copper, or -2%, and a higher minerals extraction tax charge by 1 201 PLN/t (+12%). The total unit cost of copper production from own concentrate was lower compared to 2024 by 2 855 PLN/t (-9%) with a higher valuation of anode slimes due to higher precious metals prices.

2.5.4 Statement of profit or loss

In 2025, KGHM Polska Miedź S.A. achieved adjusted EBITDA in the amount of USD 4 909 million with a margin of 16%, which means stabilisation of the margin in recent years.

Chart 26. EBITDA margin (adjusted EBITDA/Revenues from contracts with customers)

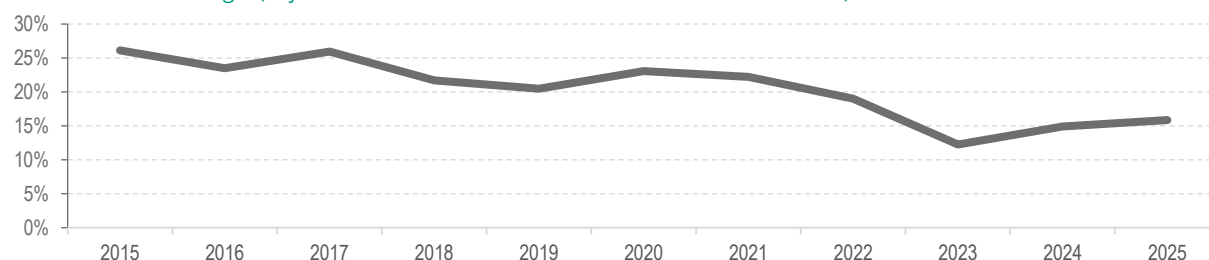


Table 43. Financial results of KGHM Polska Miedź S.A. (PLN mn)

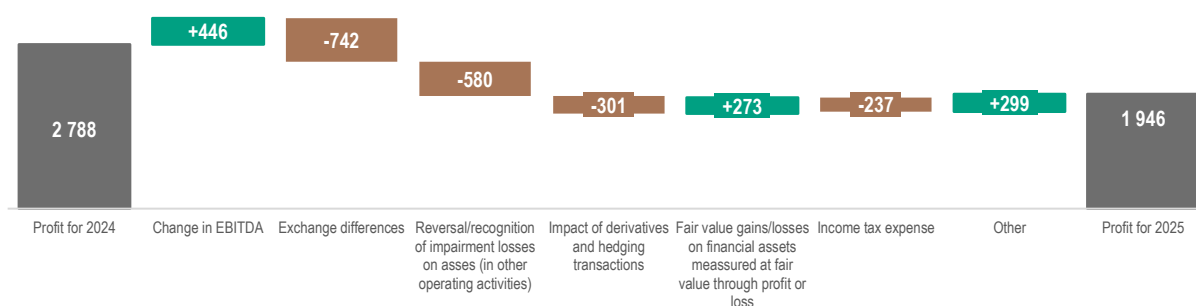
	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Revenues from contracts with customers	30 964	29 894	+3.6	8 978	7 126	7 323	7 537
Cost of sales, selling costs and administrative expenses	(27 808)	(27 038)	+2.8	(8 046)	(6 443)	(6 590)	(6 729)
Profit or loss on sales	3 156	2 856	+10.5	932	683	733	808
Other operating income and (costs)	64	1 554	(95.9)	1 057	83	(581)	(495)
Finance income and (costs)	160	(425)	x	50	(59)	89	80
Profit or loss before income tax	3 380	3 985	(15.2)	2 039	707	241	393
Income tax expense	(1 434)	(1 197)	+19.8	(552)	(361)	(255)	(266)
Profit/(loss) for the period	1 946	2 788	(30.2)	1 487	346	(14)	127
Adjusted EBITDA	4 909	4 463	+10.0	1 351	1 127	1 178	1 253

⁴⁰ Unit cost prior to decrease by the value of anode slimes containing among others silver and gold

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

Item	Impact on change in profit or loss (PLN mn)	Description
EBITDA	+446	The increase was due to: – an increase in revenues from contracts with customers by PLN 1 070 million, as described in more detail in section 2.5.2 Sales, – an increase in the level of cost of sales, selling costs and administrative expenses (excluding depreciation/amortisation) by PLN 624 million as described in section 2.5.3 Costs.
Exchange differences	(742)	A decrease in the result on exchange differences due to: – a lower result by PLN 1 149 million on exchange differences presented in other operating income and costs (mainly due to loans), – a higher by PLN 407 million result on exchange differences from the measurement and realisation of borrowings presented in finance income and costs.
Impairment losses on assets recognised/reversed in other operating activities	(580)	A change in the result, mainly due to: – a lower reversal of impairment losses on shares of Future1 Sp. z o.o. (-PLN 724 million), – an impairment loss on shares of PMT Linie Kolejowe Sp. z o.o. (-PLN 147 million), – no impairment losses on shares of POL-MIEDŹ TRANS Sp. z o.o. (+PLN 90 million), – an increase in the balance of recognised and reversed allowances for impairment of loans measured at amortised cost (+PLN 251 million).
Impact of derivatives and hedging transactions (excluding adjustment due to hedging recognised in revenues from contracts with customers)	(301)	Including a decrease in the result due to the measurement and realisation of derivatives in other operating activities by PLN 312 million, with a lower by PLN 11 million loss on the realisation of derivatives in financing activities
Fair value gains/losses on financial assets measured at fair value through profit or loss	+273	Mainly relates to the change in the value of loans measured at fair value through profit or loss
Income tax expense	(237)	An increase in income tax as regards: – current income tax by PLN 184 million, – deferred income tax by PLN 69 million, - with a change in the adjustment of current income tax for prior periods (-PLN 16 million).
Other	+299	Other factors which impacted the increase in profit for the period compared to the prior year are mainly with respect to: - lack of losses due to modification of financial assets +PLN 169 million, - change in provisions +PLN 116 million.

Chart 27. Change in the profit or loss of KGHM Polska Miedź S.A. in 2025 (PLN mn)



2.5.5 Cash flows

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

	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Net cash generated from/(used in) operating activities	2 558	2 532	+1.0	611	421	309	1 217
Change in working capital	(1 953)	(1 222)	+59.8	(941)	(713)	(655)	356
Net cash generated from/(used in) investing activities	(2 660)	(3 652)	(27.2)	(627)	(536)	(446)	(1 051)
Net cash generated from/(used in) financing activities	(49)	3	×	(63)	112	(251)	153
Net cash flows	(151)	(1 117)	(86.5)	(79)	(3)	(388)	319
Exchange differences in cash and cash equivalents	-	3	×	-	1	-	(1)
Cash and cash equivalents at beginning of the period	367	1 481	(75.2)	295	297	685	367
Cash and cash equivalents at the end of the period	216	367	(41.1)	216	295	297	685

Net cash generated from operating activities in 2025 amounted to +PLN 2 558 million and mainly comprised:

- EBITDA of +PLN 4 909 million,
- the negative effect of the change in working capital of -PLN 1 953 million,
- expenses and proceeds due to payment and refund of income tax of -PLN 843 million.

Net cash used in investing activities in 2025 amounted to -PLN 2 660 million and mainly comprised:

- expenditures on property, plant and equipment and intangible assets in the amount of PLN 3 910 million,
- repayment of loans granted including interest PLN 1 575 million,
- expenditures on the acquisition of shares of subsidiaries PLN 271 million.

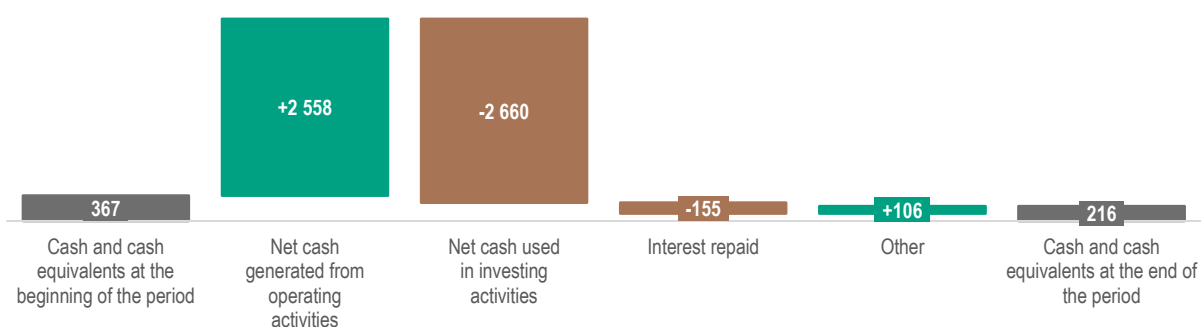
Net cash flows used in financing activities in 2025 amounted to -PLN 49 million and comprised:

- interest paid in the amount of -PLN 155 million and liabilities due to financial leases -PLN 66 million,
- proceeds from/expenditures on to derivatives related to sources of external financing + PLN 70 million,
- proceeds from/expenditures on borrowings +PLN 52 million and
- proceeds from cash pooling +PLN 50 million.

On 17 December 2025 the Company issued 7-year series D bonds with a nominal value of PLN 1 600 million. The funds raised from the bond issuance were used to finance the early redemption of 10-year series B bonds issued in June 2019.

After reflecting exchange differences on cash and cash equivalents, the balance of cash and cash equivalents decreased by PLN 151 million and at the end of 2025 amounted to PLN 216 million.

Chart 28. Cash flows of KGHM Polska Miedź S.A. in 2025 (PLN mn)



2.5.6 Assets

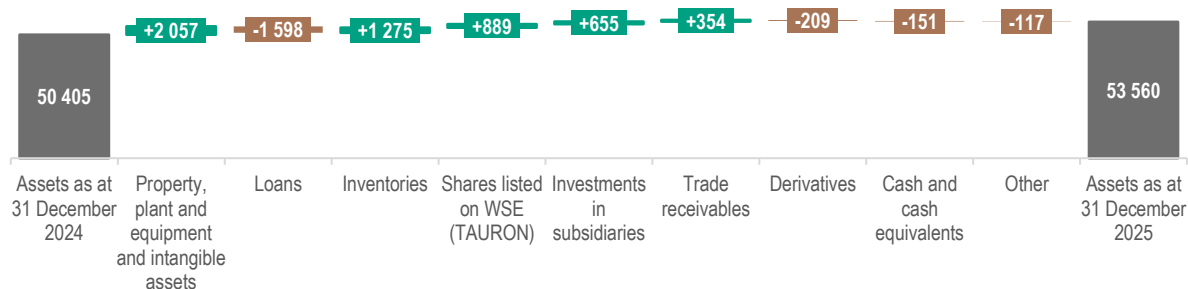
Table 46. Assets of KGHM Polska Miedź S.A. (PLN mn)

	31 December 2025	31 December 2024	Change (%)	30 September 2025	30 June 2025	31 March 2025
Property, plant and equipment and intangible assets	24 516	22 459	+9.2	23 475	23 366	22 729
Investments in subsidiaries	6 801	6 146	+10.7	6 348	6 300	6 181
Financial instruments, including:	10 769	11 405	(5.6)	10 646	10 879	10 990
- loans granted	8 290	9 727	(14.8)	8 091	8 338	9 111
Other non-financial assets	80	97	(17.5)	82	86	91
Non-current assets	42 166	40 107	+5.1	40 551	40 631	39 991
Inventories	8 312	7 037	+18.1	8 111	7 617	7 232
Trade receivables	1 239	885	+40.0	1 029	786	739
Tax assets	588	396	+48.5	414	267	290
Derivatives	128	219	(41.6)	243	293	196
Cash pooling receivables	523	683	(23.4)	456	450	755
Other financial assets, including:	286	540	(47.0)	243	338	477
- loans granted	85	246	(65.4)	113	104	229
Other non-financial assets	102	171	(40.4)	291	410	357
Cash and cash equivalents	216	367	(41.1)	295	297	684
Current Assets	11 394	10 298	+10.6	11 082	10 458	10 730
TOTAL ASSETS	53 560	50 405	+6.3	51 633	51 089	50 721

In 2025, the main changes in assets comprised:

- an increase in property, plant and equipment and intangible assets by PLN 2 057 million as a result of expenditure on property, plant and equipment and intangible assets in the amount of PLN 3 910 million and depreciation/amortisation of PLN 1 753 million,
- a decrease in the carrying amount of loans granted by PLN 1 598 million, including by PLN 1 155 million in respect of loans measured at amortised cost and PLN 443 million in respect of loans measured at fair value (details regarding receivables due to loans granted may be found in Note 6.2 of the financial statements),
- an increase in the value of inventories by PLN 1 275 million, including half-finished goods and work in progress (+PLN 1 604 million) with a lower value of finished goods (-PLN 270 million),
- an increase in the value of listed shares (TAURON Polska Energia S.A.) by PLN 889 million,
- an increase in the value of shares in subsidiaries by PLN 655 million, mainly due to the reversal of impairment losses of the company FUTURE 1 Sp. z o.o. (PLN 599 million),
- an increase in trade receivables by PLN 354 million, including receivables measured at fair value (+PLN 474 million) with a decrease in receivables measured at amortised cost (-PLN 120 million),
- a decrease in cash and cash equivalents by PLN 151 million.

Chart 29. Change in assets of KGHM Polska Miedź S.A. in 2025 (PLN mn)



2.5.7 Equity and liabilities

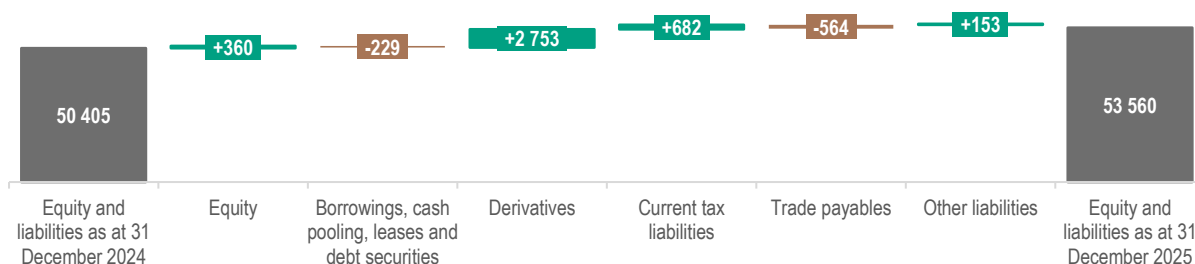
Table 47. Equity and liabilities of KGHM Polska Miedź S.A. (PLN mn)

	31 December 2025	31 December 2024	Change (%)	30 September 2025	30 June 2025	31 March 2025
Share capital	2 000	2 000	-	2 000	2 000	2 000
Other reserves from measurement of financial instruments	(1 699)	(117)	×14.5	448	723	104
Accumulated other comprehensive income	(640)	(636)	+0.6	(627)	(720)	(693)
Retained earnings	31 853	29 907	+6.5	30 366	30 020	30 034
Equity	31 514	31 154	+1.2	32 187	32 023	31 445
Borrowings, leases and debt securities	4 774	4 655	+2.6	4 986	5 001	4 693
Derivatives	1 626	269	×6.0	390	142	161
Employee benefits liabilities	2 571	2 467	+4.2	2 522	2 605	2 526
Provisions for decommissioning costs of mines and other technological facilities	1 380	1 263	+9.3	1 315	1 328	1 283
Deferred tax liabilities	326	460	(29.1)	709	746	445
Other non-current liabilities	274	295	(7.1)	253	254	260
Non-current liabilities	10 951	9 409	+16.4	10 175	10 076	9 368
Borrowings, leases, cash pooling and debt securities	1 348	1 696	(20.5)	1 207	1 096	1 801
Derivatives	1 440	44	×32.7	280	96	136
Trade and other payables	4 263	4 825	(11.6)	4 507	4 478	4 628
Employee benefits liabilities	1 699	1 569	+8.3	1 414	1 370	1 613
Tax liabilities	1 468	786	+86.8	979	710	696
Provisions for liabilities and other charges	78	227	(65.6)	142	166	209
Other current liabilities	799	695	+15.0	742	1 074	825
Current liabilities	11 095	9 842	+12.7	9 271	8 990	9 908
Non-current and current liabilities	22 046	19 251	+14.5	19 446	19 066	19 276
TOTAL EQUITY AND LIABILITIES	53 560	50 405	+6.3	51 633	51 089	50 721

In 2025, the main changes in equity and liabilities comprised:

- an increase in equity by PLN 360 million, including:
 - profit for the period of PLN 1 946 million,
 - an increase by PLN 720 million in reserves from the measurement of equity instruments measured at fair value through other comprehensive income (mainly an increase in the value of shares of Tauron Polska Energia S.A. reflecting an adjustment in deferred tax)
 - a decrease by PLN 2 302 million in other reserves from the measurement of future cash flow hedging financial instruments,
- a decrease in liabilities due to debt by PLN 229 million, including loans by PLN 527 million with an increase in liabilities due to bank loans by PLN 254 million and cash pooling by PLN 50 million,
- an increase in derivatives (non-current and current) by PLN 2 753 million, including mainly the valuation of open hedged positions on silver, PLN 2 247 million and copper, PLN 612 million. The hedged notional includes only a part of the sales volume planned for the following quarters. In other respects, the Company fully participates in increases in metals prices. The resulting potential increase in revenues offsets the increase in liabilities due to derivatives. Details regarding derivatives, including the transactions notional and average weighted hedged prices, may be found in Note 7.2 of the financial statements,
- an increase in current tax liabilities by PLN 682 million including PLN 285 million due to current income tax and PLN 397 million increase in liabilities due to other taxes (mainly due to the minerals extraction tax).
- a decrease in trade and other payables by PLN 564 million, including trade payables within the reverse factoring mechanism by PLN 703 million (details regarding trade payables may be found in Note 10.3 of the financial statements).

Chart 30. Change in equity and liabilities of KGHM Polska Miedź S.A. in 2025 (PLN mn)



2.5.8 Investments

Total capital expenditures amounted to PLN 3 928 million and were lower by 0.2%.

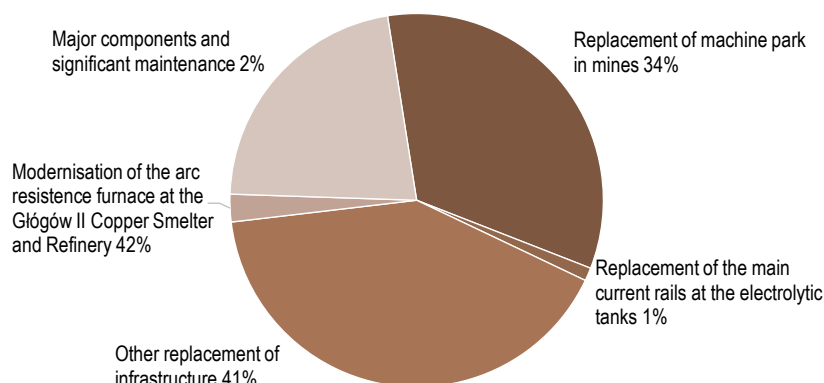
Table 48. Structure of expenditures on property, plant and equipment and intangible assets of KGHM Polska Miedź S.A. (PLN mn)

	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Mining	3 014	3 017	(0.1)	995	779	664	576
Metallurgy	723	714	+1.3	365	168	103	87
Other activities	90	48	+87.5	62	19	6	3
Development work - uncompleted	2	6	(66.7)	1	1		
Leases per IFRS 16	99	101	(2.0)	13	13	47	26
CO ₂ emission allowances	-	49	x	-	-	-	-
Total	3 928	3 935	(0.2)	1 436	980	820	692
including borrowing costs	266	209	+27.3	79	71	51	65

In 2025, capital expenditures on property, plant and equipment in the areas of mining, metallurgy and other activities and development work - uncompleted, amounted to PLN 3 829 million and were higher than in the previous year by 1.2%. Investment activities comprised projects related to the replacement of equipment, maintenance and development:

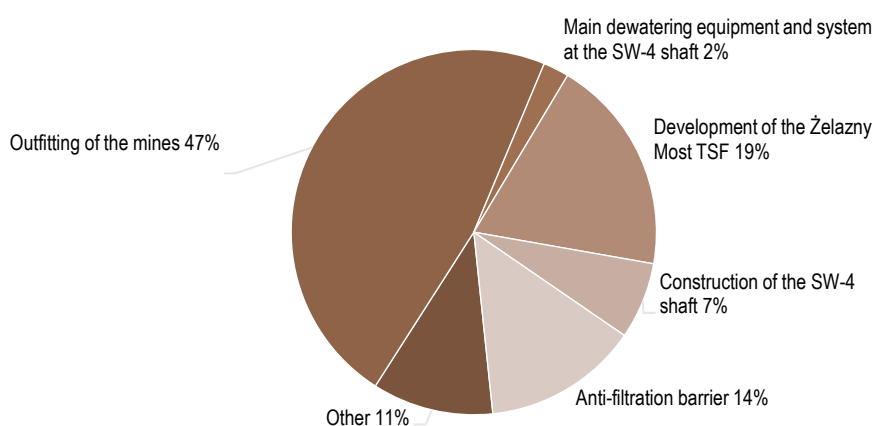
Projects related to replacement aimed at maintaining production equipment in an undeteriorated condition, represent 36% of total expenditures incurred.

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



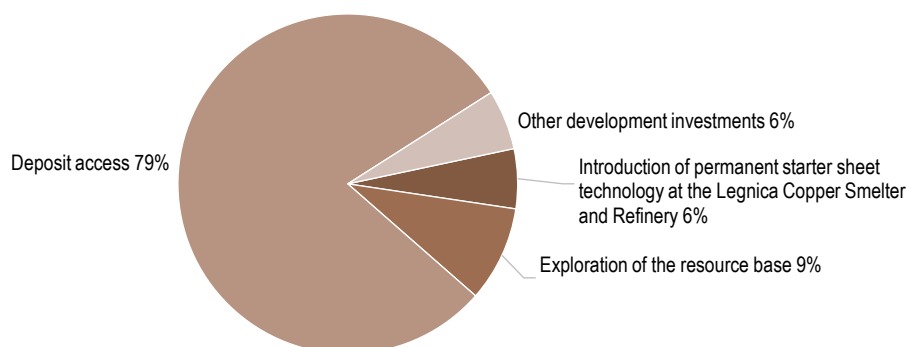
Projects related to maintenance aimed at maintaining mine production on the level set in approved Production Plan (development of infrastructure to match mine advancement) represent 28% of total expenditures incurred.

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



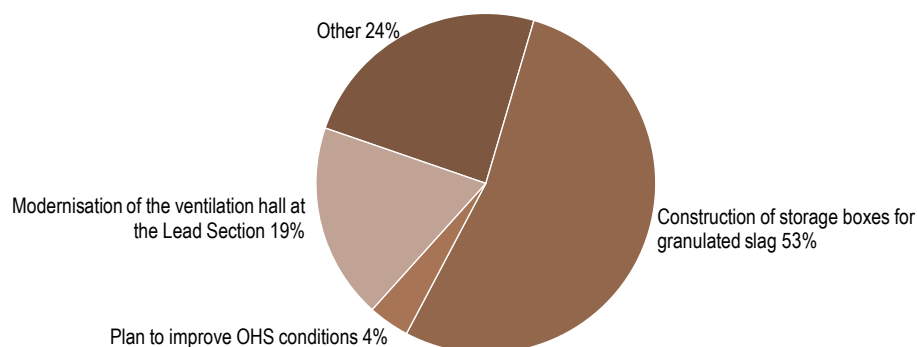
Development projects aimed at increasing or maintaining the current level of revenues from sales, implementation of technical and technological activities optimising use of existing infrastructure, decreasing operating costs, represent 34% of total expenditures incurred.

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



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

Chart 34. Structure of expenditures on adaptation in KGHM Polska Miedź S.A.



Detailed information on the advancement of the main projects may be found in [section 1.4.2 Advancement of the Strategy – key achievements in individual strategic development directions](#).

2.5.9 Contingent assets and liabilities due to guarantees granted

As at 31 December 2025, contingent assets amounted to PLN 491 million and related mainly to promissory notes receivables in the amount of PLN 348 million and guarantees received by the Parent Entity in the amount of PLN 141 million.

As at 31 December 2025, the Parent Entity held liabilities due to guarantees granted and letters of credit in the total amount of PLN 3 467 million.

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

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

2.6 RESULTS OF THE SEGMENT KGHM INTERNATIONAL LTD.

2.6.1 Production

Table 49. Production of KGHM INTERNATIONAL LTD.

	Unit	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Payable copper, including:	kt	52.2	60.5	(13.7)	11.6	11.4	14.8	14.4
- Robinson mine (USA)	kt	49.3	55.9	(11.8)	10.9	10.6	14.2	13.6
Payable nickel	kt	0.1	0.4	(75.0)	-	-	0.0	0.1
Precious metals (TPM), including:	koz t	43.4	53.5	(18.8)	9.0	9.1	12.1	13.2
- Robinson mine (USA)	koz t	40.6	42.0	(3.3)	9.0	9.1	11.7	10.8
- Sudbury Basin (Canada) ⁴¹	koz t	2.8	11.5	(75.6)	0.0	0.0	0.5	2.3

The decrease in payable copper production by 8.3 thousand tonnes is mainly due to mining at the Robinson mine in areas characterised by lower metals content and lower recovery compared to levels recorded in 2024. Moreover, the decrease in copper and precious metals production was a consequence of the sale of the Sudbury Basin assets (February 2025).

2.6.2 Sales

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

	Unit	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Revenues from contracts with customers⁴², including:	USD mn	915	852	+7.4	266	207	217	225
- copper	USD mn	532	515	+3.3	152	115	128	137
- nickel	USD mn	1	7	(85.7)	0	0	(0)	1
- TPM – precious metals	USD mn	159	124	+28.2	45	39	35	40
Sales volume								
Copper sales volume	kt	51.4	59.9	(14.2)	12.0	11.6	13.6	14.2
Nickel sales volume	kt	0.1	0.4	(75.0)	-	-	0.0	0.1
TPM sales volume	koz t	44.8	53.4	(16.1)	9.9	9.9	10.8	14.2
Revenues from contracts with customers	PLN mn	3 439	3 394	+1.3	976	751	817	895

The decrease in the volume of copper and precious metals sales is a consequence of the aforementioned lower production results. Despite this, an increase in revenues was recorded, which is the result of the favourable situation on the metals market, and consequently the higher effective sales prices of these metals, especially in the second half of 2025. The impact of individual factors on the increase in revenues is discussed later in this report.

2.6.3 Costs

The cost of sales, selling costs and administrative expenses amounted to USD 650 million (PLN 2 442 million), or 8% higher than the amount recorded in 2024.

Table 51. Cost of sales, selling costs and administrative expenses and C1 payable copper production cost of KGHM INTERNATIONAL LTD.

	Unit	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Cost of products, merchandise and materials sold	USD mn	584	526	+11.0	175	139	134	136
including: impairment/(reversal of impairment) of non-current assets	USD mn	21	(8)	x	20	0	0	-
Selling costs		28	42	(33.3)	7	7	5	9
Administrative expenses	USD mn	38	34	+11.8	11	8	9	10
Cost of sales, selling costs and administrative expenses	USD mn	650	602	+8.0	213	154	148	155
Cost of sales, selling costs and administrative expenses	PLN mn	2 442	2 398	+1.8	700	563	562	617
C1 payable copper production cost	USD/lb	1.03	1.52	(32.2)	1.01	1.18	0.93	1.03

The increase in costs compared to 2024 is primarily the result of the capitalisation of stripping costs of the Robinson mine. These capitalised stripping costs were lower by USD 72 million than those incurred in 2024.

⁴¹ McCreedy West mine in the Sudbury Basin (assets sold on 28 February 2025)

⁴² Reflects processing premium

Table 52. Main factors affecting the change in the level of expenses by nature compared to 2024 (USD mn)

	2025	2024	Change (%)	
Expenses by nature, including:	830	798	+4.0	
External services	132	157	(15.9)	A decrease, mainly due to the sale of the Sudbury assets
Depreciation/amortisation	208	169	+23.1	An increase mainly due to depreciation of assets due to stripping at Robinson and capitalised costs related to future decommissioning of the mine.
Materials, energy and fuels	198	181	+9.4	Higher costs of materials at Robinson and Carlota (higher consumption of sulphuric acid) and DMC (an increase in material scope of mining services carried out in the USA)
Labour costs	254	256	(0.8)	
Taxes, charges and insurance	35	33	+6.1	
Other costs	3	2	+50.0	
Capitalised stripping costs and other	(107)	(179)	(40.2)	An decrease in the material scope (44 thousand tonnes versus 60 thousand tonnes in 2024).
Change in inventories and work in progress	(94)	(23)	x 4.1	Ore inventories accumulation at Robinson (91 thousand tonnes at the end of 2025 versus 55 thousand tonnes in 2024)
Recognition/(reversal) of impairment losses on non-current assets	21	(8)	x	As at 31 December 2025 an impairment loss was recognised on non-current assets (Carlota), versus a reversal of impairment loss in 2024 (Sudbury)
Write-down of inventories	-	14	x	In 2024 a write-down of inventories was recognised (Carlota USD 8 million, Robinson USD 6 million). In 2025, there was no write-down in this regard.
Cost of sales, selling costs and administrative expenses	650	602	+8.0	

Despite the increase in the cost of sales, selling costs and administrative expenses and the lower copper sales volume, the C1 unit cash cost for copper was substantially lower than the amount recorded in the corresponding period of 2024 (-32%), primarily due to high precious metals prices and more favourable processing premiums (TC/RC).

2.6.4 Financial results

In 2025, KGHM INTERNATIONAL LTD. recorded adjusted EBITDA in the amount of USD 495 million with a margin of 54%, or one of the highest levels since 2012.

Chart 35. EBITDA margin (adjusted EBITDA/Revenues from contracts with customers)

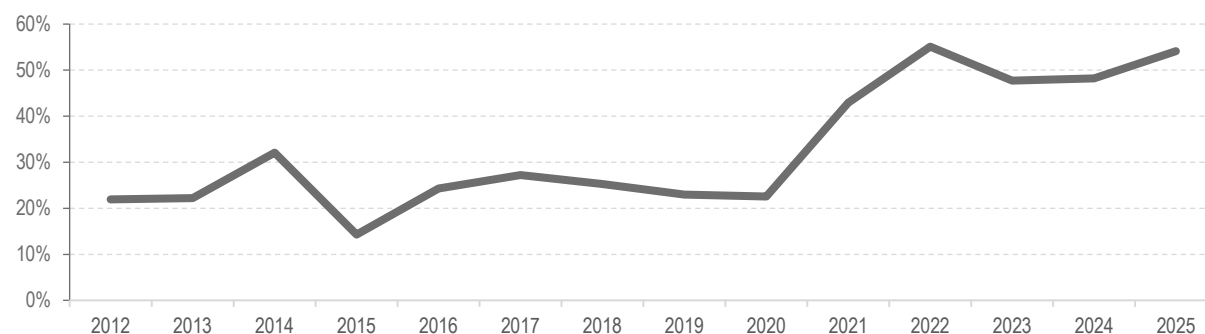


Table 53. Financial results of KGHM INTERNATIONAL LTD. (USD mn)

	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Revenue from contracts with customers	915	852	+7.4	266	207	217	225
Cost of sales, selling costs and administrative expenses ⁴³ , including:	(650)	(602)	+8.0	(191)	(155)	(149)	(155)
(recognition)/reversal of impairment losses on non-current assets	(21)	8	x	(20)	(0)	(0)	-
Profit/(loss) on sales	265	250	+6.0	75	52	68	70
Share of profits/(losses) of investments accounted for using the equity method	436	-	x	436	-	-	-
Profit/(loss) for the period	609	317	+92.1	467	1	106	35
Depreciation/amortisation	(208)	(169)	+23.1	(56)	(55)	(51)	(46)
Adjusted EBITDA	495	411	+20.4	153	107	119	116

Table 54. Financial results of KGHM INTERNATIONAL LTD. (PLN mn)

	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Revenues from contracts with customers	3 439	3 394	+1.3	976	751	817	895
Cost of sales, selling costs and administrative expenses ⁴⁴ , including:	(2 442)	(2 398)	+1.8	(701)	(563)	(562)	(617)
- (recognition)/reversal of impairment losses on non-current assets	(80)	27	x	(78)	(1)	(1)	-
Profit/(loss) on sales	997	996	+0.1	276	188	255	278
Share of profits/(losses) of investments accounted for using the equity method	1 608	-	x	1 608	-	-	-
Profit/(loss) for the period	2 249	1 283	+75.3	1 710	(7)	408	138
Depreciation/amortisation	(783)	(674)	+16.2	(207)	(200)	(192)	(184)
Adjusted EBITDA	1 860	1 643	+13.2	561	389	448	462

Table 55. Key factors impacting the change in financial result of KGHM INTERNATIONAL LTD.

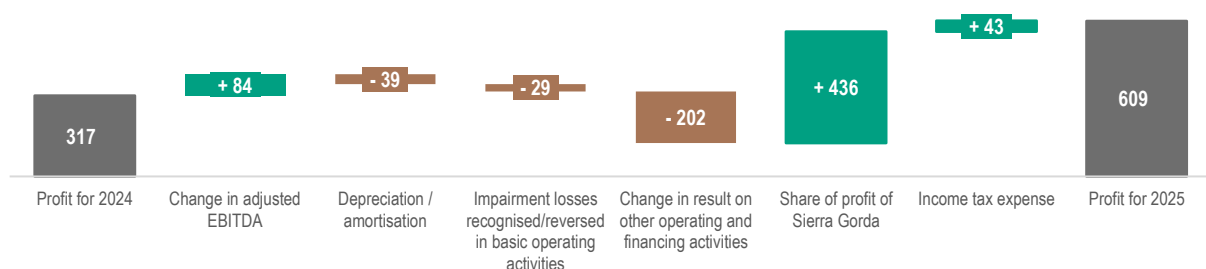
Item	Impact on change in profit or loss (USD million)	Description
Adjusted EBITDA	+84	+USD 63 million – higher revenues due to: – higher metals prices (+USD 142 million), – more favourable processing premiums (+USD 14 million) – higher revenues from mining services provided by DMC (+USD 12 million), with lower revenues due to a lower sales volume (-USD 97 million) and other factors (-USD 7 million). +USD 21 million – lower costs charged to adjusted EBITDA, among others due to write-downs of inventories (USD 14 million) charged to costs of 2024 (in 2025, there was no write-down in this regard).
Depreciation /amortisation	(39)	Higher depreciation/amortisation
Reversal/recognition of impairment losses on non-current assets (basic operating activities)	(29)	Impairment loss of non-current assets in the amount of USD 21 million (in 2024 reversal of impairment loss in the amount of USD 8 million)

⁴³ Cost of products, merchandise and materials sold, selling costs and administrative expenses

⁴⁴ Cost of products, merchandise and materials sold, selling costs and administrative expenses

Result on other operating and financing activities	(202)	+USD 79 million – gains due to reversal of allowance for impairment on POCI loans in the amount of USD 134 million versus USD 55 million in 2024. + USD 70 million– reversal of impairment losses on shares in a joint venture - applies to Sierra Gorda S.C.M. (no impairment losses reversed or recognised in 2024) -USD 211 million – lower gains due to modification of terms of the agreement (USD 35 million versus USD 246 million in 2024). This regards loans granted in prior years due to financing Sierra Gorda S.C.M. (extension of maturities). -USD 151 million – costs due to surrendering of loans and mutual offset of receivables within the KGHM Polska Miedź S.A. Group. +USD 11 million – other, including +USD 17 million gain from the sale of Sudbury in February 2025
Share of profits of investments accounted for using the equity method	+436	In 2025, for the first time, the profits of Sierra Gorda S.C.M. was reflected in the statement of comprehensive income of KGHM INTERNATIONAL LTD.
Income tax expense	+43	-USD 5 million – change in current income tax +USD 48 million – change in deferred income tax

Chart 36. Change in profit/(loss) for the period of KGHM INTERNATIONAL LTD. (USD mn)



2.6.5 Cash expenditures

Table 56. Cash expenditures of KGHM INTERNATIONAL LTD. (USD mn)

	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Victoria project	89	104	(14.4)	39	17	13	20
Stripping and other	181	306	(40.8)	55	55	34	37
Total	270	410	(34.1)	94	72	47	57

Table 57. Cash expenditures of KGHM INTERNATIONAL LTD. (PLN mn)

	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Victoria project	336	414	(18.9)	144	63	49	79
Stripping and other	680	1 222	(44.3)	201	202	130	147
Total	1 016	1 636	(37.9)	346	265	178	227

The decrease in cash expenditures of KGHM INTERNATIONAL LTD. compared to 2024 was primarily due to the lower scope of stripping at the Robinson mine.

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

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

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

2.7.1 Production

Table 58. Production of copper, molybdenum and precious metals by Sierra Gorda S.C.M. ⁴⁵

	Unit	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Copper production	kt	157.9	146.4	+7.9	40.0	40.8	39.4	37.7
Copper production – segment (55%)	kt	86.8	80.5		21.9	22.5	21.6	20.8
Molybdenum production	mn lb	9.0	6.0		1.8	4.1	2.2	0.9
Molybdenum production – segment (55%)	mn lb	5.0	3.3	+50.0	1.0	2.3	1.2	0.5
TPM production – gold	koz t	51.1	60.1	(15.0)	10.3	14.0	14.1	12.7
TPM production – gold -segment (55%)	koz t	28.1	33.1		5.7	7.7	7.7	7.0

In 2025, Sierra Gorda S.C.M. realised copper production at a level 8% higher than in 2024, as a result of processing ore with a higher copper content and improved copper recovery, despite a slightly lower volume of ore processed.

The higher molybdenum content and higher recovery were also the main factor in the increase in payable molybdenum production (+50%).

2.7.2 Sales

Revenues from sales in 2025 amounted to USD 2 235 million (on a 100% basis), or PLN 4 619 million respectively to the 55% interest held by KGHM Polska Miedź S.A.

Table 59. Sales volume and revenues of Sierra Gorda S.C.M.

	Unit	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Revenues from contracts with customers⁴⁶, including from the sale of:	USD mn	2 235	1 623	+37.7	757	527	476	475
- copper	USD mn	1 776	1 295	+37.1	603	391	389	393
- molybdenum	USD mn	206	135	+52.6	72	76	25	33
- TPM (gold)	USD mn	191	152	+25.7	55	47	49	40
Copper sales volume	kt	159.0	147.4	+7.9	42.9	38.3	40.2	37.6
Molybdenum sales volume	mn lb	9.1	6.4	+42.2	3.3	3.0	1.2	1.6
TPM (gold) sales volume	koz t	52.0	60.6	+14.2	11.6	13.2	13.9	13.3
Revenues from contracts with customers⁴⁷ - segment (55% share)	PLN mn	4 619	3 556	+29.9	1 533	1 059	988	1 039

The increase in revenues by 38% (in USD) as compared to the level recorded in 2024 is primarily the result of improved sentiment on the metals market, reflected in an increase in realised sales prices. In particular this was the case for gold sales – historically-high gold prices resulted in higher revenues (+26%), despite a lower sales volume compared to 2024 (-14%). An important factor impacting the level of revenues was the increase in production, and therefore the sales volumes of copper and molybdenum.

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

⁴⁵ Payable metal in concentrate

⁴⁶ Reflecting treatment/refining and other charges

⁴⁷ Reflecting treatment/refining and other charges

2.7.3 Costs

Cost of sales, selling costs and administrative expenses amounted to USD 941 million, while proportionally to the interest held (55%), segment costs amounted to PLN 1 965 million.

Table 60. Cost of sales, selling costs and administrative expenses and production cost of payable copper (C1) of Sierra Gorda S.C.M.

	Unit	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Cost of products, merchandise and materials sold	USD mn	1 021	1016	+0.5	307	239	242	233
Reversal of impairment loss on non-current assets and intangible and legal assets		(223)	-	x	(223)	-	-	-
Selling costs		81	77	+5.2	24	21	18	18
Administrative expenses		62	61	+1.6	18	16	14	14
Cost of sales, selling costs and administrative expenses	USD mn	941	1 154	(18.5)	127	276	274	264
Cost of sales, selling costs and administrative expenses (segment 55%)	PLN mn	1 965	2 529	(22.3)	266	552	570	577
Unit cost C1	USD/lb	0.86	1.60	(50.0)	0.54	0.68	1.07	1.18

Compared to 2024, costs were lower by USD 213 million, primarily due to the reversal of an impairment loss on non-current assets, which decreased the cost of sales, selling costs and administrative expenses (USD 223 million). The cost of products sold (prior to the reversal of the impairment loss) were at the level recorded in 2024.

Table 61. Key factors affecting the change in the level of expenses by nature as compared to 2024 (USD mn)

	2025	2024	Change (%)	
Expenses by nature, including:	1 526	1 442	+5.8	
External services	326	291	+12.0	Higher costs of services due to a higher scope of services performed during maintenance shutdowns, higher rates for external services, higher prices for components parts, higher utilisation and tire prices (higher costs of servicing)
Depreciation/amortisation	436	388	+12.4	Mainly an increase in the scope of depreciation of assets due to stripping.
Materials and fuel	192	207	(7.2)	Lower costs due to lower consumption and prices of blasting materials as well as lower fuel prices.
Spare parts	89	85	+4.7	Higher costs due to a higher scope of replacement of parts in mining machines. The prices of spare parts also rose under service contracts.
Energy	195	205	(4.9)	Lower costs due to an adjustment of prices and a more favourable effect from the off-sale of electricity.
Labour costs	130	117	+11.1	Higher costs due to the payment of a bonus in 2025 and higher wages due to higher employment compared to 2024.
Selling costs	81	77	+5.2	Higher costs in line with higher sales volumes of copper and molybdenum
Other costs	77	72	+6.9	Including mainly higher costs related to mass catering (canteens, cafeterias)
Capitalised stripping costs	(365)	(314)	+16.2	Higher material scope (114 kt versus 103 kt in 2024)
Change in inventories and work in progress	3	26	(88.5)	Lower utilisation of ore from long-term inventories, with a similar production for inventory in both years.
Reversal of an impairment loss on property, plant and equipment and intangible and legal assets	(223)	-	x	Reversal of impairment loss on non-current assets in the amount of USD 215 million, and USD 8 million in intangible and legal assets.
Cost of sales, selling costs and administrative expenses	941	1 154	(18.5)	

The C1 unit cash cost of copper production was 50% lower than the level recorded in 2024, primarily due to:

- a higher volume of copper sold,
- a higher level of deductions due to associated metals (a higher volume of molybdenum sales and of gold, silver and molybdenum prices),
- lower TC/RC processing premiums

2.7.4 Financial results

Adjusted EBITDA for 2025 amounted to USD 1 507 million, or the highest annual level since the start of commercial production in 2015. A record EBITDA margin was also achieved.

Chart 37. EBITDA margin (adjusted EBITDA/Revenues from contracts with customers)

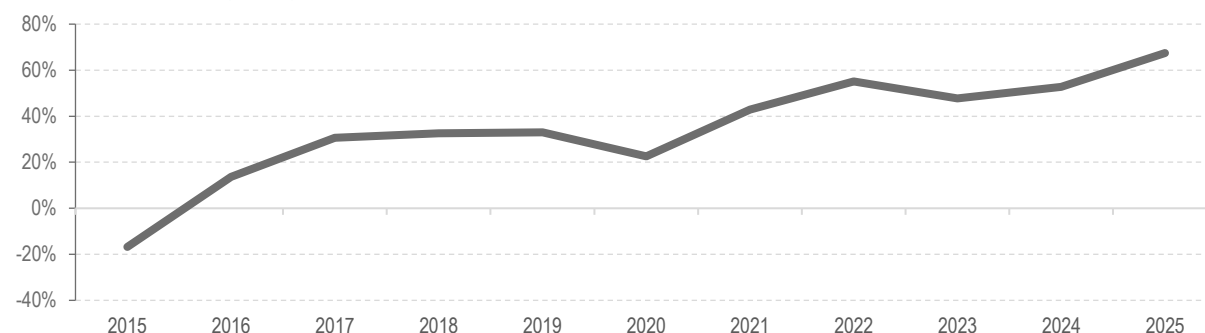


Table 62. Results of Sierra Gorda S.C.M. in USD million (on a 100% basis)

	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Revenues from contracts with customers	2 235	1 623	+37.7	757	527	476	475
Cost of sales, selling costs and administrative expenses (prior to the reversal of impairment loss)	(1 164)	(1 154)	+0.9	(350)	(276)	(274)	(264)
Reversal of impairment loss on non-current assets	223	-	x	223	-	-	-
Profit/(loss) on sales	1 294	469	x 2.8	630	251	202	211
Profit/(loss) for the period	599	99	x 6.1	308	120	77	94
Depreciation/amortisation	(436)	(387)	+12.7	(130)	(109)	(101)	(96)
Adjusted EBITDA	1 507	856	+76.1	537	360	303	307

Table 63. Results of the segment Sierra Gorda S.C.M. proportionally to the interest held (55%) in PLN million

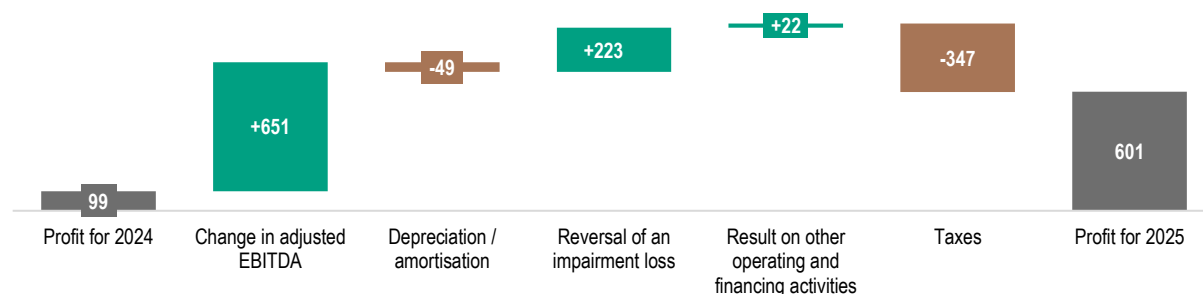
	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Revenues from contracts with customers	4 619	3 556	+29.9	1 533	1 059	988	1 039
Cost of sales, selling costs and administrative expenses (prior to the reversal of impairment loss)	(2 406)	(2 529)	(4.9)	(707)	(552)	(570)	(577)
Reversal of impairment loss on non-current assets	441	-	x	441	-	-	-
Profit/(loss) on sales	2 654	1 027	x 2.6	1 267	507	418	462
Profit/(loss) for the period	1 224	218	x 5.6	616	244	159	205
Depreciation/amortisation	(902)	(850)	+6.1	(264)	(216)	(212)	(210)
Adjusted EBITDA	3 115	1 877	+66.0	1 090	723	630	672

In the functional currency (USD), adjusted EBITDA was 76% higher than the amount recorded in 2024, while profit for the period was six-times higher. The impact of the main factors on the increase in EBITDA and profit for the period is presented in the summary below.

Table 64. Main factors impacting the change in the financial result of the segment Sierra Gorda S.C.M.

Item	Impact on change in profit or loss (USD million)	Description
Adjusted EBITDA	+651	+USD 612 million – an increase in revenues due to more favourable market conditions (+USD 418 million including Mark to Market valuation), lower refining premiums (+USD 58 million) and a higher volume of sales of copper, molybdenum and silver, with a lower volume of gold sales (+USD 136 million) +USD 39 million – a decrease in costs before depreciation/amortisation
Depreciation /amortisation	(49)	Higher depreciation of capitalised stripping
Reversal of impairment loss on property, plant and equipment and intangible and legal assets	+223	As at 31 December 2025 an evaluation was performed as to whether there exist indications of a possible decrease in impairment loss on non-current assets recognised in prior periods. As a result of the test conducted, it was determined that the recoverable amount of on non-current assets of the company is higher than their carrying amount and, as a result, the amount of USD 223 million was recognised in profit/loss on sales for 2025 as a reversal of impairment losses. In 2024 Sierra Gorda S.C.M. did not recognise or reverse any impairment losses in this regard.
Result on other operating and financing activities	+22	-USD 20 million – a negative result on exchange differences (-USD 10 million versus a positive result of +USD 10 million in 2024) +USD 31 million – lower costs of interest on borrowings, mainly due to loans granted by the Owners to build the mine. +USD 11 million – change in other operating and financing income/costs
Income and mining tax expense	(347)	-USD 334 million – change in the scope of income tax (-USD 333 million versus +USD 1 million in 2024) -USD 13 million – higher mining tax (-USD 47 million versus -USD 33 million in 2024)

Chart 38. Change in profit/loss for the period (USD mn)



2.7.5 Cash expenditures

Cash expenditures presented in the statement of cash flows of Sierra Gorda S.C.M. amounted to USD 534 million (PLN 1 104 million for the KGHM Group's share). In the functional currency there was an increase in expenditures by USD 22 million, with the increase in respect of capitalised stripping (+USD 47 million), and a decrease in the remaining scope (-USD 25 million). Lower expenditures denominated in PLN are the result of translation of the exchange rate (a strengthening of the PLN in 2025).

Table 65. Cash expenditures of Sierra Gorda S.C.M.

	Unit	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Cash expenditures on property, plant and equipment	USD mn	534	512	+4.3	145	129	119	141
Cash expenditures on property, plant and equipment – segment (55% share)	PLN mn	1 104	1 123	(1.7)	290	260	246	307

Cash flows generated from operating activities amounted to USD 1 185 million, and completely covered cash expenditures and expenditure on partial repayment of debt plus interest on the Owners' loan for the construction of the mine. In 2025, these loan repayments amounted to USD 600 million, of which USD 330 million is attributable to the KGHM Group (in 2024 these expenses amounted to respectively: USD 210 million and USD 116 million).

2.8 RESULTS OF OTHER SEGMENTS

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

2.8.1 Sales

Table 66. Revenues from contracts with customers of companies within the KGHM Group – excluding intra-segment revenues (PLN mn)

Revenues from contracts with customers	From external customers			From KGHM Polska Miedź SA			TOTAL		
	2025	2024	Change %	2025	2024	Change %	2025	2024	Change %
Metraco S.A.	169	194	(12.9)	6 028	5 407	+11.5	6 197	5 601	+10.6
Mercus Logistyka Sp. z o.o.	47	50	(6.0)	1 179	1 257	(6.2)	1 226	1 307	(6.2)
PeBeKa S.A.	-13	-2	×6.5	1 064	1 048	+1.5	1 051	1 046	+0.5
KGHM ZANAM S.A.	74	76	(2.6)	931	846	+10.0	1 005	922	+9.0
Energetyka Sp. z o.o.	93	94	(1.1)	697	731	(4.7)	790	825	(4.2)
Centrozłom Wrocław S.A.	484	663	(27.0)	4	3	+33.3	488	666	(26.7)
NITROERG S.A.	315	293	+7.5	222	216	+2.8	537	509	+5.5
Miedziove Centrum Zdrowia S.A.	377	324	+16.4	44	43	+2.3	421	367	+14.7
WPEC S.A. w Legnicy	338	333	+1.5	10	10	-	348	343	+1.5
POL - MIEDŹ TRANS Sp. z o.o.	68	75	(9.3)	190	185	+2.7	258	260	(0.8)
Other	617	611	+1.0	549	453	+21.2	1 166	1 064	+9.6
TOTAL	2 569	2 711	(5.2)	10 918	10 199	+7.0	13 487	12 910	+4.5

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

2.8.2 Financial results

Table 67. Financial results of the segment Other segments (PLN mn)

	2025	2024	Change (%)	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Sales revenue	13 487	12 910	+4,5	3 747	3 170	3 242	3 328
- including from external customers	2 569	2 711	(5,2)	698	578	613	680
Cost of sales, selling costs and administrative expenses	(13 642)	(12 908)	+5,7	(3 992)	(3 148)	(3 200)	(3 302)
Profit/(loss) on sales	(155)	2	×	(245)	22	42	26
Profit/(loss) for the period	(132)	(50)	×2,6	(204)	17	30	25
Depreciation/amortisation recognised in profit or loss	(311)	(258)	+20,5	(80)	(79)	(76)	(76)
Adjusted EBITDA	392	474	(17,3)	71	101	118	102

In 2025, other segments recorded a loss for the period in the amount of -PLN 132 million, or a deterioration as compared to 2024 by PLN 82 million. The profit/loss for the period is comprised of profits/losses of individual companies of the KGHM Group after eliminating turnover between companies within the segment.

The highest profit/loss on sales was achieved by the following companies: KGHM METRACO S.A. (PLN 46 million), NITROERG S.A. (PLN 34 million), POL-MIEDŹ TRANS Sp. z o.o. (PLN 17 million), KGHM ZANAM S.A. (PLN 15 million) and WPEC S.A. (PLN 13 million). The worst results were recorded by PMT Linie Kolejowe sp. z o.o. (-PLN 201 million, including an impairment loss on non-current assets of PLN 216 million), Centrozłom Wrocław S.A. (-PLN 26 million) and ZAGŁĘBIE LUBIN S.A. (-PLN 15 million). The adjustment of profit/loss on sales due to intra-segment turnover (i.e. between subsidiaries) amounts to approximately PLN 106 million, meaning a surplus of intra-segment revenues over costs, including manufacturing costs.

2.8.3 Cash expenditures

The total cash expenditures of other segments in 2025 amounted to PLN 533 million, compared to PLN 613 million in 2024.

Table 68. Cash expenditures – acquisition of intangible assets and property, plant and equipment (PLN mn)

Company within the KGHM Group	Amount	Main investment expenditures
PeBeKa S.A.	79	Mainly investments on the replacement of heavy mining and auxiliary machinery and other equipment and machinery.
WPEC S.A. w Legnicy	43	Mainly a development investment in the modernisation of the heat supply system in Legnica.
Energetyka Sp. z o.o.	104	Among others, a development investment in renewable energy sources, modernisation investments in retention and equalisation reservoirs and technological facilities and other replacement-related investments.
PMT Linie Kolejowe Sp. z o.o.	103	Modernisation of Railway Infrastructure
POL - MIEDŹ TRANS Sp. z o.o.	40	Replacement-related investments involving the repair of railway carriages.
KGHM Metraco S.A.	36	Mainly a development investment in the Scrap Turnover Unit in Głogów.
KGHM ZANAM S.A.	26	Among others, replacement-related investments involving battery-powered mining machinery, development work and other replacement-related investments.
Other	102	
TOTAL	533	

3 CORPORATE GOVERNANCE STATEMENT

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

The following Statement on the application of Corporate Governance was prepared in accordance with § 72(7)(5) of the Regulation of the Minister of Finance dated 6 June 2025 on current and periodic information published by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state.

KGHM Polska Miedź S.A., a company listed on the Warsaw Stock Exchange S.A., in the period from 1 January 2025 to 31 December 2025, complied with the corporate governance principles set forth in the document "Best Practice for GPW Listed Companies 2021" (hereinafter DPSN 2021), which was adopted by the Exchange Supervisory Board on 29 March 2021 by Resolution No. 13/1834/2021. The text of the principles is available on [the official website of the Warsaw Stock Exchange dedicated to this subject](#) and on the corporate website of KGHM Polska Miedź S.A. in the [corporate governance](#) section.

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

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

As part of increasing the level of compliance with corporate governance principles and in fulfilment of the disclosure obligations of listed companies with respect to the application of corporate governance rules set out in § 29 sec 3 of the Stock Exchange Regulations, KGHM Polska Miedź S.A.:

- on 13 March 2025 published the updated "Information on the status of the application by the company of the principles contained in the Code of Best Practice for GPW Listed Companies 2021". **The update of the declaration "the principle is not applied" to "the principle is applied" concerned the following principles:**
 - 1.4.1 which reads as follows: "In order to ensure proper communication with stakeholders, in terms of the adopted business strategy, the company provides information on its website on the elements of the strategy, measurable goals, including especially long-term goals, planned actions and progress in this regard, defined with the aid of financial and non-financial measures. Information on the strategy as regards ESG should among others explain how the decision-making processes of the company and its group members integrate climate change, indicating the resulting risks."
 - 3.3 which reads as follows: "A company participating in the WIG20, mWIG40 or sWIG80 indices appoints an internal auditor to head the internal audit function in compliance with generally accepted international standards for the professional practice of internal auditing. In other companies which do not appoint an internal auditor who meets such requirements, the audit committee (or the supervisory board if it performs the functions of the audit committee) assesses on an annual basis whether such a person should be appointed."
 - 3.4 which reads as follows: "The remuneration of persons responsible for risk and compliance management and of the head of internal audit should depend on the performance of delegated tasks rather than short-term results of the company."

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

- On 5 March 2026 the Company published an updated „Statement on the company's compliance with the corporate governance principles contained in Best Practice for GPW Listed Companies 2021”. **The update of the declaration "the principle is not applied" to "the principle is applied" concerned the following principles:**
 - 2.1. with the wording „Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%”.
 - „Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.”
 - 2.11.6. in connection with 2.11. with the wording „In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following: information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.”

The aforementioned update of the state of application of DPSN 2021 took place in connection with the update of corporate documents in the area of equality and diversity. The Company has implemented the above principles and achieved compliance with the Best Practices for GPW Listed Companies 2021 in this regard. In addition, the Company also updated the submitted declaration with regard to the explanations of non-application of principle 4.8

As at the date of preparation of the Corporate Governance Statement, the COMPLY factor of KGHM Polska Miedź S.A. has not increased in relation to the Corporate Governance Statement contained in the Management Board's Report on the Activities of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group in 2024.

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

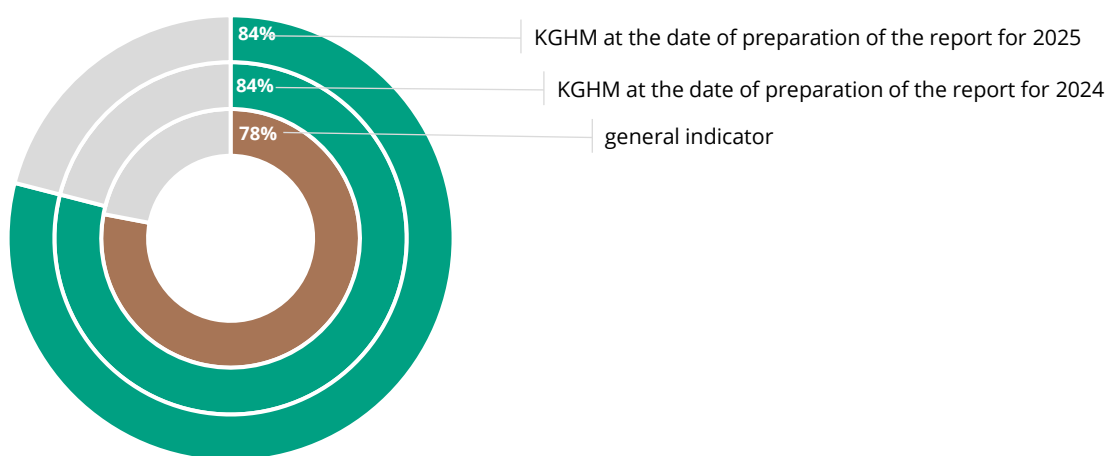
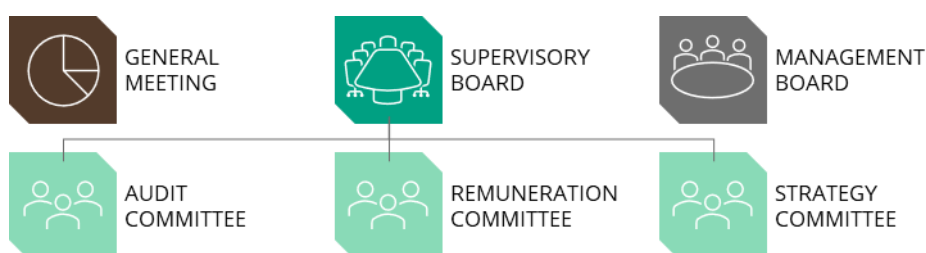


Diagram 17. Corporate governance structure in KGHM Polska Miedź S.A.



3.2 INFORMATION POLICY AND COMMUNICATION WITH INVESTORS

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

3.2.1 Description of the application of DPSN 2021

Table 69. The principles of Section I of DPSN 2021 - Disclosure policy, communication with investors applied in KGHM Polska Miedź S.A.

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

The principle is applied.

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

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

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

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

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

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

The principle is applied.

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

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

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

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

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

The principle is applied. The required information can be found on the corporate website under the tab [Investors | KGHM Corporate website](#).

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

The principle is applied.

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

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

The principle is applied.

The Investor Relations Department organises meetings for the capital market with the participation of the Management Board to discuss the financial results of the Company and the KGHM Group. In 2025, the publication of financial results was accompanied by results conferences open to all stakeholders via live webcasts in Polish and English, with the possibility of submitting questions by email. Video recordings of these conference are available on the Company's website, e.g. under the tab [Summary of results | KGHM Polska Miedź S.A. Corporate website](#)

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

The principle is applied.

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

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

3.2.2 Explanations on the waiver of the application of DPSN 2021

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

Table 70. Principles in section I of DPSN 2021 applied partially in KGHM Polska Miedź S.A.

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

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

The principle is partially applied.

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

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

The principle is partially applied.

The Company regularly publishes a broad range of information on its actions as regards social and employee issues, proper working conditions, respecting employee rights, dialogue with local communities and relations with its customers and stakeholders. The Company has a number of documents in place, e.g. the Human Rights Policy and the Code of Ethics, which refer to the elements indicated in the best practice. In 2025, the "Sustainable Development Policy of the KGHM Polska Miedź S.A. Group" and the "Personnel Policy of KGHM Polska Miedź S.A." were adopted as well as the "Policy on gender balance in the bodies of KGHM Polska Miedź S.A.". The Company is currently in the process of finalising strategic corporate documents, the content of which will enable to achieve full compliance with this principle.

3.3 MANAGEMENT BOARD AND SUPERVISORY BOARD

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

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

The principles of appointing and dismissing Members of the Management Board

The principles governing the appointment and dismissal of Members of the Management Board are defined in §12 of the consolidated text of the Company's Statutes adopted by Resolution No. 121/XI/2025 of the Supervisory Board of KGHM Polska Miedź S.A. dated 24 June 2025 (hereinafter: the Statutes of the Company). In accordance with this regulation, the number of Members of the Management Board ranges from one to seven persons, appointed by the Supervisory Board of KGHM Polska Miedź S.A. for a joint three-year term of office. The appointment shall be preceded by a recruitment procedure, determined in detail by the Supervisory Board in the resolution adopted upon the initiation of the procedure, including in particular: the position subject to the procedure, the date and place for receiving applications, the date and place of the interview, the scope of the issues subject to the interview, the requirements and the manner of assessing the candidate. The purpose of the qualification procedure is to test and assess the qualifications of the candidates for a Member of the Management Board, also in terms of meeting the statutory requirements. The announcement of the qualification procedure is available to the public.

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

By a Resolution dated 23 April 2025, the Supervisory Board of KGHM Polska Miedź S.A. adopted the "Regulations for conducting recruitment procedures for Members of the 12th-term Management Board of KGHM Polska Miedź S.A." for application. The qualification procedure was carried out by the Supervisory Board and, to a certain extent, by the Remuneration Committee of the Supervisory Board of KGHM Polska Miedź S.A.

The mandates of Members of the Management Board expire, at the latest, on the date of holding the General Meeting approving the financial statements for the last full financial year in which they served as Members of the Management Board, i.e. the meeting to be held after 1 January 2029 at the earliest. A Member of the Management Board of KGHM Polska Miedź S.A. may be dismissed by the Supervisory Board before the end of his or her term of office.

Table 71. Composition of the Management Board in 2025 and to the date of preparation of this report

	2025												2026		
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	I	II	III
Andrzej Szydło															
<i>President of the Management Board (1.01.2025 to 30.01.2026), acting Vice President of the Management Board (International Assets) (9.04.2025 to 2.06.2025)</i>															
Remigiusz Paszkiewicz															
<i>acting President of the Management Board and Vice President (Corporate Affairs) (30.01.2026 to 24.02.2026), President of the Management Board (24.02.2026 to the date of preparation of this report)</i>															
Zbigniew Bryja															
<i>Vice President of the Management Board (Development) (1.01.2025 to the date of preparation of this report)</i>															
Piotr Krzyżewski															
<i>Vice President of the Management Board (Finance) (1.01.2025 to the date of preparation of this report)</i>															
Mirosław Laskowski															
<i>Vice President of the Management Board (Production) (1.01.2025 to the date of preparation of this report)</i>															
Iga Dorota Lis															
<i>Vice President of the Management Board (International Assets) (1.01.2025 do 9.04.2025)</i>															
Anna Sobieraj-Kozakiewicz															
<i>Vice President of the Management Board (International Assets) (2.06.2025 to the date of preparation of this report)</i>															
Piotr Stryczek															
<i>Vice President of the Management Board (Corporate Affairs) (1.01.2025 do 30.01.2026)</i>															

Table 72. Changes in the composition of the Management Board in 2025 and to the date of preparation of this report

9 April 2025	On 9 April 2025 the Supervisory Board dismissed Iga Dorota Lis, Vice President of the Management Board (International Assets) from the 12 th -term Management Board, and subsequently assigned Andrzej Szydło, President of the Management Board, to fulfil the duties of the Vice President of the Management Board (International Assets) of KGHM Polska Miedź S.A., until the appointment of a Member of the Management Board of KGHM Polska Miedź S.A. to whom would be assigned the duties of Vice President of the Management Board (International Assets) of KGHM Polska Miedź S.A.
2 June 2025	Due to the expiry of the 11th-term Management Board of KGHM Polska Miedź S.A. and the need to terminate the mandates of the Members of the Management Board in order to appoint the 12th-term Management Board of KGHM Polska Miedź S.A., the Supervisory Board of KGHM Polska Miedź S.A. on 2 June 2025 dismissed from the 11th-term Management Board President of the Management Board Andrzej Szydło, Vice President of the Management Board (Corporate Affairs) Piotr Stryczek, Vice President of the Management Board (Finance) Piotr Krzyżewski, Vice President of the Management Board (Development) Zbigniew Bryja and Vice President of the Management Board (Production) Mirosław Laskowski. After holding qualification proceedings for the position of Members of the 12th-term Management Board KGHM Polska Miedź S.A., the Supervisory Board of KGHM Polska Miedź S.A. on 2 June 2025 adopted a resolution on appointing to the 12th-term Management Board Andrzej Szydło to the position of President of the Management Board of KGHM Polska Miedź S.A., Piotr Krzyżewski to the position of Vice President of the Management Board (Finance), Mirosław Laskowski to the position of Vice President of the Management Board (Production), Zbigniew Bryja to the position of Vice President of the Management Board (Development), Piotr Stryczek to the position of Vice President of the Management Board (Corporate Affairs) and Anna Sobieraj – Kozakiewicz to the position of Vice President of the Management Board (International Assets).
30 January 2026	On 30 January 2026, the Supervisory Board dismissed from the 12th-term Management Board of KGHM Polska Miedź S.A. Andrzej Szydło, President of the Management Board, and Piotr Stryczek, Vice President of the Management Board (Corporate Affairs).. At the same time, on 30 January 2026, the Supervisory Board appointed Remigiusz Paszkiewicz, Member of the Supervisory Board, to temporarily perform the duties of President of the Management Board and Vice President of the Management Board (Corporate Affairs) for the period from 30 January 2026 until the conclusion of the selection procedures for the positions of President of the Management Board of KGHM Polska Miedź S.A. and Vice President of the Management Board (Corporate Affairs) of KGHM Polska Miedź S.A., however, for a period not exceeding three months.
24 February 2026	On 24 February 2026 the Company received a declaration submitted by Remigiusz Paszkiewicz on his resignation from the temporary fulfilment of the duties of President of the Management Board and Vice President of the Management Board (Corporate Affairs) as a delegated Member of the Supervisory Board, and submitted his resignation from serving as a Member of the Supervisory Board from the moment of submission of the declaration. After holding qualification proceedings for the position of Members of the 12 th -term Management Board of KGHM Polska Miedź S.A., the Supervisory Board on 24 February 2026 appointed to the 12 th -term Management Board Remigiusz Paszkiewicz, assigning him the function of President of the Management Board of KGHM Polska Miedź S.A. At the same time the Supervisory Board concluded the qualification proceedings for the position of Vice President of the 12 th -term Management Board (Corporate Affairs) of KGHM Polska Miedź S.A., without selecting a candidate, and set the number of Members of the 12 th -term Management Board of KGHM Polska Miedź S.A. at 5 (five) Members of the Management Board.

Organisation of work of the Management Board

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

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

The work of the Management Board is organised by its President. In the event of a vacancy in the position of the President of the Management Board or during a break in his/her management operations, the powers of the President of the Management Board to convene and conduct meetings, as well as to pass resolutions of the Management Board outside the meeting, shall be exercised by a Member of the Management Board authorized by the President of the Management Board, or in the absence of an actual possibility of issuing or delegating authorization by the most senior Member of the Management Board. Members of the Management Board are obliged to participate in meetings of the Management Board. In 2025 there were 37 meetings of the Management Board.

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

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

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

Composition, personal changes of the Management Board and the breakdown of duties in 2025

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

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

With the exception of matters exceeding the scope of ordinary management, Members of the Management Board shall manage the areas of the Company's activities specified in the "Organizational Regulations of KGHM Polska Miedź S.A. in Lubin" and in resolutions of the Supervisory Board of KGHM Polska Miedź S.A. on the assignment of responsibilities to a given Management Board Member. Within the scope of the competences and responsibilities thus defined, each Member of the Management Board makes his/her own decisions regarding the area assigned to him/her. In case of doubt, a Member of the Management Board is obliged to submit the matter in question to the Management Board for resolution. When performing their duties, members of the Management Board should exercise the care expected of them based on the professional nature of their activities and remain loyal to the Company.

The detailed distribution of competence of Members of the Management Board, taking into account changes to the Organisational Regulations of KGHM Polska Miedź S.A. of 27 June 2025, 30 December 2025 and 23 February 2026 is presented below.

Remigiusz Paszkiewicz - President of the Management Board from 30 January 2026 to the date of preparation of this report



Experienced manager and expert in the transformation of large industrial organisations. He specialises in leading successful restructuring processes in the infrastructure, rail and logistics sectors, under the conditions of high operational complexity and time pressure. During his career, he successfully implemented profound structural and organisational reforms, including the Ukrainian Railways (Ukrzaliznycia), where he was responsible for the division of infrastructure and transport activities in accordance with the European Union requirements and at PKP Polskie Linie Kolejowe, where he supervised the largest modernisation program in the history of Polish railways at that time.

From August 2025, he acted as the President of the Management Board of Baltic Industrial Group Sp. z o.o., which implements steel structure projects for the onshore and offshore wind power, shipbuilding and nuclear power sectors. He is responsible for the Group's development, its industrial transformation and building Baltic Industrial Group Sp. z o.o.'s position as a Tier 1 partner in strategic energy projects in Poland.

In the years 2023-2025, he served as a Member of the Management Board of Slovenske Železnice - Tovorni Promet. Previously, he acted, among others, in the capacity of the CEO of ANWIL S.A. (ORLEN Group), PKP Polskie Linie Kolejowe S.A. and advisor in logistics and development strategy projects for infrastructural companies.

He has extensive experience in managing large investment projects, raising funds from international institutions (EIB, EBRD, World Bank) and implementing modern management tools. In 2014, as President of the Management Board of PKP Polskie Linie Kolejowe S.A., he was honoured with the European Commission's award for the best railway infrastructure manager in Europe. Long-time member of supervisory bodies of commercial law companies.

Graduate of the Warsaw University of Technology, the National School of Public Administration and the College of Europe in Natolin. He also completed the educational program at the John F. Kennedy School of Government at Harvard University.

Diagram 18. Scope of competence of the acting President of the Management Board from 30 January 2026 until 24 February 2026

Cyber security and data protection	Corporate risk management, compliance	Security and preventing losses	Corporate governance	Human capital management	The activities of the Central Data Processing Center
Principles of gender equality and diversity	Organisational services provided to the Company's bodies;	Activities related to communications and corporate image-building and relations with the external business environment	Administrative services for the Company.	Internal Audit and Internal Control	Legal services to the statutory bodies, the Company and the Divisions (since 23 February 2026)

Diagram 19. Scope of competence of the acting Vice President of the Management Board (Corporate Affairs) from 30 January 2026 until 24 February 2026

Corporate governance standards	Corporate oversight over subsidiaries in Poland	Legal services to the statutory bodies, the Company and the Divisions (until 23 February 2026)	Coordination of procurement processes	Supervision of the functioning of the KGHM Polska Miedź Foundation as well as other organisations serving the public

Diagram 20. Scope of competence of the President of the Management Board from 24 February 2026 to the date of preparation of this report

Cyber security and data protection	Corporate risk management, compliance	Security and preventing losses	Corporate governance
Human capital management	The activities of the Central Data Processing Center	Principles of gender equality and diversity	Organisational services provided to the Company's bodies;
Activities related to communications and corporate image-building and relations with the external business environment	Administrative services for the Company.	Internal Audit and Internal Control	Legal services to the statutory bodies, the Company and the Divisions
Corporate governance standards	Corporate oversight over subsidiaries in Poland	Coordination of procurement processes	Supervision of the functioning of the KGHM Polska Miedź Foundation as well as other organisations serving the public

Andrzej Szydło - President of the Management Board in the period from 1 January 2025 to 30 January 2026



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

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

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

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

Diagram 21. Scope of competence of the President of the Management Board from 1 January 2025 to 30 January 2026.

Cyber security and data protection (since 30 December 2025)	Corporate risk management, compliance	Security and preventing losses	Corporate governance	Human capital management	The activities of the Central Data Processing Center
Principles of gender equality and diversity (since 30 December 2025)	Organisational services for the Company's bodies	Activities related to communications and corporate image-building and relations with the external business environment	Administrative service of the Company	Internal audit	Internal control

Diagram 22. Scope of competence of the Vice President of the Management Board (International Assets) from 9 April 2025 to 2 June 2025

Strategy for the international assets	Developing the international resource base	International exploration and resource projects	Substantive oversight over the international production subsidiaries	Identification of international development opportunities	Corporate oversight over international subsidiaries

Piotr Stryczek - Vice President of the Management Board (Corporate Affairs) in the period from 1 January 2025 to 30 January 2026



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

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

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

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

Diagram 23. Scope of competence of the Vice President of the Management Board (Corporate Affairs) from 1 January 2025 to 30 January 2026

Corporate governance standards	Corporate oversight over subsidiaries in Poland	Legal services to the statutory bodies, the Company and the Divisions	Coordination of procurement processes	Supervision of the functioning of the KGHM Polska Miedź Foundation as well as other organisations serving the public

Zbigniew Bryja - Vice President of the Management Board (Development) from 1 January 2025 to 31 December 2025 and to the date of preparation of this report



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

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

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

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

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

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

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

Diagram 24. Scope of competence of the Vice President of the Management Board (Development) from 1 January 2025 to 31 December 2025 and to the date of preparation of this report



Mirosław Laskowski – Vice President of the Management Board (Production) in the period from 1 January 2025 to 31 December 2025 and to the date of preparation of this report



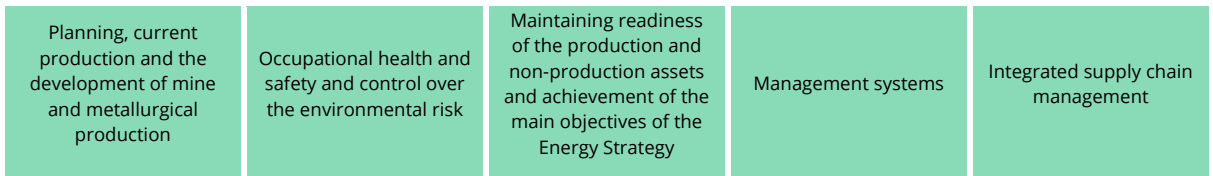
Since the beginning of his professional career, i.e. since 1987 he has been connected with KGHM Polska Miedź S.A. In the years 2015-2016 he served as Vice President of the Management Board (Production) of KGHM Polska Miedź S.A. He was a Director in the following Divisions of the Company: the Rudna mine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

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

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

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

Diagram 25. Scope of competence of the Vice President of the Management Board (Production) from 1 January 2025 to 31 December 2025 and to the date of preparation of this report



Piotr Krzyżewski – Vice President of the Management Board (Finance) in the period from 1 January 2025 to 31 December 2025 and to the date of preparation of this report



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

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

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

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

Diagram 26. Scope of competence of the Vice President of the Management Board (Finance) from 1 January 2025 to 31 December 2025 and to the date of preparation of this report

Financial and taxation policy	Financial verification of the Strategy projects	Finances in all of the Group's operations and activities	Accounting services	Disclosure and publishing obligations	Investor relations	Development projects in the field of energy transition	Commercial and logistics policies	ESG

Anna Sobieraj - Kozakiewicz – Vice President (International Assets) in the period from 2 June 2025 to 31 December 2025 and to the date of preparation of this report



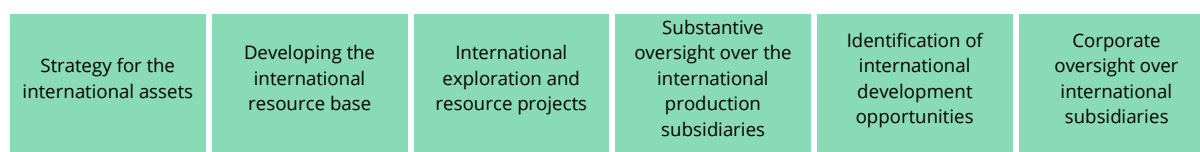
Graduate of the Faculty of Law and Administration at the University of Warsaw, as well as of the complementary Master du Droit master studies at the University of Poitiers (specialisation in French and European commercial law). She also completed postgraduate studies in American law - Center for American Law Studies (University of Florida Levin College of Law), Postgraduate Studies in Public Procurement at the Faculty of Law and Administration of the University of Warsaw and the Comparative Law Course at Robert Schuman University in Strasbourg.

She is a qualified member of the Supervisory Boards of State-owned companies. She was a member of the supervisory board of, among others, Haldex S.A. GZUG sp. z o.o.

She completed her barrister training and passed the barrister examination at the District Bar Council in Warsaw. She is registered in the list of legal advisors of OIRP Warsaw. She has gained her professional experience specialising in providing services to large business entities, particularly in civil, commercial, business and public procurement law. She was responsible for providing legal services to a public institution active in supporting the high-tech industry.

She provided legal advice on behalf of a law firm where she represented clients in some of the largest transactions in the country. She has experience in the management of state-owned companies as the President of the Management Board.

Diagram 27. Scope of competence of the Vice President of the Management Board (International Assets) from 2 June 2025 to 31 December 2025 and to the date of preparation of this report



Iga Dorota Lis - Vice President (International Assets) in the period from 1 January 2025 to 9 April 2025



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

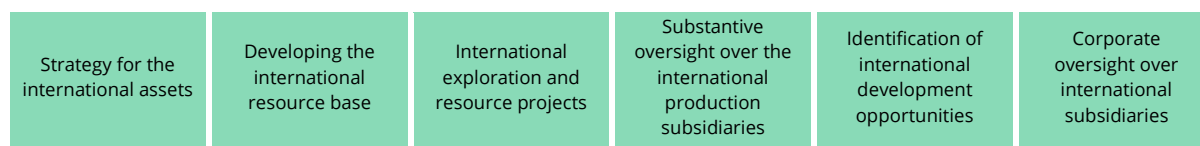
Experienced manager associated with the industrial sector, with multiannual experience in management and consultancy in the area of investments, including energy, petrochemical, chemical and metallurgical industry. In the past, she acted as an advisor to KGHM Polska Miedź S.A. on projects related to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

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

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

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

Diagram 28. Scope of competence of the Vice President of the Management Board (International Assets) from 1 January 2025 to 9 April 2025



Activities of the Management Board in 2025

In 2025 the Management Board of KGHM Polska Miedź S.A. held 37 meetings and adopted 490 resolutions.

Key areas of activities of the Management Board:

Development directions	– adoption of the Energy Strategy of KGHM Polska Miedź S.A. – adoption of the „Strategy of Development of the International Assets in the KGHM Polska Miedź S.A. Group” – monitoring of progress on the document - Strategy of the KGHM Polska Miedź S.A. Group – building optimal plans for financing investments in the core business and energy – appointing a team to develop a concept for managing the copper ore deposits in future regions
Corporate governance and ownership supervision	– determining the manner of voting by representatives of KGHM Polska Miedź S.A. at Ordinary General Meetings – determining principles of remuneration of members of bodies of the KGHM Group – adoption of the „Gender Equality Policy in the Bodies of KGHM Polska Miedź S.A.” – adoption of the „Personnel Policy in KGHM Polska Miedź S.A.” – joining/leaving sector organisations
Investments and property	– expressing consent for the acquisition of owner rights – expressing consent for the commencement of an investment requiring a financial commitment resulting in the acquisition of components of non-current assets – acceptance of reports related to investments

Finances, budget and liquidity	– adoption of the Accounting Policy of KGHM Polska Miedź S.A. with its registered head office in Lubin and of the KGHM Polska Miedź S.A. Group in accordance with International Financial Reporting Standards (IFRS) – adoption of tariffs as regards turnover of gaseous fuel, turnover of electricity – implementation of a hedging strategy – conducting tests for the impairment of the domestic and international assets of the KGHM Polska Miedź S.A. Group – updating Rules and Policies related to financial liquidity – engaging in dialogue related to the copper tax
Reporting, compliance and risk	– adoption of reports on compliance management and reports on risk management, and their submission to meetings of the Audit Committee of the Supervisory Board of KGHM Polska Miedź S.A. – adoption of reports related to continuity of operations – assessment of transactions recognised in the „Collective Information from the registry of significant transactions of subsidiaries of KGHM Polska Miedź S.A. – adoption of reports on the implementation of the NIS Directive
Results and operations	– expressing consent for entering into sales contracts – acceptance of the „Budget of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group for 2026“ – acceptance of material related to the results of the KGHM Polska Miedź S.A. Group
External relations and market environment	– Acceptance of the „Sponsoring Policy of KGHM Polska Miedź S.A.“ and the KGHM Polska Miedź S.A. Group its realisation – CSR events with the participation of the Management Board of KGHM Polska Miedź S.A.: altogether 35 initiatives, among others as regards employee volunteering in the "Copper Heart", a CSR campaign for stakeholders on the following subjects: pro-family and pro-employee in cooperation with local governments, NGOs and other institutions, cooperation with LSUs, activities related to cultivating traditions, other corporate events. – the engagement of individual Members of the Management Board of KGHM Polska Miedź S.A. during 2025 involving among others activity at the Industrial Transformation Forum, the EU Raw Materials Conference, a Capital Market Conference, the Individual Investors Conference, conferences and meetings with analysts and investors, Competitiveness & Security Business Summit, the Lower Silesia Economic Forum, a Conference on Problems of Safety and Health Protection in Polish Mining, the European Economic Congress, the 100th anniversary of the Chief Mining Institute, the International Copper Mining and Metallurgy Congress, the Academy of Leaders of Industrial Transformation, Understandings with Indigenous Peoples – Canada, Congrès Minier International du Maroc, the MAP debate „Diversity in State Treasury Companies“. – financial briefings and results conferences

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

The authority of the Management Board to pass decisions on the issuance or redemption of shares is limited by the Statutes. The shares of the Company may be redeemed given shareholder consent through their acquisition by the Company (voluntary redemption). Redemption may not be carried out more than once per financial year. A resolution of the General Meeting of KGHM Polska Miedź S.A. on the redemption of shares may be preceded by an agreement entered into with a shareholder whose shares are to be redeemed. In accordance with §29 sec. 1 point 6 of the Statutes of the Company, any increase in share capital or issuance of shares requires the approval of the General Meeting of KGHM Polska Miedź S.A. The same applies to the issuance of bonds (§29 sec. 1 point 10 of the Statutes of the Company). The Management Board of the Company does not have the authority to increase the share capital or issue the shares of the Company under conditions specified in Articles 444-446 of the Commercial Partnerships and Companies Code.

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

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

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

Composition and personnel changes of the Supervisory Board in 2025

Diagram 29. Composition of the Supervisory Board in 2025 and to the date of preparation of this report

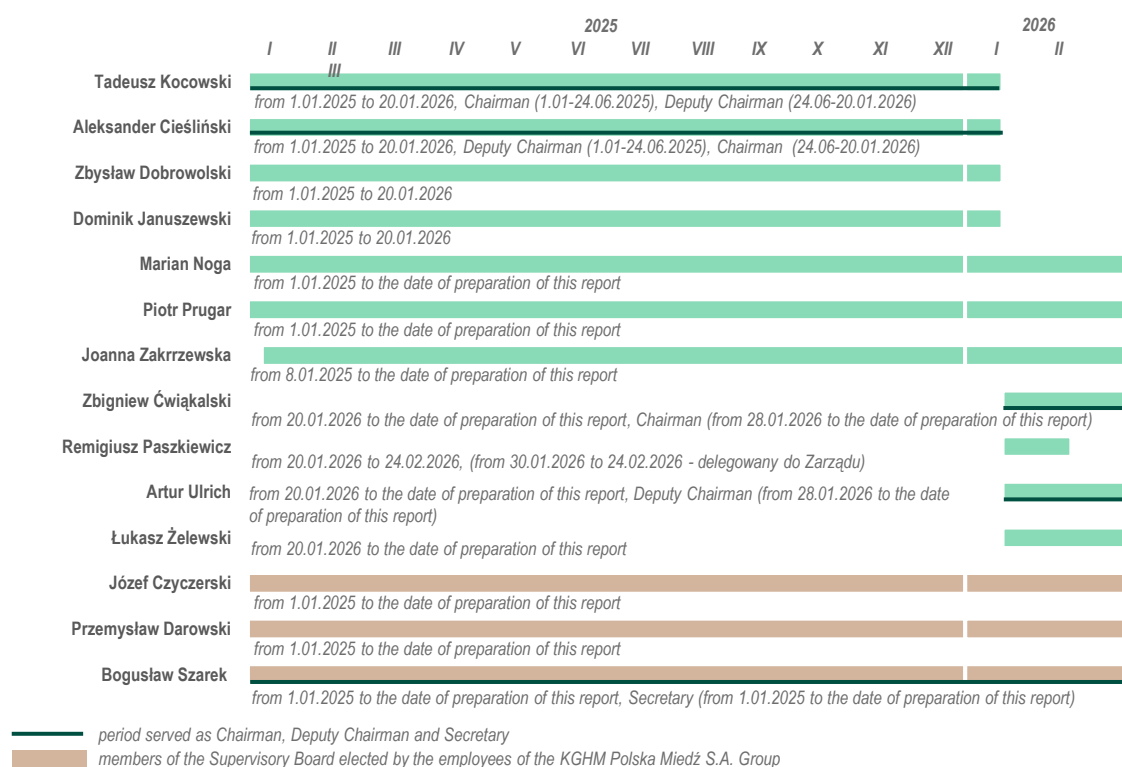


Table 73. Changes in the composition of the Management Board in 2025 and to the date of preparation of this report

8 January 2025	On 8 January 2025, the Extraordinary General Meeting of KGHM Polska Miedź S.A. appointed Joanna Zakrzewska to the Supervisory Board.
24 June 2025	On 24 June 2025, in connection with the resignation of Tadeusz Kocowski from the position of the Chairperson of the Supervisory Board and the resignation of Aleksander Cieśliński from the position of Vice Chairperson of the Supervisory Board, the Supervisory Board adopted resolutions electing Aleksander Cieśliński as the Chairperson of the Supervisory Board and Tadeusz Kocowski as Deputy Chairperson of the Supervisory Board of the 11th term of office.
20 January 2026	On 20 January 2026, the Extraordinary General Meeting of KGHM Polska Miedź S.A. dismissed the following persons from the Supervisory Board: 1) Aleksander Cieśliński 2) Zbysław Dobrowolski 3) Dominik Januszewski 4) Tadeusz Kocowski and subsequently appointed the following persons to the Supervisory Board of the 11th term of office: 1) Zbigniew Cwiąkański 2) Remigiusz Paszkiewicz 3) Artur Ulrich 4) Łukasz Żelewski
30 January 2026	On 30 January 2026 the Supervisory Board delegated Remigiusz Paszkiewicz to temporarily serve as President of the Management Board and Vice President of the Management Board (Corporate Affairs) of KGHM Polska Miedź S.A.
24 February 2026	On 24 February 2026 Member of the Supervisory Board Remigiusz Paszkiewicz submitted his resignation from serving as a Member of the Supervisory Board.

Organisation of work of the Supervisory Board

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

The Supervisory Board shall select from among its members a Chairman of the Supervisory Board, his Deputy and, if necessary, a Secretary.

For resolutions of the Supervisory Board to be valid it is required that all Members of the Supervisory Board be invited to a meeting and that resolutions be adopted by an absolute majority of votes, in the presence of at least one-half of the members. The voting is open, unless the law provides otherwise or any Members of the Supervisory Board requests a secret ballot.

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

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

During the meeting, the Supervisory Board may also adopt resolutions on matters not included in the proposed agenda if none of the Supervisory Board members attending the meeting objects thereto.

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

In 2025, **12 meetings of the Supervisory Board** were held. The absence of Members of the Supervisory Board was incidental and did not affect its work. In 2025, the Supervisory Board adopted four resolutions to justify the absence of a Member of the Supervisory Board at a meeting. The **attendance of individual Supervisory Board members in the period from 1 January 2025 to 31 December 2025 (12 meetings)** was as follows: Tadeusz Kocowski (100%), Aleksander Cieśliński (100%), Zbysław Dobrowolski (83%), Dominik Januszewski (100%), Marian Noga (100%), Piotr Prugar (100%), Józef Czyczerski (100%), Przemysław Darowski (100%), Bogusław Szarek (92%), Joanna Zakrzewska (92%).

Competence and experience of Members of the Supervisory Board

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

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

The appointed Members of the Supervisory Board of KGHM Polska Miedź S.A. are not engaged in activities which are competitive to the activities of KGHM Polska Miedź S.A., do not participate in a company which is a competitor of KGHM Polska Miedź S.A. as a partner in a civil law partnership, a partnership or a capital company, and do not participate in a competing legal entity as a member of its bodies, and are not listed in the Register of Insolvent Debtors maintained on the basis of the Act on the National Court Register.

Table 74. Biograms of Members of the Supervisory Board

Zbigniew Ćwiąkalski	Lawyer. Partner in the legal firm SPCG (T. Studnicki, K. Pleszka, Z. Ćwiąkalski, J. Górski sp.k.). Head of the Faculty of Criminal Law and Criminal Proceedings of the College of Law and Administration of WSPiA University of Rzeszów. From 1972 to 2023, an employee of the Faculty of Criminal Law of the Jagiellonian University. He was awarded the title of professor in the social sciences in the field of legal sciences on 21 July 2020 pursuant to the decision of the President of the Republic of Poland. Member of the Committee of Legal Sciences of the Polish Academy of Sciences in the 2020-2023 term of office, also elected for another term of office for the period of 2024-2027. President of the Court of Arbitration for Sport at the Polish Olympic Committee for the 2020-2023 term of office, also elected for another term of office in the period 2024-2027. Recommended arbitrator at the Court of Arbitration at the Polish Chamber of Commerce. Public Advisor to the Minister of Justice - Prosecutor General for Public Prosecution.

	Author of dozens of scientific publications in the field of substantive and economic criminal law. Co-author of a commentary on the Criminal Code and a commentary on the Act on Copyright and Related Rights. Former Minister of Justice and Prosecutor General in the years 2007-2009. Attorney or defence counsel in a number of criminal trials, mainly in the field of economic criminal law.
Remigiusz Paszkiewicz	On 30 January 2026, pursuant to Resolution No. 13/XI/26, the Supervisory Board delegated a member of the Supervisory Board, Mr Remigiusz Paszkiewicz, to temporarily perform the duties of President of the Management Board and Vice President of the Management Board (Corporate Affairs) for the period from 30 January 2026 until the date of completion of the qualification procedures for the position of President of the Management Board of KGHM Polska Miedź S.A. and Vice President of the Management Board (Corporate Affairs) of KGHM Polska Miedź S.A., however for a period not longer than three months. The biogram can be found in section 3.3.1. Management Board of KGHM Polska Miedź S.A.
Artus Ulrich	Manager with many years of experience. He has been involved in the creation of companies from scratch, the construction of the European export and distribution network for energy products and the construction of production facilities, restructuring and consolidation of business entities. From 1991 to 2005 and subsequently from 2010 to 2025, he was associated with Viessmann GmbH (now part of the US Carrier Group) and served as CEO, President of the Board and then President for Exports for Eastern Europe and the Middle East. He created Viessmann's export structures in Poland and subsequently in other countries. He managed Viessmann Group companies in 25 countries in Central and Eastern Europe and in the Middle East. He supervised, among other things, the construction of Viessmann's first production plant in Poland. From 2005 to 2007, he acted in the capacity of President of the Management Board of Kulczyk Holding S.A., one of the largest private equity groups in Poland, where he was in charge, among other things, of consolidation and restructuring of the Kulczyk Holding group. In this period, he also implemented several major investment projects, particularly in the energy and real estate sectors. He graduated from the Gdynia Maritime University, Faculty of Mechanical Engineering, and in 2019 received a PhD in Economics from the Faculty of Engineering and Economics at the Wrocław University of Economics in the field of social sciences, in the discipline of economics and finance. Participant in numerous training courses in management, finance and controlling, including in Switzerland and Germany. Energy specialist. Long-time member of the management board of the German-Polish Chamber of Industry and Commerce and member of the management board of the "Europa Forum" in Wrocław. He was awarded the Silver Cross of Merit for services to the construction industry.
Łukasz Żelewski	Manager with 35 years' experience, specialising in the management of multi-site and networked businesses. Contributor to the strategy of large and complex business entities. He organised corporate governance systems. He is experienced in carrying out restructuring processes. He is an enthusiast of non-linear thinking that goes beyond patterns and procedures. He worked, among others, in the Management Boards of Poczta Polska S.A., Agencja Rozwoju Pomorza S.A., Energa Oświetlenie Sp. z o.o. He acted in the capacity of Director of the Department of Economy and Infrastructure of the Marshal's Office of the Pomorskie Voivodeship, where he successfully conducted the privatisation of the Neptun Film company. He also conducted his own economic activity. He was a member of numerous supervisory boards, including those of Międzynarodowe Targi Gdańskie S.A. and DENIS System sp. z o.o. and participated in the work of the Senate of non-public higher education institutions. He was a member of the Council of the Pomeranian Chamber of Commerce and the Pomeranian Enterprise Council. Graduate of the Faculty of Mathematics and Physics, University of Gdańsk.
Bogusław Szarek	Member of the Supervisory Board elected by the employees of the KGHM Polska Miedź S.A. Group. Since 1982 employed at the "Polkowice - Sieroszowice" Mine of KGHM Polska Miedź S.A. as a mining machinery and tools mechanic. Secondary technical education. Since 1992 – Chairperson of the Plant Committee of the trade union NSZZ "Solidarność" in the Polkowice–Sieroszowice mine. Following the merger of the Polkowice mine with the Sieroszowice mine, since 1996 – Chairperson of the Plant Committee of the trade union NSZZ „Solidarność” in the Polkowice – Sieroszowice mine. Since 2012, an employee-elected Member of the Supervisory Board of KGHM Polska Miedź S.A. Chairman of the Board of the trade union Krajowa Sekcja Górnictwa Rud Miedzi NSZZ "Solidarność" in Lubin. Vice-Chairman of the Board of the Secretariat for Mining and Energy of the trade union NSZZ "Solidarność" in Katowice. Member of the National Committee of the trade union NSZZ "Solidarność". Since 2025 - Member of the Energy and Natural Resources Council to the President of the Republic of Poland.

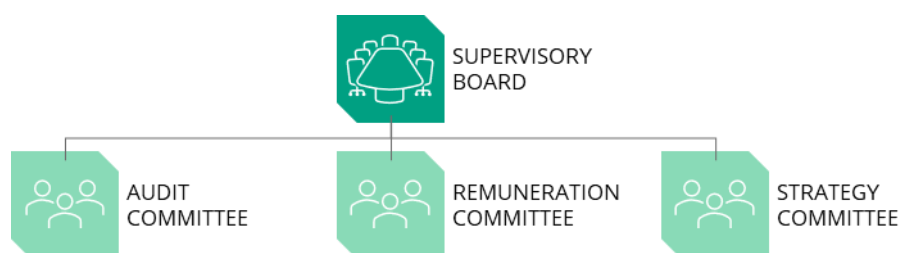
Józef Czyczerski	Member of the Supervisory Board elected by the employees of the KGHM Polska Miedź S.A. Group. Secondary technical education. Since 1979 at the Sieroszowice Mine of KGHM Polska Miedź S.A. underground electromechanic. Chairman of the trade union Krajowa Sekcja Górnictwa Rud Miedzi NSZZ Solidarność. Employee-elected member of the Supervisory Board of KGHM Polska Miedź S.A. in the years 1999-2011, and then from 2014.
Przemysław Darowski	Has higher technical education. Professional work commenced in 1997 as a metallurgist, subsequently as a railways rolling stock Specialist in Pol- Miedź Trans Sp. z o.o. From 2003 Head of the Unit responsible for maintenance planning and settlement as well as Maintenance Control, subsequently Head of the Railways Operations Unit in Głogów. From 2006, Senior Specialist / Commissioner of the Railway Cars Maintenance Handover Unit. Cooperated with the Gmina (municipality) of Legnica, on behalf of which Zespół Szkół Technicznych i Ogólnokształcących im. Henryka Pobożnego (Henryk Pobożny Technical and General School Complex) in Legnica acts as regards the operation of a training and examinations center for train drivers and candidates for train drivers. Former member of the railways commissions in Pol-Miedź Trans Sp. z o.o. which review railway accidents and incidents. Moreover, in the years 2017-2019 served as an Employee Labour Inspector. Currently the Chairman of the Interdivisional Commission of the NSSZ „Solidarność” trade union in Pol-Miedź Trans Sp. z o.o. Member of the trade union Sekcja Krajowa Górnictwa Rud Miedzi NSSZ „Solidarność”. Member of the Management Board of Region Zagłębie Miedziowe of the trade union NSSZ „Solidarność”.
Marian Noga	Professor of economic sciences, he served as rector of the Wrocław University of Economics and Dean of the Faculty of National Economy at the same university. In the years 2000-2004 he was a Senator of the 4th and 5th terms of the Republic of Poland. He was a member of the Monetary Policy Council in the years 2004-2010. Chairman of the Committee on Economic Sciences of the Polish Academy of Sciences in the years 2007-2014. In 2010, he was awarded the badge of honour “For merits to banking in the Republic of Poland”. Author of 34 monographs and more than 170 scientific articles published in Poland, Germany, Ukraine and the United Kingdom. He is a regular economic commentator on television, radio and the press.
Piotr Prugar	A graduate of the Law and Administration of Wrocław University. Legal counsel, with many years of experience in the area of legal services and management of economic entities. Co-worked as and served as the receiver, liquidator and proxy for company management boards. Served as a representative of creditors in insolvency and restructuring proceedings, among others in GetBack S.A w restrukturyzacji, Hawe Telekom S.A. w restrukturyzacji, Fakos sp. z o.o. (subsidiary of Kopex SA), Technical Glassworks (Huta Szkła Technicznego), Paper Mill in Dąbrowica (Fabryka Papieru w Dąbrowicy), Julia Glassworks (Huta Julia) and others.
Joanna Zakrzewska	Qualified manager with many years’ experience in management, audit and finance. For years, she has held management positions in both Polish and international companies. She started her career in the field of financial auditing, specialising in the analysis and audit of financial statements. She served as coordinator for SOX implementation in Europe. As Director of Internal Audit, she created and reorganised the internal audit function, working closely with the supervisory boards. She studied at universities in Poland and abroad. Graduate of the Faculty of Economics, majoring in Organisation and Management. Scholarship holder of the Hogeschool voor Economisch Administratief Onderwijs. She completed postgraduate studies in "Business Psychology" (L. Koźmiński Academy). She holds international qualifications in the areas of finance and internal audit: Association of Chartered Certified Accountants (FCCA) and the Institute of Internal Auditors (CIA).
Aleksander Cieślinski	Legal counsel with over 20 years of experience in developing legal and expert opinions in the area of EU law and international protection of human rights for entities in the public and private sectors, international law, as well as experience in participating in proceedings before the European Court of Human Rights and the Court of Justice of the European Union. Moreover, he engaged in economic activity related to international trade and has experience in trade negotiations with foreign entities. A graduate of the Law and Administration of Wrocław University. He received recognition by the Council of the aforementioned Faculty for his doctorate in international law. He is a professor in the International and European Law Department of the Faculty of Law, Administration and Economics of Wrocław University. He conducts seminars and lectures on full-time and postgraduate studies, as well as English speaking studies such as LMM (Large Language Model). He has many years of experience in lecturing and teaching, among others for legal trainees, legal advisers and judges. He was a lecturer in the Department of Economic Law of Wrocław University of Economics, in the Copper Basin Vocational University in Lubin and in the Higher School of Trade in Wrocław. He is the author and co-author of many academic publications and scientific publications, among others in the area of EU and economic law, including “System prawa UE” (European Union law system) and “Komentarz do Traktatu o Unii Europejskiej” (Commentary to the Treaty on the European Union).

Zbysław Dobrowolski	Professor of the Jagiellonian University in Kraków, Ph.D in Economics: economics and corporate organisation, with the status of habilitated doctor in the area of management. He has more than 30 years of experience in research and the evaluation of enterprises involving public property, including resulting from more than 25 years of work at the supreme national control body, among others as a manager of one of the delegations. Engaged in internal auditing activities. Author of numerous scientific publications on controlling, auditing and implementation of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) guidelines. Expert in many international programs, including those financed by the International Organization of Supreme Audit Institutions (INTOSAI), Organisation for Economic Co-operation and Development (OECD) and EU, a speaker during the Organization for Security and Co-operation in Europe (OSCE) conference. In 1998 he took part in a prestigious internship aimed at the management of the highest governmental control bodies: the GAO International Auditor Fellowship Program of the U.S. Government Accountability Office. Since 2008 he had been involved with INTOSAI, where in the role of expert he trained employees of the highest governmental control bodies from several dozen countries, and co-founded three global standards and audit guidance. He is an expert involved in a dozen or so international enterprises, including those organised by the OECD or the European Union, aimed at improving the management of international organisations in other countries.
Tadeusz Kocowski	Professor, habilitated doctor of law. Professor and a former Head of the Department of Economics Law of the Faculty of Management of the Wrocław University of Economics and Business. A retired professor of the Wrocław University, a former director of the Institute of Administrative Studies and a Head of the Department of Public Economic Law of the Faculty of Law, Administration and Economics of Wrocław University. He is the author or co-author of around 200 academic publications, among others: Administracyjne prawo gospodarcze (Administrative economic law), Publiczne prawo gospodarcze (Public economic law), Reglamentacja działalności gospodarczej w polskim administracyjnym prawie gospodarczym (Rationing of economic activities in Polish administrative economic law), Prawo dla ekonomistów (Law for economists), Zamówienia publiczne jako przedmiot regulacji prawnej (Public procurement as a subject of regulations), Prawo geologiczne i górnicze (Mining and geological law). He promoted 10 doctors of law, prepared 11 reviews of doctoral theses and participated in 4 postdoctoral dissertations. Co-author of joint studies of the Wrocław University and Wrocław University of Economics and Business, the graduates of which receive diplomas of both universities, entitled Legal and Economic Consulting. At the turn of the twentieth century, and currently as well, he actively participates in the process of economic transformation. Initially in affairs of a self-governing state-owned company and the self-government of its employees, restitution of commercial companies and local self-governments engaged in economic activities and subsequently in economic freedom and organisational-ownership changes. In the years 1990-1992 he cooperated with KGHM Polska Miedź S.A. in the process of transforming the combine. He was an advisor in the Economic Development Section of the Voivodeship Office in Wrocław, a member of the Self-Government Appeal Court. He is an arbitrator in the Wrocław Centre of Arbitration at the District Barristers Council in Wrocław. He is related with the issues of public procurement and public-private partnerships. He participated in the creation of regulations on safety and fire protection, organiser of many academic conferences on this topic.
Dominik Januszewski	An experienced manager, an expert in the areas of management and finance. For more than 25 years he worked in the companies Ernst&Young and Arthur Andersen. In the years 2005-2019 he was a Partner in Ernst&Young responsible for projects involving business consultancy, transactional consultancy and privatisation, as well as the auditing of financial statements. As a Partner, he managed a team of more than 200 consultants. His clients included the largest financial institutions in Poland. Currently responsible for a strategic consulting team at JLL involved in developing and implementing an ESG strategy as well as a strategy to optimize the energy aspects of companies. He is a Polish Certified Auditor, and has taken numerous professional courses in the areas of auditing, consultancy and management. In 2022 he received a Certificate from the University of Cambridge: "Business Sustainability Management". He is a graduate of the University of Łódź, Faculty of Economics-Sociology, specializing in Finance and Banking.

Supervisory Board Committees

Within the Supervisory Board there are three permanent committees which serve in an auxiliary role to the Supervisory Board in the preparation of assessments, opinions and other actions aimed at reaching decisions which must be made by the Supervisory Board. After the end of the year, the committees submit reports on their activities to the Supervisory Board. The Committees elect a Chairman from among themselves. Internal regulations on the basis of which the following Committees organize their work and their changes are adopted by the Supervisory Board.

Diagram 30. Committees of the Supervisory Board of KGHM Polska Miedź S.A. in 2025



Remuneration Committee

Responsible for supervising the execution of contracts signed with the Management Board, the remuneration system and benefits paid out in the Company and the Group, training and other benefits provided by the Company, as well as audits performed by the Supervisory Board in this regard.

Diagram 31. Composition of the Remuneration Committee of the Supervisory Board in 2025 and up to the date of preparation of this report

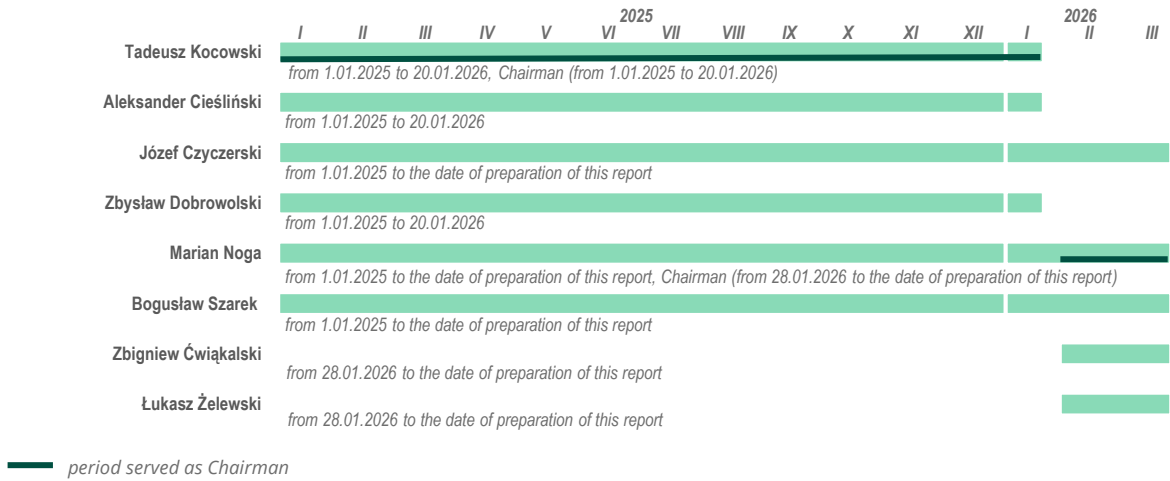


Diagram 32. Tasks of the Remuneration Committee

The management of issues related to the recruitment and employment of members of the Management Board by preparing and arranging draft documents and processes to be submitted for the acceptance of the Supervisory Board;	The preparation of draft contracts/agreements and other sample documents related to the establishment of an employment relationship with a Member/Members of the Management Board and oversight of the execution of the contractual obligations by the parties;	Oversight of the execution of the Management Board remuneration system, in particular the preparation of settlement documents with respect to variable/exchangeable bonus elements of the remuneration in order to submit recommendations to the Supervisory Board and development of a draft report of the Supervisory Board on the remuneration of Members of the Management Board and Supervisory Board;	Monitoring and periodic assessment of the remuneration system for the Company's senior management and, if necessary, the preparation of recommendations for the Supervisory Board;	Oversight of the proper execution of additional benefits for Members of the Management Board arising from agreements binding Members of the Management Board with the Company;	Other tasks ordered by the Supervisory Board.

Strategy Committee⁴⁸

Supervises the realisation of company strategy, the company's annual and long-term operating plans, supervising the coherence of these documents, and also provides its opinion to the Supervisory Board on the strategic projects presented by the Management Board of the Company and any changes thereto, as well as on the company's annual and long-term operating plans.

⁴⁸ Until 19 March 2025 under the name (in Polish) *Komitet ds. Strategii*

Diagram 33. Composition of the Strategy Committee of the Supervisory Board in 2025 and up to the date of preparation of the report

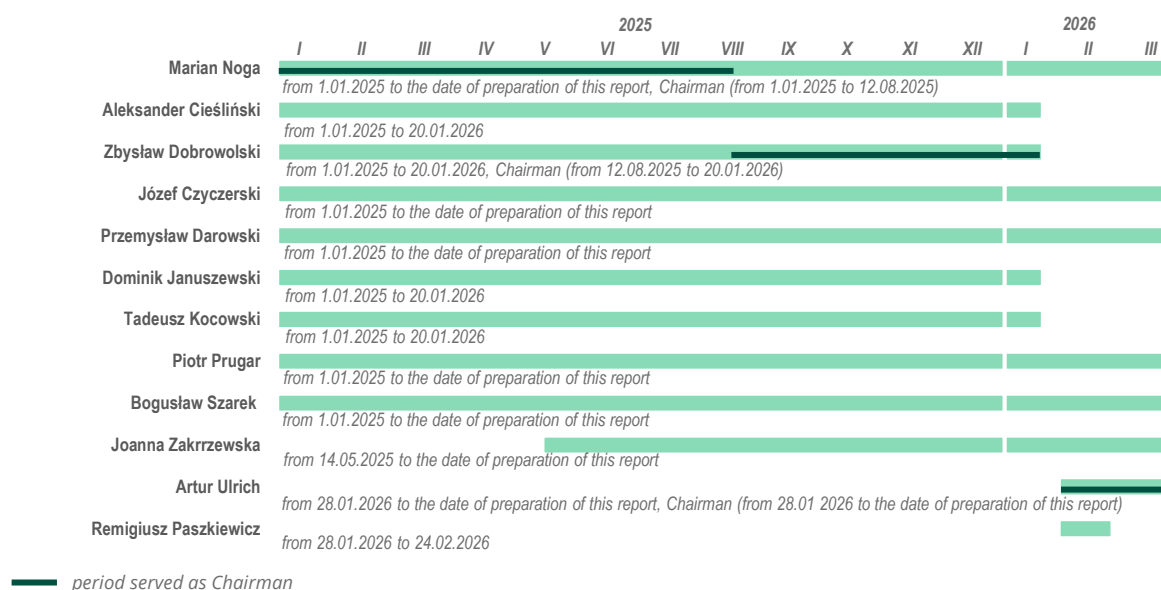


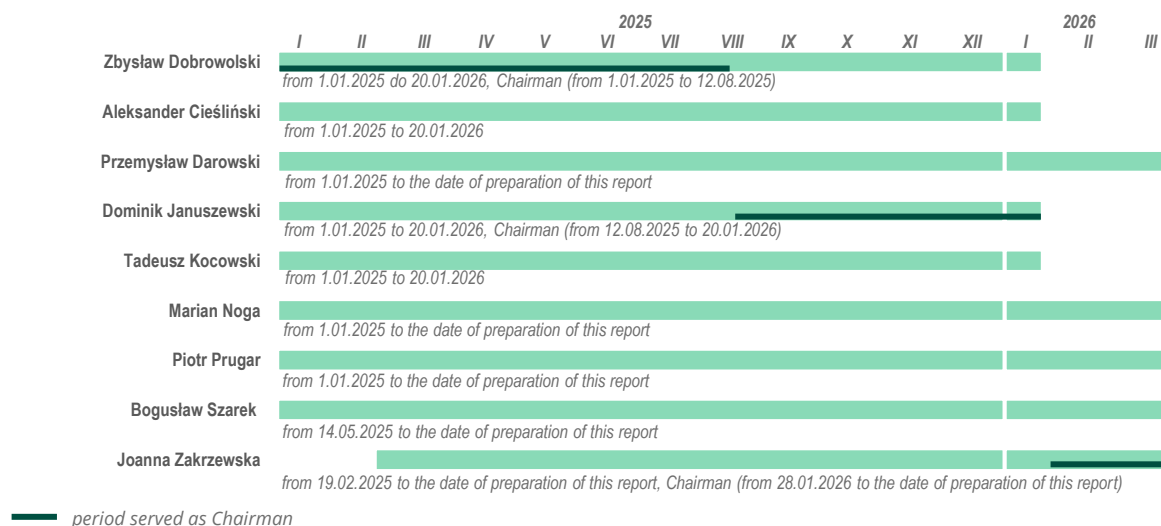
Diagram 34. Tasks of the Strategy Committee

Execution on behalf of the Company's Supervisory Board of tasks in the area of oversight of issues associated with the Company's strategy and the annual and long-term operating plans of the Company;	Monitoring execution of the Company's strategy by the Management Board and issuing opinions on the degree to which the existing strategy is able to deal with changes in the actual situation;	Monitoring execution of the annual and long-term operating plans of the Company by the Management Board, and assessment of whether these plans need to be modified;	Assessment of the consistency of the annual and long-term operating plans of the Company with the Company's strategy as executed by the Management Board, and the presentation of any proposed changes in all such Company's documents;	Submission to the Company's Supervisory Board of its opinions regarding the draft strategies of the Company and any changes thereto and of the annual and multi-year operating plans of the Company, as presented by the Company's Management Board, including budget;

Audit Committee

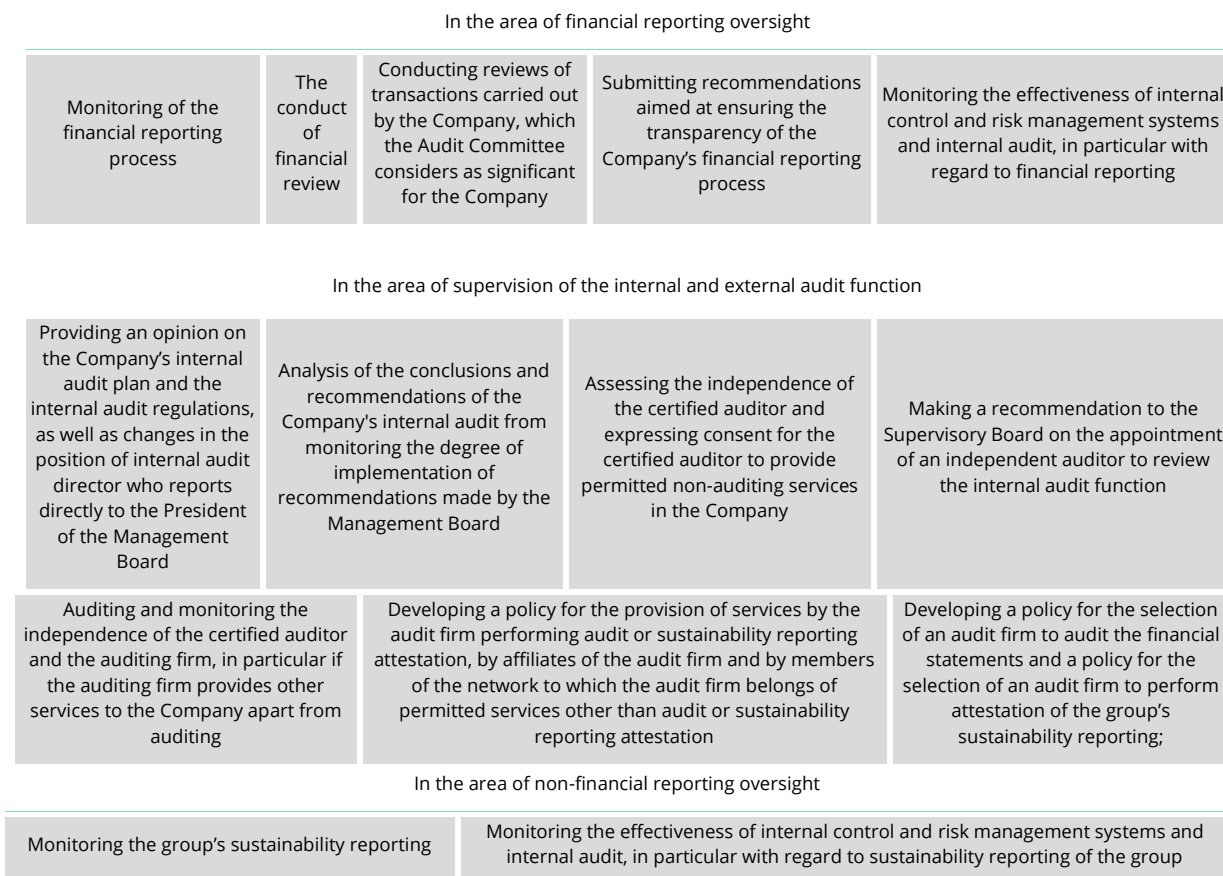
Responsible for supervision in the areas of financial reporting, the internal control system, risk management and internal and external audits. In addition, the Supervisory Board has appointed the Audit Committee to perform the function of reporting on the sustainable development of the KGHM Polska Miedź S.A. Group and attesting of these reports.

Diagram 35. Composition of the Audit Committee of the Supervisory Board in 2025 and to the date of this report



Due to the significant size of the KGHM Polska Miedź S.A. Group, its global reach and the broad and diverse scope of its activities, the Audit Committee is comprised of people with different qualifications, skills and competence. The broad composition of the Audit Committee is a guarantee of effective, continuous oversight of the Company's affairs and, with the very high number of matters referred to the Audit Committee meetings, its members are able to devote sufficient time to the work of the Audit Committee through proper organisation and distribution of work.

Diagram 36. Most important tasks of the Audit Committee



In 2025, there were 11 meetings of the Audit Committee. The absence of Audit Committee Members was incidental and did not affect its work. **The attendance of individual Members of the Audit Committee was as follows:** Tadeusz Kocowski (100%), Aleksander Cieśliński (100%), Zbysław Dobrowolski (91%), Dominik Januszewski (100%), Marian Noga (100%), Piotr Prugar (100%), Przemysław Darowski (100%), Bogusław Szarek (91%), Joanna Zakrzewska (91%).

In 2025, the Audit Committee, during its meetings, dealt with and became acquainted with information on, among others:

- the progress of work on the Sustainability Statement (ESG),
- expenses relating to representation, legal services, marketing services, public relations and social communication services as well as advisory services relating to management for 2024,
- assessment of the independence of the audit firm in the provision of permitted non-auditing services;
- the implementation of the internal audit plan for 2024 and the implementation of the audit plan for 2025,
- market and corporate risk management in the KGHM Polska Miedź S.A. Group, including in detail in matters relating to key risk,
- compliance management in the KGHM Polska Miedź S.A. Group (compliance),
- financial and production results in the KGHM Polska Miedź S.A. Group,
- recommendations for the Supervisory Board on the evaluation of financial statements and consolidated financial statements and on the evaluation of the Report of the Management Board on the activities of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group in 2024, including the Statement on non-financial information (preceded by meetings with the auditor),
- verification of the declarations of independence of members of the Audit Committee of the Supervisory Board of KGHM Polska Miedź S.A.,
- anti-corruption management system based on the international PN-ISO 37001 standard,
- memorandum on the external evaluation of the functioning of internal audit in the KGHM Polska Miedź S.A. Group.

Assessment of Independence of the Audit Committee Members

In the period from 1 January 2025 to 31 December 2025 the majority of the Members of the Audit Committee, including its Chairman, met the independence criteria referred to in art. 129 sec. 3 of the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision. The independent members of the Audit Committee included:

- In the period from 1 January 2025 to 07 January 2025: Tadeusz Kocowski, Dominik Januszewski, Marian Noga, Piotr Prugar, Zbysław Dobrowolski, i.e. 5 of the 9 members of the Supervisory Board Audit Committee (56%)
- In the period from 8 January 2025 to 31 December 2025: Joanna Zakrzewska, Tadeusz Kocowski, Dominik Januszewski, Marian Noga, Piotr Prugar, Zbysław Dobrowolski, i.e. 6 of the 10 members of the Audit Committee of the Supervisory Board (67%).

The Supervisory Board evaluated the submitted declarations regarding the fulfilment of independence criteria and adopted appropriate resolutions regarding the verification of the declarations of members of the Supervisory Board's Audit Committee.

The independence of the Committee Members was assessed in the context of their relationships within the Group and related parties, as defined by the Accounting Act of 29 September 1994, including principle 2.3. of DPSN 2021, i.e. the absence of any real and significant relationships with a shareholder holding at least 5% of the total number of votes in the company. The declarations made were subject to verification by the Company, taking into account in particular the essence of independence, the concept of material business relations and the nature of the group and related parties.

Qualifications, knowledge and skills of the Audit Committee members

The qualifications of the Audit Committee Members in the areas of accounting or the auditing of financial statements, as well as knowledge and skills in the sector in which KGHM Polska Miedź S.A. operates, resulted from the education, experience and professional practice of the Audit Committee Members. Following is detailed information on their qualifications in the areas of accounting or the auditing of financial statements as well as their knowledge and skills in the sector in which KGHM Polska Miedź S.A. operates.

Qualifications in the scope of accounting or auditing of financial statements

from 1 January 2025 to 20 January 2026	Mr Dominik Januszewski was selected as a Member of the Audit Committee possessing qualifications in the field of accounting or the auditing of financial statements. Compliance with the requirements concerning the knowledge and skills pertaining to accounting and auditing financial statements was validated by means of verifying appropriate documents concerning education and work experience.
in the period from 28 January 2025 to the date of preparation of this report	Ms Joanna Zakrzewska was selected as a Member of the Audit Committee possessing qualifications in the field of accounting or the auditing of financial statements. Compliance with the requirements concerning the knowledge and skills pertaining to accounting and auditing financial statements was validated by means of verifying appropriate documents concerning education and work experience.

Industry knowledge and skills

from 1 January 2025 to 31 December 2025 and until the date of preparation of the Corporate Governance Statement	Mr Bogusław Szarek was selected as a member possessing knowledge and skills in the sector in which KGHM Polska Miedź S.A. operates resulting from many years of employment (since 1982) in KGHM Polska Miedź S.A. as well as being a member of the Supervisory Board of KGHM Polska Miedź S.A. since 2012, as a Member of the Supervisory Board of KGHM Polska Miedź S.A. elected by employees of the KGHM Polska Miedź S.A. Group.

Firm auditing the financial statements

The following are applicable in KGHM Polska Miedź S.A.:

- Policy of KGHM Polska Miedź S.A. for the selection of the audit firm to conduct audits of the financial statements, or attestation of the sustainable development reporting (hereinafter: the "Selection policy"),
- Policy for the provision by the audit firm auditing the financial statements of the Polska Miedź S.A Capital Group or attesting the sustainability reporting of the Polska Miedź S.A Capital Group, by entities affiliated with that audit firm and by a member of the network to which the audit firm belongs of permitted services that are not audit or attestation of sustainability reporting (hereinafter: the "Services policy").
- Procedure of KGHM Polska Miedź S.A. concerning the selection of the audit firm auditing the financial statements or providing attestation of the sustainable development reporting (hereinafter: the "Selection procedure").

Main assumptions of the Selection policy are as follows:

- the body authorised to select the audit firm is the Supervisory Board of KGHM Polska Miedź S.A. based on the recommendation of the Audit Committee of the Supervisory Board of KGHM Polska Miedź S.A.
- maximum uninterrupted period of providing services by a given auditing firm of audits of the financial statements amounting to 10 years, followed by a grace period of at least 4 years, with the provision that the key certified auditor may not carry out the statutory audit for more than 5 years;
- transparency, accuracy and honesty in all procedures involving the selection of the auditing firm;

- equal opportunity for all of the auditing firms meeting the Company's requirements to be selected;
- documentation of selection procedures performed and evaluation of offers in a manner which ensures the transparency of the actions taken.

Main assumptions of the Services Policy:

- limitation of the scope of permitted non-auditing services ordered from the auditing firm or a related entity thereof; maximum total remuneration for the services provided in this regard is limited to 70% of the average remuneration paid out during the last three financial years due to providing statutory auditing services;
- need to review the purpose and necessity for purchasing permitted non-auditing services from the auditing firm or a related entity thereof on an individual basis;
- active participation of the Audit Committee in the process of evaluating threats to and the security of the independence of the auditing firm in providing permitted non-auditing services;
- signing of an agreement and the providing of services, as well as any change in the scope of the services or remuneration thereof, will be possible only after the Audit Committee has provided the requisite consent.

The entity authorised to audit the financial statements of KGHM Polska Miedź S.A. for the years 2019-2028 is PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp.k. In 2018, following the procedure for selecting an audit firm that meets the applicable criteria, an audit firm was selected for the period of 2019-2021. In 2021, an annex to the agreement was signed extending the term of the agreement to 2022-2024, which was preceded, in accordance with the policy for selecting an audit firm, by an assessment of the services provided to date by the audit firm by the Audit Committee and its recommendation to the Supervisory Board to extend the term of the agreement. In 2023, another annex to the agreement was signed, extending the term of the agreement to 2025-2028, also preceded by an evaluation of the cooperation with the audit firm and the services it provided, and a recommendation by the Audit Committee to extend the agreement with PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k.

The entity authorised to carry out the service of attesting the sustainable development reporting of the KGHM Polska Miedź S.A. Group, which is part of the Management Board Report on the operations of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group for the years 2024-2028, is PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. The audit firm in 2024 was selected as a result of an organised procedure of selection, which met the applicable criteria.

The selection procedure was developed by the Audit Committee and complies with the requirements of:

- Regulation of the European Parliament and of the Council (EU) No. 537/2014 on detailed requirements for statutory audits of financial statements of public-interest entities;
- Act dated 11 May 2017 on certified auditors, auditing firms and public oversight;
- the Accounting Act of 29 September 1994.

Based on the statement of the Supervisory Board, the Management Board of the Company confirms that the selection of the audit firm to audit the annual financial statements for 2025 and the annual consolidated financial statements for 2025 was carried out in accordance with the regulations, including those related to the selection and procedure for the selection of the audit firm, indicating that:

- the audit firm and members of the audit team fulfil the conditions for preparing an impartial and independent audit report of the annual financial statements and annual consolidated financial statements in accordance with applicable regulations, professional standards and professional ethics,
- the applicable regulations regarding the turnover of the audit firm and the key auditor as well as the mandatory grace periods are respected,
- The Company has a policy regarding the selection of an audit firm and a policy regarding the provision of additional non-audit services to the audit firm by a related entity of the audit firm or a member of its network, including services conditionally exempted from the prohibition of provision by the audit firm.

In 2025, the following permitted non-audit services were provided to the Company by the audit firm examining its financial statements:

- an opinion for the purposes of exemption from excise duty on electricity in energy-intensive plants in accordance with art. 31d sec. 8 of the Act dated 6 December 2008 on excise tax;
- an independent attestation service for managing the responsible gold and silver supply chain to confirm compliance with the requirements of the London Bullion Market Association ("LBMA");
- an assurance service to assess the accuracy of the calculation of data in order to comply with the requirements of Article 52(3) and Article 23(2) and (3) of the Act on Renewable Energy Sources of 20 February 2015, comprised of performing attestation services on the correctness of the determination of the PKD code of the prevailing activity and assessment of whether the company is not in a difficult position;
- verification of financial covenants in relation to the loan received from the European Investment Bank,
- voluntary attestation of selected non-financial indicators for 2023;

- assessment of the Report on the Remuneration of the Management Board and the Supervisory Board of KGHM Polska Miedź S.A.,
- review of the financial statements for the first half of 2025,
- attestation providing limited assurance on the Group's Sustainability Reporting for 2024 and 2025,
- attestation providing limited assurance on the Group's Sustainability Reporting for 2023.

In each case, the Audit Committee evaluated the independence of the auditing firm and expressed its consent to the provision of permitted services.

Detailed information on remuneration of the entity entitled to audit the financial statements for the review and audit of financial statements and other remuneration is presented in note 12.9 of the separate and 12.10 of the consolidated financial statements.

Description of the diversity policy in relation to the management and supervisory bodies

The Company has in place a "Policy on Gender Balance in the Bodies of KGHM Polska Miedź S.A." (hereinafter: the Policy) representing the commitment of KGHM Polska Miedź S.A. to implementing the principle of equal treatment in appointing members of the Management Board of KGHM Polska Miedź S.A. and of the Supervisory Board of KGHM Polska Miedź S.A.

The objectives of the Policy include:

- striving to achieve and maintain the share of the under-represented gender at least as close as possible to 33% of the positions in the Company bodies in aggregate, provided that persons belonging to the under-represented gender occupy positions in each of the Company bodies,
- striving to recruit representatives of the under-represented gender for key positions in the Company bodies,
- preventing potentially unjustified differences in the remuneration of members of the Company bodies,
- indicating the key principles and criteria for the selection of members of the Company bodies, in accordance with the accepted best corporate practice and the applicable requirements of generally applicable law,
- defining a framework of organisational solutions to ensure real and effective gender equality in access to decision-making positions in the Company bodies.

The principles arising from the Policy will be implemented in the entities of the KGHM Group, taking into account their organisational and legal distinctiveness. The Policy applies to all stages of the selection process for members of the Company bodies. The Policy applies to all persons involved in decision-making processes concerning filling of positions in the Company bodies. As part of its equality policy, KGHM undertakes to apply transparent and gender-neutral selection criteria in its recruitment processes to the Company bodies, to assess female and male candidates on the basis of their qualifications and competence and to promote equal opportunities and diversity (among others, also in terms of age or disability), including supporting the participation of under-represented genders and implementing equality-friendly solutions. This document is consistent with the "Personnel Policy of KGHM Polska Miedź S.A." in the area of equality between women and men, supporting the achievement of objectives related to diversity and non-discrimination, in accordance with the Company values and organisational culture. The detailed criteria for the selection of candidates and the rules of their recruitment will be defined in the internal regulations of the Company, which are at an advanced stage of implementation in the Company.

Issues related to the principles of gender equality and diversity in the Organisational Regulations of KGHM Polska Miedź S.A. are assigned to the President of the Management Board of KGHM Polska Miedź S.A. The Company will also appoint a Diversity Plenipotentiary in KGHM Polska Miedź S.A. reporting directly to the President of the Management Board of KGHM Polska Miedź S.A.

In 2025, the management and supervisory staff was composed of persons of various age and experience.

Table 75. Age structure and length of service of members of the Supervisory Board and the Management Board as at the date of the report

Structure of age diversity	< 40 years	40-50 years	51-60 years	> 60 years
Supervisory Board of KGHM Polska Miedź S.A.	-	1	1	7
Management Board of KGHM Polska Miedź S.A.	1	1	1	2
Employment in KGHM Polska Miedź S.A.	< 5 years	5-10 years	11-20 years	> 20 years
Supervisory Board of KGHM Polska Miedź S.A.	6	-	-	3
Management Board of KGHM Polska Miedź S.A.	3	-	-	2

Information on gender representation on the governing bodies, distinguishing between non-executive directors (Supervisory Board of KGHM Polska Miedź S.A.) and executive directors (Management Board of KGHM Polska Miedź S.A.) within the meaning of Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving gender balance among directors of listed companies and related measures, is presented below.

Table 76. Gender representation in the Management Board and the Supervisory Board as at 31 December 2024

Structure of gender diversity	Number of women (% share)	Number of men (% share)
Supervisory Board	0 (0%)	9 (100 %)
Management Board	1 (17 %)	5 (83 %)
Supervisory Board and Management Board total	1 (7%)	14 (93%)

Table 77. Gender representation in the Management Board and the Supervisory Board as at 31 December 2025

Structure of gender diversity	Number of women (% share)	Number of men (% share)
Supervisory Board	1 (10 %)	9 (100 %)
Management Board	1 (17 %)	5 (83 %)
Supervisory Board and Management Board total	2 (12%)	14 (88%)

Table 78. Diversity representation by gender in the Management Board and the Supervisory Board as at the date of the report

Structure of gender diversity	Number of women (% share)	Number of men (% share)
Supervisory Board of KGHM Polska Miedź S.A.	1 (11%)	8 (89%)
Management Board of KGHM Polska Miedź S.A.	1 (20%)	4 (80%)
Supervisory Board and Management Board total	2 (14%)	12 (86%)

3.3.3 Description of the application of DPSN 2021

Table 79. The principles of Section II of DPSN 2021 - Management Board, Supervisory Board, applied in KGHM Polska Miedź S.A.

2.1 The Company should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.

The principle is applied.

The Company has in place a "Policy on Gender Balance in the Bodies of KGHM Polska Miedź S.A.". The document defines goals, including striving to achieve and maintain the share of representatives of the under-represented gender at least at a level the closest to 33 % of positions in the Company's bodies in total, provided that persons belonging to the under-represented gender hold positions in each of the Company's bodies. The Policy also sets out key criteria for selecting candidates to the Company's bodies and the principles for recruiting candidates to the Company's bodies.

2.2 Persons making decisions on the election of members of the company's Management or Supervisory Board should secure comprehensiveness of these bodies by choosing persons ensuring diversity, making it possible, *inter alia* to achieve the target ratio of the minimum proportion of minorities set at no less than 30%, in accordance with the goals set out in the adopted diversity policy referred to in principle 2.1.

The principle is applied.

2.3 At least two members of the supervisory board meet the criteria of being independent referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision, and have no actual and material relations with any shareholder who holds at least 5% of the total vote in the company.

The principle is applied. As at the date of publication of the Corporate Governance Statement, 7 of the 10 members of the Supervisory Board of KGHM Polska Miedź S.A. meet the criteria for independence specified in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision, and have no real and significant relations with a shareholder holding at least 5% of the total number of votes in the company. (70%)

2.5 Members of the supervisory board and members of the management board who vote against a resolution may have their dissenting vote recorded in the minutes.

The principle is applied. The relevant provisions can be found in the Bylaws of the Supervisory Board.

2.6. Functions on the management board of a company are the main area of the professional activity of management board members. Management board members should not engage in additional professional activities if the time devoted to such activities prevents their proper performance in the company.

The principle is applied.

2.7. A company's management board members may sit on corporate bodies of companies other than members of its group subject to the approval of the supervisory board.

The principle is applied.

2.8. Supervisory board members should be able to devote the time necessary to perform their duties.

The principle is applied.

2.9. The chairperson of the supervisory board should not combine his/her function with chairing the audit committee of the supervisory board.

The principle is applied.

2.10. Companies allocate administrative and financial resources necessary to ensure efficient functioning of the supervisory board in a manner adequate to their size and financial standing.

The principle is applied.

2.11. In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following:

2.11.1. information about the members of the supervisory board and its committees, including indication of those supervisory board members who fulfil the criteria of being independent referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision and those supervisory board members who have no actual and material relations with any shareholder who holds at least 5% of the total vote in the company, and information about the members of the supervisory board in the context of diversity;

2.11.2 Summary of the activity of the supervisory board and its committees;

2.11.3. assessment of the company's standing on a consolidated basis, including assessment of the internal control, risk management and compliance systems and the internal audit function, and information about measures taken by the supervisory board to perform such assessment; such assessment should cover all significant controls, in particular reporting and operational controls;

2.11.4. assessment of the company's compliance with the corporate governance principles and the manner of compliance with the disclosure obligations concerning compliance with the corporate governance principles defined in the Exchange Rules and the regulations on current and periodic reports published by issuers of securities, and information about measures taken by the supervisory board to perform such assessment;

2.11.5. Assessment of the rationality of expenses referred to in principle 1.5;

2.11.6 The annual report, which, in addition to the activities required by law, is prepared once a year by the supervisory board and submitted to the general meeting of shareholders for approval, includes information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.

Principles 2.11.1-2.11.6 are applied.

The annual report of the Supervisory Board is available on the Company corporate website under the [General Meeting](#) tab

3.3.4 Explanations on the waiver of the application of DPSN 2021 principles

In accordance with the published Statement on the Company's compliance with the principles in section II of DPSN 2021, the following principles are partially applied or are not applied:

Table 80. Principles in section II of DPSN 2021 applied partially or not applied in KGHM Polska Miedź S.A.

2.4 The supervisory board and the management board vote in an open ballot unless otherwise required by law.

The principle is partially applied.

KGHM Polska Miedź S.A. strives at every stage of its operations to apply this principle and for full transparency in the process of the adopting of resolutions by these bodies. The Bylaws of the Supervisory Board and Management Board stipulate as a principle that voting shall be conducted in open ballot, which does not preclude the right of any Member of these bodies to request voting by secret ballot. The Company anticipates that, in a small number of situations involving the adoption of resolutions by the Supervisory Board regarding personal matters, there may occur cases of voting by secret ballot at the request of Members of the Supervisory Board or the Management Board.

3.4 SYSTEMS AND FUNCTIONS

KGHM Polska Miedź S.A., under the principles indicated in section 3 of DPSN 2021, strives to maintain effective systems and functions as essential tools for supervising the Company in all of its operating activities.

3.4.1 Description of the application of DPSN 2021

Table 81. The principles of Section III of DPSN 2021 - Internal systems and functions, applied in KGHM Polska Miedź S.A.

3.1. A listed company maintains efficient internal control, risk management and compliance systems and an efficient internal audit function adequate to the size of the company and the type and scale of its activity; the management board is responsible for their functioning.

The principle is applied.

3.2. The Company's organisation includes units responsible for the tasks of individual systems and functions unless it is not reasonable due to the size of the company or the type of its activity.

The principle is applied.

Responsibility for the fulfilment of these obligations and their role in these systems reflects the principles existing in the organization for the breakdown of duties at various operational and management levels and support the achievement of defined business goals. As shown in the adopted diagram, the Company applies the model of three lines of defence (3LoD), assigning to the first line management risk through business units and risk owners, as well as control mechanisms in the Company's operational processes, to the second the function of support of risk management, and to the third – internal audit controlling the other lines. A detailed diagram of the three lines of defence in the risk and compliance management system can be found in [section 1.5 Risk management](#).

3.3 A company participating in the WIG20, mWIG40 or sWIG80 index appoints an internal auditor to head the internal audit function in compliance with generally accepted international standards for the professional practice of internal auditing. In other companies which do not appoint an internal auditor who meets such requirements, the audit committee (or the supervisory board if it performs the functions of the audit committee) assesses on an annual basis whether such person should be appointed.

The principle is applied.

The company has appointed an internal auditor to manage the internal audit function. The Internal Audit Regulations adopted for use are based on international standards for the professional practice of internal auditing

3.4. The remuneration of persons responsible for risk and compliance management and of the head of internal audit should depend on the performance of delegated tasks rather than short-term results of the company.

The principle is applied.

The remuneration of the Company's risk management and compliance officers and the head of internal audit does not depend on the short-term performance of the company, but primarily on the performance of the tasks. The company's financial result is not a key vehicle for the remuneration of the persons referred to in Principle 3.4.

3.5. Persons responsible for risk management and compliance report directly to the president or other member of the management board.

The principle is applied.

In accordance with the applicable Organisational Regulations, Director of the Corporate Risk Management and Compliance Department and the Executive Director for Audit report directly to the President of the Management Board.

3.6. The head of internal audit reports organisationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.

The principle is applied.

The head of internal audit reports organisationally to the President of the Management Board and functionally to the chairman of the audit committee.

3.8. The person responsible for internal audit or the management board if such function is not performed separately in the company reports to the supervisory board at least once per year with their assessment of the efficiency of the systems and functions referred to in principle 3.1 and tables a relevant report.

The principle is applied.

In terms of corporate risk management systems, compliance activities and internal audit (including in terms of financial reporting) the Audit Committee engages in regular monitoring of these functions. The corporate risk management and the compliance management system undergoes an annual assessment of its effectiveness and the results are reported to the Audit Committee.

3.9. The supervisory board monitors the efficiency of the systems and functions referred to in principle 3.1 among others on the basis of reports provided periodically by the persons responsible for the functions and the company's management board, and makes annual assessment of the efficiency of such systems and functions according to principle 2.11.3. Where the company has an audit committee, the audit committee monitors the efficiency of the systems and functions referred to in principle 3.1, which however does not release the supervisory board from the annual assessment of the efficiency of such systems and functions.

The principle is applied.

The Supervisory Board prepares and presents to the Ordinary General Meeting for its approval the annual financial statements, which among others contain an assessment of the standing of the Company on a consolidated basis, including an evaluation of the internal control, risk management and compliance systems and the internal audit function, with information on the actions taken by the Supervisory Board of KGHM Polska Miedź S.A. in performing this assessment.

This assessment of the Supervisory Board comprises all of the important control mechanisms, including in particular those involving reporting and the operations, and is prepared among others based on documents received from the Management Board and from persons managing risk and compliance and also managing internal audit regarding information on the effectiveness of these functions, discussions held with the participation of the Management Board and other individuals invited to attend meetings of the Supervisory Board, and also takes into account the financial statements and the reports of the Management Board on the activities of KGHM Polska Miedź S.A. and of the KGHM Polska Miedź S.A. Group, and based on the conclusions from the audit of the Company's accounts by a Certified Auditor and other audits.

3.10. At least once per five years, a review of the internal audit function is carried out in a company belonging to the WIG20, mWIG40 or sWIG80 index by an independent auditor selected with the participation of the audit committee.

The principle is applied. On 17 December 2025, pursuant to Resolution No. 159/XI/25, the Supervisory Board of KGHM Polska Miedź S.A. selected an auditor to perform the service entitled, "Conducting an external assessment of the internal audit function at the KGHM Polska Miedź S.A. Group, in the form of a limited review for a period of 5 years (2021–2025)". As at the date of publication of the Corporate Governance Statement, the audit is in progress.

3.4.2 Description of main characteristics of internal control and risk management systems as applied by KGHM Polska Miedź S.A. in the process of preparing financial statements and consolidated financial statements

KGHM Polska Miedź S.A. has internal control and risk management systems in place, the purpose of which is, among others, to ensure the accuracy, completeness and timeliness of prepared separate and consolidated financial statements. These systems are tailored to the scale of the Group's operations and the specific nature of the mining and metallurgical sector in which the issuer operates in the country and abroad. The Risk Model is a tool used to identify risk in the KGHM Polska Miedź S.A. Group. The risk categories in the Risk Model of KGHM Polska Miedź S.A. have been defined to take into account and reflect the complexity of activities of KGHM Polska Miedź S.A. and the Companies within the Group and to support the construction of a resilient corporate structure.

The distribution of powers and responsibilities in KGHM Polska Miedź S.A. follows the principles of good corporate governance practices and the generally recognised three lines of defence model, taking into account the specific nature of the issuer's activities:

- **The Supervisory Board (Audit Committee)** monitors the level of key risk and the risk treatment procedure. Performs the annual assessment of the effectiveness of the risk management process and monitors the level of key risk and the risk treatment procedure.
- **The Management Board** has ultimate responsibility for the risk management system and supervision of its individual elements.
- **Risk Committees (including the Market Risk Committee, the Credit Risk Committee or the Financial Liquidity Committee)** support the effectiveness of the risk management process.
- **Internal audit** performs an independent assessment and verification of the system.

The detailed organisational structure of risk management in KGHM Polska Miedź S.A. is presented in section [1.5 Risk management](#). The main features of the systems concerned are presented below, taking into account the specific nature of operations of KGHM Polska Miedź S.A. outlined before:

Supervision of the application of uniform accounting principles by the Parent Entity and the companies of the KGHM Polska Miedź S.A. Group during the process of preparing reporting packets to prepare the consolidated financial statements of the KGHM Polska Miedź S.A. Group	In order to ensure truthfulness and accuracy in the keeping of the accounting records of the Parent Entity and the uniformity of the accounting principles applied when preparing the financial statements of Group subsidiaries, the Management Board of the Parent Entity has introduced for continuous use an Accounting Policy for the Group in accordance with International Financial Reporting Standards approved by the European Union which is regularly updated in compliance with new regulations. Control over the accounting policies applied in the process of preparing the financial statements of KGHM Polska Miedź S.A. and of the Group subsidiaries is based on the control mechanisms embedded in the functioning of the reporting systems. The process of preparing the consolidated financial statements is based on uniform consolidation packages which represent a standardised set of financial and operational data prepared in accordance with the Group's Accounting Policy. The reporting packets of subsidiaries are also reviewed by substantive services in the Parent Entity for consolidation purposes.
Centralised financial and accounting services	KGHM Polska Miedź S.A. performs its accounting activities within a centralised financial and accounting services structure. Bookkeeping in the Parent Entity is performed by the Accounting Services Center under the Head Office of KGHM Polska Miedź S.A. The centralisation of accounting services under a process model which provides for the transparent breakdown of duties and responsibilities ensures minimisation of the risk of bookkeeping errors and high-quality of financial statements. Actions are systematically being taken aimed at optimising the functioning of the accounting services structures.
Finance and accounting systems	KGHM Polska Miedź S.A. keeps accounting records in an integrated IT system. The modular structure of this system ensures a transparent segregation of processes and duties, coherence of accounting records and control over ledgers: special purpose ledger, general ledger and sub-ledgers. Access to this data at various levels and in various units is available via a well-developed reporting system. The Parent Entity continuously adapts the IT information system to changing accounting principles or other legal standards. The solutions applied by the Parent Entity are implemented in the IT systems of the Group's subsidiaries. To ensure the adequate utilisation and protection of systems, data, secure access to data and computer equipment, appropriate organisational and systemic solutions have been implemented. Access to the resources of the financial and accounting system, as well as financial reporting, is limited by a system of authorisations that are granted to authorised employees solely with respect to the duties which they carry out. These entitlements are subject to regular review and audits. Control over this access is carried out at each stage of financial statements preparation, beginning with the entering of source data, through the processing of data, to the generation of output information. A key element in limiting the risk of errors and misstatements in accounting for economic activities are the actions taken which are aimed at increasing the use of IT tools to automate control over and the settlement of purchasing processes in the Company. These actions include: – the Workflow system of electronic document settlement and approval, – the system for transmitting data between the system in the Parent Entity and IT systems in Group companies, – customer settlement based on e-invoices for procurement and sales.
Corporate risk management	Under the Corporate Risk Management Policy and Procedures and the Corporate Risk and Compliance Committee Rules, corporate risk management is an ongoing process in the Group. Risks associated with the Group's various operations are continuously identified, assessed and analysed in terms of their possible limitation. The Corporate Risk Management System at KGHM Polska Miedź S.A. has been developed based on the foundations of the leading international ISO 31000 standards and best practice, due to which consistent supervision over the functioning of the system is ensured in the entities of the entire KGHM Group, which are diversified in terms of their business profile and geographical regions. The existing Risk Model is continuously developed based on periodic reports of the individual entities. It ensures consistent taxonomy, interpretation, integrity and comparability of data. The risk quantification process is based on a calibrated matrix that takes into account both the operational scale of the various entities (adjusted levels of the financial dimension), as well as consistent and universal qualitative impact dimensions that ensure uniform standards for the protection of life, health, the environment, compliance with the law, ethical and sustainable conduct of business. A system structured in this way serves to create and protect long-term value for shareholders, employees and all stakeholders. The system also comprises risks that could have a material impact on the reliability and accuracy of the financial statements. At the same time, it takes into account the specific nature of the Company operations as an integrated copper and silver producer with mining, metallurgical and processing activities in the country and abroad. Key risks associated with the financial reporting area include:

	– Risk of reduced revenues as a result of adverse fluctuations in copper, silver prices, currencies and interest rates. – Credit risk related to trade receivables and loans granted – Liquidity risk – Risk related to the cost efficiency of the production process, mining projects, processing of copper-bearing materials, reflecting the risk of a substantial rise in prices of materials, services and utilities – Risk related to the estimation of costs of decommissioning certain mines – Risk of unavailability of the basic IT system causing disruption of business processes and cyber threats The process of corporate risk management is annually subjected to an effectiveness audit (in compliance with the guidelines of "Best Practice for GPW Listed Companies 2021"). Detailed information regarding the risk management system applied in the KGHM Polska Miedź S.A. Group together with an indication of the key risk is presented in section 1.5 Risk management.
Internal audit	Internal audit at KGHM Polska Miedź S.A. Fulfills the role of the third line of defence, which includes providing objective assurance on the adequacy and effectiveness of organisational governance and risk management processes (including internal control) to support the achievement of organisational objectives and to promote and facilitate continuous improvement. The internal audit function is performed by the Internal Audit Department which carries out its tasks on the basis of the "Audit Plan" approved by the Management Board and reviewed by the Audit Committee. The Department provides the Management Board and the Audit Committee of the Supervisory Board with independent and objective information on the functioning of the internal control system and the evaluation of key business processes, also in areas affecting financial reporting. Independently from internal audit, the Company has implemented employee self-monitoring and functional control exercised by all levels of management to support the adequate execution of responsibilities.
External audit	In accordance with prevailing law, consolidated financial statements of the KGHM Polska Miedź S.A. Group are submitted for half-year review and annual auditing by a certified auditor. The Supervisory Board selects the certified auditor through a tender process, based on the recommendations of the Supervisory Board's Audit Committee and the report on the tender conducted by the Committee. The appropriate entity to audit the financial statements of KGHM Polska Miedź S.A. for the years 2019-2028 is PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. As part of the audit work performed the certified auditor performs, on the basis of prevailing audit methodology, an independent evaluation of the accounting principles applied by Parent Entity in preparing the financial statements and the accuracy and reliability of the separate and consolidated financial statements.
Supervision over the process of financial reporting	The body which supervises the process of financial reporting in KGHM Polska Miedź S.A. and which cooperates with the independent auditor is the Supervisory Board's Audit Committee, which is appointed by the Supervisory Board of the Parent Entity. The Audit Committee, in accordance with its duties as set forth in the Act dated 11 May 2017 on certified auditors, auditing firms and public oversight, in particular: – monitors the process of financial reporting in terms of compliance with the Accounting Policy approved by the KGHM Polska Miedź S.A. Group and prevailing laws, – monitors the effectiveness of internal control systems, internal audit and risk management, – monitors the independence of the certified auditor and of the entity entitled to audit financial statements, and – conducts the process of selecting the entity entitled to audit financial statements of the Parent Entity to provide a recommendation to the Supervisory Board. Monitoring of the process of financial reporting and assessment of the financial statements by the Supervisory Board is the final step of the review and control carried out by this body, ensuring the reliability and accuracy of the data presented in the separate and consolidated financial statements of the KGHM Polska Miedź S.A. Group. Adequate management of the process of keeping records and preparing financial statements ensures the security and the high quality of the information.

3.4.3 Explanations on the waiver of the application of DPSN 2021

In accordance with the published Statement on the Company's compliance with the principles in section 3 of DPSN 2021, the following principle is not applicable to the Company.

Table 82. Principles of Section III of DPSN 2021 not applicable to KGHM Polska Miedź

3.7 Principles 3.4 – 3.6 apply also to entities of the company's group which are material to its activity if they appoint persons to perform such tasks.

- (see principle 3.4. - The remuneration of persons responsible for risk and compliance management and of the head of internal audit should depend on the performance of delegated tasks rather than short-term results of the company.
- Principle 3.5. - Persons responsible for risk management and compliance report directly to the president or another member of the management board.
- Principle 3.6. - The head of internal audit reports organisationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.

The principle is not applicable to the Company.

In entities of the Company's group, persons have not been designated to fulfil the tasks indicated in principles 3.4-3.6, but persons have been designated to function as risk coordinators and compliance coordinators, who report directly to persons responsible for risk management and compliance in the Parent Entity. At present, the Company is not considering, in the case of entities of the Company's group, the building of a structure to comply with principles 3.4.-3.6. with respect to the functions of risk management and compliance. In relation to the audit function, tasks in entities of the Company's group are performed by the Internal Audit Department of the Parent Entity.

3.5 GENERAL MEETING AND RELATIONS WITH SHAREHOLDERS

KGHM Polska Miedź S.A., under the principles indicated in section 4 of DPSN 2021, strives to activate stakeholders and their engagement in the Company's affairs, mainly expressed in their active, personal or through a proxy, participation in general meetings.

3.5.1 General Meeting of KGHM Polska Miedź S.A. (General Meeting)

The General Meeting of KGHM Polska Miedź S.A. is the Company's highest authority. It meets in either ordinary or extraordinary form, based on generally prevailing law, the Statutes of the Company and the Bylaws of the General Meeting of KGHM Polska Miedź S.A. with its registered head office in Lubin. An Ordinary General Meeting is convened within six months of the end of each financial year. The General Meeting is convened by the Company's Management Board. In situations defined by the Commercial Partnerships and Companies Code, the General Meeting may be convened by the Supervisory Board or by shareholders. The Statutes of the Company also authorise the Polish State Treasury to convene a the General Meeting. The General Meeting is convened by an announcement published on the Company website and in the manner set forth in the Act dated 29 July 2005 on public offerings and conditions governing the introduction of financial instruments to organised trading, and on public companies. A General Meeting may adopt resolutions if at least one-fourth of the share capital is represented. Resolutions are adopted by a simple majority of votes cast, unless the law or the Company's Statutes state otherwise. Additional issues related to the functioning of the General Meeting are regulated by the [Bylaws of the General Meeting of KGHM Polska Miedź S.A.](#) with its registered head office in Lubin adopted by the General Meeting on 12 November 2014, which are available on the Company's website.

The duties of the General Meeting include in particular:

- examining and approving the report of the Management Board on the Company's activity and the financial statements; including the financial statements of the Group, for the past financial year,
- adopting resolutions on the appropriation of profits or coverage of losses,
- granting a discharge to the members of the Company's bodies for the performance of their duties,
- changing the subject of the Company's activity,
- amending the Company Statutes,
- increasing or decreasing the share capital;
- the manner and conditions for retiring shares;
- merging, splitting and transforming the Company;
- dissolving and liquidating the Company;
- issuing convertible bonds or senior bonds;
- consenting to the disposal and lease of an enterprise or of an organised part thereof, as well as the attachment of limited property rights to same;
- all decisions relating to claims for redress of damage suffered during the foundation of the Company, or from management or supervisory activities;
- purchase of the Company's own shares, which are to be offered to employees or persons who were employed by the company or by related companies for a period of at least three years;
- establishing principles of the remuneration of members of the Supervisory Board, and
- establishing principles of the remuneration of members of the Management Board.

The schedule of work on organising the General Meetings of the Company is planned in such a way as to ensure that the obligations towards shareholders are properly met and to enable them to exercise their rights.

Amongst the regulations of the Commercial Partnerships and Companies Code, in respect of the organisation of general meetings and shareholder rights, the Company applies only those regulations which are obligatory, i.e. those which require the publication of announcements and relevant materials for the general meeting on the website, the right of shareholders to request specific items to be placed on the agenda, announcing proposed resolutions, the use of electronic forms of contact with shareholders and also the manner of voting through proxies. Regulations enabling shareholders to participate in general meetings using electronic means of communication are not applied.

Information on the General Meetings of Shareholders in 2025.

Table 83. General Meetings of Shareholders in 2025 and to the date of preparation of this report

8 January 2025 at the Company's head office	The Extraordinary General Meeting of KGHM Polska Miedź S.A., convened at the request of a Shareholder representing at least 1/20 of the capital, i.e. the State Treasury. The Extraordinary General Meeting of Shareholders passed resolutions on changes in the composition of the Supervisory Board. The foregoing results from the General Meeting's competence to appoint and dismiss members of the Company's Supervisory Board and serves to exercise the shareholder's right to shape the composition of the supervisory body in the Company. The Extraordinary General Meeting of KGHM Polska Miedź S.A. has appointed Joanna Zakrzewska to the Supervisory Board of KGHM Polska Miedź S.A.
18 June 2025 at the Company's head office	Ordinary General Meeting of Shareholders, convened on the basis of the announcement by the Management Board of KGHM Polska Miedź S.A. The General Meeting adopted resolutions on: – the approval of the Separate Financial Statements of KGHM Polska Miedź S.A. for the financial year ended 31 December 2024, – the approval of the Consolidated Financial Statements of KGHM Polska Miedź S.A. for the financial year ended 31 December 2024, – the approval of the Management Board's Report on the activities of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group in 2024, – the distribution of profit of KGHM Polska Miedź S.A. for 2024 – the approval of the Report of the Supervisory Board of KGHM Polska Miedź S.A. for 2024, – the opinion of the Ordinary General Meeting of KGHM Polska Miedź S.A. regarding the Report on remuneration of the Management Board and the Supervisory Board of KGHM Polska Miedź S.A. for 2024, – a discharge from the performance of duties in 2024 by Members of the Management Board of KGHM Polska Miedź S.A., – a discharge from the performance of duties in 2015 by Members of the Management Board of KGHM Polska Miedź S.A., – a discharge from the performance of duties in 2024 by Members of the Supervisory Board of KGHM Polska Miedź S.A., – amendment to Resolution No. 33/2019 of the Ordinary General Meeting of KGHM Polska Miedź S.A. with its registered office in Lubin of 7 June 2019 regarding the principles for setting the remuneration of Members of the Management Board, – amendment to Resolution No. 34/2019 of the Ordinary General Meeting of KGHM Polska Miedź S.A. with its registered office in Lubin of 7 June 2019 regarding the establishment of principles for the remuneration of Members of the Supervisory Board, – amendment to the "Remuneration Policy of Members of the Management Board and the Supervisory Board of KGHM Polska Miedź S.A.", – amendment to the Company's Statutes with regard to general provisions and editorial changes, – amendment to the Company's Statutes with regard to the Management Board and the Supervisory Board.
20 January 2026 at the Company's head office	Extraordinary General Meeting of KGHM Polska Miedź S.A., convened at the request of a Shareholder representing at least 1/20 of the capital, i.e. the State Treasury. The Extraordinary General Meeting of Shareholders passed resolutions on changes in the composition of the Supervisory Board. The foregoing results from the General Meeting's competence to appoint and dismiss members of the Company's Supervisory Board and serves to exercise the shareholder's right to shape the composition of the supervisory body in the Company. The Extraordinary General Meeting of Shareholders of KGHM Polska Miedź S.A. dismissed the following members from the Supervisory Board of KGHM Polska Miedź S.A.: Aleksander Cieslinski, Mr Zbysław Dobrowolski, Dominik Januszewski and Tadeusz Kocowski. The Extraordinary General Meeting of Shareholders of KGHM Polska Miedź S.A. has appointed the following members to the Supervisory Board of KGHM Polska Miedź S.A.: Zbigniew Cwiąkański, Remigiusz Paszkiewicz, Artur Ulrich and Łukasz Żelewski.

All documents that need to be disclosed are available to General Meeting participants in the [General Meeting](#) section.

3.5.2 Principles regarding amendments to the Company's Statutes

The amendment to the Statutes falls within the competence of the General Meeting. It is performed as a result of the General Meeting passing the relevant resolution and making an entry in the Register of Entrepreneurs of the National Court Register. This entry is constitutive in nature, meaning that a General Meeting resolution adopted in accordance with the formal requirements has no effect until it is registered. Prior to the registration, an amendment to the Statutes has no legal effect.

The majority of three-quarters of the votes cast at the General Meeting is needed to pass a resolution to amend the Statutes. There is also a general requirement for at least 1/4 of the share capital to be represented in order for the General Meeting

to pass resolutions. In addition, the Statutes of KGHM Polska Miedź S.A. do not provide in this respect for any regulations regarding the required majority, other than those resulting from the provisions of the Commercial Partnerships and Companies Code - with the exception of changing the Company's scope of activity. In this case, the change may take place without the obligation to repurchase shares if a resolution of the General Meeting is adopted by the majority of 3/4 of the votes cast in the presence of persons representing at least half of the share capital.

3.5.3 Shareholders and their rights

Shareholders of the Company exercise their rights in a manner and within the limits prescribed by prevailing law, the Statutes of the Company and the Bylaws of the General Meeting of KGHM Polska Miedź S.A.

Shareholders are entitled to exercise their voting rights either personally or through a proxy. The authority to participate in a General Meeting and to exercise voting rights should be granted in writing or in electronic form. Shareholders shall inform the Company of the granting of proxy authority in electronic form by filling out and sending to the Company the form placed on the website of the Company, or other information containing analogous data, no later than 24 hours prior to the planned date of the General Meeting.

Pursuant to the Company's Statutes, all of the shares are bearer shares, and their transformation into registered shares is not allowed. Each share represents one vote. The shares of the Company may be redeemed with the permission of the shareholder through their purchase by the Company (voluntary redemption). Redemption may not be carried out more than once per financial year. The resolution of the General Meeting on the redemption of shares should especially describe the legal basis for redemption, the amount of compensation to be paid to the shareholder for the redeemed shares or the justification for redeeming shares without compensation, and the way in which the share capital will be decreased. The resolution on the redemption of shares may be preceded by an agreement with the shareholder whose shares are to be redeemed. The agreement shall set forth the number of shares to be redeemed and the price for which the shares will be purchased. The validity of the agreement shall depend on the passage of a resolution by the General Meeting.

Moreover, in a situation where the Supervisory Board conducts qualification proceedings in the case of the existence of circumstances justifying the appointment of a Member of the Management Board, it shall inform shareholders of the results of such proceedings and shall provide the minutes of the qualification proceedings. The Supervisory Board is also obliged to annually present to the Ordinary General Meeting a concise assessment of the standing of the Company, which should be included in the Company's annual report, made available to shareholders within such a time period as to allow them to review the report prior to the Ordinary General Meeting.

Restrictions on ownership rights and on the exercise of voting rights

There are no specific restrictions in the Statutes on the transfer of share ownership and on the exercise of voting rights on the Company's shares, so that each share carries the right to one vote at the General Meeting.

The Company has not issued securities which would grant special control rights in respect of the Company.

The State Treasury, in addition to exercising its shareholder rights, exercises its public law competence towards KGHM Polska Miedź S.A. resulting from the Act on the Principles of State Property Management and regulations concerning state security and entities of strategic importance, which is reflected in the Company's corporate governance model and approach to ESG issues. Therefore, it is important to bear in mind the special powers vested in the State Treasury under laws such as, among others,

- the Act of 16 December 2016 on the principles of state property management,
- the Act of 24 July 2015 on audits of certain investments.

In accordance with the current regulations of the Act on the principles of state property management, as a rule, shares or rights from shares owned by the State Treasury in KGHM Polska Miedź S.A. are not disposable. The rights of the shares belonging to the State Treasury are exercised by the Minister of State Assets, while the coordination of the exercise of the rights owed to the Treasury is the task of the Prime Minister, who seeks to ensure that the rights of the shares are exercised in a uniform manner.

Shareholders' rights

Independent of the above, the rights of shareholders of KGHM include among others the right:

- to request the convening of a General Meeting - in cases described by the Commercial Partnerships and Companies Code, a General Meeting may be convened by shareholders representing at least half of the share capital or shareholders authorised by a court of registration to represent at least one-twentieth of the share capital;
- to announce draft resolutions and their justification - Shareholders may utilise electronic contact with the Company through the Company's website, in particular to enable the submission of motions to include specific issues in the agenda of the General Meeting, to announce draft resolutions and their justification. Towards this end it is necessary to carry out the prior authentication of a shareholders for their identification, in the manner indicated by the Company on its website. The Company shall also provide on its website the proxy form and the form to facilitate voting through a proxy;

- to convene a General Meeting - the Polish State Treasury as a shareholder may convene an Ordinary General Meeting if the Management Board does not do so in the statutory timeframe as well as an Extraordinary General Meeting if it considers its convening as warranted;
- to request that a matter included in the agenda of the General Meeting be removed or not considered - removal of an issue from the agenda, or not considering an issue placed on the agenda at the request of the shareholders, requires the adoption of a resolution by the General Meeting, following the earlier-expressed approval of all shareholders present who had put forward such a proposal, and supported by at least 75% of the votes cast;
- to request the inclusion of specified matters on the agenda of the next General Meeting - shareholders representing at least one-twentieth of the share capital may order the inclusion of specified matters on the agenda of the next General Meeting;
- to announce candidates for Chairperson of the General Meeting – the General Meeting shall carry out an election of the Chairperson from amongst any number of persons entitled to participate in the General Meeting who are put forward by shareholders as a candidate for Chairperson;
- participation in dividends – the General Meeting may designate part of the profit for a shareholders' dividend if the General Meeting of the Company had adopted a decision to designate part of the profit for a shareholders' dividend. The Management Board of the Company is authorised, with the consent of the Supervisory Board, to adopt resolutions in the matter of an interim payment to shareholders on the anticipated dividend at the end of the financial year, if the Company is in the possession of sufficient funds for said payment. The rights date for dividends and the date for payment of dividends shall be set by the General Meeting and announced by the Management Board of the Company. Payment of dividends should commence within two months of the date the resolution on appropriation of profits is adopted. The payment of an interim dividend requires the approval of the Supervisory Board. The Company may make an interim payment on the anticipated dividend, if its approved financial statements for the prior financial year show a profit. The interim dividend may represent at most half of the profit earned since the end of the prior financial year, as shown in the financial statements audited by a certified auditor, and increased by the reserve capitals created from profit, which, for the purpose of payment of the interim dividend, may be used by the Management Board, and decreased by uncovered losses and treasury shares,
- upon the motion of a shareholder representing at least one-fifth of the share capital, group elections for the Supervisory Board shall be carried out at the nearest General Meeting. A motion to hold group elections for members of the Supervisory Board should be submitted to the Management Board of the Company, in sufficient time to include it in the agenda of the General Meeting;
- at the request of a shareholder representing at least one-twentieth of the share capital, the General Meeting may carry out elections for a three-person Voting Committee, from among those candidates put forward by the participants of the General Meeting. Should a Voting Committee be elected, its responsibilities shall include supervision to ensure that all voting is properly carried out, supervision of the electronic voting system, and checking and transmitting to the Chairman of the General Meeting the results of voting. The Voting Committee shall have the right to review the results of voting which was held prior to the election of the Voting Committee;
- at the request of a shareholder, the Management Board shall be required to provide the shareholder with a copy of the Bylaws of the General Meeting.

Ownership structure

In 2025, no changes in the ownership of significant blocks of shares in KGHM Polska Miedź S.A. took place.

The shareholder structure of the Company as at 1 January 2025 and as at 31 December 2025 (as at the balance sheet day) and as at the date of signing this report, established on the basis of notifications received by the Company pursuant to Article 69 of the Act on public offerings and conditions governing the introduction of financial instruments to organised trading, and on public companies, was as follows:

Table 84. Shareholder structure of the Company as at 1 January 2025 and 31 December 2025 and as at the date of this report

shareholder	number of shares/ number of votes	total nominal value of shares (PLN)	interest in the share capital/total number of votes
State Treasury ⁴⁹	63,589 900	635,899 000	31.79%
Allianz Polska Otwarty Fundusz Emerytalny ⁵⁰	11,961,453	119,614,530	5.98%
Nationale-Nederlanden Otwarty Fundusz Emerytalny ⁵¹	10,104 354	101,043 540	5.05%
Other shareholders	114,344 293	1,143,442 930	57.18%
Total	200,000,000	2,000,000,000	100.00%

Detailed information on the ownership structure may be found in [subsection 1.6.1 Shareholders and the capital market](#).

⁴⁹ based on a notification received by the Company dated 12 January 2010

⁵⁰ based on a notification received by the Company dated 15 May 2023

⁵¹ based on a notification received by the Company dated 18 August 2016

3.5.4 Description of the application of DPSN 2021

In view of the foregoing, the provisions of Section 3.5 of this Corporate Governance Statement, entitled "General Meeting and relations with shareholders" and in connection with the published Information on the status of application by the Company of the principles contained in Section IV of the DPSN, KGHM Polska Miedź S.A. applies the following principles:

Table 85. The principles of Section IV of DPSN 2021 - General meeting, shareholder relations applied in KGHM Polska Miedź S.A.

4.2. The Company sets the place and date and the form of a general meeting so as to enable the participation of the highest possible number of shareholders. For that purpose, the Company strives to ensure that the cancellation of a general meeting, change of its date or break in its proceedings take place only if justified and do not prevent or limit the exercising of the shareholders' rights to participate in the general meeting.

The principle is applied.

4.3. The Company will provide public broadcasting of the General Meeting in real time.

The principle is applied.

In addition, recordings of previous general meetings are available on the Company corporate website in tab [Media](#).

4.4. Presence of representatives of the media is allowed at general meetings.

The principle is applied.

4.5. If the management board becomes aware a general meeting being convened pursuant to Article 399 § 2-4 of the Commercial Companies Code, the management board immediately takes steps which it is required to take in order to organise and conduct the general meeting. The foregoing applies also where a general meeting is convened under authority granted by the registration court according to Article 400 § 3 of the Commercial Partnerships and Companies Code.

The principle is applied.

4.6. To help shareholders participating in a general meeting to vote on resolutions with adequate understanding, draft resolutions of the general meeting concerning matters and decisions other than points of order should contain a justification, unless it follows from documentation tabled to the general meeting. If a matter is put on the agenda of the general meeting at the request of a shareholder or shareholders, the management board requests presentation of the justification of the proposed resolution, unless previously presented by such shareholder or shareholders.

The principle is applied.

4.7. The supervisory board issues opinions on draft resolutions put by the management board on the agenda of the general meeting.

The principle is applied.

4.9.2 candidates for members of the supervisory board make a declaration concerning fulfilment of the requirements for members of the audit committee referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision and having actual and material relations with any shareholder who holds at least 5% of the total vote in the company.

The principle is applied.

4.10. Any exercise of the rights of shareholders or the way in which they exercise their rights must not hinder the proper functioning of the governing bodies of the company.

The principle is applied.

4.11. Members of the management board and members of the supervisory board participate in a general meeting, at the location of the meeting or via means of bilateral real-time electronic communication, as necessary to speak on matters discussed by the general meeting and answer questions asked at the general meeting. The management board presents to participants of an annual general meeting the financial results of the company and other relevant information, including non-financial information, contained in the financial statements to be approved by the general meeting. The management board presents key events of the last financial year, compares presented data with previous years, and presents the degree of implementation of the plans for the last year

The principle is applied.

4.12. Resolutions of the general meeting concerning an issue of shares with subscription rights should specify the issue price or the mechanism of setting the price or authorise the competent body to set the price prior to the subscription right record date within a timeframe necessary for investors to make decisions.

The principle is applied.

4.13. Resolutions concerning a new issue of shares with the exclusion of subscription rights which grant pre-emptive rights for new issue shares to selected shareholders or other entities may pass subject at least to the following three criteria:

a) the company has a rational, economically justified need to urgently raise capital or the share issue is related to rational, economically justified transactions, among others such as a merger with or the take-over of another company, or the shares are to be taken up under an incentive scheme established by the company;

- b) the persons granted the pre-emptive right are to be selected according to objective general criteria;
- c) the purchase price of the shares is in a rational relation with the current share price of the company or is to be determined in book-building on the market.

The principle is applied.

4.14. The Company should strive to distribute their profits by paying out dividends. The Company may retain all their earnings subject to any of the following criteria:

- a) the earnings are minimal and consequently the dividend would be immaterial in relation to the value of the shares;
- b) the company reports uncovered losses from previous years and the earnings are used to reduce such losses;
- c) the company can demonstrate that investment of the earnings will generate tangible benefits for the shareholders;
- d) the company generates insufficient cash flows to pay out dividends;
- e) a dividend payment would substantially increase the risk to covenants under the company's binding credit facilities or terms of bond issue;
- f) retention of the company's earnings follows recommendations of the authority which supervises the company by virtue of its business activity.

The principle is applied.

3.5.5 Explanations on the waiver of the application of DPSN 2021

In accordance with the published Statement on the Company's compliance with the principles in section IV of DPSN 2021, the following principles do not apply:

Table 86. Principles in section IV of DPSN 2021 not applied in KGHM Polska Miedź S.A.

4.1 A company should enable their shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in a position to provide the technical infrastructure necessary for such general meeting to proceed.

The Company does not apply this principle.

The company has not yet received a request from shareholders concerning a possibility to hold an e-General Meeting. The Company's Statutes do not restrict the participation of shareholders in general meetings in terms of the use of electronic means of communication, and the Company is able to ensure the requisite technical infrastructure to conduct such general meetings. Failure to apply the aforementioned principle does not affect the reliability of the Company's information policy, nor does it create a risk of limiting or impeding Shareholders' participation in general meetings. Since 2016 KGHM Polska Miedź S.A. has been providing real-time streaming webcasts of its General Meetings.

4.8. Draft resolutions of the general meeting on matters put on the agenda of the general meeting should be tabled by shareholders no later than three days before the general meeting.

The principle is not applied.

The Company applies the Commercial Partnerships and Companies Code in this regard. In the Company's opinion, this principle restricts the rights of shareholders to propose items for the agenda during general meetings.

4.9.1 If the general meeting is to appoint members of the supervisory board or members of the supervisory board for a new term of office: candidates for members of the supervisory board should be nominated with a notice necessary for shareholders present at the general meeting to make an informed decision and in any case no later than three days before the general meeting; the names of candidates and all related documents should be immediately published on the company's website.

The principle is not applied.

Years of practical experience by the Company have shown that proposals of a shareholder (pursuant to the shareholder's rights arising from the Commercial Partnerships and Companies Code) of candidates to the Supervisory Board usually occur during the course of a General Meeting, i.e. in breach of principle 4.9.1. In the Company's opinion, despite the fact that such announcements are made during the course of the General Meeting, candidates are assessed with due consideration, based on complete materials regarding the given candidate.

3.6 CONFLICTS OF INTEREST AND TRANSACTIONS WITH RELATED PARTIES

KGHM Polska Miedź S.A., under the principles indicated in section 5 of DPSN 2021, strives to maintain best standards of due diligence in the management of conflicts of interest and in concluding transactions with related entities under conditions of the potential arising of conflicts of interest.

3.6.1 Description of the application of DPSN 2021

The Company applies a model of verifying data on significant transactions entered into between KGHM Polska Miedź S.A. and subsidiaries of the KGHM Polska Miedź S.A. Group with entities related with KGHM Polska Miedź S.A.

The Supervisory Board shall prepare an opinion on whether a transaction with a related entity is justified, if the signing of the said transaction requires the consent of the General Meeting. In such a case the Supervisory Board evaluates the need for the prior opinion of an external entity, the task of which would be the valuation of the transaction and an analysis of its economic affects.

With respect to management and supervisory staff, a Member of the Supervisory Board or of the Management Board should immediately, but no later than at the next meeting of the Supervisory Board or of the Management Board, inform the other Members of the Supervisory Board/Management Board of an existing conflict of interest with the Company or the possibility of its arising, and should refrain from participating in matters which, in respect of his/her person, there may arise a conflict of interest, including taking part in discussions and in voting on the adoption of resolutions in this regard.

The KGHM Group has a Procedure in place for dealing with corrupt activities. The aim of the procedure is to ensure the compliance of activities and processes performed by persons working for or on behalf of Organisational Units of the KGHM Group with the adopted Anticorruption Policy. The procedure applies to all Organisational Units of the KGHM Group. The provisions of the Procedure apply to all Employees of the Organisational Units of the KGHM Group, irrespective of their position and function, as well as the Representatives, respectively. The procedure regulates, among others, the handling of actual, potential and perceived conflicts of interest and also covers members of management, control or executive bodies. In the event of the occurrence of a conflict of interest or the possibility of its occurrence, the employee is obliged to immediately complete a Declaration of Conflict of Interest/Potential Conflict of Interest, and to submit it to, among others, the Ethics and Anti-Corruption Officer responsible for the respective Organisational Unit of KGHM. The statements are subject to the review process to confirm or exclude the existence of a conflict of interest and, if applicable, to identify and assess the level of risk and implement appropriate mitigating actions.

In 2025, neither the Parent Entity nor its subsidiaries entered into related party transactions under other than arm's length conditions.

In accordance with the published Statement on the Company's compliance with the principles in section 5 of DPSN 2021, the Company applies all principles regarding conflicts of interest and transactions with related entities.

Table 87. The principles of Section V of DPSN 2021 - Conflict of interests and related party transactions applied in KGHM Polska Miedź S.A.

5.1. Members of the management board and members of the supervisory board notify the management board or the supervisory board, respectively, of any conflict of interest which has arisen or may arise, and refrain from discussions on the issue which may give rise to such a conflict of interest in their case.

The principle is applied.

The Company has introduced appropriate provisions in the Bylaws of the Management Board of KGHM Polska Miedź S.A. and the Bylaws of the Supervisory Board of KGHM Polska Miedź S.A. in this regard.

5.2. Where a member of the management board or a member of the supervisory board concludes that a decision of the management board or the supervisory board, respectively, is in conflict with the interest of the company, he or she should request that the minutes of the management board or supervisory board meeting show his or her dissenting opinion.

The principle is applied.

The Company has introduced appropriate provisions in the Bylaws of the Management Board of KGHM Polska Miedź S.A. and the Bylaws of the Supervisory Board of KGHM Polska Miedź S.A. in this regard.

5.3. No shareholder should have preference over other shareholders in related party transactions. The foregoing also concerns transactions concluded by the company's shareholders with members of the company's group.

The principle is applied.

5.4. Companies may buy back their own shares only in a procedure which respects the rights of all shareholders.

The principle is applied.

The application of the principle is of a declarative nature, as the Company has never carried out share buyback operations.

5.5. If a transaction concluded by a company with its related party requires the consent of the supervisory board, before giving its consent the supervisory board assesses whether to ask a prior opinion of a third party which can provide valuation of the transaction and review its economic impact.

The principle is applied.

In accordance with the Bylaws of the Supervisory Board of KGHM Polska Miedź S.A., the Supervisory Board draws up an opinion on the legitimacy of a related party transaction, and may commission individuals or experts from outside the Company (advisor to the Supervisory Board) to prepare the opinion.

5.6. If a related party transaction requires the consent of the general meeting, the supervisory board issues an opinion on the rationale of such transaction. In that case, the supervisory board assesses whether to ask a prior opinion of a third party referred to in principle 5.5.

The principle is applied.

In accordance with the Bylaws of the Supervisory Board of KGHM Polska Miedź S.A., The Supervisory Board shall prepare an opinion on whether a transaction with a related entity is justified, if the conclusion of the said transaction requires the consent of the General Meeting. In such a case the Supervisory Board evaluates the need for the prior opinion of an external entity, the task of which would be the valuation of the transaction and an analysis of its economic effects.

5.7. If a decision concerning the company's significant transaction with a related party is made by the general meeting, the company should give all shareholders access to information necessary to assess the impact of the transaction on the interest of the company before the decision is made, including an opinion of the supervisory board referred to in principle 5.6.

The principle is applied.

In 2024, the Company did not enter into any material transactions with a related party for which the approval of the General Meeting was required.

3.7 REMUNERATION

KGHM Polska Miedź S.A., under the principles indicated in section 6 of DPSN 2021, strives for stability in its management staff, among others by the transparent, fair, consistent and non-discriminatory principles for its remuneration, manifested among others in wage equality between women and men.

3.7.1 Description of the application of DPSN 2021

The manner of the remuneration of Members of the Supervisory Board and Management Board of KGHM Polska Miedź S.A. is defined in the "Remuneration Policy for Members of the Management Board and Supervisory Board of KGHM Polska Miedź S.A." (Remuneration Policy) adopted in 2020. The recent change took place on 18 June 2025 pursuant to Resolution No. 44/2025 of the Ordinary General Meeting of KGHM Polska Miedź S.A. When setting the remuneration of the Members of the Supervisory Board and the Management Board, the Remuneration Policy is aimed at the implementation of the business strategy of KGHM, as well as the long-term interests and stability of the Company. Moreover, does not foresee the possibility of temporarily refraining from the application of the Remuneration Policy.

To determine the level of remuneration matched to the tasks and duties of the Management Board and to maintain a high level of motivation, total remuneration of Members of the Management Board consists of a fixed part and a variable part. The fixed remuneration is the basic monthly remuneration, which is supplemented by variable remuneration, whose amount may not exceed 100% of the annual fixed remuneration for the prior financial year. The management goals set for each financial year and the criteria (KPIs) for meeting these goals with respect to financial and non-financial results, representing the basis for setting variable remuneration, are set forth by the Supervisory Board for individual Members of the Management Board in a way which is consistent with the short- and long-term strategic goals of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group.

The criteria adopted in the Remuneration Policy should have a positive impact on the commitment to serving in the Company, provide motivation to achieve the business strategy and interests of the Company and affect the objective assessment of risks, opportunities and impacts of the Company related to ESG.

In connection with the remuneration policy for the management, supervisory staff and key managers, KGHM Polska Miedź S.A. applies the following principles of DPSN 2021:

Table 88. The principles of Section VI of DPSN 2021 - Remuneration, applied in KGHM Polska Miedź S.A.

6.1. The remuneration of members of the management board and members of the supervisory board and key managers should be sufficient to attract, retain and motivate persons with skills necessary for proper management and supervision of the company. The level of remuneration should be adequate to the tasks and responsibilities delegated to individuals and their resulting accountability.

The principle is applied.

6.2. Incentive schemes should be constructed in a way necessary among others to tie the level of remuneration of members of the company's management board and key managers to the actual long-term standing of the company measured by its financial and non-financial results as well as long-term shareholder value creation, sustainable development and the company's stability.

The principle is applied.

The variable remuneration of members of the Management Board depends on financial and non-financial results, including the ratio. When shaping the variable remuneration, the Company takes into account non-financial factors that relate to, among other things, the fulfilment of tasks and initiatives included in the Company's Strategy, the improvement of occupational health and safety, the reduction of adverse environmental impacts, including the achievement of climate goals and the achievement of other ESG objectives and impacts. The accepted and applied remuneration system for key managers of KGHM Polska Miedź S.A. includes, among others, the annual bonus system based on the assessment of the degree of achievement of KPIs, the basis of which are the key performance indicators of the Management Board and the objectives arising from the long-term strategy of the Company.

6.3. If the company's incentive schemes include a stock option program for managers, the implementation of the stock option program should depend on the beneficiaries' achievement, over a period of at least three years, of pre-defined, realistic financial and non-financial targets and sustainable development goals adequate to the company, and the share price or option exercise price for the beneficiaries cannot differ from the value of the shares at the time when such program was approved.

The principle is applied.

Currently, the Company does not have such a program in place, but nevertheless declares its compliance should such a program be enacted.

6.5. The level of remuneration of supervisory board members should not depend on the company's short-term results.

The principle is applied.

In accordance with the adopted principles, remuneration of Members of the Supervisory Board is fixed and does not foresee the payment of variable remuneration, bonuses or other cash benefits due to serving on the Supervisory Board of KGHM Polska Miedź S.A. It is likewise not dependent on the number of meetings held.

Additional information concerning the remuneration of the Parent Entity's governing bodies and of other key managers of the Group

Information on the remuneration of the Members of the Management Board of KGHM Polska Miedź S.A.

The contracts signed with the Members of the Management Board regulate the question of compensation in the case of termination, with or without notice, of the management services contract for reasons other than breach of the contract's basic obligations. It stipulates that the Company will provide severance pay of no higher than three times the amount of the fixed part of remuneration (if the contract was in force for at least 12 months). Pursuant to the annexes to the management service contracts concluded with the members of the Management Board of 18 August 2025, the basis of calculation of the aforementioned severance pay was changed to the fixed remuneration in force on the date of taking up office as a member of the Management Board of the 12th term of office, i.e. 2 June 2025, or the fixed remuneration in force on the date of termination of the Function, whichever is more favourable.

The contracts with the Members of the Management Board – both during the period of employment as well as following the period of employment – deal with the question of forbidding competition. In particular, they provide that for a period of six months from the date when employment in the function ceases, the Management Board Member is not allowed to engage in any competing activities. Due to compliance with the non-compete clause, KGHM will pay the former member of the Management Board compensation in the amount of 6 times monthly fixed remuneration. In this case, too, by virtue of the annexes to the management service agreements concluded with the members of the Management Board, the basis of calculation of the aforementioned compensation was changed to the same as for the aforementioned severance pay. The payment of compensation is conditional on the Management Board Member's having served in the function for at least six months and having provided the Company with the relevant written declaration. A Member of the Management Board who breaches the provisions of the aforementioned contract will be required to pay a contractual penalty equal to the total compensation received. Payment of the contractual penalty shall not exclude the Company's right to claim damages in excess of the amount of the penalty on general terms.

Detailed principles for setting the terms of remuneration of the Management Board Members were established by the Supervisory Board in accordance with "Policy of remuneration of Management Board and Supervisory Board Members of KGHM Polska Miedź S.A." in the templates for the management services contracts for the Company's Management Board (set forth in the form of resolutions, separately for the President of the Management Board and for the Vice Presidents of the Management Board).

Total remuneration received on their basis consists of a fixed part in the form of basic monthly remuneration, as well as variable remuneration representing supplementary remuneration for the Company's financial year.

The variable remuneration depends on the level of achievement of the management objectives set by the Supervisory Board and may not exceed 100% of the annual fixed remuneration in the previous financial year for which it is calculated. In the case of a member of the Management Board exercising the subject matter of the agreement for a period of less than one full reporting year, with the provision that the contract was performed for a period of at least three months, the variable remuneration is calculated proportionally.

The management objectives for the financial year concerned, as well as the manner in which their performance is assessed, are determined, in the scope consistent with the Remuneration Policy, by the Supervisory Board by way of a resolution. Detailed information on management goals broken down into shared and individual objectives is presented in the annual Report on remuneration of the Management Board and Supervisory Board of KGHM Polska Miedź S.A.

Payment of variable remuneration is made following the submission by individual members of the Management Board of reports on the achievement of the management goals. Payment of the variable part depends on the achievement by a member of the Management Board of the aforementioned goals, approval of the Management Board's report on the activities of the Company and the Company's financial statements for the prior financial year, and granting the discharge for the fulfilment of duties by the General Meeting for a member of the Management Board.

Table 89. Potentially due remuneration of Members of the Management Board of KGHM Polska Miedź S.A. for 2025

First name and surname	Position	Potentially due variable remuneration for 2025 under the agreement on the provision of management services (in PLN thousand)
Andrzej Szydło	Member of the Management Board - President of the Management Board	1,482.4
Piotr Stryczek	Member of the Management Board - Vice President of the Management Board	1,482.4
Piotr Krzyżewski	Member of the Management Board - Vice President of the Management Board	1,433.0
Zbigniew Bryja	Member of the Management Board - Vice President of the Management Board	1,383.5
Mirosław Laskowski	Member of the Management Board - Vice President of the Management Board	1,433.0
Anna Sobieraj-Kozakiewicz	Member of the Management Board - Vice President of the Management Board	781.1
Iga Dorota Lis	Member of the Management Board - Vice President of the Management Board	395.0
Total		8,390.4

Information on the remuneration of Members of the Supervisory Board of KGHM Polska Miedź S.A.

The remuneration of members of the supervisory body was set on 7 June 2019 by the General Meeting based on the Act dated 9 June 2016 on the terms of setting the remuneration of individuals managing certain companies. According to the "Remuneration policy of Management Board and Supervisory Board Members of KGHM Polska Miedź S.A." the amount of monthly remuneration of individual members of the Supervisory Board depends on the function served and is set as 2.2x or twice the average monthly remuneration in the corporate sector excluding payments from profit in the fourth quarter of the previous year, announced by the President of Statistics Poland. Members of the Supervisory Board are not remunerated for any month in which they did not attend any of the formally convened meetings for unjustified reasons, which are assessed and qualified by the Supervisory Board.

Apart from the above-mentioned remuneration, Members of the Supervisory Board are not entitled to receive any additional remuneration components, including bonuses or other cash benefits. According to the Commercial Partnerships and Companies Code, the Company also covers or reimburses costs related to participation in the work of the Supervisory Board.

Detailed information on the amount of remuneration and other benefits for Supervisory Board and Management Board members can be found in note 12.10 of the separate and consolidated financial statements and in the "Report on the remuneration of members of the Management Board and Supervisory Board KGHM Polska Miedź S.A. for 2025".

3.7.2 Explanations on the waiver of the application of DPSN 2021

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

Table 90. Principles in section VI of DPSN 2021 applied partially KGHM Polska Miedź S.A.

6.4. The supervisory board performs its responsibilities on a continuous basis, the remuneration of supervisory board members cannot depend on the number of meetings held. The remuneration of members of committees, in particular the audit committee, should take into account additional workload on the committee.

The Company partially applies the principle.

The members of the Supervisory Board are remunerated regardless of the number of meetings officially convened and held in a given calendar month and takes into account the additional workload in the individual committees of the Supervisory Board. The Members of the Supervisory Board do not however receive remuneration if, for unjustified reasons, they do not take part in any of the meetings of the Supervisory Board officially convened and held in a given month. In accordance with the Remuneration Policy for Members of the Management Board and Supervisory Board of KGHM Polska Miedź S.A., adopted by the resolution of the General Meeting of KGHM Polska Miedź S.A., apart from basic remuneration, "the Supervisory Board does not receive additional remuneration components, including bonuses or other cash benefits". As a result of the actions of shareholders, art. 10 section 2 of the Act on the principles for setting remuneration for persons who manage certain companies has not been implemented in the internal regulations of the Company, and the members of the existing committees of the Supervisory Board of KGHM Polska Miedź S.A. will not receive additional remuneration for performing these functions.

4 SUSTAINABILITY REPORTING

4.1 GENERAL INFORMATION

4.1.1 [ESRS 2] General disclosures

[BP-1] General basis for the preparation of the sustainability statements

This statement has been prepared on the basis of:

- the Accounting Act of 29 September 1994 (Journal of Laws of 2023, item 120, as amended).
- European Sustainability Reporting Standards (ESRS) set out in Annex I of Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023.
- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088 (OJ L of 2020, No. 198, item 13 as amended).

The information contained in the report has been prepared in consolidated form for the Group. The scope of consolidation is consistent with the scope of the Consolidated Financial Statements of the KGHM Polska Miedź S.A. Group for 2025. The structure of the KGHM Polska Miedź S.A. Group as at 31 December 2025 is presented in the diagram in Note 1.2 of the Consolidated Financial Statements of the KGHM Polska Miedź S.A. Group for 2025.

To provide for the completeness and compliance with the requirements of the ESRS standards, the estimation method based on a reference company has been applied in this Statement. This method was used for 28 subsidiaries of the Group which have an immaterial impact on environmental, social and governance aspects. The subsidiaries classified as marginal from a reporting perspective were subject to an internal assessment aimed at evaluating the appropriateness of using an estimated approach and confirming their limited influence on the ESG reporting outcomes. These estimates relate both to the data in the area of environmental disclosures and the information necessary to calculate indicators associated with payment practices. The acquisition of full data for these entities would be unjustified both from a cost perspective and in terms of the materiality principle.

The statement takes into account key information concerning the Group's value chain comprising own operations (excluding joint ventures in which the Parent Entity does not have operational control). Data on joint ventures are included in Scope 3 of greenhouse gas emissions, in accordance with the applicable reporting standards. Other data includes upstream and downstream segments (comprising direct suppliers and customers), key products and significant business relationships. For more information on the value chain, see subsection [\[SBM-1\] Strategy, business model and value chain](#).

The Group did not exercise the option to omit specific information regarding intellectual property, know-how or innovation results. All the information required in this regard has been fully disclosed in accordance with the ESRS.

The Group has not used the exemption from the obligation to disclose information on expected events or matters under negotiation in accordance with Article 63x sec. 7 of the Accounting Act of 29 September 1994 (Journal of Laws of 2023, item 120, as amended).

[BP-2] Disclosure in relation to specific circumstances

Reporting errors in previous periods

During the preparation of the sustainability disclosures for 2025, an error was identified in the data reported for 2024 regarding the mass of potentially hazardous substances.

Accordingly, the comparative data for 2024 have been adjusted. Detailed information on the nature of the error, its scope, and its impact on the reported figures is presented in section [\[E2-5\] Potentially hazardous substances and substances of very high concern](#).

Disclosures incorporated by reference

The following information is incorporated by reference into the Consolidated Financial Statements of the KGHM Polska Miedź S.A. Group for 2025:

[SBM-1] Strategy, business model and value chain – investments and the approach to collecting, developing and securing these investments are presented in Part 2 – Business segments and revenue information and Part 4 – Explanatory notes to the statement of profit or loss.

References are presented in the individual sections of the Sustainability Report of the KGHM Polska Miedź S.A. Group.

[GOV-1] The role of the administrative, supervisory and management bodies

Table 91. Information on the composition and diversity of the administrative, management and supervisory bodies of KGHM Polska Miedź S.A. as at 31 December 2025.

	Management Board		Supervisory Board	
	2025	2024	2025	2024
Number of executive and non-executive members	6 executive members	6 executive members	10 non-executive members	9 non-executive members
Representation of employees and other persons providing work	–	–	3 members elected by the employees	3 members elected by the employees
Number of men (percentage)	5 (83.3%)	5 (83.3%)	9 (90%)	9 (100%)
Number of women (percentage)	1 (16.7%)	1 (16.7%)	1 (10%)	–
Average female to male ratio	1:5	1:5	1:9	–
Number of independent members of the body (percentage)	–	–	6 independent members (60%)	5 independent members (55%)

The Management Board of KGHM Polska Miedź S.A. has experience adequate to the sector's profile, product structure and geographic location of the activities carried out as part of the Group's core business. The Management Board combines long-standing experience in the mining and metallurgical industry with expertise in areas essential to the functioning of a company operating in the raw material sector, in particular as regards production infrastructure management, energy and implementation of complex investment and modernisation programs in industrial installations.

In terms of the product range, the Management Board's expertise includes managing the Group's product portfolio, in particular products manufactured as part of the Core Business covering stages from primary raw materials to metallurgical products. The Management Board also has experience in overseeing the development, implementation and modernisation of manufacturing technologies, as well as in the area of optimising product quality and parameters and the implementation of new technologies.

From a geographical perspective, the experience of the Management Board includes both activities carried out in Poland, in particular in areas related to the operation of the mines and metallurgical facilities of KGHM Polska Miedź S.A., as well as activities of an international nature. The Management Board's competence comprises the management of international assets as well as cooperation with partners from various regions of the world, including investment activities, due diligence processes and the acquisition of financing and instruments supporting the Group's international operations.

The Supervisory Board of KGHM Polska Miedź S.A. has a level of competence enabling effective supervision of the Company's activities in the context of its strategy, issues related to impacts, risks and opportunities, as well as the creation of long-term value for the company. The Supervisory Board Members have a level of experience and knowledge enabling assessment of the key sector, product and geographical aspects relevant to the Group's operations. This competence ranges from the knowledge of operational processes and the nature of the raw material business to knowledge of the regulatory environment, including national and international requirements relevant to the conduct of business on a national and global scale.

The Supervisory Board members appointed on 20 January 2026 possess diversified expert competencies and specialised knowledge in the areas of economics, law, and management, supported by extensive professional experience. Their competencies include, among others, experience in legal matters, regulatory compliance, and corporate governance, as well as knowledge of the operations of industrial and energy companies. This combination of skills strengthens the effective oversight of the Company's activities and the implementation of its strategic objectives, including initiatives related to technological transformation and sustainable development.

The President of the Management Board, appointed on 24 February 2026, who had previously served as a member of the Supervisory Board from 20 January 2026, brings experience in the transformation of industrial organisations and the execution of infrastructure projects, supporting the achievement of the Company's long-term development goals.

Full information on the education and competence of Members of the Management Board and Supervisory Board of KGHM Polska Miedź S.A. is presented in [section 3 - Declaration on the application of corporate governance](#).

Information on the roles and responsibilities of the management and supervisory bodies in terms of supervising impacts, risks and opportunities

The following table sets out the roles and responsibilities of the management and supervisory bodies in terms of overseeing impacts, risks and opportunities.

Table 92. Roles and responsibilities of the management and supervisory bodies in terms of supervising impacts, risks and opportunities

Body / Unit	Role and responsibility
Supervisory Board	The supervisory body of the Company is the Supervisory Board, which fulfils supervisory and control functions in terms of the entity's activities, including sustainability reporting. The Supervisory Board approves the objectives and exercises oversight and monitoring of material impacts, risks and opportunities, in particular through: – Assessment of sustainability reporting, in terms of compliance with the applicable regulations, documents and facts. – Selection of a statutory auditor to perform the attestation of sustainability reporting. – Approval and monitoring of the implementation of the Company's Strategy and key long-term initiatives. – Oversight of setting and implementation of objectives and KPIs for Members of the Management Board, including the ESG aspects. – Examining the results of consultations with employee representatives regarding information on sustainable development relevant to employees. In the performance of its tasks, the Supervisory Board uses the support of committees operating within the Supervisory Board in accordance with the scope of their competence.
Committees of the Supervisory Board	
Audit Committee	The Committee acts as a body supporting the Supervisory Board in exercising its oversight of sustainability reporting. The primary tasks of the Audit Committee include, in particular: – Monitoring of the sustainability reporting process, including the completeness, reliability and consistency of disclosures. – Evaluation of the effectiveness of internal control systems, risk management systems, systems for ensuring the compliance with the applicable legislation and the functioning of internal audit. – Exercising oversight of activities related to attestation of sustainability reporting. – Issuing opinions on the internal audit plan. – Controlling and monitoring of the independence of the statutory auditor and the audit firm. – Notifying the results of the sustainability reporting attestation to the Supervisory Board.
Strategy Committee	The Committee acts as an advisory body to the Supervisory Board, supporting it in exercising its oversight tasks with regard to the implementation of the Company's strategy, long-term development plans and business-critical initiatives.
Remuneration Committee	The Committee acts as a subsidiary body of the Supervisory Board in terms of exercising the oversight of the remuneration system for the Members of the Management Board. The Committee's tasks also include monitoring and periodic assessment of the Management Board remuneration system.
Management Board and organisational units	
Management Board of KGHM Polska Miedź S.A.	The Management Board is responsible for managing the Company's affairs and representing it, acting in the interest of the Company and the Group. The Management Board, as a collegiate body, prepares the proposal of targets and exercises operational supervision and monitoring of material impacts, risks and opportunities, in particular through: – Development and implementation of the Group's strategy, including operational and investment plans. – Preparing proposals for targets and KPIs for Members of the Management Board, ensuring their consistency with the Strategy and financial plans, and subsequently presenting them to the Remuneration Committee for its opinion and to the Supervisory Board for approval. – Ensuring the proper functioning of internal control, risk management and compliance systems for effective monitoring of impacts, risks and opportunities. – Preparation of sustainability reporting in accordance with the applicable reporting standards. – Approval of the final version of material impacts, risks and opportunities. – Responsibility for communicating with stakeholders and providing key information on the Company's activities, its results and plans. – Consulting employee representatives on sustainability information relevant to them and reporting the resulting opinions to the Supervisory Board. Individual Members of the Management Board carry out the operational areas assigned to them within terms of their competence, acting in consultation and in cooperation with the organisational units responsible for

Body / Unit	Role and responsibility
	individual substantive areas relating to the identification, assessment and management of impacts, risks and opportunities.
President of the Management Board	Within terms of his powers, the President of the Management Board is responsible for: – Activities in terms of comprehensive risk management at a corporate level, including the oversight of the Group's audit and internal control systems. – Activities in terms of comprehensive safety management and loss prevention in the Group. – Activities in terms of cyber security management in the Group. – Application and supervision of compliance with corporate governance principles in the Company. – Implementation of communication and image-building activities in the Group. – Shaping and developing relationships with the external business environment. – Activities in terms of human capital management.
Vice President of the Management Board (Development)	Within his/her competence, the Vice President is responsible for: – Coordination of the process of Strategy development, implementation and monitoring. – Implementation of the Company's investment policy – Acquisition and development of the national base of resources for the needs of mining operations. – Development of the mining structure. – Development of the core business.
Vice President of the Management Board (Finance)	Within his/her competence, the Vice President is responsible for: – Verification of the Strategy projects in terms of their financial feasibility. – Activities related to building and maintaining investor relations with domestic and foreign investors. – Activities in the field of energy development projects. – Implementation and exercising responsibilities related to ESG issues in the Group, including coordinating the work related to the identification, verification and oversight of material impacts, risks and opportunities.
Vice President of the Management Board (Corporate Affairs)	Within his/her competence, the Vice President is responsible for: – Corporate governance standards. – Performing the corporate oversight function for the Group's international subsidiaries.
Vice President of the Management Board (International Assets)	Within his/her competence, the Vice President is responsible for: – Performing the corporate oversight function for the Group's international subsidiaries. – Preparation and implementation of the strategy for the international assets. – Identification of international mining projects creating potential development opportunities for the Company. – Activities in terms of acquisition and development of an international resource base.
Vice President of the Management Board (Production)	Within his/her competence, the Vice President is responsible for: – Occupational Health and Safety and environmental risk control. – Activities with respect to maintaining the readiness of the production and non-production assets and achievement of the main objectives of the Energy Strategy. – Activities with respect to manufacturing products and the development of mine and metallurgical production. – Integrated supply chain management. – Improving energy efficiency in the managed manufacturing process of the Company's products.
Corporate Risk and Compliance Committee	The Committee's function is to support the effectiveness of the corporate risk management process. The Committee's basic tasks include: – Issuing recommendations on updating the Corporate Risk Management Policy and Procedure in order to present it to the Management Board for approval. – Issuing recommendations on updating the Compliance Management Policy and Procedure in order to present it to the Management Board for approval. – Analysis and issuing recommendations in terms of adoption of the quarterly Corporate Risk Management Reports for submission to the Management Board for approval. – Analysis and issuing recommendations in terms of adoption of the quarterly Compliance Management Reports for submission to the Management Board for approval. – Issuing recommendations in terms of corporate risk management (including, in particular, regarding the Risk Response Plan and adjustment actions). – Monitoring the implementation of action plans to ensure compliance.

Additional information

Executive Directors, Directors and Managers at KGHM Polska Miedź S.A.	They carry out activities as regards managing impacts, risks and opportunities in their areas of responsibility, in accordance with their assigned competence. Moreover, they participate in the process of identification and verification of material impacts, risks and opportunities as part of workshops constituting an element of double materiality analysis. The results of the analysis performed are communicated to the Management Board.
Internal audit	As part of its activities, the internal audit function reviews processes related to sustainability reporting and assesses the effectiveness of the risk management and compliance functions. The results of the audits conducted provide the basis for improving both the sustainability reporting processes and the risk management system.
Council of the KGHM Polska Miedź S.A. Group	The Council acts as an advisory and consultative body to support coordinated actions within the Group. During its meetings, sustainability issues for implementation across the Group are discussed.

In 2025, Members of the Management Board of KGHM Polska Miedź S.A. enhanced their skills in the area of sustainable development and represented the Group at national and international conferences and fora focusing on sustainable development issues. Highlights in this regard included:

- 25th Capital Market Conference (organiser: Chamber of Brokerage Houses),
- European Economic Congress (organiser: PTWP Group),
- "Protection of health and safety of workers in the raw material industry. Be responsible for others" (organiser: Polska Miedź Employers' Association),
- Conference on Problems of Safety and Health Protection in the Polish Mining industry (organiser: Association of Mining Engineers and Technicians, State Mining Authority, Central Mining Institute - National Research Institute),
- EUIndTech2025 conference (organiser: Ministry of Science and Higher Education, IGSMiE PAN, Małopolskie Voivodeship),
- Hydrogen locomotive demonstration (organiser: Pol-Miedź Trans),
- Energy Days Conference (organiser: PTWP Group),
- Debate "Diversity in the SSP" (Organiser: Ministry of State Assets),
- Conference on Traditions and innovations in the Mining industry (organiser: Faculty of Geoengineering, Mining and Geology, Wrocław University of Technology, Alumni Association of Wrocław University of Technology),
- CCS & CCU CONGRESS (organiser: powermeetings.eu).

Participation of Members of the Management Board in sustainability conferences and industry events supports the dual materiality analysis process and the identification of impacts, risks and opportunities by providing Members of the Management Board with access to up-to-date expertise allowing for ongoing monitoring of regulatory and market trends, exchange of experience with other market participants and better identification of stakeholder expectations.

Moreover, Members of the Management Board have regular access to the knowledge and support of the competent organisational units of KGHM Polska Miedź S.A., as well as representatives of the Company in national and international industry organisations, where they participate in the work of committees dedicated to sustainable development issues.

[GOV-2] Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Management Board and the Supervisory Board receive regular updates on material impacts, risks and opportunities, including progress in the implementation of policies, targets and metrics and the effectiveness of due diligence measures. Such information is provided in the form of reports and current management materials. Moreover, current issues are discussed at regular (weekly) Management Board meetings.

The process of reporting to the Management Board and the Supervisory Board is also carried out through standing committees:

- Risk Committee (at least quarterly)
- Audit Committee (not less than four times a year)
- Development Committee (working continuously)
- Strategy Committee (at least twice a year)
- Remuneration Committee (at least twice a year)

Taking strategic decisions, the Management Board and the Supervisory Board take into account the trade-offs between financial, operational and sustainability objectives. Information on material impacts, risks and opportunities is analysed in terms of its relevance to building the long-term value of the Group, regularly presented to the Management Board and Supervisory Board and taken into consideration in the decision-making processes.

The list of material impacts, risks and opportunities that were analysed and actions taken by the Management Board and the Supervisory Board of KGHM Polska Miedź S.A. during the reporting period is presented in section [\[SBM-3\] Material impacts and opportunities and their links with the strategy and business model](#).

[GOV-3] Incorporating sustainability-related results into incentive schemes

The objectives for Members of the Management Board and the criteria for achieving them, including financial and non-financial results, are defined by the Supervisory Board on a case by case basis in relation to the level of implementation of the Strategy. These objectives are linked to Key Performance Indicators (KPIs), assigned to individual pillars and areas of the Strategy, including sustainability issues.

The system of setting goals:

- supports the commitment of Members of the Management Board in carrying out their functions,
- encourages the implementation of the Strategy and caring about the Company's interests,
- is designed to foster an adequate assessment of the impacts, risks and opportunities associated with the Company's activities.

The basis for calculating the variable remuneration is the degree of fulfilment of the management goals set out in individual scorecards. These goals are cascaded in the form of KPIs to Chief Executive Officers and Division directors, ensuring consistency of the objectives at all levels of management.

As part of the incentive scheme, goals as regards sustainable development have been assigned to Members of the Management Board of KGHM Polska Miedź S.A. as presented in the table below.

Table 93. Management and strategic goals of Members of the Management Board of KGHM Polska Miedź S.A. as part of sustainable development for 2025.

Member of the Management Board	Management and strategic goals within sustainable development	Key components of the goal	Contribution of the goal to the general objectives for 2025
President of the Management Board	– HR Projects	– HR policy and remuneration system and equality in employment	10%
	– Implementation of the audit plan in accordance with the new regulations	– Audit under the new Global Internal Audit Standards	15%
	– Development of the process approach	– Building of a process map and EMS surveillance audit according to ISO 50001, HSMS according to ISO 45001, EMS according to ISO 1400, BCMS according to ISO 22301	10%
Vice President of the Management Board (Finance)	– Principles for managing electricity generation sources in the Group	– Management of RES	10%
	– Energy acquisition from RES	– Development of photovoltaic projects	10%
	– Sustainable Development Policy	– Formal structuring of sustainability management	10%
Vice President of the Management Board (Development)	– Group's Strategy Implementation Plan	– Strengthening of the strategic management process including the monitoring system, also within the Group	10%
	– Żelazny Most Tailings Storage Facility	– Ensuring the safe water management system	5%
Vice President of the Management Board (Production)	– Maintaining occupational safety at KGHM	– Implementing consecutive health and safety initiatives, including improving OHS conditions	10%
	– Development trends in metallurgy	– Metallurgy development plan, including towards solutions based on scrap recycling	10%
	– Żelazny Most Tailings Storage Facility	– Maintaining the Company's business continuity through structural and technological solutions to ensure the safe disposal of waste	10%

The goals presented include both objectives of a qualitative nature, subject to assessment by the Supervisory Board, and objectives of a quantitative nature, the achievement of which can be assessed on the basis of specific metrics.

Members of supervisory boards, in accordance with Polish law, are not subject to variable remuneration systems.

The Group's subsidiaries apply remuneration principles corresponding to those applicable in the Parent Entity.

[GOV-4] Due diligence declaration

The information contained in the sustainability reporting concerning the due diligence process is summarised below.

Table 94. Key elements of the due diligence process included in the sustainability reporting

Key elements of the due diligence process	Items in the sustainability reporting
Incorporation of due diligence into governance, strategy and the business model	– [GOV-2] Information provided to the entity's administrative, management and supervisory bodies and the sustainability issues they undertake – [GOV-3] Incorporating sustainability-related results into incentive schemes – [SBM-3] Material impacts, risks and opportunities and their links with the strategy and business model
Cooperation with stakeholders affected by the entity at all key stages of the due diligence process	– [SBM-2] Interests and views of stakeholders
Identification and assessment of adverse impacts	– [SBM-3] Material impacts, risks and opportunities and their links with the strategy and business model – [IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities – [GOV-5] Risk management and internal controls over sustainability reporting
Taking action to reduce identified adverse impacts	– [E1-3] Measures and resources in relation to climate policy – [E2-2] Pollution-related activities and resources – [E3-3] Activities and resources related to water and marine resources – [E4-3] Activities and resources related to biodiversity and ecosystems – [E5-2] Activities and resources related to the use of resources and circular economy – [S1-4] Addressing the material impacts on own staff resources and applying approaches to manage material risks and opportunities related to own staff resources and the effectiveness of these actions – [S2-4] Addressing the material impacts on workers in the value chain and applying approaches to manage material risks and using opportunities related to workers in the value chain and the effectiveness of these actions – [S3-4] Addressing the material impacts on affected communities and applying approaches to manage material risks and opportunities related to these communities and the effectiveness of these actions – [S4-4] Addressing the material impacts on consumers and end users and applying approaches to manage material risks and opportunities related to consumers and end users and the effectiveness of these actions
Monitoring the effectiveness of these efforts and providing relevant information in this regard	– [E1-4] Goals related to climate change mitigation and adaptation to it – [S1-5] Goals related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities

[GOV-5] Risk management and internal controls over sustainability reporting

The KGHM Polska Miedź S.A. Group conducts its operations on four continents, covering numerous countries and diverse legal jurisdictions, operating under different regulations in the areas of environmental protection, labour law, corporate governance and reporting requirements. In addition, apart from the core business related to the extraction and processing of mineral resources, the Group comprises subsidiaries with diversified business profiles, including health and spa resorts, sports facilities and catering services. This organisational and operating structure results in the high level of complexity of sustainability reporting processes.

Accordingly, a number of risks were identified that could affect the quality, completeness and comparability of reporting data in the area of sustainability reporting. Key risks include, in particular:

- the risk of inconsistent data resulting from different standards of collecting and reporting non-financial information in individual countries and companies of the Group,
- the risk of misinterpretation of ESRS standards, which may lead to incomplete or incorrect data recognition,
- the risk of limited availability or insufficient quality of the data,
- the risk of reporting delays due to the geographical dispersion of the Group and the diversified level of maturity of ESG management systems in subsidiaries,
- the risk of human error in the processes of data collection and processing,
- the risk of inadequate coordination between individual organisational units.

As part of its proactive management of sustainability reporting risks, the Group has implemented measures to reduce the likelihood of their occurrence and to ensure the effectiveness of internal controls in preventing potential errors or omissions in the data reported.

The supervisory and control functions related to ESG issues in the KGHM Polska Miedź S.A. Group, including sustainability reporting, are exercised by the Supervisory Board. The Vice President of the Management Board (Finance) is responsible for the implementation and performance of ESG responsibilities within the Group, ensuring the strategic management of sustainability processes and their consistency with the Group's business goals.

A dedicated ESG Department operates within the organisational structures of the Company, acting as a central coordinator of sustainability reporting work. This department is responsible for integrating and consolidating data from different areas of the Group's business, ensuring its reliability, completeness and consistency. Its key tasks also include the supervision of the compliance of reports with the applicable requirements of the Sustainability Reporting Standards (ESRS), identification and assessment of reporting risks and prioritising actions to mitigate these risks.

For increasing the efficiency of the reporting process, ESG coordinators have been established in subsidiaries, responsible for the collection, analysis and initial verification of the data. The management boards of individual subsidiaries are directly responsible for the completeness and accuracy of the information provided. This data is subsequently verified by the ESG Department or the relevant substantive units responsible for individual areas such as the environment, human resources or corporate governance.

Verification of data completeness in relation to ESRS disclosure points is carried out in two stages: at the level of the substantive units and at the level of the ESG Department. The Group has reporting procedures in place to ensure the compliance, completeness and coherence of the disclosures, including the verification of source data, quality control of reported information and archiving for audit purposes. These procedures are regularly reviewed and improved with the aim of continuous enhancement of the reporting process quality.

Despite operating in a number of countries with diversified jurisdictions, uniform procedures have been implemented across the Group and workshops and training courses have been provided to support a consistent approach to identifying, collecting and reporting of issues subject to sustainability reporting.

The key stages in the sustainability reporting process, such as:

- final confirmation of the subjects of the double materiality assessment,
- approval of the disclosures by the substantive units,
- approval of the report by the Management Board or the Supervisory Board,

involve the Company's top management. A detailed description of the periodic communication of findings to the governing and supervisory bodies is presented in chapter [\[GOV-2\] Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies](#).

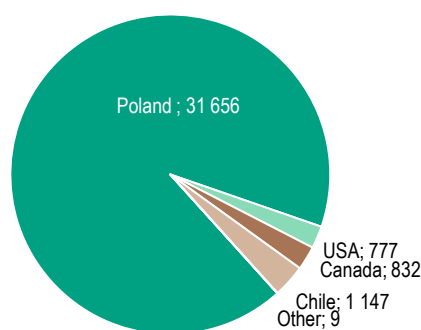
[SBM-1] Strategy, business model and value chain

A detailed description of the business model and Strategy of the KGHM Polska Miedź S.A. Group is presented in [section 1.3 Characteristics of the Company and the Group](#) and [1.4 Strategy, plans and objectives](#).

Table 95. Significant groups of products offered in the KGHM Polska Miedź S.A. Group, markets serviced and links with the sustainability goals

Product category	Entity and region	Downstream (customer segments)	Key product categories	Support to sustainable development goals
Copper				
Copper cathodes	KGHM Polska Miedź S.A. (Poland) KGHM INTERNATIONAL LTD. - Carlota (Arizona, USA)	Manufacturers of: wire rod, other rods, flat bars, pipes, sheets and profiles Raw material traders	Copper cathodes made of electrolytic copper with a minimum copper content of at least 99.99%. They meet the highest quality requirements and are registered as grade “A” on the London Metal Exchange (LME).	Development of energy infrastructure (RES) and electromobility. Support for reduction of carbon footprint.
Copper wire rod	KGHM Polska Miedź S.A. (Poland)	Industry: cable manufacturing, electromechanical, electrical engineering	Copper wire rod in five classes of quality	
Copper concentrate	KGHM INTERNATIONAL LTD. - Robinson (Nevada, USA)	Copper smelters, raw material traders	Copper concentrate containing about 20% of copper, as well as silver and gold	
Oxygen-free copper rod	KGHM Polska Miedź S.A. (Poland)	Industry: cable industry, extrusion into flat profiles and for processing, manufacture of trolleys and commutators.	Cu-OFE oxygen-free rod and CuAg (OF) oxygen-free, silver-bearing rod.	
ETP/OFE nuggets	KGHM Polska Miedź S.A. (Poland)	Producers of alloy, electroplating processes	Copper granules	
Silver				
Silver	KGHM Polska Miedź S.A. (Poland)	Financial institutions, industries: jewellery, electronic and electric, photovoltaic, catalyst manufacturers as well as coin, bar and medal producers	Bars (ingots) and granules with a silver content of 99.99%. Silver bars have a certificate registered on COMEX in New York (New York Mercantile Exchange) as well as a Good Delivery certificate	Development of renewable energy (photovoltaics) and emission reduction through catalytic converters
Other product groups				
Molybdenum concentrate	KGHM INTERNATIONAL LTD. - Robinson (Nevada, USA)	Industry: metallurgical, chemical, energy, electronics, automotive, catalyst manufacturers	Molybdenum concentrate	Support of advanced industries and responsible management of raw materials
Gold	KGHM Polska Miedź S.A. (Poland)	Sector: jewellery, mints, banks and electrical industry	Gold in the form of bars containing 99.99% of gold	No impact
Sulphuric acid	KGHM Polska Miedź S.A. (Poland)	Industry: chemical, fertilizer, petrochemical, metallurgical, pharmaceutical, automotive and energy	Technical sulphuric acid, concentrated sulphuric acid	Promoting circular economy by reusing the by-product of metallurgical processes
Refined lead	KGHM Polska Miedź S.A. (Poland)	Industry: batteries, chemicals, metals, construction, armaments, electronics, automotive and aerospace	Refined lead (meets the requirements of the PN-EN 12659 standard)	Support for energy storage systems

Chart 39. Average headcount broken down by geographic area in the KGHM Polska Miedź S.A. Group in 2025



In 2025, the average employment in the Group amounted to 34,421 employees, representing a decrease of 0.2% compared with the previous year, when it totalled 34,493 employees. The average employment in KGHM Polska Miedź S.A. in 2025 amounted to 18,925 employees (18,885 employees in 2024).

The KGHM Polska Miedź S.A. Group does not operate and does not earn revenues from fossil fuels (coal, oil and gas), the production of chemicals, controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons) or the cultivation or production of tobacco.

The following description of key sustainability issues has been prepared based on the provisions of the “Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040”. It should be emphasised that the strategy document uses its own structure and terminology, which is not directly identical to the definitions and conceptual layout used in the ESRS standards.

Table 96. Key issues of sustainable development included in the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040

	KGHM for the environment	KGHM for society	Corporate governance in KGHM
Development directions	– Ecology – Energy – Efficiency	– Elasticity/Flexibility – Efficiency – Energy	– E-industry – Efficiency
Pillars of the Strategy	– Pillar 1. Core business – Pillar 2. New activities – Pillar 5. Pro-sociality	– Pillar 4. Health – Pillar 5. Pro-sociality	– Pillar 1. Core business – Pillar 3. Supporting activities – Pillar 5. Pro-sociality
Strategic objectives	– Optimisation of mining production in Poland and abroad ensuring long-term business continuity – Leader in the development of low-emissions mining capacity for new metals and mineral deposits in Poland – Development of metallurgy utilising efficient processing based on CE assumptions – One of the leading producers of environmentally-friendly electricity - supporting Poland's energy transformation – Growth based on the idea of sustainability and safety	– Development of pro-health activities and health resorts as a contribution to extending the length and quality of life of citizens – Growth based on the idea of sustainability and safety	– Advanced technology and R&D forming a smart production chain – Ensuring the financial stability of the KGHM Group and implementing systemic solutions aimed at increasing the Group's value – Growth based on the idea of sustainability and safety

Table 97. Progress toward achieving selected strategic success metrics for 2025

Strategic success ratio (Strategic KPI)	Baseline value of the ratio in 2020	Target for 2030	Value of the ratio in 2025
Capacity of Own Electricity Generation Assets	105 MW of the total contracted capacity of 440 MW (24%)	220 MW of the total contracted capacity of 440 MW (50%)	174 MW of the total contracted capacity of 440 MW (39%)
	In 2025, compared to the base year 2020, an increase in the capacity of own electricity generation sources was recorded (2020: 105 MW; 2025: 174 MW), within the total contracted electricity capacity of 440 MW. KGHM's own energy sources, including renewable energy sources within the Group, enabled the coverage of 39% of the total contracted capacity of KGHM Polska Miedź S.A.		
Reduction in estimated CO₂ emissions from electricity consumption⁵²	~1.6 million t eCO₂	1.0 million t eCO₂	~1.385 million t eCO₂
	In 2025, GHG emissions resulting from electricity consumption amounted to approximately 1.385 million tonnes of eCO ₂ , representing a decrease of about 0.031 million tonnes of eCO ₂ (i.e., -2.2%) compared to 2024. This year-on-year reduction in emissions is primarily due to lower energy consumption and a more favorable emission factor used in the location-based method for 2025. To a lesser extent, it is also attributed to the use of guarantees of origin.		
Scrap recycling	~124 kt of copper scrap	~350 kt of copper scrap	173 kt of copper scrap (dry weight)
	KGHM Polska Miedź S.A. is conducting a financial analysis of the developed directions for the development of its metallurgical operations. As part of this process, alternative operating scenarios for the metallurgical assets are being prepared, taking into account different feedstock structures for production in the medium- and long-term perspective. These scenarios include, among other aspects, the increased use of copper scrap with diversified quality parameters, including the expansion of the scrap portfolio to encompass lower-quality scrap grades. At the current stage, the analyses focus on the development of the Legnica Copper Smelter and Refinery through its transformation into a recycling-oriented metallurgical facility producing electrolytic copper based on the processing of scrap materials. The outcome of the ongoing work will be a more precise determination of the demand for specific scrap assortments used in copper production at the Company's metallurgical facilities, as well as a potential verification of the Company's previously defined aspirational targets in this area.		
LTIFR⁵³ and TRIR⁵⁴	LTIFR 7.31	Target: 0 accidents	6.65
	TRIR 0.52	Target: 0 accidents	0.37
	In the area of occupational health and safety, a long-term vision of "zero accidents resulting from personal, organisational and technical causes, and zero occupational diseases among our employees and contractors" is being pursued. Both at KGHM and across its foreign operations, occupational health and safety performance indicators remain at levels comparable to those achieved in previous years.		
Level of support to the Health Area implemented by the KGHM Polska Miedź Foundation	~PLN 11.5 million⁵⁵	~PLN 7 million	PLN 15.55 million (total for institutions and natural persons)
	In 2025, within the "Health and Safety" area, the KGHM Polska Miedź Foundation granted donations to: – 73 institutions in a total amount of PLN 13.66 million, – 227 individuals in a total amount of PLN 1.89 million.		
Number of volunteer projects advanced	25 volunteer campaigns	30 volunteer campaigns	190 volunteer campaigns (including 64 campaigns in the Group)
	The employee volunteering program "Miedziane Serce" initiated at KGHM in 2014, was consistently implemented. In 2025, a total of 190 volunteering initiatives were carried out, involving 1,267 employees, who devoted approximately 5,165 hours to the preparation and implementation of these activities.		
Level of support provided for the arts, sport and health	~PLN 38.5 million	~PLN 48 million	PLN 42.52 million
	The level of support provided for the arts, sport and health was consistent with the objectives set for 2025 and closely aligned with the Company's activities in the area of Corporate Social Responsibility (CSR). The funds were allocated to the implementation of planned initiatives aimed at promoting the Company through the presence of the KGHM brand, including at prestigious events of national or international scope, as well as to supporting valuable cultural, sporting, preventive and health-promoting initiatives that contribute to societal development.		

⁵² For KGHM Polska Miedź S.A., location-based methodology.

⁵³ LTIFR (Lost Time Injury Frequency Rate) - the total number of accidents at work, within the meaning of the Act of 30 October 2002 on social insurance due to accidents at work and occupational diseases (Journal of Laws of 2025, item 257, as amended) standardised to 1 million hours worked. Indicator calculated for KGHM Polska Miedź S.A.

⁵⁴ TRIR (Total Recordable Incident Rate) - the ratio of accidents at work that meet the conditions for registration as defined by the ICMM (International Council on Mining & Metals) standard. Indicator calculated for the international assets.

⁵⁵ Due to the epidemic conditions, the area of activity of the KGHM Polska Miedź Foundation - "Health and Safety" was a particular priority in 2020, thus the significantly higher financing in this area in the base year.

Yield and results in terms of current and expected benefits for customers, investors and other stakeholders

The financial results of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group in accordance with the product and geographical segmentation are presented in "Part 2 – Operating segments and revenue information" and "Part 4 – Explanatory notes to the income statement" of the Consolidated Financial Statements for 2025.

Table 98. Current and expected benefits for key stakeholder groups

Clients	– High quality products - products manufactured by the Group meet the highest quality standards, confirmed, among others, by Good Delivery certificates. Manufacturing processes are carried out in a responsible manner, as confirmed by The Copper Mark certificates awarded to the metallurgical plants of KGHM Polska Miedź S.A. – Responsible partnerships - ensuring that customers have access to products that meet specific quality requirements, manufactured with due regard to environmental standards and respect for human rights. – Supporting innovation and technology - the Group's products are used, among others, in photovoltaics, catalysts and advanced cable systems, enabling the development of sustainable technologies and supporting energy transition.
Investors	– Increase in company value - maintaining stable mining volumes while improving operational efficiency translates into stable revenue and increases investor sentiment. – Sustainability as a cornerstone of the Strategy - investment in a circular economy, reduction of GHG emissions and protection of biodiversity contribute to reducing investment risks associated with environmental regulations.
Local communities	– Creation of jobs - activity of the Group in the regions of operation, particularly in the Copper Basin, Sudbury Basin and White Pine County, Nevada, affects the development of local economies. – CSR projects - initiatives supporting education, health care and social infrastructure benefit local communities. – Impact on local budgets - the Group's activities generate revenue for local governments, and territories and provinces as well as counties, supporting the funding of local public services.
Suppliers	– Partnership with local suppliers - cooperation supports the development of regional businesses, promotes market stability and fosters the implementation of sustainable practices as well as the raising of environmental and ethical standards.
Regulators and environmental organisations	– The application of best environmental practices - the implementation of activities in areas such as water management and reduction of CO₂ emissions (e.g. through the BATAs program) has contributed and continues to contribute to the achievement of the sustainable development goals and climate policy assumptions of KGHM Polska Miedź S.A.

Description of the main characteristics of the upstream and downstream value chain and the position of companies in the value chain

The description of the Group's value chain has been prepared on the basis of information provided by all consolidated subsidiaries, taking into account the specific nature of their activities and the key stages of the value chain, covering both their own activities and their relations with entities operating at the upstream and downstream level of the value chain. The analysis included the suppliers of raw materials, materials, services and energy, providers of services supporting operations, as well as customers of products and downstream processing and use.

As part of the assessment carried out at the level of individual subsidiaries within the Group, as well as the consolidated analysis conducted at the level of the Parent Entity, material impacts were identified across environmental, social, and governance areas, which may occur at various stages of the value chain.

The initial segments of the value chain (upstream) comprise all products, substrates, raw materials, services and utilities required for the operations of the Group that are not fully implemented as part of own operations. Further downstream segments of the value chain comprise customers of the goods offered by the Group, in particular processing companies and enterprises operating in the heavy, metal, chemical and electrical industries.

Table 99. Description of the value chain of the KGHM Polska Miedź S.A. Group

UPSTREAM		OWN OPERATIONS	DOWNSTREAM	
SUPPLIERS		MANAGEMENT PROCESSES	PROCESSING	USE
Tier 2+	Tier 1	Set of functions performed at the Head Office level, including:	Tier 1	Tier 2+
Suppliers of materials, components, services for direct suppliers	Service providers for the needs of management processes	- Strategic planning - Research and development (R&D) - Environmental protection - Occupational Health and Safety (OHS) - IT (information technology) - HR management - Accounting services - Finance and cashpooling - Electricity and heat generation	Recipients of CPB (core production business) products (processing industries)	Processing industry customers, end customers
Mining and raw material trading Energy and fuels Finance and capital services Construction, infrastructure	Finance and professional services: - Brokerage services - Factoring - IT/specialised services - Internet services - Research services Construction, infrastructure: - Construction - Refurbishment services Services for business and environment: - Maintenance	Major categories of waste: - Paper waste - Packaging waste - Mixed municipal waste - Hazardous / special waste (in small quantities) - Electro-waste	Metals and raw materials: - Non-ferrous metals industry - Precious metals industry - Mints - Metal construction industry - Commodity trading Chemical industry and agro-industry: - Fertiliser production Manufacturing and electrical industry: - Cable manufacture	Metal and metallurgical industry Power sector and electrical engineering Construction and infrastructure Automotive industry and transport Chemicals and materials Jewellery and investment
Transport and logistics - raw materials, utilities, goods, products			Recycling of copper and other products	
			Product transport	

UPSTREAM		OWN OPERATIONS	DOWNSTREAM	
SUPPLIERS		OPERATIONAL PROCESSES	PROCESSING	USE
Tier 2+	Tier 1	Within core business (CPB):	Tier 1	Tier 2+
Suppliers of materials, components, services for direct suppliers	Suppliers of services, utilities, raw materials for the needs of operational processes	Exploration: • Drilling, sampling, storage of cores • Geology, surveying, design, engineering services • Installation services • Supply of energy, water and technical components Ore mining and enrichment: • Mining works using heavy and mining equipment and its servicing • Process water and energy supply • Geological, surveying, engineering, health and safety and construction services • Cooperation with suppliers of construction raw materials, energy commodities, equipment and components Smelting, refining and processing: • Use of copper concentrates, copper scrap and water from excavations • Use of chemicals, technical materials and consumables, energy commodities • Analytical, engineering and technological services • Security and production continuity activities	Recipients of CPB (core production business) products (processing industries)	Processing industry customers, end customers
Energy and raw materials Industry Construction and infrastructure Services and trade Technology and innovation Finance and business support Environment and ecology	Energy and raw materials: • Power industry • Energy distribution • Energy trading • Local power industry / heat supply • Commodity trading • Trading in base metals • Mining services Manufacturing and industry: • Industrial tools • Grinding elements • Technical gases • Packaging Construction, infrastructure: • Construction • Refurbishment services Business and community services: • Maintenance, cleaning	Activities complementary to core business: Contracting of mining works: • Delivery and servicing of machinery • Production continuity services and investment implementation • Energy production and distribution • Water and sewage management • Production of explosives • Design and production in the area of electrical engineering, automation and communication systems • Certification and attestation of machinery and equipment • Supply and processing of non-ferrous metal scrap • Physical and chemical testing and analysis services • Provision of transport services Companies implementing complementary activities: PeBeKa S.A.; KGHM ZANAM S.A.; CBJ sp. z o.o., KGHM Metraco S.A.; „Energetyka” sp. z o.o.; POL-MIEDŹ TRANS sp. z o.o.; Mercus Logistyka sp. z o.o. International assets Companies in the mining industry included in the KGHM INTERNATIONAL LTD. Group. Major categories of waste: • Flotation waste • Smelter slags (product of pyrometallurgical processes) • Dust and sludge from flue gas dust removal systems • Hazardous waste • Municipal waste • Emissions to air and process water consumption and discharge	Metals and raw materials: • Non-ferrous metals industry • Precious metals industry • Mints • Metal construction industry • Commodity trading Chemical and agro-industrial sector: • Fertiliser production Manufacturing and electrical industry: • Cable manufacture	Metal and metallurgical industry Power sector and electrical engineering Construction and infrastructure Automotive industry and transport Chemicals and materials Jewellery industry and investments
Transport and logistics - raw materials, utilities, goods, products			Recycling of copper and other products	
			Product transport	

UPSTREAM		OWN OPERATIONS	DOWNSTREAM
SUPPLIERS		OTHER ACTIVITIES	PROCESSING
Tier 2+	Tier 1	Set of functions performed by Group companies not included in the CPB: • Treatment and spa services • Health and holiday stays • Hotel and catering services • Sale of water, cosmetics and spa products • Organisation of sports events • Training services • Accompanying benefits (e.g. prophylactic meals, office supplies and foodstuffs) Companies implementing the activities: „MCZ” S.A., PHU „Lubinpex” sp. z o.o., Zagłębie Lubin S.A., PGU sp. z o.o. and spa companies belonging to PGU. Participation in joint venture projects (e.g. Sierra Gorda S.C.M.) and affiliates	Tier 1
Suppliers of materials, components, services for direct suppliers	Service providers for other Group’s activities		End customers of other activities of the Group
Health and pharmacy Environment and ecology Services and tourism Food and packaging industry Technology and logistics Manufacturing and heavy industry	Services for business and environment: • Packaging industry • Maintenance, cleaning services • Internet services Trade and logistics: • Distribution • Services for trade/logistics Energy and raw materials: • Power industry • Energy distribution Food and catering: • Catering		End customer, individual: • End customers of Group companies Institutional clients: • Public healthcare sector • Social security sector
Transport and logistics - raw materials, utilities, goods, products			Product transport

[SBM-2] Interests and views of stakeholders

In 2025, the KGHM Group Stakeholder Map included 19 stakeholder groups, of which 14 were key groups and 5 were classified as other groups. The stakeholder map is updated on an annual basis.

The table below presents the key stakeholders.

Table 100. Stakeholder group	List of key stakeholder groups and principles and forms of dialogue			
	Approach to dialogue	Purpose		Main communication channels
Public administration	–	cooperation as part of debates and conferences	– ensuring compliance with the requirements and regulations	– meetings and consultations
	–	ongoing dialogue	– co-shaping the regulatory environment and best market practices	– traditional and e-mail correspondence
			– identification of effects of the implementation of new national and EU legislation	– Internet
Shareholders and partners	–	permanent bilateral communication between the Management Board of the Company and capital market participants, based on best practice	– building investor confidence and transparent communication	– General Meetings, current and periodic reports
			– equal access to information on Strategy, results and dividend policy	– conferences and investor meetings (e.g. Investor Days, Analyst Days)
			– shareholder activation and increasing the Group's value	– newsletter, electronic mail and telephone contact
Auditors and certification bodies	–	formalised and cyclical cooperation as part of the audit, attestation and certification processes	–	– investor chats, Internet and social media
			– ensuring compliance with regulations, standards and reporting requirements and improvement of management systems	– meetings
				– official electronic and traditional correspondence
Financial institutions	–	cyclical exchange of financial information and ESG	– acquiring and maintaining stable sources of financing	– exchange of documentation
	–	regular bilateral dialogue based on transparency	– building trust and reliability among financial institutions	– audit reports and recommendations
			– supporting the financing of sustainable development projects	
Supervisory authorities	–	permanent bilateral cooperation based on transparency and compliance	– ensuring compliance with the law and supervisory regulations	– result conferences and presentations, investor chats
	–	timely submission of required reports, statements and control data	– building the reliability and confidence of supervisory authorities	– financial and non-financial reports
	–	participation in inspections and audits	– ongoing identification of regulatory risks and their mitigation	– industry events and fora with financial institutions
Silent stakeholder	–	integrating environmental, climate and social aspects into development planning	– reducing the environmental impact of the Group's activity	– periodic reports, statements and control documentation
			– supporting the transition towards a low-carbon economy	– official electronic and traditional correspondence
Clients	–	constant and open communication with customers	– transparent terms and conditions of offers and contracts	– public administration electronic systems
	–	quality and adjustment of products and services	– awareness of customer needs and collecting feedback	– ESG reporting and environmental disclosures in line with the ESRS and EU taxonomy
			– building trust and loyalty	– environmental monitoring and environmental impact assessments
			– information on offers, customising and satisfaction monitoring	

Media	– providing reliable information on the Group's activities and results – responding to media enquiries and correcting false information	– ensuring transparency of operations and a reliable flow of information – building a positive image and public trust – communicating Strategy, investments and community initiatives	– press releases and media conferences – interviews, briefings and expert publications – social media and the Group's website – direct contact with press officers and the communications office
Management and supervisory bodies	– corporate governance over subsidiaries – reporting of ESG and financial results to supervisory authorities	– ensuring consistent management of the Group and effective coordination of activities – effective cooperation with subsidiaries from the KGHM Group – cooperation on risk reviews – consistent implementation of corporate policies and governance standards	– exchange of experience, meetings, reports – participation of representatives of KGHM Polska Miedź S.A. in the supervisory boards of the KGHM Group entities – consistent approach to the management standards in key areas of the Group's operations – cooperation on the basis of adopted policies
Subcontractors and suppliers	– partnership, bilateral cooperation based on transparency and mutual trust – ongoing communication regarding quality, timeliness and compliance of deliveries	– transparent rules for selecting and cooperating with suppliers – shaping business and ethical standards – ensuring timely delivery – quality monitoring and assessment – improving the quality of the supply of goods and services – increasing the knowledge of suppliers about the needs of the Group – increased awareness of ESG issues and the integration of ESG principles into business and procurement processes	– ongoing and periodic meetings and negotiations with suppliers – direct communication on key cooperation issues – on-line meetings, videoconferences, e-mail – procurement management platforms
Employees	– permanent open communication between employees and the employer	– increasing employee engagement – building understanding of the implementation of the Strategy and strategic objectives – dialogue in terms of working conditions – preparation and adaptation to changes and crisis situations – raising awareness and engaging in initiatives in terms of ESG issues – maintaining transparency in terms of decisions related to the company's business – activating employees to participate in new initiatives – promotion of best practice	– meetings and consultations with employee representatives regarding important decisions or events – the Intranet, internal publications and television, newsletters, electronic communication – company events, competitions, employee volunteering, training, engagement research – publications in local and national media regarding activities and projects implemented by the Company – engagement survey – internal team meetings – whistleblowing system
Local community	– regular consultations, information meetings, participatory initiatives and project cooperation	– identifying the needs and expectations of the community, mitigating the negative impacts of the Group's activities, support for local development	– meetings and consultations – surveys – local announcements – partnership projects
KGHM Group companies	– appointed coordinators in subsidiaries – participation of Parent Company representatives in supervisory boards of subsidiaries	– ensuring effective corporate governance – integration of activities in key areas	– subsidiary management board meetings and discussions – reports, statements and reviews of results, teleconferences, workshops within the Group

Trade unions	– dialogue with trade unions	– dialogue in terms of working conditions	– meetings and consultations with employee representatives regarding important decisions or events
		– preparation and adaptation to changes and crisis situations	– correspondence (traditional and e-mail)
		– raising awareness and engaging in initiatives in terms of ESG issues	– participation in consultations and arrangements
		– maintaining transparency in terms of decisions related to the company's business	– direct contact

The Company identifies the interests and opinions of key stakeholders through systematic dialogue and analysis of their expectations in relation to the strategy and business model. The process takes place in the framework of due diligence and materiality assessment, allowing for their effective inclusion in decision-making processes.

Integration of results into the strategy - stakeholder opinions are analysed and taken into account when taking decisions on sustainable development, environmental protection and community relations.

Shaping operational activities - actions are taken in response to stakeholders' feedback, including updating social programs, investing in local infrastructure and adjustment of internal policies.

Feedback - results of actions taken are communicated to stakeholders to ensure the transparency and maintain trust.

Means of informing the administrative, management and supervisory bodies of the opinions and interests of stakeholders

The Management Board and the Supervisory Board are regularly informed of the most relevant opinions and interests of key stakeholders affected by the Group's sustainability-related impacts. This process involves the systematic collection of information from various communication channels, including:

Periodic reports and regulatory findings

Meetings and consultations with stakeholders, including employee representatives whose opinions are forwarded by the Management Board to the Supervisory Board

Participation in conferences and trade fairs

Traditional and electronic correspondence

Videoconferences

Participation in industry and social events and celebrations

Members of the Supervisory Board are regularly updated on the progress of implementation of the key factors affecting the Group's activities. Such information is provided in the form of reports and analyses which are discussed at meetings of the Supervisory Board and the operating committees.

[SBM-3] Material impacts, risks and opportunities and their links with the strategy and business model

The table below presents a list of material impacts, risks and opportunities classified by factor: "E" - environmental impact, "S" social impact and "G" corporate governance impact. The table indicates the place of occurrence of a given impact, risk or opportunity in the value chain, including the geographical area of the factor concerned and the time horizon of its potential materialisation, covering a time horizon of up to 1 year (short-term), up to 5 years (medium-term) and more than 5 years (long-term).

Table 101. List of material impacts, risks and opportunities (IROs) considered by administrative, management and supervisory bodies in 2025

Description of sustainability issues	Type of IROs			Nature of IROs	Place in the value chain	Time perspective	Geographical area
	Impact	Risk	Opportunity	Positive / Negative Actual / Potential	Upstream Own operations Downstream	Short Medium Long	Location of occurrence
E1 Climate change							
Adapting to climate change							
Production of key metals for a low-carbon economy and technological transformation Support for the adaptation of economic sectors working towards transformation and low-emission economy, indirect contribution to mitigation of effects on climate change as well as support for the energy transition. At the same time, the Group's efforts to increase production of these metals responds to growing market expectations associated with the transition to sustainable development.	✓	o	o	Positive Actual /	Own operations Downstream	Short Medium Long	Poland, Canada, USA, Chile Contractors - worldwide
Violent physical climate risk Associated with the occurrence of severe weather events as a consequence of climate change; can lead to higher clean-up costs and losses due to interruptions in production.	o	✓	o	N/A	Own operations	Short Medium Long	Poland, Canada, USA, Chile
Chronic physical climate risk Permanent changes in weather patterns resulting from climate change may lead to higher infrastructure modernisation costs and increased energy consumption.	o	✓	o	N/A	Own operations	Medium Long	Poland, Canada, USA, Chile
Development of new technologies in the field of mining, energy, automation The need for implementation of new technologies and solutions to improve the efficiency of construction and the efficiency of operation of the facilities under construction (automation of processes, reduction of	o	o	✓	N/A	Own operations	Long	Poland

Description of sustainability issues	Type of IROs			Nature of IROs Positive / Negative Actual / Potential	Place in the value chain Upstream Own operations Downstream	Time perspective Short Medium Long	Geographical area Location of occurrence
	Impact	Risk	Opportunity				
workers' exposure to onerous working conditions in the mine) can help avoid possible additional costs resulting from new emissions regulations.							
Availability of external funding sources for sustainable development projects (grants, loans) The availability of external funding sources can contribute to the optimisation and diversification of the financing structure of projects under implementation.	o	o	✓	N/A	Own operations	Short Medium Long	Poland
Climate change adaptation Climate change mitigation							
Regulatory climate risk Regulatory risks, related to changes in legal requirements concerning climate change and adaptation to its impacts, may result in additional costs of adapting to the growing requirements of a low-emission economy.	o	✓	o	N/A	Own operations	Short Medium Long	Poland,
Technological climate risk Technological risk related to the technological progress towards a low emission economy, may require additional investment in technology adaptation and implementation of the Decarbonisation Plan.	o	✓	o	N/A	Own operations	Short Medium Long	Poland,
Reputational climate risk Reputation risks related to the perception of customers and other stakeholders as a result of climate change can result in loss of customers and a decline in revenues in the event of a high carbon footprint or insufficient GHG emission reduction targets.	o	✓	o	N/A	Own operations	Medium	Poland,
Market climate risk Market risk, related to changes in demand and supply for certain Group products and services, may lead to changes in the revenue structure in the event of rising stakeholder expectations related to climate issues.	o	✓	o	N/A	Own operations	Medium	Poland,
Extension of the value chain The construction of a new process line (extension of the product range and increasing production capacity) and an installation enabling the processing of copper-bearing scrap (affecting the reduction of the carbon footprint of Company products) may translate into an increase in revenues and margins, a reduction in unit production costs (e.g. higher energy	o	o	✓	N/A	Own operations	Medium Long	Poland

Description of sustainability issues	Type of IROs			Nature of IROs Positive / Negative Actual / Potential	Place in the value chain Upstream Own operations Downstream	Time perspective Short Medium Long	Geographical area Location of occurrence
	Impact	Risk	Opportunity				
efficiency) as well as diversification and cheaper acquisition of feedstock (from recycling).							
Launching the production of cast iron tubing for mine shaft applications The investment by KGHM ZANAM S.A. can lead to the reduction in operating costs and carbon footprint, lower energy consumption and emissions of harmful substances, as well as optimisation of the use of materials, energy and reduction of waste.	o	o	✓	N/A	Own operations	Long	Poland
Climate change mitigation							
Direct emissions of greenhouse gases (Scope 1) The Group generates considerable Scope 1 greenhouse gas emissions, mainly due to the activities of the Parent Entity and its subsidiaries (mining and metallurgy). The other companies in the Group demonstrate lower emissions compared to the Parent Entity.	✓	o	o	Negative Actual /	Own operations	Short Medium Long	Poland, Canada, USA, Chile
Indirect emissions of greenhouse gases (Scope 2 and Scope 3) as a result of purchasing electricity, fuel and raw materials from third parties using carbon-intensive technologies and the energy mix based on fossil fuels. The purchase of electricity, fuel and raw materials from external suppliers whose energy mix and production technologies are based on fossil fuel (coal, natural gas, crude oil) contributes to significant CO ₂ emissions and increases the Group's carbon footprint across the value chain.	✓	o	o	Negative Actual /	Upstream Own operations Downstream	Short Medium Long	Poland, Canada, USA, Chile Contractors - worldwide
Raw material diversification of development areas The gradual development towards the exploration of deposits not directly related to copper may contribute to an increase in sales revenue in the long term, by entering growing markets for raw materials of key importance for the development of electromobility.	o	o	✓	N/A	Own operations	Long	Worldwide
Increasing the organisation's competitiveness by reducing indirect CO₂ emissions Reorganisation of the model for meeting energy needs, assuming that by 2030, 50% of procured electricity capacity will originate from own low- and zero-carbon sources, could result in reducing the purchasing cost of emission allowances and guarantees of origin, as well as reaching a lower energy price from own generation assets.	o	o	✓	N/A	Own operations	Medium Long	Poland, USA, Canada, Chile

Description of sustainability issues	Type of IROs			Nature of IROs	Place in the value chain	Time perspective	Geographical area
	Impact	Risk	Opportunity	Positive / Negative Actual / Potential	Upstream Own operations Downstream	Short Medium Long	Location of occurrence
Separation of product assortment with reduced carbon footprint The development of, among others, the concept and separation of part of the Company's product assortment with reduced carbon footprint of <1.5 kg CO ₂ eq/kg Cu or the development of the concept of securing recycled feedstock for direct use in the wire rod plant, can support the retention of existing customers and sales revenues, as well as generate additional revenues from recycled copper.	o	o	✓	N/A	Own operations	Short Medium Long	Poland
Energy							
Energy intensity of processes The Group is a large consumer of energy, which is used in industrial processes requiring high temperatures and energy-intensive physical operations.	✓	o	o	Negative Actual /	Own operations	Short Medium Long	Poland, USA, Canada, Chile
Risk of increase in the costs of the Company as a result of further increases in the prices of energy carriers	o	✓	o	N/A	Own operations	Short Medium Long	Poland
Risks related to the unavailability of necessary energy utilities that may result in losses related to possible production stoppages.	o	✓	o	N/A	Own operations	Short Medium Long - ¹	Poland
Taking advantage of the forms of funding offered by funds, banks, and other financing institutions for energy transition, decarbonisation, energy efficiency improvement projects. Analysis of aid programs, initiatives in terms of a possibility of obtaining preferential external funding. Verification and revision of design assumptions of investment projects in order to raise external funding for	o	o	✓	N/A	Own operations	Short Medium Long	Poland

¹ The risk was assessed as significant in terms of its potential severity, but the likelihood of its occurrence within the analyzed time frames was assessed as very low.

investments. Active involvement of all Company organisational units to make effective use of external funding sources.								
Enhancing energy security The construction of the Company's own low- and zero-emission electricity generation sources directly connected to the Company's electricity system can reduce the risk of costly power outages and decrease energy procurement costs.	o	o	✓	N/A	Own operations	Long	Poland	
Optimisation of energy utilities costs Increasing the Company's own power generation capacities from RES (construction and acquisition), construction of electricity and heat storage facilities, as well as improvement in energy efficiency of technological processes for optimal use of energy utilities and reduction in consumption of energy utilities as part of the improvement in energy efficiency carried out in accordance with the ISO 50001 standard implemented at KGHM Polska Miedź S.A. may lead to a decrease in the carbon footprint of products and costs of purchasing emission allowances, as well as to obtaining so-called white certificates and additional financial compensation for pro-efficiency activities.	o	o	✓	N/A	Own operations	Medium Long	Poland	
E2 Pollution								
Air pollution Water pollution Soil contamination								
Air, water and soil quality The operations of the Group's installations involve emissions of pollutants into the air other than greenhouse gases (including arsenic), to water (including saline water) and emissions that may affect soil quality (including in emergency situations). The Group operates in the framework determined by environmental decisions. Installations generating emissions are subject to sectoral or integrated permits. Emissions do not exceed the values determined in the permits and are monitored in accordance with the law and the permits obtained.	✓	o	o	Negative Actual /	Own operations	Short Medium Long	Poland, Canada, USA, Chile	
Risk associated with the ability to store, discharge, sell or manage waste The materialisation of the risk may result in penalties and additional fees, reclamation costs, restrictions on operations due to the inability to store waste, and the need to incur capital expenditure on circular economy solutions.	o	✓	o	N/A	Own operations	Short Medium Long	Poland	
Potentially hazardous substances and substances of very high concern (SVHC)								
Manufacture and use of potentially hazardous substances and substances of very high concern The Group's production processes involve the use copper concentrates and auxiliary substances, including substances classified as potentially hazardous according to the ESRs definition, as well as SVHC substances.	✓	o	o	Negative Actual /	Upstream Own operations Downstream	Short Medium Long	Poland, Canada, USA, Chile Contractors - worldwide	

Although safety procedures are in place at the operational stage, there is a risk of release into the environment in the event of a potential accident or incorrect handling of substances. This includes situations where hazardous waste could be inadequately managed by external customers.							
Other: Contamination in the company value chain							
Negative environmental impact on the value chain resulting from significant pollution generated by contractors and joint venture projects The scale and diversity of the entities in the Group's value chain involve the risk of significant pollution generated by business partners, which can have a negative impact on the environment. The potential impact depends on the industry, location and environmental practices of individual actors in the value chain, including the Sierra Gorda mine (as a joint venture project).	✓	o	o	Negative Potential	Upstream Downstream	Short Medium Long**	Contractors - worldwide
E3 Water and marine resources							
Water - water intake							
Use of water from surface and ground sources for the Group's technological processes In its production processes, the Group uses significant amounts of water from surface and groundwater sources.	✓	o	o	Negative Actual /	Own operations	Short Medium Long	Poland, USA
Water - water consumption							
Water consumption in technological processes The KGHM Polska Miedź S.A. Group uses considerable volumes of water in its production processes.	✓	o	o	Negative Actual /	Own operations	Short Medium Long	Poland, USA
Water - water consumption, water intake							
The use of water from the dehydration of mining plants in technological processes and the diversion of process water contributing to lower surface and groundwater intake. KGHM Polska Miedź S.A. uses only water from the dehydration of mining plants in the processes of ore enrichment, hydro-transport of tailings and extraction of the mineral, which allows for limiting the intake of surface and ground water.	✓	o	o	Positive Actual /	Own operations	Short Medium Long	Poland
Interruption in the supply of key utilities - industrial water The materialisation of risk may result in losses related to the reduction or suspension of production.	o	✓	o	N/A	Own operations	Medium Long	Poland

** The impact was assessed as significant in terms of severity, but the likelihood of its occurrence within specific time frames is very low.

Water - water discharges								
Discharge of large volumes of industrial effluents from the hydrotechnical management of mine-technological water from the Żelazny Most Tailings Storage Facility and from technological water circulation KGHM Polska Miedź S.A. discharges industrial effluents from the hydrotechnical management of mine-technological water from the Żelazny Most Tailings Storage Facility and from technological water circulation.	✓	o	o	Negative Actual /	Own operations	Short Medium Long	Poland - Żelazny Most Tailings Storage Facility	
Risk of inability to manage increased mine water inflows Materialisation of the risk may result in sanctions for breaching the water permit and financial losses resulting from the limitation or stoppage of the Core Business.	o	✓	o	N/A	Own operations	Short Medium Long	Poland	
E4 Biodiversity and ecosystems								
Direct drivers of biodiversity loss Change in land use Direct exploitation								
Change in land use The Group's diversified business activities carried out in numerous locations, in particular the implementation of development projects related to the construction of new production assets, may contribute to changes in land use.	✓	o	o	Negative Actual /	Own operations	Short Medium Long	Poland, Canada, USA, Chile	
Mining operations Due to the nature of its operations - particularly in open pit mines - the Group's activities inevitably affect biodiversity.	✓	o	o	Negative Actual /	Own operations	Short Medium Long	Poland, Canada, USA, Chile	
Direct drivers of biodiversity loss Pollution (its impact on biodiversity)								
Emission of pollutants Activities of the Group and its value chain involve emissions into the air, water and soil that can directly affect biodiversity.	✓	o	o	Negative Actual /	Upstream Own operations Downstream	Short Medium Long	Poland, Canada, USA, Chile	
Impacts on the extent and condition of ecosystems Land degradation Other impacts on the extent and condition of ecosystems								
Degradation of land as a result of the Group's operations The Group's diversified business activities carried out in numerous locations, in particular the implementation of mining activities, involve the risk of land degradation.	✓	o	o	Negative Actual /	Own operations	Short Medium Long	Poland, Canada, USA, Chile	
Initiatives supporting biodiversity in the Group's areas of operation The Group carries out a number of initiatives and projects aimed at protecting biodiversity, both in the areas where mining and metallurgical	✓	o	o	Positive Actual /	Own operations	Short Medium Long	Poland, Canada, USA, Chile	

activities are carried out and outside. KGHM Polska Miedź S.A. undertakes activities to support an increase in biodiversity on its sites.							
Impact on the condition of species Population size of the species concerned							
Impact of the Group's activities and its value chain on the size of the species population The activities of the Group and its value chain involve the risks of impact on the size of the species population.	✓	o	o	Negative Actual /	Upstream Own operations Downstream	Short Medium Long	Poland, Canada, USA, Chile Contractors - worldwide
Impact on and dependence on ecosystem services							
Impact of the Group's activities and dependence on ecosystem services The Group's activities involve the risk of impact on ecosystem services.	✓	o	o	Negative Actual /	Upstream Own operations Downstream	Short Medium Long	Poland, Canada, USA, Chile Contractors - worldwide
E5 Resource use and circular economy							
Impact of resources, including the use of resources							
Use of natural resources The Group's business model is mostly based on the use of mined raw materials such as copper, silver, molybdenum, nickel, gold, platinum or palladium. The use of these raw materials is associated with the impact on natural resources and the environment that may be difficult or even impossible to reverse.	✓	o	o	Negative Actual /	Upstream Own operations	Short Medium Long	Poland, Canada, USA, Chile Contractors - worldwide
Discharged resources related to products and services Products, materials and packaging other than designed in accordance with CE principles							
Production of metals that can be recycled indefinitely without losing their properties The Group produces metals that can be recycled indefinitely without losing their properties.	✓	o	o	Positive Actual	Own operations Downstream	Short Medium Long	Poland, Canada, USA, Chile Contractors - worldwide
Risks relating to the cost effectiveness of processing (scrap as external copper-bearing materials - feedstock) Materialisation of the risk can increase the cost of the core business.	o	✓	o	N/A	Own operations	Short Medium Long	Poland
Risk associated with the ability to store, discharge, sell or manage waste Materialisation of the risk can result in fines and increased fees for non-compliant waste management, increased storage costs and the risk of indirect liability for actions of third party customers	o	✓	o	N/A	Own operations Downstream	Short Medium Long	Poland
Use of process water in the core business processes Management of production waste - the construction of the water management system can reduce costs of repairs as a result of reduced salinity.	o	o	✓	N/A	Own operations	Long	Poland

Urban Mining Meeting customers' expectations associated with the share of recycling in final products (increasing or maintaining sales margins) can reduce the cost of production feedstock and support the scale-up of copper production.	o	o	✓	N/A	Own operations	Medium Long	Poland
Non-hazardous							
Waste generation The Group generates significant amounts of waste, in particular mining waste, which can have an impact on the environment.	✓	o	o	Negative Actual	Own operations	Short Medium Long	Poland, Canada, USA, Chile
Optimisation of waste management in accordance with the waste handling hierarchy The Group implements solutions to recover valuable materials from waste, supports the implementation of innovative recycling technologies and cooperates with entities that process waste into secondary raw materials.	✓	o	o	Positive Actual	Own operations Downstream	Short Medium Long	Poland, Canada, USA, Chile Contractors - worldwide
Copper recycling - support to the circular economy by recovering copper from scrap Copper recycling supports the circular economy, reducing the demand for primary raw materials and reducing metal waste. By recovering copper from final products it is possible to use existing resources efficiently, leading to reduction in the environmental burden associated with the extraction and processing of primary raw materials.	✓	o	o	Positive Actual	Own operations Downstream	Short Medium Long	Poland - Metallurgical divisions of KGHM Polska Miedź S.A. Contractors - worldwide
Risk associated with the ability to store, discharge, sell or manage waste Materialisation of the risk may result in sanctions related to non-compliance with the provisions of the water law permit, financial losses due to suspending the collection of the full tailings stream and consequently reducing the production or halting the core business.	o	✓	o	N/A	Own operations	Short Medium Long	Poland
Risk of inability to manage increased mine water inflows Materialisation of the risk may result in sanctions for breaching the water permit and financial losses resulting from the limitation or stoppage of the Core Business.	o	✓	o	N/A	Own operations	Short Medium Long	Poland
Investment in waste treatment technologies Modernisations and investment by Centrozłom Wrocław S.A. in waste treatment technologies for waste generated by the Group may contribute to the reduction in waste management costs and, through diversification of operations, to new sources of revenue.	o	o	✓	N/A	Own operations	Long	Poland

S1 Own workforce

Working conditions | Employment security

Providing stable employment conditions and social protection for employees The Group recognises the great importance of creation of stable, secure jobs and the provision of long-term employment, which is reflected, among others, in the low staff turnover and the absence of collective redundancies. Group companies offer extensive social and benefit packages supporting the overall well-being of employees. This approach strengthens the employer-employee relationship and fosters the building of a committed workforce.	✓	o	o	Positive Actual	Own operations	Short Medium Long	Poland, Canada, USA, Chile
Working conditions Social dialogue (dialogue with employees)							
Expanded methods of social dialogue (focus on dialogue with employees) The Group has well-developed social dialogue mechanisms in place, including regular surveys, interviews, satisfaction surveys and other tools that enable employees to report their opinions and problems. Their implementation and maintenance is primarily driven by the Company's organisational culture based on open communication, transparency of activities and active involvement of employees.	✓	o	o	Positive Actual	Own operations	Short Medium Long	Poland, Canada, USA, Chile
Working conditions Freedom of association, existence of employee councils and workers' rights to information, consultation and participation Collective bargaining, including percentage of employees covered by collective agreements							
Cooperation with trade unions, employee councils and functioning of collective agreements The Group has numerous trade unions, while the Company recognises the great importance of social dialogue and cooperation with their representatives. In addition, an employee council is also a significant element of communication between employees and the Management Board. Collective bargaining agreements in force in the Group regulate employment conditions, supporting the maintenance of a balance between the interests of the employer and the employees.	✓	o	o	Positive Actual	Own operations	Short Medium Long	Poland, Chile
Working conditions Diversity							
Low representation of vulnerable groups at risk of exclusion Failure to adequately manage diversity can affect the loss of talent, cause a decline in engagement and innovation among employees.	✓	o	o	Negative Potential	Own operations	Short Medium Long **	Poland, Canada, USA, Chile
Working conditions Work-life balance							
Employee support and work-life balance	✓	o	o	Positive Actual	Own operations	Short Medium	Poland, Canada, USA, Chile

** The impact was assessed as significant in terms of severity, but the likelihood of its occurrence within specific time frames is very low.

The Group consistently supports employees in building their work-life balance by providing an extensive package of non-wage benefits, including subsidised sports activities, medical care, meals and skills development. Moreover, the solutions introduced, such as flexible working hours and a possibility to work remotely, promote the effective balancing of professional and family responsibilities and make an important element of the Group's family-friendly policy.						Long	
Work-related stress and impact on employees' private lives Workers, especially those at risk of serious accidents (e.g. in mines), feel the stress of having to work in a high-risk environment.	✓	o	o	Negative Actual	Own operations	Short Medium Long	Poland, Canada, USA, Chile
Working conditions Health and safety at work							
Fatal accidents, serious injuries and occupational diseases Due to the nature of the mining and metallurgical operations carried out by the Company, both the elimination of the risk of serious workplace incidents - such as fatal and severe accidents, as well as those of a minor nature of occupational and other work-related illnesses - is difficult. The Company's employees are exposed to a number of hazardous, harmful and onerous factors. Therefore, since the beginning of its operations, the Company has been placing a high priority on providing safe and hygienic working conditions to employees. It is successively improving and implementing the latest technical and organisational solutions focusing on improving working conditions.	✓	o	o	Negative Actual	Own operations	Short Medium Long	Poland, Canada, USA, Chile
Comprehensive physical and mental health support programs for employees The Group implements comprehensive measures aimed at caring for the health and well-being of its employees. Health programs provide, among others, access to medical care, regular preventive examinations and psychological support.	✓	o	o	Positive Actual	Own operations	Short Medium Long	Poland, Canada, USA, Chile
Changes in the Occupational Exposure Limits (OEL) and Maximum Allowable Biological Concentration (MAC) for lead and its inorganic compounds as well as for diisocyanates. Materialisation of the risk can lead to the need to adapt production processes and increased costs associated with the modernisation of machinery, additional protective measures, preventive examinations or monitoring of the working environment.	o	✓	o	N/A	Own operations	Short Medium Long	Poland
Possibility of obtaining external support for innovations in the field of OHS Efforts to make greater use of public funds may enable the implementation of innovations that improve occupational safety, develop employee skills and support the Company's transformation, which may ultimately lead to a reduction in operating costs through the co-financing	o	o	✓	N/A	Own operations	Long	Poland

of occupational health and safety investments and reducing costs related to accidents and absenteeism.							
High capacity of the Group and dedicated OHS R&D centers capable of diagnosing and adapting KGHM to changes Preparing a long-term plan for cooperation with reference units may enable the development of modern OHS solutions, improve working conditions and increase employee safety and comfort, which may subsequently lead to decreased operating costs through more effective management, reduced accident rates and absenteeism, as well as more efficient use of resources.	o	o	✓	N/A	Own operations	Medium Long	Poland
Equal treatment and equal opportunities for all Gender equality and equal pay for work of equal value							
Gender pay gap Gender pay inequalities can decrease employee satisfaction and engagement and affect the employer's reputation as a socially responsible entity.	✓	o	o	Negative Potential	Own operations	Short Medium Long**	Poland, Canada, USA, Chile
Equal treatment and equal opportunities for all Training and skills development							
Opportunities to develop skills/competence The Group provides a wide range of training activities tailored to employees' expectations, influencing career development and increasing commitment to work.	✓	o	o	Positive Actual	Own operations	Short Medium Long	Poland, Canada, USA, Chile
Potential of implementing a long-term follow-up program in the Company and occupational adaptation programs Building an effective and inclusive organisational culture may support the acquisition and development of employee competencies, facilitate the implementation of development programs for new key competence and age management programs, which may consequently influence operating costs by reducing costs of recruitment, turnover and absenteeism and more effective use of human resources.	o	o	✓	N/A	Own operations	Medium Long	Poland
Equal treatment and equal opportunities for all Measures aimed at preventing violence and harassment in the workplace							
Incidents of discrimination, bullying or violence in the workplace and their psychological effects on employees Incidents of discrimination, bullying or violence in the workplace can lead to severe psychological stress of employees, reduce their commitment and negatively affect the atmosphere in the team and work performance. Due to the large scale of the workforce, the potential impact of such situations	✓	o	o	Negative Potential	Own operations	Short Medium Long**	Poland, Canada, USA, Chile

** The impact was assessed as significant in terms of severity, but the likelihood of its occurrence within specific time frames is very low.

can have a material impact on both employees and the functioning of the organisation as a whole.							
S2 Employees in the value chain							
Working conditions Employment security							
High impact on the local economy and employment The Group has a significant influence on the stability of the local labour market and supporting the economy. The scale of procurement and long-term cooperation with suppliers are conducive to the business activity of these entities, which can indirectly support employment in local communities. The suppliers are required to declare their adherence to international human rights standards, including the prohibition of forced and child labour, elimination of abuse and ensuring compliance with local labour laws, reinforcing minimum ethical standards across the value chain.	✓	o	o	Positive Actual	Upstream Own operations	Short Medium Long	Contractors - worldwide
Working conditions Working time Adequate wages							
Unintentional indirect support to unethical practices in suppliers' companies As it is not possible to fully verify the labour practices of every supplier, including small and medium-sized enterprises (SMEs), a likelihood exists that some of them may apply practices which are unethical or non-compliant with the Company's values and the Labour Code.	✓	o	o	Negative Potential	Upstream Own operations	Short Medium Long **	Contractors - worldwide
Impact on decent employment conditions in direct suppliers' companies The Group's presence in the market contributes to the creation of jobs in contractors' companies, thus supporting the development of employment in the region. Stable cooperation with suppliers and timely payment of liabilities ensure the financial liquidity of entities in the supply chain, enabling them to maintain employment and ensure that employees are paid wages.	✓	o	o	Positive Actual	Upstream Own operations	Short Medium Long	Contractors - worldwide
Working conditions Social dialogue (dialogue with employees in the value chain) Freedom of association, existence of employee councils Collective bargaining							
Unethical practices in the supply chain and lack of verification in terms of respect for human rights, including freedom of association The lack of adequate verification mechanisms, low levels of awareness and limited communication about human rights violations and ethical standards may lead to the reinforcement of unethical practices in the supply chain. Apart from declarations, the Company does not carry out	✓	o	o	Negative Potential	Upstream Own operations	Short Medium Long **	Contractors - worldwide

** The impact was assessed as significant in terms of severity, but the likelihood of its occurrence within specific time frames is very low.

systematic audits to verify the respect for human rights, including freedom of association, which increases the risk of violations at suppliers' plants.							
Working conditions Work-life balance							
Working with suppliers violating the work-life balance rules leading to excessive workload of employees Cooperation with suppliers who do not adhere to the work-life balance rules can lead to violation of both ethical and legal standards. Work-related stress resulting from overtime, shift work and accident-exposed conditions negatively affects employees' private lives, leading to professional burnout and health problems.	✓	o	o	Negative Potential	Upstream Own operations	Short Medium Long**	Contractors - worldwide
Working conditions Health and safety at work							
Working with suppliers using unlawful or unethical health and safety practices involves the risk of serious regulatory violations and accidents - including fatal accidents or serious workplace injuries. Collaboration with suppliers using unlawful or unethical health and safety practices can lead to violation of law, compromised safety standards and an increased risk of serious incidents, including fatal accidents. Such practices can negatively affect the Group's companies leading to legal, financial and reputational consequences.	✓	o	o	Negative Potential	Upstream Own operations	Short Medium Long**	Contractors - worldwide
Equal treatment and equal opportunities for all Gender equality and equal pay for work of equal value Training and skills development							
Collaboration with suppliers using unlawful or unethical equal opportunities practices, including gender equality, equal pay for work of equal value and access to training and skills development. Collaboration with contractors using unlawful or unethical equal opportunity practices, including unequal treatment, lack of equal pay or limiting access to training and development, can damage the Company's reputation, lead to legal risks and loss of stakeholder trust. Such measures can also be perceived by employees as an acceptance of inequality, which decreases morale, increases turnover and undermines the involvement in the organisation.	✓	o	o	Negative Potential	Upstream Own operations	Short	Contractors - worldwide
Availability of specialised global corporations implementing large investments The development of competence and access to highly qualified specialists and best practices as well as modern management methods can support	o	o	✓	N/A	Upstream Own operations Downstream	Medium Long	Worldwide

** The impact was assessed as significant in terms of severity, but the likelihood of its occurrence within specific time frames is very low.

the maintenance and growth of revenues and stabilise costs, limiting the risk of their growth.							
Equal treatment and equal opportunities for all Measures aimed at preventing violence and harassment in the workplace							
Collaboration with suppliers using illegal or unethical practices in terms of prevention of violence and harassment at a workplace Collaboration with contractors using illegal or unethical practices to prevent violence and harassment at a workplace can lead to violation of ethical standards and legal regulations. It can also damage the Company's reputation, affect the legal position and lead to the loss of trust, higher staff turnover and lower morale.	✓	o	o	Negative Potential	Upstream Own operations	Short Medium Long**	Contractors - worldwide
Equal treatment and equal opportunities for all Diversity Employment and integration of people with disabilities							
Collaboration with suppliers using illegal or unethical practices in terms of employment and integration of people with disabilities Collaboration with contractors using illegal or unethical practices in terms of diversity as well as employment and integration of people with disabilities can lead to discrimination, inequality and insufficient integration in the workplace, negatively affecting the Company's image and perception as a responsible business partner.	✓	o	o	Negative Potential	Upstream Own operations	Short Medium Long**	Contractors - worldwide
Equal treatment and equal opportunities for all Child labour Forced labour							
Collaboration with suppliers applying illegal or unethical practices, such as use of child labour or forced labour Collaboration with contractors who use illegal or unethical practices, such as the use of child or forced labour, can lead to serious violation of legal and ethical standards, carrying reputational, legal and financial risks.	✓	o	o	Negative Potential	Upstream Own operations	Short Medium Long**	Contractors - worldwide
Equal treatment and equal opportunities for all Adequate housing conditions Water and sanitary conditions Privacy							
Collaboration with suppliers who do not provide workers with adequate living conditions, including sufficient accommodation, access to clean water, adequate sanitary conditions and respect for the right to privacy. Collaboration with contractors who use unlawful or unethical practices with regard to employees' living conditions - including the provision of substandard accommodation, lack of access to clean water, adequate sanitary conditions and violation of the right to privacy - can lead to violation of fundamental human rights, labour law regulations and data	✓	o	o	Negative Potential	Upstream Own operations	Short Medium Long**	Contractors - worldwide

** The impact was assessed as significant in terms of severity, but the likelihood of its occurrence within specific time frames is very low.

protection regulations, as well as have legal and ethical implications for the Group.							
S3 - Affected communities							
Economic, social and cultural rights of community members Adequate housing conditions							
Noise and odours - impact on neighbourhood (metallurgical facilities and mines) The Group's operations - particularly the metallurgical facilities and mines - may involve periodic impacts on the environment, such as noise and odour emissions. Although all of the Group's units operate in accordance with applicable legal standards, under certain conditions (e.g. specific wind direction or intensification of works) residents of nearby areas may be negatively impacted.	✓	o	o	Negative Actual	Own operations	Short Medium Long	Poland
Economic, social and cultural rights of community members Impact on land							
Mining and post-mining damage Mining activities resulting in damage to local infrastructure.	✓	o	o	Negative Actual	Own operations	Short Medium Long	Poland
Economic, social and cultural rights of community members Impact on safety							
Negative impact on the safety of residents in the event of failures or disasters in plants Potential threat to health, life and damage to property in surrounding areas.	✓	o	o	Negative Potential	Own operations	Short Medium Long**	Poland, USA, Chile
Economic, social and cultural rights of community members Other: impact on health							
Positive impact on health of local communities The Group actively supports the health of local communities by funding preventive programs, organising sports events and working with municipalities to improve the health condition of residents.	✓	o	o	Positive Actual	Own operations	Short Medium Long	Poland, Canada, USA, Chile
Impact of arsenic emissions from metallurgical activities on human health Modern process management technologies mean that arsenic emissions are negligible, in line with Group companies' permits.	✓	o	o	Negative Potential	Own operations	Short Medium Long**	Poland
Economic, social and cultural rights of community members Other							

** The impact was assessed as significant in terms of severity, but the likelihood of its occurrence within specific time frames is very low.

Positive impact on social, cultural, sports and educational life (social capital) The Group is involved in the social life of the region through cultural, educational and sports activities, strengthening the integration of local communities.	✓	o	o	Positive Actual	Own operations	Short Medium Long	Poland, Canada, USA, Chile
Positive impact on development of local communities through taxes and scale of employment The Group generates revenue for local authorities through the payment of taxes, which enables public investment and infrastructure development in the region. The Group's companies create jobs, which has the effect of reducing unemployment and increasing employment among local residents.	✓	o	o	Positive Actual	Own operations	Short Medium Long	Poland, Canada, USA, Chile
Rights of indigenous peoples Prior, free and informed consent Self-determination Cultural rights							
Failure to provide opportunities for voluntary and informed consent of indigenous peoples, violation of the right to self-determination and violation of the cultural rights of these peoples (applies to foreign assets) The current activities of the Group do not lead to direct violation of the rights of indigenous peoples - both in terms of the right to self-determination and the protection of cultural rights. A lack of constructive dialogue and the development of common, acceptable solutions with local communities could lead to difficulties in building trust and social acceptance. Consequently, it could result in an escalation of conflicts, delays in project implementation and a loss of reputation, as well as difficulties in obtaining the necessary approvals and the progress of projects to the next stages. It is particularly important to take into account aspects relating to the protection of cultural heritage and traditions, which is a key element of the responsible approach to investment in regions inhabited by indigenous peoples.	✓	o	o	Negative Potential	Own operations	Short Medium Long**	Canada
Collaboration with indigenous peoples based on the principles of dialogue, partnership and respect for cultural rights The conclusion of IBAs (<i>Impact and Benefit Agreements</i>) with the communities of Atikameksheng Anishnawbek and Sagamok Anishnawbek as an example of best practice in terms of respect to the rights of indigenous peoples, in accordance with the principles of prior, free and informed consent (FPIC).	✓	o	o	Positive Actual	Own operations	Short Medium Long	Canada

S4 Consumers and end users

Information-related impacts on consumers or end-users | Personal safety of consumers or end-users

** The impact was assessed as significant in terms of severity, but the likelihood of its occurrence within specific time frames is very low.

Impact on health status of patients and spa guests The positive impact results from the high quality of medical services and the comprehensive care patients receive during their stay in a spa resort or a hospital. High-quality services and monitoring of health progress are conducive to improving their condition. The continuing interest in our facilities confirms the trust of patients and the high evaluation of the care provided.	✓	o	o	Positive Actual	Own operations	Short Medium Long	Poland
Loss of sensitive personal data A leakage of sensitive data from the spa companies and "Mieciowe Centrum Zdrowia" S.A. belonging to the Group, including medical data of patients or visitors, can lead to serious legal and reputation consequences. A violation of data protection legislation (GDPR) in such a case would result in imposing financial penalties and a loss of trust of both patients and the general public.	✓	o	o	Negative Potential	Own operations	Short Medium Long**	Poland
G1 Business conduct							
Corporate culture							
Lack of clarity of rules and unacceptable behaviour among office workers (clerical and operational staff) Insufficient clarity of rules and unacceptable behaviour among employees can lead to violation of ethical standards and an increased risk of unethical practices, such as breaches of security procedures, fraud or dishonest activities. Such situations can result in incidents and loss of reputation of the Group as well as legal and financial consequences.	✓	o	o	Negative Potential	Own operations	Short Medium	Poland, Canada, USA, Chile
Lack of clarity in rules and expectations towards external stakeholders (contractors, local communities) Insufficient clarity of rules, expectations and unacceptable behaviour towards key external stakeholders can affect perception and interaction with the Group. Consequently, this can lead to misunderstandings, limited understanding of expectations and impediments to cooperation.	✓	o	o	Negative Potential	Upstream Own operations Downstream	Short Medium	Poland, Canada, USA, Chile Contractors - worldwide
New technologies and IT management systems New technologies and IT management systems, including integrated solutions from the area of projects, portfolios, risks and strategy (increasing the efficiency of organisational units, tightening sales procedures - fraud risk), can enhance process transparency and reduce, e.g. the risk of corruption and fraud, which can lead to cost stabilisation	o	o	✓	N/A	Own operations	Medium Long	Poland

** The impact was assessed as significant in terms of severity, but the likelihood of its occurrence within specific time frames is very low.

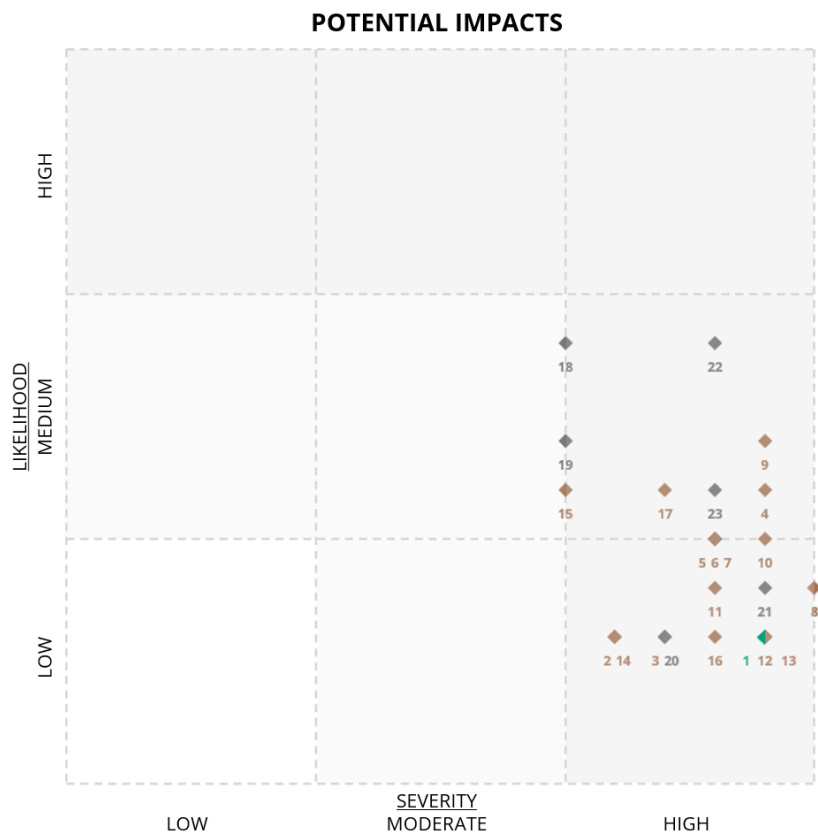
and lower future capital expenditure or reduce losses resulting from irregular or inefficient processes.							
Protection of whistleblowers							
Inadequate whistleblower protection and negative consequences of reporting concerns or irregularities Inadequate whistleblower protection can affect employees' confidence in the Group's internal systems and willingness to report irregularities. This can lead to the escalation of problems and undermine the corporate culture.	✓	o	o	Negative Potential	Own operations	Short Medium Long **	Poland, Canada, USA, Chile
Supplier relationship management, including payment practices							
Collaboration with suppliers who do not adhere to responsible business standards (environment, human rights, business ethics) In the case of external suppliers, the Group relies to a major extent on declarations and statements. The lack of detailed verification of their practices may result in unconscious support of activities that do not comply with social and environmental responsibility standards - such as violation of human and labour rights, violation of business ethics (including corruption), or environmentally harmful activities.	✓	o	o	Negative Potential	Upstream	Short Medium Long **	Contractors - worldwide
Positive impact on suppliers and their financial condition Transparency of cooperation rules, scaling of orders and assurance of payment within the time limits agreed affect the financial condition of suppliers.	✓	o	o	Positive Actual	Upstream	Short Medium Long	Contractors - worldwide
Optimisation of work and development of the potential of KGHM Group companies Developing a method of support and cooperation in the area of fund raising for selected areas and projects, as well as developing a catalogue of competence and scopes of action for Group companies, including the assignment of specific competence and activities, may translate into reduced operating costs and potential financial benefits resulting from improvement in the efficiency of Group companies.	o	o	✓	N/A	Own operations	Long	Poland, Canada, USA, Chile
Corruption and bribery Prevention and detection, including training Incidents							
Potential incidents of corruption Corruption can occur in various areas of Group companies' activities, including contracting, tenders or relations with suppliers and other stakeholders. Such cases can lead to unfair procurement, favouring certain	✓	o	o	Negative Potential	Upstream Own operations Downstream	Short Medium Long	Poland, Canada, USA, Chile Contractors - worldwide

** The impact was assessed as significant in terms of severity, but the likelihood of its occurrence within specific time frames is very low.

entities, while regulatory violations and can also have serious legal and reputational consequences.							
Risk of non-compliance with legal regulations and anti-corruption rules and procedures adopted in the Group A materialisation of the risk may involve potential losses related to loss of counterparties' confidence, loss of current or planned contracts and the costs of litigation and potential claims for damages.	o	✓	o	N/A	Upstream Own operations Downstream	Short Medium Long	Poland, Canada, USA, Chile Contractors - worldwide
Other							
Occurrence of a personal data breach A data breach can directly affect the privacy and information security of employees, customers and business partners. This can lead to the loss of stakeholder trust, reduced sense of security in the relationship with the Group and have a negative impact on the perception of the organisation in the environment.	✓	o	o	Negative Potential	Upstream Own operations Downstream	Short Medium Long**	Poland, Canada, USA, Chile Contractors - worldwide
Increased investment potential as a result of new strategic partnerships and policies Refers to strategic political or economic initiatives launched at the EU and national level, the implementation of which - in line with the principles of transparency and responsible business practice - can reduce investment and stabilise costs.	o	o	✓	N/A	Own operations	Medium Long	Poland

** The impact was assessed as significant in terms of severity, but the likelihood of its occurrence within specific time frames is very low.

Chart 40. Chart showing material potential impacts in relation to their severity and likelihood of occurrence.



List of potential impacts (-) indicates negative and (+) indicates positive):

Environmental (E)

1 (-) Negative environmental impact on the value chain resulting from significant pollution generated by contractors and joint venture projects

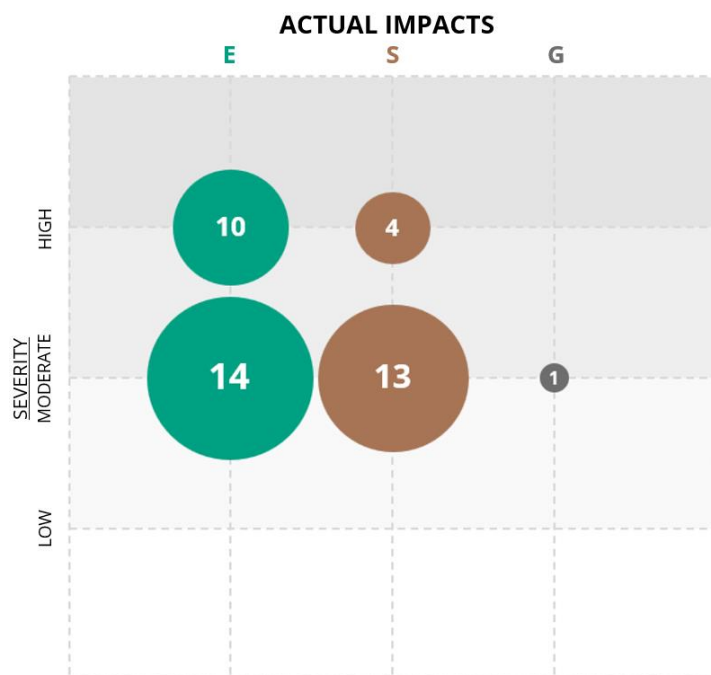
Social (S)

- 2 (-) Low representation of vulnerable groups at risk of exclusion
- 3 (-) Gender pay gap
- 4 (-) Incidents of discrimination, bullying or violence in the workplace and their psychological effects on employees
- 5 (-) Unintentional indirect support to unethical practices in suppliers' companies
- 6 (-) Unethical practices in the supply chain, including lack of verification of respect for human rights (...)
- 7 (-) Cooperation with suppliers violating the work-life balance (...)
- 8 (-) Working with suppliers using unlawful or unethical health and safety practices involves the risk of serious regulatory violations and accidents - including fatal accidents or serious workplace injuries.
- 9 (-) Collaboration with suppliers using illegal or unethical practices in terms of equal opportunities (...)
- 10 (-) Collaboration with suppliers using illegal or unethical practices in terms of prevention of violence and harassment at a workplace
- 11 (-) Collaboration with suppliers using illegal or unethical practices in terms of employment and integration of people with disabilities
- 12 (-) Collaboration with suppliers applying illegal or unethical practices, such as use of child labour or forced labour
- 13 (-) Collaboration with suppliers who do not provide adequate living conditions for employees (...)
- 14 (-) Negative impact on the safety of residents in the event of failures or disasters in plants
- 15 (-) Impact of arsenic emissions from metallurgical activities on human health
- 16 (-) Failure to provide opportunities for voluntary and informed consent of indigenous peoples, violation of the right to self-determination and violation of the cultural rights of these peoples (...)
- 17 (-) Loss of sensitive personal data

Related to corporate governance (G)

- 18 (-) Lack of clear rules and unacceptable behaviour among employees (...)
- 19 (-) Lack of clarity in rules and expectations towards external stakeholders (contractors, local communities)
- 20 (-) Insufficient whistleblower protection (...)
- 21 (-) Dealing with suppliers who do not comply with responsible business conduct standards (...)
- 22 (-) Potential incidents of corruption
- 23 (-) Occurrence of a personal data breach

Chart 41. Graph showing the number of material real impacts in relation to their severity.



Environmental impacts (E)

- (+) Production of key metals for a low-carbon economy and technological transformation
- (-) Direct emissions of greenhouse gases (Scope 1)
- (-) Indirect greenhouse gas emissions (Scope 2 and Scope 3) (...)
- (-) Energy intensity of processes
- (-) Air quality
- (-) Water quality
- (-) Soil quality
- (-) Manufacture and use of potentially hazardous substances
- (-) Manufacture and use of substances of very high concern
- (-) Water consumption in technological processes
- (-) Use of water from surface and groundwater sources (...)
- (+) Use of water from dehydration of mining plants in technological processes (...)
- (-) Discharge of large volumes of industrial wastewater (...) from the Żelazny Most Tailings Storage Facility (...)
- (-) Change in land use
- (-) Mining operations
- (-) Emission of pollutants
- (-) Degradation of land as a result of the Group's operations
- (-) Impact of the Group's activities and its value chain on the size of a species' population
- (-) Impact of the Group's activities and dependence on ecosystem services
- (+) Initiatives supporting biodiversity in the Group's areas of operation
- (-) Use of natural resources
- (+) Production of metals that can be recycled indefinitely (...)
- (-) Waste generation
- (+) Optimisation of waste management in accordance with the waste handling hierarchy (...)
- (+) Copper recycling - Supporting the circular economy by recovering copper (...)

Social impacts (S)

- (+) Providing stable employment conditions and social protection for employees
- (+) Expanded methods of social dialogue (focus on dialogue with employees)
- (+) Cooperation with trade unions, employee councils and functioning of collective agreements
- (+) Employee support and work-life balance
- (-) Work-related stress and impact on employees' private lives
- (-) Fatal accidents, serious injuries and occupational diseases
- (+) Comprehensive physical and mental health support programs for employees
- (+) Opportunities to develop skills/competence
- (+) High impact on the local economy, employment and working conditions at suppliers
- (+) Impact on decent employment conditions in direct suppliers' companies
- (-) Noise and odours - impact on neighbourhood (metallurgical facilities and mines)
- (-) Mining and post-mining damage
- (+) Positive impact on health of local communities
- (+) Positive impact on social, cultural, sports and educational life (social capital)
- (+) Positive impact on development of local communities through taxes and scale of employment
- (+) Collaboration with indigenous peoples based on the principles of dialogue, partnership and respect for cultural rights
- (+) Impact on the health status of patients and spa guests

Corporate governance impacts (G)

- (+) Positive impact on suppliers and their financial condition

The table below summarises the changes resulting from the 2025 double materiality assessment review compared to the impacts, risks and opportunities identified in the previous reporting year.

Table 102. Summary of the impacts, risks, and opportunities identified as part of the 2025 double materiality assessment review

Issue	Comments
Receipts	
<i>Impacts identified as significant that have been added:</i>	
E3 Use of water from mine dewatering in technological processes and recycling of process water, contributing to reduced consumption of surface and groundwater	The inclusion of this impact in the current reporting period stems from the incorporation of new information provided by stakeholders and the expansion of the scope of analysis as part of the DMA review. As a result, the Group has identified a new positive impact related to the reduction of water intake from surface and groundwater sources, which constitutes a significant element of the protection of valuable water resources. The use of water from mine dewatering in technological processes and the reuse of process water help reduce the need for external water intake, particularly from surface and groundwater sources.
E4 Change in land use	This impact was taken into account in the context of the investment plans announced in 2025. The DMA review considered the Group's diverse business activities, carried out in numerous locations. In particular, it assessed development projects related to the construction of new production assets that may contribute to changes in land use.
E4 Impact of the Group's activities on ecosystem services and dependence on them	In light of the value chain assessment conducted in 2025 and growing regulatory requirements, the Group has identified a potential negative impact associated with the Group's operations and its value chain, which could lead to habitat alteration and affect local ecosystems.
S3 Cooperation with indigenous peoples based on dialogue, partnership, and respect for cultural rights	In light of growing stakeholder expectations and the signing in 2025 of an Impact and Benefit Agreement (IBA) with the Atikameksheng Anishnawbek community, which serves as a model of best practices in respecting the rights of Indigenous peoples, KGHM INTERNATIONAL LTD. Group has identified a new positive impact as part of its DMA review, concerning the strengthening of sustainable relationships and cooperation with local communities.
<i>Impacts identified as immaterial and therefore excluded:</i>	
E2 Use of industrial dusts for the production of refined lead	As part of the DMA review, the Group reassessed the impact related to the use of lead from dust within the circular economy. The analysis showed that this impact is not material to the Group's financial results. Consequently, a decision was made to remove it from the list of impacts.
S1 Occurrence of overtime and shift work	As part of the 2025 DMA review, the Group took into account new information regarding work time management. The assessment also took into account the specific nature of the business, its operation in full compliance with applicable laws, employees' consent to such work arrangements, and the fact that employees receive full information about the shift system and the possibility of overtime work before signing their employment contracts. Consequently, after applying the qualitative filter, the impact was deemed immaterial.
S1 Failure to adequately consider employees' opinions and needs	As part of the DMA review, the Group reassessed the severity of the impact related to the insufficient consideration of employees' opinions and needs. The assessment took into account new information regarding employee dialogue practices, as well as the management mechanisms and internal communication channels in place. As a result, the severity of the impact was reduced and deemed immaterial.
S3 Positive impact on local nature, environmental campaigns, environmental education and ecological awareness building	As part of the DMA review, a review was conducted of the measures taken to raise environmental awareness and of the environmental protection programs implemented in 2025. As a result, despite the severity of the impact exceeding the materiality threshold, a qualitative filter was applied, on the basis of which it was determined that the impact is not material at the Group level.
G1 Negative impact of the Company on the condition and/or liquidity of suppliers (especially SMEs) through long payment terms	This impact has been removed due to new information obtained from business partners through stakeholder dialogue, an analysis of internal control mechanisms, and the absence of incidents or legal proceedings in this regard. Despite the very low likelihood of payment delays, the Group considers this issue significant due to its potential severity for suppliers. Nevertheless, after applying a qualitative filter and taking into account the aforementioned dialogue and analyses, the Group determined that the impact should be reclassified as immaterial.

Risks

Risks identified as significant that have been added:

E5 Risks relating to the cost effectiveness of processing (scrap as external copper-bearing materials - feedstock)

The risk was deemed significant in light of the adverse developments observed in the copper scrap market, particularly the limited availability of raw materials. Given its potential impact on operating costs and financial results, this risk was classified as significant from a financial perspective.

Risks identified as immaterial that have been eliminated:

E2 Risk of exceeding the permissible emission limits set forth in permits

The Group conducted a review of the potential risk of exceeding the permissible limits for arsenic emissions into the air. An analysis of current data confirmed that the observed emission levels remain well below the applicable limits. The level of uncertainty was assessed as low, and the situation is subject to ongoing monitoring in the area of compliance, which also contributed to a lower assessment of its materiality.

E2 Risk of environmentally hazardous spills (KGHM INTERNATIONAL LTD. Group)

The Group conducted a review of the potential risk of environmentally hazardous leaks and their possible impact on financial matters. As a result of the analysis, its potential financial impact was assessed as very low, taking into account the scale of consequences should the risk materialize, which also led to a change in the assessment of its materiality.

E5 Lack of relevant permits for waste collection and treatment, or loss of permits already held

As a result of the implemented mitigation measures and an analysis of existing and obtained administrative and environmental permits, a decision was made to lower the assessment of the potential financial impact of this risk, which also led to a change in its materiality assessment. At the same time, the risk remains under ongoing monitoring in the compliance area..

Opportunities

Opportunities identified as significant that have been added:

E1 Launching the production of cast iron tubing for mine shaft applications

In light of the current market situation, increasing regulatory requirements, and planned investments, the Group has identified a new opportunity that could help reduce operating costs by cutting electricity, gas, and water consumption, as well as reducing the amount of waste generated.

E5 Investment in waste treatment technologies

In light of the current market situation, increasing regulatory requirements, and planned investments, the Group has identified a new opportunity that could help reduce operating costs in the area of waste management while also serving as a potential source of new revenue.

G1 Increased investment potential as a result of new strategic partnerships and policies

In light of the current market situation, increasing regulatory requirements, and planned investments, the Group has identified a new opportunity that could help reduce capital expenditures and stabilize operating costs.

The Company's business model and adopted strategy have been designed to ensure their consistency and resilience in the face of changing external and internal conditions. As part of its operational activities, the Company has implemented appropriate management processes and procedures that enable the systematic identification and leveraging of emerging business opportunities, as well as the effective monitoring and mitigation of operational risks. In the event of significant changes in the market environment or the Company's internal situation, as well as in matters of strategic importance, KGHM Polska Miedź S.A. undertakes adaptive measures by reviewing and updating its adopted assumptions and development directions. The objective of these actions is to ensure flexible adaptation to the evolving environment, maintain operational stability, effectively deliver on business objectives, and support the long-term and sustainable development of the Group.

The Group does not undertake a separate quantitative study of the resilience of the business model and the Strategy to identified impacts in terms of ESRS standards. At the same time, a qualitative assessment of the resilience of the business model and Strategy to the identified environmental, social and governance-related risks and impacts was performed. This assessment indicates that the Group remains resilient to these factors across the time horizons adopted for the purposes of the double materiality assessment (DMA). It should also be noted that key environmental and employee issues, such as CO₂ emission reduction, scrap recycling rates or occupational health and safety as well as local communities' support, are strategic KPIs monitored in the course of the Strategy implementation reviews and disclosed to the public as part of periodic reporting.

Furthermore, the Group's exposure to the identified risks is continuously monitored within the risk management system operating in the Group (a detailed description is provided in [section 1.5 Risk Management](#)).

The Group has defined material potential opportunities in accordance with the methodology described in [IIRO 11 Description of the process used to identify and assess material impacts, risks and opportunities](#). In order to confirm the legitimacy of these opportunities, their potential impact on financial results was assessed.

The Group has not introduced any changes to the Strategy or its business model as a direct result of material impacts, risks and opportunities. The existing Strategy has been developed taking into account key ESG factors and remains consistent with the results of the double materiality assessment. The implementation of the measures arising from identified impacts, risks and opportunities takes place through existing management mechanisms and mitigating measures, while any adjustment needs will be addressed through cyclical strategic reviews.

Material risks and their links with the strategy and business model

A detailed description of the individual risks, their potential impact and information on mitigation (how the potential impact will be addressed or is planned to be addressed) is provided in [section 1.5 Risk Management](#) in the Management Board's Report.

The risk management process comprises the identification, assessment, analysis, response and monitoring of risks in the strategic, operational and ESG contexts, and is supervised by the Management Board of the Company and the Corporate Risk and Compliance Committee.

Each risk is assessed in terms of its potential financial, strategic, environmental, social, reputation, legal compliance and business continuity impact. A Risk Model consisting of six categories is used for the identification: Technological, Value Chain, Market, External, Internal and Climate Risk, broken down into subcategories corresponding to the Group's business areas.

Key risks are subject to an in-depth analysis and, based on the results, Risk Response Plans and adaptation actions are developed, including the allocation of necessary resources. Monitoring is carried out using, among others, the Key Risk Indicators (KRIs), which enable early detection of changes in the risk profile and a flexible response to events.

The approach to the ESG risk is two-pronged and includes both mitigating negative impacts and optimising risk-taking capacity. The double materiality assessment takes into account the Group's impact on people and the environment and the potential impact of sustainability factors on the financial results of the Company.

A comprehensive risk management system supports the implementation of the Strategy and the stability of the Group's business model, ensuring organisational resilience, mitigation of the negative impact of risks and a possibility to capitalise on emerging opportunities. Management mechanisms and risk response processes are closely linked to the achievement of the Group's strategic objectives, enabling business decisions to be taken in line with the operating model adopted. Risk identification and assessment allows for the inclusion of risks in strategic planning, capital allocation and development initiatives, ensuring that the Strategy and the business model remain resiliently aligned with the changing market, regulatory, and ESG environment.

Anticipated financial impact of material risks and opportunities in the context of strategy and governance

In the reporting period, there were no events or circumstances involving material risks and opportunities that would have a current impact on the entity's financial position, financial performance or cash flows, or that would pose a material risk of a material adjustment to the carrying amounts of assets and liabilities in the next annual reporting period (in 2026).

The Company, in accordance with its decision, is exercising its option in the current year to omit the disclosure set out in ERS 2 SBM-3(48)(e) regarding the anticipated financial impact of material risks and opportunities on the Group's financial position, financial performance and cash flows in the short, medium and long term, including a reasonably expected time horizon for these impacts.

[E1 SBM-3] Material risks and their interrelationship with the climate change strategy and business model

The Group applies a structured process for the identification and assessment of risks related to climate change, which forms an integral part of the Corporate Risk Management process of the KGHM Polska Miedź S.A. Group. The process is based on the principles of ISO 31000, best practice in risk management and takes into account the specific nature of the Group's business, including ESG factors.

Scenario analyses are conducted annually and cover the entire Group and the value chain.

The process starts by identifying the external and internal context, including regulatory, organisational and technological factors. Scenario analyses of climate change pathways and weather patterns, as well as scenarios for the transition to a low-carbon economy, play a particular role in this case.

As part of the process of identifying and assessing climate risks, the Group carries out scenario analysis based on internationally recognised energy transition pathways and climate projections published by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC).

In particular, the following IEA transformation scenarios are taken into account:

- Stated Policies Scenario (STEPS),
- Announced Pledges Scenario (APS),
- Net Zero Emissions by 2050 (NZE2050),

as well as IPCC climate scenarios relating to the trajectory of greenhouse gas concentrations and temperature increases, including:

- RCP4.5,
- RCP8.5,
- SSP5-8.5.

These scenarios allow for the assessment of both regulatory, technological and market transition risks and physical risks arising from changes in weather patterns and the intensification of extreme and chronic climatic events in the medium to long term.

The most important outcome of the process is the identification of climate risks that may affect the Group's operations both directly and indirectly. The Group classifies climate risks in two main categories: physical and transition-related.

Physical climate risk

Table 103. Acute physical risk related to sudden weather events resulting from climate change.

Risk	Description of risks and risk factors	Mitigation
Acute physical risk related to sudden weather events resulting from climate change.	In the corporate risk management process (which includes analysis of physical scenarios – medium and high emission), the following key factors have been identified that may cause materialisation of acute physical risk: Thick snow cover Accumulated dry days (drought) Strong/fierce winds Heavy daily rainfall Very frosty days	– Monitoring of weather forecasts (also the status of the Odra River). Ongoing readings of water quality status at the Żelazny Most Tailings Storage Facility. Continuous maintenance of pumps and the need to maintain reserves. – Ongoing and planned measures in terms of reducing the quantity and improving the quality of industrial water in technological processes. – Continued and planned measures to reduce process and mine water in the Żelazny Most Tailings Storage Facility. – Monitoring of the compliance of activities undertaken with the permits issued. – Appointment of task forces and expert teams in the area of counteracting the effects of the materialized extreme weather events on business continuity and development of instructions on the procedure in case of emergency situations. – Ongoing communication and cooperation with utility suppliers concerning potential supply interruptions. – Periodic overhauls of key infrastructure equipment on the basis of predetermined schedules. – Preventive management of key infrastructure elements affecting production continuity and application of crisis response procedures. – Active search for technical and technological solutions to reduce the negative impact of operations on the climate, including technologies that enable remote control and reduce response times. – Ongoing monitoring of the microclimate parameters and introduction of remote control and visualisation and surveillance systems in workplaces with particularly adverse climate parameters. – The Mine-Smelter Emergency Rescue Division of KGHM Polska Miedź S.A. ensures the safety of employees and
	Materialisation of this risk may have an adverse impact on both the infrastructure and on working conditions and employee safety. Acute weather events as a consequence of climate change may result in restrictions in operations both as a result of damage to infrastructure and the occurrence of temporary hindrances and interruptions in individual elements of the value chain (e.g. utility supply, logistics disruption). In relation to the KGHM core business, the significant (key) factors include: – days without precipitation (droughts) due to, among others: potential restrictions on the availability of water for the needs of the core business processes and the level of the Odra River, which affects the quantity and management of process water; – strong/violent winds that may cause interruptions in the supply of electricity or other utilities (e.g. as a result of damage to the transmission grids). For KGHM INTERNATIONAL LTD. the major exposure relates to factors associated with very cold days, thick snow cover, heavy daily precipitation, days without precipitation (droughts) and strong/fierce winds. The potential materialisation of the risk in question may involve increased costs relating to the remedying of the adverse consequences of risk materialisation in the form of increased operating costs, maintenance work, energy consumption and other losses, e.g. associated with the suspension of production. The consequences of such materialisation are examined on a case by case basis for the individual elements of the value chain of KGHM Polska Miedź S.A.	

			provides comprehensive assistance in dealing with the effects of natural hazards and acute physical events associated with climate change, while ensuring the safety of people and facilities.		
			– Twice a year, successful tests are conducted to supply power to key facilities in the mines and at the Głogów Copper Smelter and Refinery, focusing on the use of electricity from CCGT units operating within KGHM's separate power system in the event of a blackout in the National Power System.		
Chronic physical risk related to permanent changes in weather patterns resulting from climate change	As part of the corporate risk management process (including the analyses of physical scenarios – medium and high emission scenarios), the following chronic physical risk materialisation factors have been identified:				
	<table><tr><td>Change in average temperature</td><td>Change in total precipitation</td><td>Change of wind intensity</td></tr></table> Materialisation of this risk may lead, among other things, to changes in the conditions in which the operations must be conducted, interruption of business continuity of the Core Production Business, including higher and faster depreciation of infrastructure components than before. Permanent changes in weather patterns as a consequence of climate change can also increase the onerousness of work (e.g. as a result of changes in the average daily temperature, changes in wind intensity, changes in the number of days with snow cover) and consequently necessitate the provision of additional personal protective equipment and reorganisation of work. The potential materialisation of this risk may involve increased costs relating to the upgrading or replacement of individual infrastructure components and increased costs of higher consumption of energy used, for example, for cooling processes. The consequences of materialisation may be presented for the individual elements of the Parent Entity's value chain.	Change in average temperature	Change in total precipitation	Change of wind intensity	
Change in average temperature	Change in total precipitation	Change of wind intensity			

Transition-related climate risk

Table 104. Transition-related climate risk

Risk	Description of risks and risk factors	Mitigation
Regulatory risk related to changes in legal requirements concerning climate change and adaptation to its effects	Increasingly stringent legal requirements governing climate change may directly and indirectly affect the activities of KGHM Polska Miedź S.A. This pertains to both European regulations as well as requirements at the domestic level, which will be effectively enforced. The planned full implementation of the European Green Deal in the national climate and energy documents and frameworks for 2030 and the implementation of the EU climate neutrality target up till 2050 can have a material impact. Misinterpretation or failure to comply with the new legal requirements can result in potential non-compliance with the law, exposure to litigation or sanctions. As a result of the new legislative provisions, operational disruptions or the need to reorganise work may also occur, which may have a material impact on the operations of the KGHM Polska Miedź S.A. Group, taking into account, among others: – Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment - technical criteria for the copper mining and metallurgical industry for the Sustainable Finance Platform shall be prepared on the basis of the adopted regulation, – Clean Industrial Deal - currently as the general assumptions of the EU policy for European industry to be developed as a package of legal acts, – EU Action Plan for a Circular Economy - the adoption of the new EU Action Plan for a Circular Economy, as announced by the President of the European Commission, is expected by 2029. – Directive (EU) 2024/1785 of the European Parliament and of the Council of 24 April 2024 amending Directive 2010/75/EU of the European Parliament and of the Council on industrial emissions. The reputational, technological and market risks described in the following section are closely linked to the regulatory risk. The costs of compliance with the aforementioned legal requirements can therefore relate to both investment and operational expenses associated, among others, with technology, ensuring the appropriate standards expected and/or required in the market or building the company's image.	– As part of the Corporate Risk Management process in the KGHM Polska Miedź S.A. Group, each identified risk is assessed in terms of impact on Laws and Regulations (assessment of the compliance of occurrences with the applicable laws, the necessity to participate in proceedings before public administration authorities responsible for supervision and regulation and potential sanctions resulting from such proceedings). – A consistent compliance system in place in the KGHM Polska Miedź S.A. Group is an element of effective management as part of corporate governance through, for example, a more efficient response and readiness for regulatory changes, care for reputation and ethical culture building in the organisation as well as awareness raising and enhancement of the sense of responsibility for compliance among employees. – Active participation of Group employees in providing opinions on draft legislation and communicating positions and opinions in the framework of membership of organisations at the national and EU level. – Exercising due diligence in monitoring changes in legal regulations, reporting standards for greenhouse gas emissions and climate issues as well as the direction of climate change reported by scientific institutions. – Identification and taking pre-emptive actions in order to adapt to organisational, infrastructural and technological changes.
Technological risk related to the technological progress towards a low-emission economy	The EU's ambitious climate targets and the existing pressure on the implementation of new low-carbon solutions and the search for reduction of CO₂ emissions in order to achieve the approved emission goals may have a direct impact on KGHM Polska Miedź S.A.'s activities. The need to make the necessary investments and/or a potentially sudden reduction in carbon dioxide emissions in a relatively short period of time may generate considerable costs and cause difficulties in adapting new solutions to the technology that is used currently, associated with the core business operation. As a result of the necessary changes, the level of complexity of production activities in the new conditions and the increased technical, economic or legal requirements for the Company will rise at the same time, resulting in the need for KGHM Polska Miedź S.A. staff to continuously and dynamically increase their qualifications. One of	– Ongoing monitoring of policy changes intended to reduce carbon dioxide emissions and the potential tightening of regulations, analysis of market standards, technological innovations, opportunities for using alternative energy sources (RES). Taking pre-emptive action to adapt to changes in the technological area. Monitoring the activities of competitors and related industry players (e.g. steel industry). Observation of the research market, technology scouting. Continuous monitoring of ongoing calls for projects financed from national and European funds, which could be used to finance research or investment projects of KGHM Polska Miedź S.A. in the area of climate transformation. – Due to the early level of progress of the majority of technologies, it is assumed that by 2030 KGHM Polska Miedź S.A. will focus its research and

	the factors determining the feasibility of implementing the developed solutions is the reallocation of funds in the private and public markets (through subsidies) in line with climate goals, which may benefit companies that are quick to implement environmentally-friendly innovations (including the Group's competitors), thereby increasing their competitiveness vis-à-vis the Group. Due to the rise in popularity of issues related to the progress towards a low-carbon economy, an increase is seen in the importance of decarbonisation technology providers and a significant increase in demand for their services. In the case of a decision to use solutions offered on the market, the availability of suppliers within the required timeframe may be limited, and the need to wait a long time for the procurement of services or goods necessary for the implementation of new technologies may arise, thus extending the project implementation period.	development activities on seeking feasible technologies to reduce direct emissions. If positive results are achieved, the implementation of these measures is assumed between 2030 and 2035. – A key area is the reduction of greenhouse gas emissions from metallurgical processes that use the company's own concentrate. The solution considered in this respect is the construction and commissioning of a carbon capture facility, i.e. a CCS plant. To this end, analyses are carried out concerning the technologies for capturing carbon dioxide from industrial installations, which are expected to enable significant reductions in its emissions from the Company's metallurgical processes. In 2024, as a result of technical analyses and study visits to various operating CO₂ capture installations in Europe, the CO₂ capture technology that could be used in the metallurgical processes of one of the divisions of KGHM Polska Miedź S.A. was selected. Work and analyses on the feasibility of the implementation are being continued. – The possibility of using external sources of funding/financing of projects to implement or explore new technologies and systems that will reduce the environmental impact of core business technological processes through their implementation. – Acquisition and construction of own emission-free electricity generation sources in order to use the electricity produced by them to reduce Scope 2 carbon dioxide emissions and reduce the carbon footprint in final products supplied to the market by KGHM Polska Miedź S.A. (wire rod, cathodes, silver, gold, lead, etc.). – Execution of projects consistent with the Group's Strategy, Decarbonisation Program or Energy Transformation assumptions in cooperation with both commercial partners as well as research and development centers (domestic and foreign).
Market risk associated with changes in demand for and supply of certain products and services	The increase in stakeholder expectations and awareness of ESG (including climate) issues raises risks related to adapting offerings to these requirements: – The possibility of losing a part of the market if the adaptation of the offer to the new standards is not effective. – In relation to the regulatory risk, an increase in ESG-related regulations (e.g. in the area of CO₂ emissions, environmental standards, ethical labour standards) may affect the ability of companies to offer compliant products. These changes may include new provisions on sustainability, social responsibility or transparency in governance. Companies that do not manage to comply with the new regulations may lose market share, face financial penalties and encounter difficulties in accessing markets and sources of funding. – Linked to technology risk - high investment and operating costs of sustainable technologies and changes in production processes. – Linked to reputational risk - potential criticism by consumers, investors or the media can affect changes in demand.	– Continuous analysis of stakeholder expectations (e.g. trading partners, investors, financial institutions) regarding ESG issues (including climate and environmental issues) and considering these issues in a long-term, strategic perspective. – Adapting to ESG regulations (reporting, emission disclosures, ESG certifications at both the organisational and individual product level). – Considering sustainability issues (including climate change issues) in investment processes. – Monitoring of supply chains in terms of ESG topics. – Educational campaigns within the organisation on sustainable development and stakeholder engagement in order to adapt offerings to changing consumer preferences.
Reputational risk related to perception of clients and other stakeholders –	The KGHM Polska Miedź S.A. Group is exposed to the risk of increasing expectations of stakeholders (e.g. investors, customers, ESG rating agencies) towards the Company with respect to reduction of its impact on climate, resulting in a deterioration of the Company's image and/or loss of stakeholder confidence.	– Care and due diligence in identification of expectations and requirements of external stakeholders concerning climate and environmental issues. – Establishing commercial and business relationships with entities who declare an attitude of caring

how they view the activity of the KGHM Polska Miedź S.A. Group in the context of climate change	Potential difficulties in attracting customers, employees, business partners and investors if the KGHM Polska Miedź S.A. Group's activity is considered to be harmful to the climate. In extreme cases, the materialisation of this risk may lead to the blocking of development plans.	about environmental protection and compliance with existing laws in this regard. – Increasing the awareness of climate change in the organisation and improvement of communication with all stakeholders in this respect, among others through the improvement in the quality of reporting on climate-related information after climate reporting was launched. – The organisational unit responsible for ESG issues of the Group operates within the structure of KGHM Polska Miedź S.A.

The climate risks identified are analysed in the short term (up to 1 year), medium term (1 to 5 years) and long term (more than 5 years), according to the definitions adopted in the ESRS. Physical risks can materialise in any of the aforementioned horizons, particularly in the short term as a result of extreme weather events. Transition risks, including regulatory and technological risks, are mainly concentrated in the medium to long term, due to evolving climate policies, market changes and the energy transition of the economy. A breakdown of risks into actual and potential risks is presented in chapter [\[SBM-3\] Material impacts, risks and opportunities and their interrelationship with the strategy and with the business model](#).

The Group's exposure to climate risks varies depending on the location of assets. The analysis covers both in-house operations (in particular the Core Business and the critical infrastructure) and elements of the upstream and downstream value chain, including the supply of energy, raw materials, logistics services and end-user expectations. Consequently, the effects of the materialisation of risks may affect individual business segments in a geographically and operationally diversified manner. Detailed information on the location of material risks in the value chain is presented in chapter [\[SBM-3\] Material impacts, risks and opportunities and their interrelationship with the strategy and with the business model](#). For information on the industries, business segments and value chain elements analysed, see chapter [\[SBM-1\] Strategy, business model and value chain](#).

The climate risks identified are directly linked to the Group's Strategy and business model. In particular, they affect investment decisions, the direction of infrastructure modernisation, the development of in-house low- and zero-carbon energy sources, the decarbonisation program and the management of continuity of core business operations. Including climate risks in the strategic and investment planning processes is part of building the Group's long-term resilience.

At the same time, it is emphasised that in scenarios of accelerated regulatory transition or intensified physical change, a need may arise to increase capital expenditure, accelerate infrastructure modernisation and further diversify energy sources. Climate risks are systematically monitored and their assessment is updated on a quarterly basis as part of the Corporate Risk Management process. In addition, the Strategy Risk Map incorporating climate risks provides an evaluation of the impact of the identified climate change risks on the individual strategic areas over three time horizons within the scenario analyses used.

The resilience of the Strategy and business model largely depends on the pace of regulatory changes and the availability of low-emission technologies. Based on the analyses conducted to date, including strategic risk and scenario analyses, the Company assesses its resilience and adaptive capacity as high across all examined time horizons, assuming the implementation of the planned strategic investments.

[E4 SBM-3] Material impacts, risks and opportunities and their interrelationship with the biodiversity strategy and business model

As part of its analysis of material impacts, risks and opportunities and their interrelationship with the Strategy and business model, the Group has identified biodiversity-sensitive areas around its business operations. The identification of these areas was based on the definition of "biodiversity sensitive areas" contained in the ESRS standard.

Within a distance of up to 15 kilometres from the sites of the Group entities' operation, areas of high natural or landscape value covered by various forms of protection are located. The most significant of these are presented in the table below.

Table 105. Biodiversity sensitive areas

Category	Area	Assets and distance
Natura 2000 Special Bird Protection Areas	"Łęgi Odrzańskie" PLB020008	Tailings Division - 11 km; Cedynia Wire Rod Plant - 2 km; Głogów Copper Smelter and Refinery, KGHM Metraco S.A., "Energetyka" sp. z o.o. - 7 km
Natura 2000 Special Habitat	Kozioróg w Czerna PLH020100	"Pątnów Legnicki" PLH020052 Głogów Copper Smelter and Refinery, KGHM Metraco S.A., "Energetyka" sp. z o.o. - 2.7 km

Conservation Areas	"Łęgi Odrzańskie" marshlands PLH020018	Tailings Division - 11 km; Cedynia Wire Rod Plant - 2 km; Głogów Copper Smelter and Refinery, KGHM Metraco S.A., "Energetyka" sp. z o.o. - 7 km
	"Pątnów Legnicki" PLH020052	Legnica Copper Smelter and Refinery, KGHM Zanam S.A., KGHM Metraco S.A., "Energetyka" Sp. z o.o. - 9 km
	Tarnowskie Góry-Bytom Underground Area PLH240003	Walcownia Metali Nieżelaznych "ŁABĘDY" S.A. - 13.5 km
	Ponds in Brzeszcze PLB120009	NITROERG S.A. - 4.6 km
	Mała Panew Valley PLH160008	NITROERG S.A. - 0.5 km
Nature reserves	Buczyna Jakubowska	Within the licensed area of the Polkowice-Sieroszowice Mine
	Uroczysko Obiszów	Within the licensed area of the Polkowice-Sieroszowice Mine
	Żukowskie Śnieżyce	Within the licensed area of the Rudna Mine
	Skarpa storczyków	Cedynia Wire Rod Plant - 1 km
	Dalkowskie jary	Głogów Copper Smelter and Refinery - 6 km
Nature and landscape conservation areas	Grodowiec	Within the licensed area of the Rudna Mine
	Guzicki Potok	Within the licensed area of the Rudna Mine
	Trzebcz	Within the licensed area of the Rudna Mine
	Las Dąbrowa	Walcownia Metali Nieżelaznych "ŁABĘDY" S.A. - 4 km
	Żubrowisko	NITROERG S.A. - 5.8 km
Ecological sites	"Łęgi głogowskie" marshlands	Former protection zone of the Głogów Copper Smelter and Refinery
	"Glinki" in Lasek Złotoryjski	Legnica Copper Smelter and Refinery, KGHM Zanam S.A., KGHM Metraco S.A., "Energetyka" Sp. z o.o. - 1 km
	Lena	In the vicinity of areas managed by the Tailings Division
	Jedlina ponds	NITROERG S.A. - 4 km
	Paprocany	NITROERG S.A. - 7.1 km
Parks (North America)	Animate and inanimate nature monuments	All divisions
	Wanapitei Provincial Park -	Sudbury: Podolsky Mine - 8 km
	Windy Lake Provincial Park	Sudbury: McCreedy West Mine - 3.2km; Sudbury: Levack Mine - 5.6 km
	Fairbank Provincial Park	Sudbury: Victoria Project - 7.1 km
	McConnell Lake Provincial Park	KGHM AJAX MINING INC. - 10 km
	Lac Du Bois Provincial Park	KGHM AJAX MINING INC. - 10 km
	Tonto National Forest	Adjacent to Carlota Copper Company (Carlota)

The Group's activities can be divided into the following areas, which differ in terms of their potential dependencies and impacts on the ecological status of the areas comprising:

- **Areas of underground mining activities** - mining activities with negligible impact on biodiversity status due to limited conversion of land to industrial use. Shafts and their accompanying infrastructure have been operating in a confined area for many decades. The spoil created during their construction is waste rock, which has no hazardous properties. Underground mining activities are carried out in Poland and Canada (Sudbury Basin, Victoria project).
- **Areas of open pit mining activities** - impact of this activity results from the physical transformation of the areas where mining takes place and the occupation of space for the storage of waste rock. Potentially negative impacts that exclude specific areas from current use may favour the creation of new habitat types, e.g. through reclamation or natural succession of landforms or the creation of convenient nesting sites (e.g. the disused workings of the Robinson mine have been used as breeding sites for golden eagles). This activity is carried out in Canada, the USA and Chile. In addition, in order to minimise the negative impacts of underground mining on the land surface, mining activity is carried out in Poland (Lubin district, Lower Silesia voivodeship), involving the open-pit mining of sand, which is used to backfill disused mine workings.
- **Areas of copper ore processing activities, including tailings storage** - ore processing activities generate significant amounts of tailings collected at the mining waste disposal facilities managed by the Group. The leading facility of this type is the Żelazny Most Tailings Storage Facility recently extended by the so-called Southern Quarter. The expansion was carried out on forested land, necessitating compensatory measures. The tailings activity involves the operation of a production infrastructure that is used in the crushing, as well as the flotation or leaching, of metal-containing compounds. The flotation processes carried out in Poland, as well as at the Robinson Mine, are carried out in plants whose location has not changed for many decades. Operations at the Carlota mine, carried out by leaching copper on heap leach pads, do not generate the need to occupy new land beyond that used by the open-pit mining.

- **Metallurgical activity areas** - due to the complexity of the technological processes and their nature, these require the occupation of relatively large areas and generate some quantities of waste subject to disposal by landfill. This type of activity is carried out at the Głogów Copper Smelter and Refinery and the Legnica Copper Smelter and Refinery. KGHM's efforts to minimise its waste footprint are outlined in the chapter [\[E5\] Use of resources and circular economy](#). Metallurgical activities generate pollutants with the potential to affect biodiversity. Efforts to mitigate this aspect of the Company's operations are described in detail in sections [\[E1\] Climate change](#) and [\[E2\] Pollution](#).
- **Copper processing** - activities involving the processing of copper and the production of semi-finished copper products are carried out at the Cedynia Wire Rod Division and the Łabędy non-ferrous metals rolling mill. Due to the processing of raw materials with a high copper content (more than 99.95% Cu), the absence of refining processes and the use of natural gas and electricity as energy carriers, the activities carried out at these plants do not have a material impact on biodiversity. Emissions generated in the energy sector could have a potential impact on biodiversity. At the same time, implemented investments to reduce emissions, described in sections [\[E1\] Climate change](#) and [\[E2\] Pollution](#), do not have a material impact on the natural environment.
- **Other business operations** carried out in the Group were considered negligible from the point of view of their impact on biodiversity.

The Group's companies located in Poland carried out an inventory of sites where risk-causing substances have been identified whose concentrations exceed regulatory standards. The competent authorities have been informed about this terrain. Measures have also been taken to prepare and agree remediation plans. The issue of land degradation is discussed in detail in section [\[E2\] Pollution](#) in the part on soil contamination.

The Group has not identified any activities that contribute to desertification.

As part of the ongoing environmental impact assessments and analyses of compliance with applicable environmental protection laws, no need to implement additional specific measures to mitigate biodiversity loss has been identified.

The operations of the Group's companies have or may have an impact on endangered species such as the golden eagle and sharp-tailed prairie eagle (Robinson Mine, Nevada, USA) and the peregrine falcon. The Group's activities can have both negative (interference with habitats, physical hazards generated by transport) and positive (anthropogenic habitats) impacts. A detailed description of measures taken to prevent, mitigate and remedy negative impacts, as well as measures aimed at enhancing positive impacts, is presented in chapter [\[E4-3\] Actions and resources related to biodiversity and ecosystems](#).

[S1 SBM-3] Material impacts, risks and opportunities and their interrelationship with the strategy and business model in the area of own staff resources

The business model of the KGHM Polska Miedź S.A. Group, based on mining and metallurgical activities carried out under conditions of increased professional risk and in a continuous system, generates material impacts on its own staff resources. These impacts relate in particular to health and safety at work, employment stability, social dialogue, competence development and employee welfare.

Positive actual impacts, such as the provision of stable employment conditions and social protection, extensive methods of social dialogue, cooperation with trade unions and the functioning of collective bargaining agreements, as well as programs to support physical and mental health and competence development, result directly from the human capital management model adopted and are integral to the implementation of the Group's Strategy.

At the same time, the identified negative actual and potential impacts (accidents at work, occupational diseases, work-related stress, potential inequalities in the area of equal treatment) are a consequence of industry characteristics. They are systemically addressed in the Strategy and managed through implemented policies, procedures and operational activities, including health and safety regulations, personnel policies, dialogue mechanisms and reporting and remediation systems.

The materiality study identified one material risk relating to working conditions, associated with regulatory changes to Occupational Exposure Limits and Maximum Allowable Biological Concentrations (OEL/MAC). These risks are directly related to the Group's business profile and may affect employee health, work organisation and operating costs. Risks are managed proactively through regulatory monitoring, preventive measures, technological investment and the use of R&D capacity.

Opportunities identified include a possibility of acquiring external support for innovation in the area of occupational health and safety, using the potential of Group companies and dedicated R&D centers to diagnose and adapt solutions as well as developing long-term follow-up and professional adaptation programs. These opportunities support the implementation of the Strategy by strengthening job security and competence continuity.

In the context of the policies, cooperation and dialogue, remedying measures and actions, qualitative disclosure covers all individuals who are the Group's own employee resources and who are significantly affected by the Group's own

operations. A brief description of the characteristics of the workforce is provided in the introduction to disclosure [\[S1\] Own staff resources](#). Quantitative information on non-employees who constitute own staff resources is not disclosed in the current reporting period in accordance with the application of the temporary exemption, the so-called "quick-fix" (in the form of European Commission Delegated Regulation 2025/1416). The exception is the disclosure of [\[S1-9\] Diversity Metrics](#), which provides statistics on gender diversity among executives at the Group's companies.

Material impacts relate in particular to operational and technical staff, administrative staff and managers, due to their role in ensuring safety, continuity of operations and organisational culture.

The negative impacts are both incidental (e.g. individual accidents at work) and systemic, due to the specific nature of work in heavy industry.

Positive impacts are driven by the system of regulating working conditions and benefits, the functioning of social dialogue, OHS, health and development programs as well as work-life balance support solutions.

Material risks relate to OEL/MAC changes, while material opportunities include OHS innovations and the use of R&D facilities, as well as succession and professional adaptation programs.

As at the date of the report, no material negative impacts on its own staff resources resulting from the transition plans have been identified. Instead, opportunities are identified in relation to up-skilling and re-skilling of employees in response to the future needs of the organisation.

No operations exposed to a material risk of forced or child labour were identified in relation to own staff resources.

The Group identifies increased exposure to losses among operational staff (occupational and OHS exposures), shift workers (stress and impact on private life) and groups underrepresented in technical industries. This knowledge is gained through occupational risk assessments, occupational environment monitoring, incident analyses, social dialogue and operating whistleblowing channels.

The regulatory risk of OEL/MAC applies mainly to jobs exposed to harmful agents. Opportunities in the area of OHS innovation, succession and professional adaptation relate in particular to key groups for occupational safety and operational continuity.

[S2 SBM-3] Material impacts, risks and opportunities and their interrelationships with the strategy and with the business model in the area of workers in the value chain

As part of the double materiality assessment performed, the Group has identified material impacts and opportunities relating to workers in the value chain, in particular employees of direct suppliers and contractors (tier 1). The impacts identified include both positive impacts of an actual nature and negative impacts of a potential nature, mainly related to working conditions, health and safety, respect for human rights and equal treatment in the supply chain.

Impacts and opportunities are of an indirect nature and arise from contractual relationships and operational links with providers of materials, specialised services, mining, metallurgical, infrastructure and logistics. These impacts result directly from the Group's adopted business model, based on the extensive use of external parties in the implementation of key operational and investment processes, as well as strategic decisions regarding the structure of the supply chain and the model of cooperation with contractors.

Material areas of impact include, in particular:

- respect for human rights and fundamental labour rights,
- working conditions and occupational safety (OSH),
- counteracting discrimination, violence and harassment,
- compliance with business ethics.

Positive impacts relate in particular to raising labour and safety standards at direct suppliers' companies through contractual requirements, operational oversight and the application of uniform OHS standards, while negative impacts are potential and relate to the risk of unethical practices on the part of suppliers over which the Group has limited direct control.

Material positive impacts on workers in the value chain arise in particular from:

- application of uniform OHS requirements to contractors working at the Group's plants,
- promoting decent working conditions and adequate wages in direct suppliers' companies through selection criteria and contractual supervision,
- cooperation with specialised, international players carrying out major investments, which promotes knowledge transfer, upskilling and employment stability in the value chain.

Impacts are primarily focused on:

- persons performing work at the Group's sites that are not part of the Group's own employee resources (own operations linked to contractors),
- employees of direct suppliers and subcontractors in the upstream value chain.

The scope of the disclosure covers, in particular:

- persons performing work at the premises of the Group's locations who are not part of the Group's own workforce;
- employees of direct suppliers and contractors implementing key upstream processes, including extraction, production, civil works and professional services;
- to a limited extent, employees of logistics and distribution service providers.

The Group has not identified any material impacts with regard to the employees of joint venture operations or special purpose vehicles, nor has it distinguished, at this stage, any particular groups of people working in the value chain exposed to an increased risk of loss due to their characteristics or particular situation.

The impact vis-à-vis downstream actors in the supply chain (tier 2 and beyond) is limited and indirect, mainly driven by contractual requirements and the application of due diligence.

A value chain analysis was carried out in 2025 which, based on internal and public data, did not indicate the existence of actual material negative impacts, while confirming the existence of potential systemic risks related to the practice of certain suppliers, typical of industries with higher risks in the area of OHS and labour rights. The detailed structure of the value chain is presented in the section [\[SBM-1\] Strategy, business model and value chain](#).

Based on the analysis, no geographic areas or categories of goods were identified for which an increased risk of child or forced labour of workers in the value chain would occur. At the same time, the Group considers these risks to be potentially systemically material and takes them into account in its due diligence, qualification and supplier monitoring processes.

The Group's business model is based on an extensive international value chain, encompassing key business areas, in particular the mining, steel, energy, infrastructure and professional services sectors. The nature of the business means that operational stability, ensuring the continuity of production processes and the timely implementation of investment projects, remain significantly dependent on effective cooperation with external parties.

Issues relating to workers in the value chain are integrated with the Group's Strategy through:

- implementation of the Responsible Supply Chain Policy,
- application of the Contractor Charter as a condition for cooperation,
- including the requirements in terms of human rights and labour standards in the tender and contractual documentation,
- implementation of due diligence processes compliant with OECD Guidelines and industry standards (including The Copper Mark).

To date, the interests and opinions of contractor employees have not directly affected the shape of the Group Strategy. Nevertheless, the Group considers ensuring that its operations comply with applicable international standards as an important element of its risk management system, particularly in the areas of operational, reputational and regulatory risk.

The assessment did not identify any material risks arising directly from impacts on workers in the value chain. At the same time, material opportunities have been identified in relation to access to specialised international suppliers implementing large investment projects, which are conducive to knowledge transfer, skills enhancement and employment stability in the value chain.

With regard to operations carried out at the Group's sites, ensuring high health and safety standards for third-party employees is an integral part of the operating model and safety management system, affecting the reduction of production downtime and accidents.

The resilience of the business model in the area of workers in the value chain is based on:

- formalising ethical and social requirements in contractual relations,
- the operation of the ISO 45001-compliant health and safety management system which also covers the contractors' employees,
- application of international standards for supply chain due diligence,
- the possibility of suspending or terminating cooperation in the event of material breaches.

Identifying and assessing the impacts and opportunities on workers in the value chain takes place in the framework of:

- the double materiality assessment process,
- purchasing processes and supplier qualification,
- counterparty verification,
- day-to-day operational supervision of the contracts.

Influence and opportunity management is carried out through:

- implementing the requirements arising from the Code of Ethics, the Human Rights Policy and the Responsible Supply Chain Policy,
- the use of contractual clauses committing to adherence to human rights and labour standards,
- monitoring accidents and analysing their causes,
- making whistleblowing channels (Whistleblower Platform, the “KGHM Ethics Hotline”) accessible also to workers in the value chain.

The Group does not have a separate, comprehensive policy dedicated solely to workers in the value chain, while this area is managed within the existing organisational structures responsible for procurement, compliance, ethics and OHS. No separate objectives or dedicated resources have been established exclusively for this area; activities are integrated into the functioning management systems and operational processes.

Based on the materiality assessment performed, the Group has not identified that material impacts, risks or opportunities apply only to specific groups of workers in the value chain (e.g. by country, age, gender or type of work), nor that there are specific categories of employees with increased vulnerability to losses compared to the general population of workers in the value chain.

[S3 SBM-3] Material impacts, risks and opportunities and their interrelationship with the strategy and business model in the area of affected communities

The material actual and potential impacts of the KGHM Polska Miedź S.A. Group on the affected communities result directly from the nature of its mining and metallurgical activities, which are associated with the physical presence of industrial installations, the exploitation of deposits, the processing of metal ores and the long-term impact on the social surroundings and the environment. The scale and location of operations mean that these impacts are inextricably linked to the Group's business model, based on the mining and processing of minerals in specific geographical locations, both in Poland and in the international assets.

The actual negative impacts on the economic, social and cultural rights of local community members, particularly in terms of housing (noise and odours in the vicinity of metallurgical facilities and mines) and land impacts (mining and post-mining damage), are a consequence of operations and mining activities. At the same time, potential negative impacts concerning the safety of residents in the event of industrial accidents or disasters and the potential impact of arsenic emissions on human health arise from technological and environmental risks typical of the mining and metallurgical sector.

The Group's positive actual impact on the health, socio-economic development and social, cultural, sporting and educational life of local communities stems from its role as a significant employer, taxpayer and partner of local authorities. These activities form an integral part of building and maintaining the so-called “licence to operate” which is a key assumption of the Group's Business Strategy.

With regard to the international assets, potential negative impacts on the rights of indigenous peoples, including the right to free, prior and informed consent (FPIC), self-determination and the protection of cultural rights, are linked to the implementation of mining projects in areas traditionally used by these communities. At the same time, actual positive impacts result from collaboration based on dialogue, partnership and formal Impact and Benefit Agreements, which have been integrated into the way projects are delivered and the life cycle of assets.

The identified impacts on the communities affected by the Group's operations determine the way in which the Group conducts its operations through the need to systematically integrate social considerations into the planning and implementation of investments, the running of operational projects and as part of operational and reputational risk management. The Group's strategy assumes operation in accordance with the principles of social responsibility, respecting human rights (including the rights of indigenous peoples) and undertaking efforts to prevent, reduce and mitigate potential negative impacts on the social environment.

These impacts contribute to the adaptation of the business model through the implementation of preventive, compensatory and remedying measures, dialogue with local stakeholders, cooperation with local government entities and the integration of CSR and social activities into the Group's core operating activities. In the international assets, the impact on indigenous peoples results in the integration of FPIC principles and long-term community agreements into the project development decision-making process.

The double materiality assessment did not identify any material risks or opportunities arising from the impacts and dependencies associated with the affected communities. Consequently, no direct links were found between the identified risks and opportunities and the Strategy and the Group's business model in the area of affected communities.

The disclosure covers all affected communities on which the KGHM Polska Miedź S.A. Group can exert significant influence, both within its own operations and in the value chain as well as through business relationships and projects.

The main types of affected communities include:

- local communities living or working in the immediate vicinity of the Group's mines, metallurgical facilities and other industrial installations, as well as communities located further from these locations that are affected by the Group's operations through emission, noise, odours or changes in land use,
- communities operating the value chain that are directly or indirectly affected by the Group's operations and business relationships,
- indigenous people's communities living in areas where the Group's foreign asset mining projects are located or planned.

Material negative impacts on affected communities are mostly systemic and result from the long-term presence of industrial activities in specific regions, particularly in highly industrialised areas such as the Legnica-Głogów Copper Basin. They include impacts on housing, land and potentially on the safety and health of residents.

Potential negative impacts associated with arsenic emissions and the risk of industrial accidents are incidental. The probability of their materialisation is assessed as low, given the preventive measures in place, the environmental and safety management systems in place and the assurance of compliance of operations with applicable laws and administrative decisions.

With regard to indigenous peoples, potential negative impacts mainly relate to the risk of violating the right to free, prior and informed consent (FPIC), the right to self-determination and cultural rights in the context of the implementation of mining projects. This risk is mitigated by maintaining an ongoing dialogue, agreements on actions with affected communities and entering into IBAs (Impact and Benefit Agreements).

The Group's material positive impacts on affected communities result from its operational, social and investment activities. These include, in particular, improving access to healthcare and preventive health care, developing medical infrastructure, supporting education, culture, sport and social initiatives, and developing local communities through job creation and tax revenues.

Positive impacts relate in particular to local communities in the Group's regions of operation in Poland and, in the case of the international assets, indigenous communities subject to IBAs that provide long-term social, economic and cultural benefits.

The analysis did not identify any material risks or opportunities related to impacts on affected communities.

[S4 SBM-3] Material impacts, risks and opportunities and their interrelationship with the strategy and business model in the area of consumers and end users

As part of its double materiality assessment, the Group identified a limited range of activities where direct relationships with consumers and end-users occur. This applies only to selected healthcare providers, i.e.:

- „Miedziowe Centrum Zdrowia” S.A. (Poland),
- spa companies belonging to Polska Grupa Uzdrowisk sp. z o.o.:
 - Uzdrowiska Kłodzkie S.A. - PGU Group (Poland),
 - Uzdrowisko Cieplice sp. z o.o. - PGU Group (Poland),
 - Uzdrowisko Polczyn Grupa PGU S.A. (Poland),
 - Uzdrowisko Świeradów Czerniawa sp. z o.o. - PGU Group (Poland).

The Group's other activities (in particular, activities in the area of mining, metallurgy and energy) do not involve direct impacts on consumers and end-users within the meaning of ESRS S4.

Consumers and end-users of the designated entities include, in particular:

- patients using inpatient and outpatient services,
- patients receiving spa treatment,
- persons covered by subscription-based medical care,
- patients referred by the National Health Fund (NFZ) and the Social Insurance Institution (ZUS),
- the local communities of the Copper Basin region.

The activities carried out by the above-mentioned companies comprise the provision of health services, including in particular treatment, rehabilitative and prophylactic services. The nature of the business pursued is oriented to health care, improving the quality of life of patients and reducing the risk of disease development and progression, including chronic diseases. The entity is not engaged in the business of offering products or services that by their nature are harmful to human health or that increase the risk of chronic diseases.

Identified impacts on consumers and end-users include:

- positive, actual impact on the health of patients and clients as a natural result of providing health and spa services,
- negative potential impact related to the possibility of losing sensitive patient data.

No material risks or opportunities have been identified for the entity arising from impacts or dependence on consumers or end-users.

A detailed list of impacts, together with their place in the value chain, time horizon and geographical area regarding consumer and end-user issues is presented in the section [\[SBM-3\] Material impacts, risks and opportunities and their interrelationship with the strategy and business model](#).

The Group's activities in the healthcare sector are complementary to its core business model, focusing on mining and metallurgical activities. The impacts on consumers and end-users are due to the regulated nature of their activities and not to the overarching strategic objectives of the Group. No material risks or opportunities from the Group's perspective have been identified in this activity.

The companies considered as part of the S4 disclosure are not engaged in the business of offering products or services that by their nature are harmful to human health or that increase the risk of chronic diseases.

Identified impacts:

- are not directly derived from the overarching strategic objectives of the Group,
- do not determine changes in the business model,
- have not been recognised as a factor shaping capital allocation at the Group level.

The positive impact on patients' health is a natural outcome of the medical and spa activities, while the potential impact related to data protection is regulatory in nature and managed in the framework of the applicable legislation.

The identified potential negative impact is not widespread or systemic and may only occur incidentally.

These impacts arise from the regulated nature of the medical and spa companies' operations and do not shape or modify the Group's Strategy or business model as a whole.

The resilience of the identified negative impact of activities of the medical and spa companies in the area of consumers and end-users is based on:

- operation of quality management systems (e.g. ISO 9001) and occupational health and safety (ISO 45001),
- implementation of the requirements of Regulation (EU) 2016/679 (GDPR),
- appointment of Data Protection Officers,
- operation of the Integrated Management System at "MCZ" S.A.,
- regulatory oversight by the National Health Fund, ZUS and the Patient Ombudsman,
- accreditation schemes in health care.

In the reporting year, the hospital "Mieziowe Centrum Zdrowia" S.A. was accredited by the Minister of Health for a period of 4 years, achieving 93% of the maximum number of points of the accreditation standards, confirming a high level of compliance with national standards of the quality and safety of healthcare.

[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities

This section presents the full double materiality assessment process, including all stages of identification, assessment, prioritisation and approval of material impacts, risks and opportunities, carried out in the KGHM Polska Miedź S.A. Group in 2024. Compared to the previous reporting period, this process has not undergone any significant methodological changes. In 2025, due to the absence of significant changes in both the external environment and in the Group's internal situation, a review of significant influences, risks and opportunities was carried out. The review included the activities specified at Stage 2 (items 5 and 6), Stage 3 and the consultation and approval process outlined at Stage 4. The last modification of the process took place in 2025 and referred only to the scope of the assessment update, with no changes to the methodology adopted. A further review of the double materiality assessment is planned as part of the work on the next reporting cycle or, if there are significant changes in the regulatory environment, the market or the Group's internal situation, a full process will be carried out.

As part of the implementation of the double materiality assessment process, a detailed analysis of sustainability issues was carried out in accordance with the guidelines contained in the *"Double Materiality Implementation Guide"* developed by EFRAG (European Financial Reporting Advisory Group). The process consisted of four basic stages, which are shown in the diagram below.

Diagram 37. Stages of the process to identify and assess significant impacts, risks and opportunities

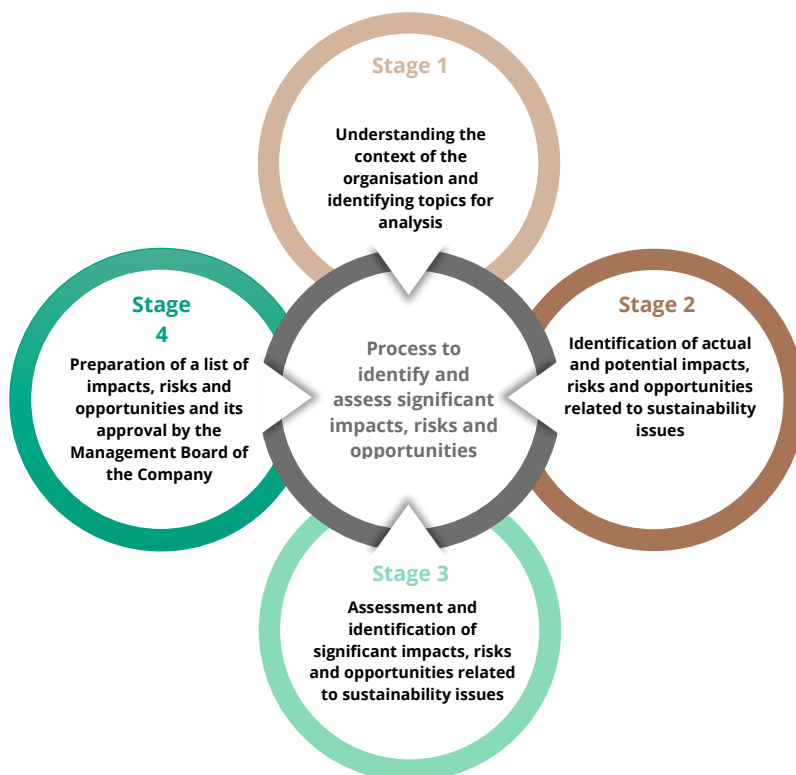


Table 106. Detailed process to identify and assess significant impacts, risks and opportunities

Process to identify and assess significant impacts, risks and opportunities		
Stage 1 - Understanding the context of the organisation and identifying topics for analysis		
1	Analysis of activities of the KGHM Group and its business relationships	An analysis covering the following areas is carried out: - Strategic analysis - including a review of the Group Strategy, business model, production process and key sustainability policies - Operational analysis - concerning the characteristics of the entity's business, including key products and services and geographical locations - Business relationship mapping - comprising the identification and characterisation of relationships within the value chain, both upstream (suppliers) and downstream (customers, clients), taking into account the type and nature of these relationships
2	Analysis of contextual information	A market analysis is carried out and relevant information about the company and its business environment is reviewed. The analyses include: - An analysis of the current sustainable development practices applied in the Group - Market benchmark analysis of competitive practices and characteristics of the Group's market environment
3	Stakeholder understanding	The stakeholder mapping process is carried out aimed at identifying key stakeholder groups and conducting a dialogue to enable their opinions to be taken into account in the materiality assessment processes, reporting and decision-making processes in the area of sustainable development.
Stage 2 - Identification of actual and potential impacts, risks and opportunities related to sustainability issues		
1	Continuous dialogue with selected stakeholder groups	Available reports and statements collected by the Group as part of its continuous dialogue with employees, investors and local communities are used for the development of the summary of topics significant from the stakeholder perspective.

Process to identify and assess significant impacts, risks and opportunities	
2 Whistleblowing channels	The analysis of the available whistleblowing channels offered by the Group to stakeholders is carried out for reporting comments and irregularities. It includes, among others, the following mechanisms: • Confidential form on the whistleblower Platform • Dedicated e-mail addresses • Anonymous phone line
3 Notification of mining damages	Information obtained through mining damage reporting channels is reviewed and analysed.
4 Stakeholder opinion survey	A stakeholder opinion survey is carried out using the following methods: • Questionnaire surveys • Individual interviews • On-line focus group meetings The survey process takes into account the perspective of all key stakeholder groups, with the exception of competitors.
5 Reference to the list of sustainability issues contained in ESRS Standard 1	The analysis is carried out of the list of sustainability issues identified in ESRS Standard 1, paragraph AR 16 of Appendix A. Stage 3 - Assessment and identification of significant impacts, risks and opportunities related to sustainability issues - includes the list of issues identified in ESRS Standard 1 (AR 16, Appendix A). As a result of the analysis, the Group has not identified any significant sustainability issues that are not included in terms of the indicated list.
6 Thematic ESRS	[E1-E5 IRO-1] For all thematic standards, the Group conducted a review of resources, operations and business relationships across the value chain, both upstream and downstream, to identify actual and potential impacts, risks and opportunities. This review was carried out on the basis of a unified methodological approach, common assumptions and tools, described in more detail in section [SBM-1] Strategy, Business Model and Value Chain. As part of the materiality assessment process, dialogue was carried out with stakeholders, including selected stakeholder groups and communities potentially affected by the Group's activities. The information acquired during the dialogue was used at the stage of identifying, assessing and prioritising the relevant impacts, risks and opportunities in each thematic area. Details of the stakeholder dialogue are presented in chapter [SBM-2] Interests and views of stakeholders. The process of identifying and assessing significant impacts, risks and opportunities followed the same methodology, with additional analyses in selected thematic areas as outlined below.
	[E1 IRO-1] Climate change The analysis is carried out including: • <u>Review of internal policies and regulations</u> Review of the Strategy, internal policies, regulations and climate commitments. • <u>Review of Decarbonisation plan</u> Own emissions (Scope 1 and 2) and indirect emissions in the value chain (Scope 3), taking into account reduction activities linked to strategic plans. • <u>Review of Energy Strategy of KGHM Polska Miedź S.A.</u> Development of renewable energy projects (RES), increased energy efficiency and investment plans in the context of energy transition. • <u>Corporate Risk Management process, including the category of climate risks</u>, which are divided into the following categories: ○ Physical risks ▪ Violent ▪ Chronic ○ Risks associated with the transition ▪ Regulatory ▪ Reputational ▪ Technological ▪ Market • <u>Time perspective</u> Risks are assessed in the short term (up to one year), medium term (1 to 5 years) and long term (over 5 years), as defined by the ESRS. This assessment takes into account the lifecycle of individual assets, the entity's strategic plans and capital allocation to identify

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and manage impacts, risks and opportunities in a manner consistent with business and strategic objectives.

- **Assessment of exposure and vulnerability of assets**

A review of assets and business activities exposed to climate risks, including an assessment of exposure and sensitivity to identified climate-related risks.

Additionally, analyses concerning assets and activities for which the transition to a climate-neutral economy has not been taken into account, or for which incorporating this transition would require significant investments and actions, have been included as part of the work on the Decarbonisation Program.

With regard to the Core Production Business, the material (key) factors include:

- days without precipitation (drought conditions), due, among other things, to potential limitations in access to water required for processes within the main technological line, as well as the water level of the Odra River, which affects the availability and management of process water;
- strong or sudden winds, which may cause disruptions in electricity or other utilities supply (e.g., as a result of damage to transmission networks).

As a result of the materialisation of these risks, changes in operating conditions or disruptions to the continuity of the Core Production Business may occur, including increased and accelerated wear (depreciation) of infrastructure components.

- **Scenario analysis**

The climate scenarios applied in the analysis are consistent with the climate-related assumptions adopted in the financial statements. The scenario analysis incorporates assumptions considered across three time horizons: the short-term horizon of up to 1 year (2025–2026), the medium-term horizon of 1 to 5 years (2031), and the long-term horizon of more than 5 years (2050). The climate scenarios take into account all material climate-related hazards identified in the ESRS. For transition-related risk scenarios, the analysis considers the implementation of the adopted climate policy and the resulting changes relevant from KGHM Polska Miedź S.A.'s perspective, such as emission allowance prices, energy consumption, and changes in demand for copper. For physical-risk scenarios, the starting point for the analysis is the atmospheric concentration levels of greenhouse gases and the associated global temperature increases, along with their consequences.

The assessment of risks associated with the analysed factors is carried out within the corporate risk management process at the level of the individual Divisions of KGHM Polska Miedź S.A. In this process, each Division considers the specific nature of its operations, the assets it holds, and its degree of exposure and vulnerability to the identified hazards. The results of the analyses are reflected in the risk assessment, which covers various categories of potential impact, including, among others, the impact on business continuity. In addition, as part of the analyses performed, including scenario analyses, the individual Divisions identify and describe the potential consequences of climate change in relation to their respective assets and operations.

Using analyses in climate risks based on the following baseline scenarios: Stated Policies Scenario (STEPS), Announced Pledges Scenario (APS), Net Zero Emissions by 2050 (NZE2050), RCP4.5, RCP8.5 and SSP5-8.5 to assess physical and transition risks and support strategic decisions and investment planning.

- **Prioritisation and approval**

Identified risks and opportunities are documented, assessed, prioritised and reviewed by the Board and subject matter experts, taking into account both the financial impact and the impact on people and the environment.

Detailed information on the identification, classification, and mitigation of climate-related risks, as well as their interconnections with the Strategy, business model, and value chain of the KGHM Group, is presented in section [\[SBM-3\] Material impacts, risks and opportunities and their interrelationship with the strategy and business model](#).

[E2 IRO-1] Pollutants

The analysis is carried out including:

- Review of internal policies and regulations
- Location and business overview, including analysis of operations and value chain
- Review of environmental impact reports (including Environmental Impact Statement and Environmental Assessment), waste management reports and project-specific environmental documentation
- Review of the Best Available Techniques (BAT) conclusions for the non-ferrous metals industry

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- Analysis of installations operated by domestic Group companies. Group companies required to report releases and transfers to the National Pollutant Release and Transfer Register (NPRTR)
- Review of potentially hazardous substances and substances of special concern (SVHCs) present in the Group

Pollution constitutes a material issue associated with the operations of the mining and metallurgical assets of KGHM Polska Miedź S.A. located in Poland (Lower Silesia), as well as in the context of the activities of its subsidiaries: Wojewódzkie Przedsiębiorstwo Energetyki Ciepłej w Legnicy S.A. (Legnica), Energetyka Sp. z o.o. (Lubin), and Walcownia Metali Nieżelaznych „ŁABĘDY” S.A. (Gliwice).

The list of locations where pollution is a significant issue in relation to the entity's own operations and its upstream and downstream value chain is presented in section [\[SBM-3\] Significant impacts, risks and opportunities and their interrelationship with the strategy and the business model](#).

A list of business activities relevant to significant impacts, risks and opportunities related to pollution is presented in section [\[SBM-1\] Strategy, Business Model and Value Chain](#).

[E3 IRO-1] Water and marine resources

The analysis is carried out including:

- Review of internal policies and regulations
- Assessment of potential risks associated with the use of water and marine resources
- Review of environmental impact reports, waste management reports and project-specific environmental documentation
- Review of own processes and business relationships that may affect water and marine resources in the business regions

As part of the materiality assessment, water was identified as a material issue for the Group's operations, particularly in the areas of mining and metallurgical activities in Poland (Lower Silesia) and in the United States (Nevada), where the availability of water resources is critical to ensuring the continuity of operational processes.

The list of geographical areas where pollution is a significant issue in relation to the entity's own operations and its upstream and downstream value chain is presented in section [\[SBM-3\] Significant impacts, risks and opportunities and their interrelationship with the strategy and the business model](#).

A list of business activities relevant to significant impacts, risks and opportunities related to water is presented in section [\[SBM-1\] Strategy, Business Model and Value Chain](#).

[E4 IRO-1] Biodiversity and ecosystems

The analysis is carried out including:

- Review of internal policies and regulations
- Review of environmental impact reports, waste management reports and project-specific environmental documentation
- Overview of the business including the value chain, information on key raw materials, products and services and aspects related to geographical regions
- Systemic risks including impacts of biodiversity change on natural and social systems
- Stakeholder consultation and identification of biodiversity-sensitive areas around the Group's operations
- Issues of soil sealing and the impact of the Group's operations on endangered species
- Overview of biodiversity conservation and enhancement projects

[E5 IRO-1] Circular economy and use of resources

The analysis is carried out including:

- Review of internal policies and regulations
- Review of environmental impact reports, waste management reports and project-specific environmental documentation
- A review of the Group's production assets, taking into account the value chain, in terms of utilisation of resources and waste streams in individual locations
- Review of resources, raw materials and consumables used
- Review of risks associated with excessive consumption of resources, waste generation, environmental pollution and poor waste management

Material impacts and risks related to the circular economy are primarily concentrated in the mining and metallurgical segments of operations. As part of the materiality assessment, key

Process to identify and assess significant impacts, risks and opportunities

resources used by the Group were identified, including copper ore, copper and silver concentrate, energy resources, and copper scrap.

The list of geographical areas where pollution is a significant issue in relation to the entity's own operations and its upstream and downstream value chain is presented in chapter [\[SBM-3\] Significant impacts, risks and opportunities and their interrelationship with the strategy and the business model](#).

Due to the very extensive value chain and the Group's operation in a number of industry and service sectors, all key industries supplying raw materials and components, key customers and main waste categories are presented in section [\[SBM-1\] Strategy, business model and value chain](#).

[G1 IRO-1] Business conduct

The analysis is carried out including:

- Review of internal policies and codes as well as legal regulations
- Review of whistleblowing systems, payment practices and corruption and bribery issues in the value chain, taking into account the location of operations
- Review of mechanisms for reporting ethics and anti-corruption violations, functionality of reporting channels and the effectiveness of remedying actions taken
- An assessment of the Group's political and lobbying involvement
- Review of risks occurring in the Group's business areas, assessment of preventive mechanisms and the effectiveness of implemented procedures to minimise risks

As part of the conducted materiality assessment, the activities of the entire Group were considered, regardless of the location of individual companies, the scope of their operations, or the structure of the transactions carried out.

Details on the attribution of the identified risks to individual locations, activities, sectors and transaction structure are provided in section [\[SBM-3\] Significant impacts, risks and opportunities and their interrelationship with the strategy](#).

Stage 3 - Assessment and identification of significant impacts, risks and opportunities related to sustainability issues

Materiality of impacts

The impact analysis takes into account the likelihood of a particular impact/influence by time horizon:

- short-term (a year)
- medium-term (one to five years)
- long-term (over 5 years)

Impact severity

The severity of an impact refers to the scale, extent and nature (reversibility) of the impact concerned.

Scale of impact

The following qualitative thresholds were adopted for the assessment of the scale:

- 1 - None - no impact / not applicable
- 2 - Low scale - minimum impact (low intensity impact)
- 3 - Moderate scale - moderate impact (medium intensity impact)
- 4 - High scale - severe impact (high intensity impact)
- 5 - Very high scale - very severe impact (very high intensity impact)

Scope of Impact

The geographical scope of the impact and the generality of the impact is assessed along the value chain using the following scale:

- 1 - No impact - there is no observable environmental, social or economic impact. The activity or process does not generate consequences that are material to stakeholders.
- 2 - Local impact - impact limited to the specific, limited geographical area (e.g. city, municipality, region). Consequences perceived by local communities or at a particular place of business, including employees.
- 3 - National impact - impact that is perceived at the national level and has material economic, environmental or social significance on a national scale.
- 4 - European impact - impact that goes beyond Poland but is limited to European countries.
- 5 - Global impact - an impact that comprises the entire world or has significance at a global level.

Reversibility of impact

1 Assessment and identification of significant impacts

Process to identify and assess significant impacts, risks and opportunities

The reversibility of an impact refers to the possibility and level of difficulty in reversing the negative consequences of an impact concerned. The reversibility analysis refers to the exclusion of negative impacts and is classified according to a five-point scale:

- 1 - Not applicable
- 2 - Easily reversible - can be reversed with minor effort and within a short period of time
- 3 - Moderately reversible - requires a moderate amount of resources and a longer period of time
- 4 - Difficult to reverse - requires significant investment and a long period of time
- 5 - Irreversible - causes permanent, irreversible losses or damages

Likelihood of impact

Likelihood of impact means an assessment of whether the impact:

- Materialised (marked as real)
- May occur in the future (marked as potential)

For potential impacts, the assessment is carried out on a five-point scale:

- 1 - very low likelihood
- 2 - low likelihood
- 3 - medium likelihood
- 4 - high likelihood
- 5 - very high likelihood

Determining the materiality and cut-off thresholds

The significance threshold was set at 50% of the maximum score in each impact category.

Quality filter

All identified impacts were additionally subject to a qualitative analysis based on the substantive, subjective assessment and experience of the relevant substantive units. Detailed information on the impacts reclassified in the course of the assessment process is presented in chapter [\[SBM-3\] Significant impacts, risks and opportunities and their interrelationship with the strategy and with the business model](#).

Prioritisation of impacts

The prioritisation of impacts considered within each ESRS topic is determined by the sum of the scores awarded for the severity of the impact and the likelihood of the impact occurrence. The aim of this stage is to identify the impacts that are most relevant to the Group and that should be taken into account in the reporting process and in management actions. Prioritisation has resulted in the identification of the list of key topics of relevance to the Group

Integrity with the Group's Corporate Risk Management process

KGHM Polska Miedź S.A. considers ESG risks as an integral part of the Corporate Risk Management process of the KGHM Polska Miedź S.A. Group, including but not limited to:

- a description of the decision-making process and related internal control procedures,
- the way the entity assesses the likelihood, magnitude and nature of the effects associated with the risks identified,
- input parameters, data sources and assumptions used as part of risk identification and assessment.

The corporate risk management process in the KGHM Polska Miedź S.A. Group consists of four stages:

- 1 - Definition of the context
- 2 - Identification and Evaluation
- 3 - Analysis and response
- 4 - Monitoring and communication

2 Assessment and identification of significant risks

From the perspective of the consideration of ESG risks the second step of key importance should be indicated, where ESG risks are also considered in the risk identification and assessment, which, due to their broad and complex scope covering many areas related to the environment, society or corporate governance, are not understood as a separate risk category or subcategory, but as a factor that can affect one or more risks. Moreover, each identified corporate risk is assessed in terms of its multiple impacts in order to identify its potential impact as widely as possible, e.g. reputation and stakeholder, environmental, regulatory and legal, health and safety. As part of the third stage and in-depth cause and effect analysis, issues related to ESG risk factors are also taken into account in order to develop ways to mitigate against the individual factors and consequently manage ESG risks effectively.

Process to identify and assess significant impacts, risks and opportunities

The process of identifying and assessing material ESG risks is an integral part of the overall Corporate Risk Management process in the KGHM Polska Miedź S.A. Group. In practice, this process involves the following elements:

- Integration with the entity's risk profile - all identified ESG risks are included in the entity's risk analysis, ensuring the consistency and comprehensiveness of risk assessment across the organisation.
- Uniform risk assessment criteria - the process of identifying and assessing ESG risks applies the same time horizons, severity and likelihood criteria used in the Corporate Risk Management process.
- Documentation and reporting - the entire process is systematically documented and used for periodic monitoring of ESG risks and reporting to the Board and Risk and Compliance Committee, ensuring transparency and enabling informed management decisions.

Financial materiality assessment process

The assessment of financial materiality was performed using the corporate risk management process in place in the KGHM Polska Miedź S.A. Group and taking into account the results of the materiality impact assessment.

The following steps were included in the financial materiality assessment process to identify, assess, prioritise and monitor material risks:

Stage 1

Sustainability issues were identified as part of the identified corporate risks:

- corporate risks identified within the KGHM Group (including as part of the international assets) were used for the analysis,
- within the individual categories/subcategories of the Risk Model of the KGHM Polska Miedź S.A. Group, sustainability issues were identified - assignment of a given corporate risk to the specific topic/subtopic within the ESRS (analysis comprising all topics/subtopics).

Stage 2

It was determined whether the risks assigned should be analysed in the context of financial materiality (impact of climate change and sustainability issues on KGHM) and/or impact materiality (impact of KGHM on people and the environment). During the work, the linkages of impacts and relationships with risks were taken into account:

- as part of the analysis of the impact assessment results, taking into account sustainability issues, the question of whether the identified impact should also be attributed a risk meeting the criteria of financial materiality was reviewed,
- at the same time, the question of whether a new risk not yet identified should be identified in connection with the identification of the impact concerned was reviewed.

The probability of a risk

The assessment of likelihood in the short-term perspective was transferred from the assessment of the respective corporate risk or consolidated risk (if the risk is consolidated at the KGHM Group level) and an assessment of the trend in the medium and long term was performed.

Both the time horizons and the scale of the likelihood of a given risk materialising are consistent with the criteria used to assess impacts. The assessment of probability is consistent with the approach to corporate risk management adopted in the KGHM Polska Miedź S.A. Group.

Assessment of the financial impact of risks

The assessment of the financial impact has been transferred from the assessment of the respective corporate risk or consolidated risk (if the risk is consolidated at the KGHM Group level), and a scale of financial effects in the case of materialisation of a given risk consistent with the approach used in corporate risk management was adopted:

- 1 - very low financial effect for the organisation,
- 2 - low financial effect for the organisation,
- 3 - medium financial effect for the organisation,
- 4 - high financial effect for the organisation,
- 5 - very high financial effect for the organisation.

Determining the materiality and cut-off thresholds

Based on the assessment performed, risks relevant to financial materiality were identified:

- quantitative threshold adopted: probability and financial impact score ≥ 3 or probability < 3 and impact ≥ 4 ,
- taking into account the qualitative assessment resulting, among others, from the information contained in the Risk Cards or interim reports of the entities,

Process to identify and assess significant impacts, risks and opportunities

No higher or lower priority risks were identified within the risks assessed and recognised as material, in line with the corporate risk management approach used and adopted for the financial materiality assessment. All material risks are equivalent for the Group.

3	Assessment and identification of significant opportunities	Assessment and nature of the financial impact An opportunity assessment analysis is carried out, by: • the nature of the financial impact • estimation of the financial impact Likelihood of materialisation of the opportunity Both the time horizons and the scale of the likelihood used for the assessment of opportunities are consistent with the criteria used to assess impacts. Final Opportunity Assessment The final assessment of the opportunity and the decision on its relevance to the organisation is made on the basis of a financial impact analysis and an expert assessment of the likelihood of its materialisation, carried out by the relevant substantive units.

Stage 4 - Preparation of a list of impacts, risks and opportunities and its approval by the Management Board of the Company

1	Consultations	After preparing a list of impacts, risks and opportunities, a consultation process is carried out with the Management Board and the top management of KGHM Polska Miedź S.A. As part of this process, workshops are organised to present the results of previous evaluations and analyses. Experts on the subject attending the workshops have the opportunity to comment on, review and prioritise the assignment of impacts, risks and opportunities in individual topics. This consultation aims to verify the completeness and adequacy of the identified impacts, risks and opportunities.
2	Approval of the list of impacts, risks and opportunities	The final version of the list is subject to approval by the Management Board of KGHM Polska Miedź S.A.

[IRO-2] Disclosure Requirements in ESRS covered by the undertaking's sustainability statements

The scope of non-financial disclosures under the ESRS was determined based on the results of a double materiality assessment process, which included the identification, assessment, prioritisation and validation of material impacts, risks and opportunities associated with the activities of the KGHM Polska Miedź S.A. Group. A detailed description of the assessment is presented in section [\[IRO-1\] Description of the processes to identify and assess material impacts, risks and opportunities](#).

In determining the material information to be disclosed, the materiality criteria set out in ESRS 1, section 3.2 "Material issues and materiality of information" were applied. In particular, it was assessed whether the disclosure was necessary to provide a fair and accurate representation of the Group's material impacts, risks and opportunities, and whether it was likely to be relevant to decisions made by users of the reports, including investors and other key stakeholders.

Where a topic has been identified as material as a result of the double materiality assessment, ESRS disclosures have been prepared to the extent adequate for the nature, scale and timeframe of the identified impacts, risks and opportunities. At the same time, disclosures that did not address the material issues identified in the assessment process were not included in sustainability reporting, in accordance with the ESRS materiality principle.

The following tables present all the disclosure requirements compliant with ESRS 2 and ESRS E1 to G1 thematic standards that were recognised as relevant to the KGHM Group and which formed the basis for the preparation of this sustainability statement.

Table 107. ESRS 2 horizontal standard. General disclosures

Disclosure requirement		Page	Additional comments
BP-1	General basis for the preparation of the sustainability statement	150	–
BP-2	Disclosure in relation to special circumstances	150	–
GOV-1	The role of the administrative, management and supervisory bodies	151	–
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	154	–
GOV-3	Integration of sustainability-related performance in incentive schemes	155	–
GOV-4	Statement on sustainability due diligence	156	–
GOV-5	Risk management and internal controls over sustainability reporting	156	–
SBM-1	Market position, strategy, business model(s) and value chain	158	ESRS 2 SBM-1 point 40(b) and (c) omitted (in accordance with ESRS 1 Appendix C list)
SBM-2	Interests and views of stakeholders	165	
SBM-3	Material impacts and opportunities and their links with the strategy and business model	168	ESRS 2 SBM-3 p. 48(e) in year 1 of sustainability reporting omitted; qualitative disclosures made
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	204	–
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	213	–

Table 108. ESRS E1 thematic standard - Climate change

Disclosure requirement	Page	Additional comments
E1-1 Plan of transition to mitigate climate change	224	-
E1-2 Policies related to climate change mitigation and adaptation to it	225	-
E1-3 Measures and resources in relation to climate policy	226	-
E1-4 Goals related to climate change mitigation and adaptation to it	228	-
E1-5 Energy consumption and mix	229	-
E1-6 Gross Scope 1, 2 and 3 greenhouse gas emissions and total greenhouse gas emissions	230	-
E1-7 Greenhouse gas elimination and mitigation projects financed through carbon credits	234	-
E1-8 Internal carbon pricing	234	-
E1-9 Expected financial effects resulting from material physical and transition risks and potential climate-related opportunities	234	-

Table 109. ESRS E2 thematic standard - Pollution

Disclosure requirement	Page	Additional comments
E2-1 Policies related to pollution	235	-
E2-2 Actions and resources related to pollution	235	-
E2-3 Targets related to pollution	238	-
E2-4 Pollution of air, water and soil	238	-
E2-5 Potentially hazardous substances and substances of very high concern	240	-
E2-6 Anticipated financial effects arising from pollution risks and opportunities	241	Transitional provisions applied

Table 110. ESRS E3 thematic standard - Water and marine resources

Disclosure requirement	Page	Additional comments
E3-1 Policies related to water and marine resources	241	-
E3-2 Activities and resources related to water and marine resources	242	-
E3-3 Goals related to water and marine resources	244	-
E3-4 Water consumption	245	-
E3-5 Anticipated financial effects resulting from impacts, risks and opportunities related to water and marine resources	246	Transitional provisions applied

Table 111. ESRS E4 thematic standard - Biodiversity and ecosystems

Disclosure requirement	Page	Additional comments
E4-1 Biodiversity and ecosystem transition plan and integration of biodiversity and ecosystems in the strategy and business model	246	-
E4-2 Policies related to biodiversity and ecosystems	247	-
E4-3 Activities and resources related to biodiversity and ecosystems	248	-
E4-4 Goals related to biodiversity and ecosystems	252	-
E4-5 Impact measures related to changes in terms of biodiversity and ecosystems	253	-
E4-6 Anticipated financial effects arising from risks and opportunities related to biodiversity and ecosystems	253	Transitional provisions applied

Table 112. ESRS E5 thematic standard - Use of resources and circular economy

Disclosure requirement	Page	Additional comments
E5-1 Policies related to the use of resources and the circular economy	253	-
E5-2 Activities and resources related to the use of resources and the circular economy	254	-
E5-3 Goals related to the use of resources and the circular economy	257	-
E5-4 Resources contributed	257	-
E5-5 Resources discharged	258	-
E5-6 Anticipated financial effects resulting from impacts, risks and opportunities related to the use of resources and the circular economy	261	Transitional provisions applied

Table 113. ESRS S1 thematic standard - Own Staff Resources

Disclosure requirement	Page	Additional comments
S1-1 Policies related to own staff resources	262	-
S1-2 Procedures of cooperation with own staff resources and staff representatives regarding impacts	266	-
S1-3 Processes for remediating the effects of negative influences and channels for raising concerns through own staff resources	266	-
S1-4 Addressing the material impacts on own staff resources and applying approaches to manage material risks and opportunities related to own staff resources and the effectiveness of these actions	268	-
S1-5 Goals related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities	273	-
S1-6 Characteristics of the entity's employees	274	-
S1-7 Characteristics of non-employees forming the entity's own staff resources	274	Omitted in year 1 of sustainability reporting
S1-8 Scope of collective bargaining and social dialogue	275	-
S1-9 Diversity measures	275	-
S1-10 Adequate wage	275	-
S1-11 Social protection	275	-
S1-12 Persons with disabilities		In the double materiality test, issue assessed as immaterial
S1-13 Training and skills development metrics	275	-
S1-14 Occupational health and safety metrics	276	Omitted in year 2 of sustainability reporting (ratio of reportable work-related accidents; disclosure regarding non-employees in the first year of preparation of the sustainability statement)
S1-15 Work and life balance metrics	276	-
S1-16 Remuneration metrics (pay gap and total remuneration)	277	-
S1-17 Incidents, complaints and serious impacts on adherence to human rights	277	-

Table 114. ESRS S2 thematic standard - People working in the value chain

Disclosure requirement	Page	Additional comments
S2-1 Policies related to employees performing work in the value chain	278	-
S2-2 Processes of collaboration with workers in the value chain in terms of impacts	280	-
S2-3 Processes for remedying the effects of negative impacts and channels for raising concerns through workers in the value chain	280	-
S2-4 Addressing the material impacts on workers in the value chain and applying approaches to manage material risks and using opportunities related to workers in the value chain and the effectiveness of these actions	281	-
S2-5 Goals related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities	283	-

Table 115. ESRS S3 thematic standard - Affected communities

Disclosure requirement	Party	Additional comments
S3-1 Policies related to affected communities	284	–
S3-2 Cooperation processes in terms of impacts with affected communities	284	–
S3-3 Processes to remedy negative impacts and channels for raising concerns by affected communities	287	–
S3-4 Addressing the material impacts on affected communities and applying approaches to manage material risks and opportunities related to these communities and the effectiveness of these actions	288	–
S3-5 Goals related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities	290	–

Table 116. ESRS S4 thematic standard - Consumers and end users

Disclosure requirement	Party	Additional comments
S4-1 Policies related to consumers and end users	291	
S4-2 Cooperation processes in terms of impacts with consumers and end users	293	
S4-3 Processes to remedy negative impacts and channels for raising concerns by consumers and end users	294	ESRS S4 standard relevant to selected Group companies
S4-4 Addressing the material impacts on consumers and end users and applying approaches to manage material risks and opportunities related to consumers and end users and the effectiveness of these actions	295	
S4-5 Goals related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities	297	

Table 117. ESRS G1 thematic standard - Business conduct

Disclosure requirement	Party	Additional comments
G1-1 Business conduct policies and corporate culture	297	–
G1-2 Management of relationships with suppliers	302	–
G1-3 Counteracting and detection of corruption and bribery	304	–
G1-4 Incidents of corruption or bribery	306	–
G1-5 Political influence and lobbying activities	-	Topic recognised as immaterial
G1-6 Payment practices	306	–

List of the datapoints contained in horizontal and thematic standards arising from other EU legislation

In the table below, all datapoints resulting from other EU legislation listed in Annex B to ESRS 2 are included.

Disclosure requirement/datapoint	SFDR	Pillar 3	Benchmark Regulation	EU Climate Law	Comment	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	x		x			151
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			x			151
ESRS 2 GOV-4 Statement on due diligence paragraph 30	x					156
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	x	x	x		Not applicable	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	x		x		Not applicable	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	x		x		Not applicable	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			x		Not applicable	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				x		224
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		x	x		Not applicable	
ESRS E1-4 GHG emission reduction targets paragraph 34	x	x	x			224
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	x					229
ESRS E1-5 Energy consumption and mix paragraph 37	x					229
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	x					229
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	x	x	x			231
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	x	x	x			233
ESRS E1-7 GHG removals and carbon credits paragraph 56				x		235
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			x		Postponement	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		x			Postponement	
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		x			Postponement	
ESRS E1-9 Breakdown of the carrying amount of its real estate assets by energy-efficiency classes paragraph 67 (c)		x			Postponement	
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			x		Postponement	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	x					240
ESRS E3-1 Water and marine resources paragraph 9	x					241
ESRS E3-1 Dedicated policy paragraph 13	x				Not applicable	
ESRS E3-1 Sustainable oceans and seas paragraph 14	x				Not applicable	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	x					246
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	x					246
ESRS 2 SBM-3 - E4 paragraph 16 (a)	x					197
ESRS 2 SBM-3 - E4 paragraph 16 (b)	x					197
ESRS 2 SBM-3 - E4 paragraph 16 (c)	x					197
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	x					247
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	x				Not applicable	

Disclosure requirement/datapoint	SFDR	Pillar 3	Benchmark Regulation	EU Climate Law	Comment	Page
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	x					247
ESRS E5-5 Non-recycled waste paragraph 37 (d)	x					261
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	x					261
ESRS 2 SBM-3 - S1 Risk of incidents of forced labour paragraph 14 (f)	x				Not applicable	
ESRS 2 SBM-3 - S1 Risk of incidents of child labour paragraph 14 (g)	x				Not applicable	
ESRS S1-1 Human rights policy commitments paragraph 20	x					262
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			x			262
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	x					262
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	x					262
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	x					266
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	x		x			276
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	x					276
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	x		x			277
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	x					277
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	x					277
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	x		x		Not applicable	
ESRS 2 - S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	x				Not applicable	
ESRS S2-1 Human rights policy commitments paragraph 17	x					278
ESRS S2-1 Policies related to value chain workers paragraph 18	x					278
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	x		x		Not applicable	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			x			278
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	x					282
ESRS S3-1 Human rights policy commitments paragraph 16	x					285
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	x		x		Not applicable	
ESRS S3-4 Human rights issues and incidents paragraph 36	x					289
ESRS S4-1 Policies related to consumers and end-users paragraph 16	x					292
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	x		x		Not applicable	
ESRS S4-4 Human rights issues and incidents paragraph 35	x					296
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	x					298
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	x					298
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	x		x			307
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	x					307

4.2 INFORMATION ON ENVIRONMENT

4.2.1 Disclosures in accordance with the European Union taxonomy for sustainable activities in 2025

The following legislation provided the basis for the disclosure of sustainable activities for 2025:

- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088 (hereinafter: "EU taxonomy for sustainable activities", "EU taxonomy", "Taxonomy"),
- Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by laying down technical eligibility criteria to determine the conditions under which a given economic activity qualifies as making a significant contribution to climate change mitigation or adaptation, and to determine whether that economic activity causes no significant harm to any of the other environmental objectives ('Delegated Act establishing technical eligibility criteria').
- Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation ("Delegated Act related to Article 8 of the Taxonomy").
- Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.
- Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending Delegated Regulation (EU) 2021/2139 establishing the additional technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental goals.
- Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing technical qualification criteria to determine the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and conservation of water and marine resources, to the transition towards a circular economy, to the prevention and control of pollution, or to the protection and restoration of biodiversity and ecosystems, and whether that economic activity does not cause serious harm to any other environmental objective, and amending Commission Delegated Regulation (EU) 2021/2178 as regards the public disclosure of specific information in relation to those economic activities.
- Commission Delegated Regulation (EU) 2026/73 of 4 July 2025 amending Delegated Regulation (EU) 2021/2178 as regards the simplification of the content and presentation of information to be disclosed concerning environmentally sustainable activities and Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 as regards simplification of certain technical screening criteria for determining whether economic activities cause no significant harm to environmental objectives.

2025 is the fifth period for which taxonomic indicators are reported. The first reporting period covered 2021, with a gradual expansion of the scope of disclosure obligations over the years 2021-2024:

- 2021 - eligibility indicators for the first two goals were reported,
- 2022 - eligibility and compliance indicators for the first two goals were reported,
- 2023 - eligibility indicators for the four remaining goals and new activities assigned to the first two goals of the taxonomy were subject to additional disclosure (climate change mitigation and climate change adaptation),
- 2024 - starting from this reporting year, the eligibility and compliance indicators have been reported for all six goals.

Commission Delegated Regulation 2026/73 of 4 July 2025, enabled companies reporting the EU Taxonomy to apply significant simplifications associated with the process of aggregating taxonomic information. This Regulation also aims to improve the clarity of the data presented, while maintaining its informative value for the recipients of the report. The Regulation entered into force on 28 January 2026 and applies to taxonomic disclosures for 2025 and for the subsequent years. During the transitional period (reporting period of 2025), companies have an option to choose the extended reporting, based on the existing rules, or reporting according to a simplified template, meeting the conditions laid down in the Regulation.

Copper production has not been included among the activities making a significant contribution to the achievement of environmental objectives; consequently, the disclosures regarding business activities presented in this report do not cover the core business conducted by the KGHM Polska Miedź S.A. Group. The taxonomic activities reported by the Group are in many cases classified as ancillary and of minor significance in terms of revenue, costs, capital expenditure and KGHM's business model. For this reason, the indicators disclosed by the Group are at a relatively low level.

Accordingly, the EU Taxonomy disclosures for 2025 have been prepared on the basis of a simplified procedure, following the guidelines of the aforementioned Regulation 2026/73 of 4 July 2025.

The process of preparing taxonomic disclosures in the KGHM Polska Miedź S.A. Group.

Responsibility for the preparation of taxonomic disclosures is assigned to the Management Boards of the subsidiaries of KGHM Polska Miedź S.A. (hereinafter: "Subsidiaries") and, in the case of Divisions of the Parent Entity, the Division Finance Directors/Executive Directors. In the Head Office, responsibility is assigned to Executive Directors of the relevant business divisions. On the other hand, it is the responsibility of the Coordinators appointed for this purpose in the individual companies, Divisions and the Head Office to ensure that the data necessary for the indicator calculation process is reliable.

The Process involves the various stages presented below:

- Organisational preparation (Service order and work schedule)
- Identification of eligible activities (sheets for eligible activities with instructions)
- Acquisition of financial data for eligible activities (completion of financial data in sheets submitted to Reporting Entities)
- Aggregation of financial data for eligible activities (numerators)
- Conducting compliance assessments in terms of material contribution criteria and DNSH for selected activities (carried out by expert teams in the respective Reporting Unit)
- Conducting a study on Minimum Safeguards
- Allocation of numerator values to eligible compliant and eligible non-compliant activities
- Determining data for denominators
- Preparation of disclosures (calculation of taxonomic indicators, preparation of explanatory content in accordance with Commission Delegated Regulation (EU) 2021/2178).

During the reporting period (disclosure for 2025), the simplifications arising from the Omnibus Package were applied, as implemented in Commission Delegated Regulation (EU) 2026/73 of 4 July 2025. Following the identification of taxonomic activities and confirmation that the 10% materiality threshold of the denominator for each KPI had not been exceeded, the compliance assessment stage regarding the criteria of significant contribution, DNSH and the examination of minimum safeguards was omitted. Although the text of the Regulation allows for the omission of the assessment of eligibility for the taxonomy for non-material activities (below 10%), in practice the eligibility assessment was carried out in order to calculate the numerators and determine whether the Group's economic activities exceed the specified materiality thresholds; hence the description of the process remains unchanged.

Economic activities in 2025

In accordance with the provisions of Commission Delegated Regulation (EU) 2026/73 of 4 July 2025, if the total amount relating to the economic activities of a non-financial enterprise represents less than 10% of the denominator of the relevant KPI, that entity may omit the assessment of whether part of its economic activities qualifies for or complies with the framework. In order to assess the level of materiality, the Group reviewed the economic activities carried out in the companies of the KGHM Polska Miedź S.A. Group and in the Parent Entity's Divisions. As a result of the assessment and the fact that the 10% materiality threshold was not exceeded, all activities identified in 2025 were deemed immaterial (immaterial).

The financial data for economic activities presented in the disclosures below include both revenue (turnover) from economic activities and the associated capital expenditure or operating expenses. In addition, purchases from operations that are not directly related to the revenue streams generated by the KGHM Polska Miedź S.A. Group have also been included, although they are classified as non-assessed operations (deemed immaterial).

The basis for classifying a given economic activity within the Taxonomy framework was a comparison of the actual activity in question with the description of the activity set out in Annex I or Annex II to Commission Delegated Regulation (EU) 2021/2139, taking into account Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending the aforementioned Regulation, and the descriptions of activities contained in Commission Delegated Regulation (EU) 2023/2486. Individual types of economic activity have been allocated to only one economic activity. No portion of revenue, CAPEX or OPEX has been double-counted. The Parent Entity of the Group supervised the disclosure process, also verifying the financial data allocated to individual economic activities to ensure that double-counting was avoided.

The KGHM Group conducts its business activity outside of the European Union as well. These activities were assessed in the same manner as the activities conducted in the EU.

The results of the assessment of taxonomic activities are presented in Table 118 (summary results) and Tables 119–121. Due to the immaterial nature of all activities identified by the Group in 2025, Table 118, column (3), does not contain data on eligibility, and data on immaterial activities have been included in column (14). The direct consequence of classifying all activities as immaterial is that no eligible and compliant activities are presented in Tables 119–121. Information relating to the previous reporting period (columns (15) and (16) in Table 118) has been presented in accordance with the regulations in force at the time of preparing the 2024 Report.

Table 118. Percentage share of turnover, capital expenditure and operating expenses attributable to products or services related to business activities falling within or in line with the classification system – disclosure relates to 2025 (summary of key performance indicators)

Financial year 2025															
Key performance indicator	Total	Share of taxonomy-eligible activities	Taxonomy-aligned activities	Share of taxonomy-aligned activities	Breakdown of taxonomy-aligned activities by environmental goals ⁵⁷						Share of enabling activities	Share of transitional activities	Activities not subject to assessment deemed immaterial	Taxonomy-aligned activities in the previous financial year (2024)	Share of taxonomy-aligned activities in the previous financial year (2024)
					Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Text	PLN million	%	PLN million	%	%	%	%	%	%	%	%	%	%	PLN million	%
Turnover	36 366	0%	0	0%									1.517%	308	0.87%
Capital expenditure	5 253	0%	0	0%									8.099%	240	3.92%
Operating expenses	2 153	0%	0	0%									9.996%	43	2.04%

⁵⁷ No assessment of compliance with the classification system was carried out for individual activities for the year 2025.

Table 119. Percentage share of turnover from products or services related to economic activities falling within or complying with the classification system – disclosure relates to 2025 (breakdown by activity)

Reported key performance indicator Turnover													
Financial year 2025													
Economic activity	Code	Key performance indicator for taxonomy-eligible activities (proportion of taxonomy-eligible turnover)	Key performance indicator for taxonomy-compliant activity (monetary value of turnover)	Key performance indicator for taxonomy-compliant activity (share of taxonomy-compliant turnover)	Environmental goal of taxonomy-aligned activity						Enabling activities	Transitional activities	Share of taxonomy-compliant activity in taxonomy-eligible activity
					Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Text		%	PLN million	%	%	%	%	%	%	%	(enabling where appropriate)	(transitional where appropriate)	%
Total taxonomy-aligned activities by goal					0%	0%	0%	0%	0%	0%			
Total key performance indicator		0%	0	0%	0%	0%	0%	0%	0%	0%			0%

Table 120. Percentage share of turnover from products or services related to economic activities falling within or complying with the classification system – disclosure relates to 2025 (breakdown by activity)

Reported key performance indicator Turnover													
Financial year 2025													
Economic activity	Code	Key performance indicator for taxonomy-eligible activities (proportion of taxonomy-eligible turnover)	Key performance indicator for taxonomy-compliant activity (monetary value of turnover)	Key performance indicator for taxonomy-compliant activity (share of taxonomy-compliant turnover)	Environmental goal of taxonomy-aligned activity						Enabling activities	Transitional activities	Share of taxonomy-compliant activity in taxonomy-eligible activity
					Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Text		%	PLN million	%	%	%	%	%	%	%	(enabling where appropriate)	(transitional where appropriate)	%
Total taxonomy-aligned activities by goal					0%	0%	0%	0%	0%	0%			
Total key performance indicator		0%	0	0%	0%	0%	0%	0%	0%	0%			0%

Table 121. Percentage of operating expenses relating to products or services associated with business activities falling within or in line with the classification system – disclosure relates to 2025 (breakdown by activity)

Reported key performance indicator Turnover													
Financial year 2025													
Economic activity	Code	Key performance indicator for taxonomy-eligible activities (proportion of taxonomy-eligible turnover)	Key performance indicator for taxonomy-aligned activity (monetary value of turnover)	Key performance indicator for taxonomy-aligned activity (share of taxonomy-aligned turnover)	Environmental goal of taxonomy-aligned activity						Enabling activities	Transitional activities	Share of taxonomy-aligned activity in taxonomy-eligible activity
					Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Text		%	PLN million	%	%	%	%	%	%	%	(enabling where appropriate)	(transitional where appropriate)	%
Total taxonomy- aligned activities by goal					0%	0%	0%	0%	0%	0%			
Total key performance indicator		0%	0	0%	0%	0%	0%	0%	0%	0%			0%

It should be emphasised that none of the identified taxonomic activities, which are not subject to assessment and have been deemed immaterial, constitute the core business of the KGHM Polska Miedź S.A. Group. All have been deemed immaterial and fall within the following sectors:

- Construction and real estate services
- Water supply, sewage and waste management, and remediation
- Energy
- Information and communication
- Forestry
- Manufacturing
- Transport
- Accommodation activities

Assessment of taxonomy compliance

In accordance with the simplifications provided for in Commission Delegated Regulation (EU) 2026/73 of 4 July 2025, the Group has not carried out a compliance assessment as the materiality threshold has not been exceeded.

Changes in the Group structure

The taxonomy indicators were calculated based on the financial data taking into account the structure of the KGHM Polska Miedź S.A. Group as at 31 December 2025. Changes in the composition of the Group are presented in [section 1.2](#) of this report. None of these changes were found to have an impact on taxonomic indicators.

Background information

The calculation of indicators of turnover, capital expenditure and operating expenditure was based on the definitions set out in Annex I of Commission Delegated Regulation (EU) 2021/2178. Data for the needs of taxonomy reporting was derived from the financial and accounting systems. The calculation of the indicators for the Group takes into account the relevant consolidation eliminations based on the methods used in the financial statements. Therefore, the need to make significant estimates or allocations for the indicators reported was not noted.

In the case of the turnover ratio, the total attributable qualifying turnover relates to revenue from contracts with customers. For the calculation of the ratios, the turnover figure used in the denominator is consistent with the figure provided in the Consolidated Financial Statements of the KGHM Polska Miedź S.A. Group for 2025, in Part 2 "Business Segments and Information on Revenue", in Note 2.3. The turnover ratio does not include data on own consumption, as no such instances were recorded in the Group's qualifying activities that would affect the numerator of the turnover ratio.

The CAPEX denominator comprises the items disclosed and described in the 2025 Consolidated financial statements of the KGHM Polska Miedź S.A. Group, in Part 9 "Non-current assets and related liabilities", in note 9.1 "Mining and metallurgical property, plant and equipment and intangible assets", and in note 9.2 "Other property, plant and equipment and intangible assets". The CAPEX denominator includes increases in property, plant and equipment and intangible assets, whether self-constructed or purchased, including those resulting from the acquisition of subsidiaries, increases in right-of-use assets, and increases arising from the acquisition of investment property. The numerator of CAPEX includes those items from the denominator that relate to taxonomy-eligible activities, mainly resulting from increases in self-generated or purchased fixed assets.

The OPEX indicator includes expenditure on on-going operation of property, plant and equipment, i.e. the expenditure incurred on renovations and maintenance of individual items of property, plant and equipment. In accordance with the definition of OPEX, the indicator also incorporates possible costs in the category of research and development and short-term leasing excluded from CAPEX. In the numerator of OPEX, those items from the denominator that relate to taxonomy-eligible activities have been included. The vast majority were the costs related to the day-to-day operation of tangible fixed assets (maintenance, repairs, overhauls, etc.).

4.2.2 [E1] Climate change

[E1-1] Transition plan for climate change mitigation

As at the date of this report, the Group does not yet have a formally adopted, comprehensive Transition Plan for climate change mitigation within the meaning of ESRS E1-1. In accordance with the amendment to the Industrial Emissions Directive (IED) introduced by Directive 2024/1785 (Article 27d), operators of installations falling within the scope of the regulation will be required to develop and implement transition plans towards climate neutrality. The Group plans to adopt such a Transition Plan by 30 June 2030.

At the same time, the Group is already carrying out preparatory work that forms the basis for the future Transition Plan. Given that the majority of the Group's greenhouse gas emissions originate from the technological processes of KGHM Polska Miedź S.A., a sector-specific document covering its operational activities was developed as a first step.

In January 2024, the Management Board adopted the "Decarbonisation Program of KGHM Polska Miedź S.A.", which constitutes a formalised component of the transition plan within the meaning of ESRS E1-1 and serves as the foundation for further development of a comprehensive Transition Plan for the entire Group. This Program:

- sets out targets for reducing greenhouse gas emissions by 2030 and by 2050,
- identifies key sources of Scope 1 and Scope 2 emissions,
- indicates the main directions of investment and operational actions,
- incorporates the development of low-carbon energy sources and improvements in energy efficiency,
- forms part of the implementation of The Strategy of the KGHM Polska Miedź SA Group to the year 2030 with an outlook to 2040, as well as the Company's Climate Policy.

The current stage of work on the target Transition Plan includes, in particular:

- analysis of emission reduction pathways consistent with the objective of climate neutrality by 2050,
- assessment of the technical feasibility of decarbonising metallurgical and mining processes,
- identification of potential low- and zero-emission technologies that could be deployed after 2030,
- preliminary estimation of investment needs and the impact of the transition on the business model,
- integration of decarbonisation assumptions into the strategic and investment planning process.

Actions planned until 2030 focus primarily on reducing indirect emissions (Scope 2) through:

- gradually reducing the purchase of electricity generated from fossil fuels on the market,
- constructing own zero-emission renewable energy installations and supplying the generated energy directly to the Company's technological processes, as well as purchasing green energy from external suppliers under PPA agreements,
- improving energy efficiency in production activities.

Key actions aimed at reducing direct emissions (Scope 1), particularly those related to the transformation of technological processes, are planned mainly for the period after 2030 due to their capital intensity and the need for further development and commercialisation of appropriate technologies.

The target Transition Plan, to be adopted by 30 June 2030, will cover the entire Group's activities and will include information on how installations will be transformed in the period 2030–2050 so as to contribute to building, by 2050, a sustainable, clean, resource-efficient and climate-neutral circular economy, in line with regulatory requirements and the principles of ESRS E1-1.

Energy Transition Strategy

The analysis of global trends related to the energy transition and decarbonisation encouraged the Group to intensify its activities in the area of efficient use of energy resources and to comply with international environmental regulations and requirements by:

- adapting business operations to increasingly stringent standards for greenhouse gas emissions,
- increasing the share of renewable energy sources through investment in wind farms, photovoltaic installations, energy storage and new technologies to reduce greenhouse gas emissions and the costs of energy utilities (nuclear energy, zero-emission alternative fuels), including the necessary development of the electricity infrastructure,
- improving energy efficiency, mainly in production processes, i.e. copper ore mining, processing and metallurgy.

Plans to reduce direct emissions

As part of the main directions for limiting the carbon footprint in the area of direct emissions of KGHM Polska Miedź S.A., the construction of a pilot CO₂ capture plant from process gases accompanying copper production at the Głogów Copper Smelter and Refinery is considered as a component of a CCS (Carbon Capture and Storage) installation.

[E1-2] Policies related to climate change mitigation and adaptation

Climate policy of KGHM Polska Miedź S.A.

The majority of the Group's greenhouse gas emissions are attributable to the activities of KGHM Polska Miedź S.A., and therefore the Climate Policy of KGHM Polska Miedź S.A. was developed primarily for these activities. The Group does not have a formalised climate policy. Work on a climate policy for the Group is at an early stage and will continue. Once developed, the Climate Policy of KGHM Polska Miedź S.A. will be incorporated into the Group-level document as its integral part or will serve as its foundation, ensuring consistency of objectives, principles and governance mechanisms across the entire Group.

The Climate Policy of KGHM Polska Miedź S.A. defines a framework for the management of sustainable development issues, focusing on the reduction of greenhouse gas emissions, adaptation of the Company's activities to climate change and the implementation of activities that minimise the impact of the organisation on the environment. It is a directional document, addressed to both external and internal stakeholders, whose overriding purpose is to present the climate ambitions of KGHM Polska Miedź S.A. and to specify the necessary scope of process and organisational changes for their implementation and continuous improvement.

The Climate Policy of KGHM Polska Miedź S.A. takes into account both the significant impacts as well as the risks and opportunities arising from the climate transition.

The overriding objective of the Climate Policy of KGHM Polska Miedź S.A. is to support the Company's efforts to achieve global climate neutrality by 2050. The interim target is to reduce combined Scope 1 and Scope 2 emissions by 30% by 2030 compared to 2020 emissions.

Monitoring of the effectiveness of the Climate Policy is provided through systematic reporting of emissions in accordance with the GHG Protocol, scenario analysis and ongoing assessment of compliance with TCFD guidelines. The review of the Decarbonisation Program also forms a part of the Climate Policy monitoring. The policy covers all activities of KGHM Polska Miedź S.A. and its impact on climate, both upstream and downstream in the value chain and in the geographical areas where the Company operates. The document takes into account key stakeholder groups, including investors, local communities, employees and business partners.

The Climate Policy of KGHM Polska Miedź S.A. was adopted for application by a Resolution of the Management Board⁵⁸, while the supervision over the implementation of the resolution was entrusted to the Vice President of the Management Board for Financial Affairs.

The Company is aware that improving ESG ratings relevant from the perspective of institutional investors and funding institutions will require the continuation of existing measures and the implementation of new measures, including improving the quality of reporting of climate-related information.

⁵⁸ Resolution of the Management Board of KGHM Polska Miedź S.A. no. 121/XI/2023 dated 08 March 2023 regarding the approval of the updated "Climate Policy of KGHM Polska Miedź S.A."

KGHM Polska Miedź S.A. makes its Climate Policy available to all stakeholders on the Company's website under the [Sustainable Development](#) tab.

Energy Policy of KGHM Polska Miedź S.A.

The basic objective of KGHM Polska Miedź S.A. in terms of energy management, including activities for the climate directly related to it, is to conduct rational energy management while ensuring the energy security of the Company's production facilities and installations. This process is carried out in accordance with the best European and global standards, including mainly the PN-EN ISO 50001:2018 Energy Management Systems standard. The implementation of this international standard for energy utility management started with the adoption of the Energy Policy of KGHM Polska Miedź S.A. by the President of the Management Board on 28 November 2016. The third edition of the Policy, approved on 12 July 2023, is currently in force.

KGHM Polska Miedź S.A. is consistently striving to increase the share of renewable energy sources and the generation of its own zero- or low-carbon electricity for the core production business. The following principles are of key importance to the energy management policy:

- identification and monitoring of energy streams,
- reducing energy consumption and eliminating energy waste,
- continuous monitoring and improvement of energy use, including energy recovery and efficient energy production.

The Energy Policy constitutes one of the instruments for implementing the Company's climate objectives set out in the Climate Policy, in particular the target of reducing total Scope 1 and Scope 2 greenhouse gas emissions by 30% by 2030 compared with the 2020 baseline, as well as the ambition to achieve climate neutrality by 2050.

The actions undertaken under the Energy Policy directly support these objectives through:

- increasing the share of renewable energy sources in the Company's energy mix, thereby contributing to the reduction of Scope 2 emissions,
- improving the energy efficiency of technological processes, resulting in lower energy intensity of production and reduced emission intensity,
- optimising energy consumption and reducing losses, which translates into a decrease in total energy demand and the associated emissions.

The energy transition represents an opportunity for the Company to reduce costs and enhance energy independence through the development of its own low- and zero-emission generation assets, the implementation of energy-efficiency projects, and improvements in energy efficiency within the Core Production Business. An important element of the Policy is also the optimisation of energy-related operating costs. As a result, the energy transition contributes to the reduction of greenhouse gas emissions, supporting the achievement of the climate objectives set out in the Climate Policy (e.g. contributing to the Company's interim climate target of reducing combined Scope 1 and Scope 2 emissions by 30% by 2030 compared with 2020).

The Company implements the Energy Policy in a manner that ensures systematic management of impacts, risks and opportunities related to energy consumption and the energy transition, while maintaining consistency with its strategic and climate objectives.

The Energy Policy does not set specific objectives or the scope and time limits for the implementation of the assumptions as required by MDR-A and MDR-T.

The Energy Policy of KGHM Polska Miedź S.A. is made available to all stakeholders through the official website of the Company.

The updated "Energy Strategy of KGHM Polska Miedź S.A.", was approved by Resolution No. 184/XI/2025 of the Management Board of KGHM Polska Miedź S.A. dated 28 May 2025, amended by Resolution No. 45/XII/2025 of the Management Board of KGHM Polska Miedź S.A. dated 17 June 2025.

[E1-3] Actions and resources in relation to climate change policies

Based on the analyses performed and the current strategic directions of KGHM Polska Miedź S.A., actions were set out, related to achieving the strategic objectives, consisting in:

- construction of own RES installations on the land owned by the Group,
- purchase of energy from RES under PPAs (*Power Purchase Agreement*, a long-term contract for the supply of electricity),
- construction of electricity storage facilities to improve the efficiency of the power system and the energy security of the KGHM Group, to stabilise the stream of electricity from RES and to reduce the cost of electricity used in technological processes,
- construction of heat storage facilities and heat pumps, as well as the use of waste heat from Core Production Business processes.

Improving the efficiency of electricity consumption in technological processes also plays a key role in the decarbonisation process. The ISO 50001 standard-compliant Energy Management System implemented by all the Company divisions in 2017 and the positive recommendations from the EMS recertification audits each year, have had a systematic effect on reducing Scope 2 greenhouse gas emissions. The above measures should result in a 30% reduction in greenhouse gases by 2030 compared to 2020.

Conceptual directions of Energy Transition

The long-term actions that the KGHM Group will pursue to comply with global environmental trends and regulations will include:

- development of a concept for the production of green hydrogen using electricity from own RES,
- use of hydrogen technologies in the core business (e.g. for the conversion of CO₂ and H₂ to e-fuels),
- construction of a new high-efficiency, cogeneration gas-fired power plant adapted to the needs of the KGHM Group for the production of electricity and heat (cooling),
- procurement of electricity from SMRs (Small Modular Reactors) for use in the Core Production Business.

In November 2023, design works were commenced with the aim of developing the Decarbonisation Program for the Core Production Business of KGHM Polska Miedź S.A., taking into account the targets for reduction of greenhouse gas emissions specified in the Climate Policy with the outlook of 2030 and 2050.

KGHM Polska Miedź S.A., in terms of energy transformation with the outlook of 2030, assumes the construction of its own and the acquisition of renewable energy sources, which will systematically increase the volume of renewable electricity used in KGHM Polska Miedź S.A. in such a way as to achieve the Company's climate neutrality in 2050.

In 2025, capital expenditure was planned in the portfolio in the form of 12 projects potentially related to the implementation of GHG emission mitigation measures. It is assumed that, due to the level of development and availability of modern technology, the Company's main activities in the 2030 timeframe will be aimed at reducing indirect Scope 2 emissions, i.e. emissions associated with the use of electricity generated from fossil fuels.

Currently, "green energy" is produced for the needs of KGHM Polska Miedź S.A. from photovoltaic farms with a capacity of 47MW owned by the KGHM Polska Miedź S.A. Group. In addition, in 2025, the Company signed PPAs for the purchase of electricity and guarantees of origin from three independent wind farms with the total capacity of 74 MW owned by third parties.

In 2025, the Company carried out photovoltaic and wind RES projects located on its own land, the implementation of which is currently at the stage of raising external funding, obtaining administrative decisions and preparing the technical documentation necessary to launch the construction phase.

The high-efficiency cogeneration gas-fired power plants, powered by natural gas from a Polish natural gas source in Kościan, supply electricity, heat and process steam not only to the Company, but also to the district heating systems of the surrounding towns. High-efficiency natural gas engines installed in the Surface Climate Stations of the Rudna mine and the Polkowice-Sieroszowice mine provide electricity and chilled water used for cooling workplaces in the underground mines.

The following significant activities of the Parent Entity, KGHM Polska Miedź S.A., were carried out during the reporting period:

- Intensive activities were continued in the area of energy, with the aim of increasing the Company's energy security and independence. Work was continued to improve the Company's energy efficiency, including obtaining additional financial support from national and European funds.
- The Demand Side Response (DSR) program was launched, which commits electricity consumers to voluntarily reduce their consumption of capacity from the National Power System for a short period of time in the case of capacity shortage.
- A package of projects to increase the production of electricity from own sources, including RES, was developed, including photovoltaic farms and a wind park with the total capacity of approximately 180 MW.
- Analyses continued on the use of electricity storage facilities, ultimately operating in conjunction with photovoltaic farms and wind farms planned for construction.
- Market analysis was continued with regard to the feasibility of acquisition processes located in the KGHM Polska Miedź S.A. area, in particular in the area of wind power.
- Analytical work was carried out on the capture, transport and geological storage of carbon dioxide as part of conceptual work on the development of a carbon capture and storage (CCS) installation for the metallurgical production line at the Głogów Copper Smelter and Refinery.
- In May 2025, the Management Board of KGHM Polska Miedź S.A. adopted a resolution on the acceptance of the Energy Strategy of KGHM Polska Miedź S.A., under which new renewable energy projects are being implemented and feasibility studies are being carried out on conceptual projects within the KGHM Polska Miedź S.A. Group.
- The Group's own sources of energy, including RES, covered 39% of the total demand for contracted capacity by KGHM Polska Miedź S.A. in 2025.

- The company has eight photovoltaic farms with a total capacity of 47 MW, which generated 37,910 MWh of electricity in 2025.

In subsequent years:

- KGHM Polska Miedź S.A. will continue its analytical and technical work regarding potential involvement in RES sources acquisition projects, with a view to assessing the commercial viability of implementing them in the Copper Basin region.
- The Company plans to build its own renewable energy generation assets on its own land with a total planned capacity of approximately 180 MW in connection with the Energy Strategy of KGHM Polska Miedź S.A. The key project planned for 2026 is the selection of contractors for the construction stage.
- With regard to measures to reduce Scope 1 emissions, extensive activities are being carried out at the national level concerning the commercially and technically viable construction of a carbon capture facility at the Głogów Copper Smelter and Refinery, including the option of carbon storage or utilisation.

A comprehensive feasibility study of a CO₂ capture system (CCS) for the assumed two CO₂ capture facilities located at the Głogów Copper Smelter and Refinery (HMG) with a total capture capacity of approximately 600,000 tonnes of CO₂ per year (Scope 1 emissions) was prepared in 2025. Further work on the project concept and financing is planned. Measures to reduce direct emissions through the implementation of CCS facilities in the metallurgical production line are implemented successively. As the construction of CO₂ capture facilities depends on market developments and the regulatory and infrastructure environment – including the fact that facilities for the transport and storage of CO₂ are still lacking in Poland – the projects are at the conceptual stage and are being considered for the period between 2030 and 2040.

Significant activities carried out by companies of the Group include the following projects:

- Energetyka sp. z o.o. in Lubin is implementing a renewable energy sources (RES) project. The photovoltaic system at the EC-3 Głogów Unit, with estimated electricity generated at around 1,300 MWh/year, will be used for the plant's own needs. The next part of the preparatory work was carried out in 2025. The project will help reduce Scope 2 emissions by replacing some of the energy purchased by KGHM with energy generated in-house by RES.
- In 2025, WPEC Legnica S.A. carried out an investment project entitled, "Modernisation of the heat supply system in Legnica, involving the construction of a natural gas-fired source to replace a coal-fired boiler house". The total capital expenditure incurred for the project amounted to PLN 106 million. Completion and handover of the project are scheduled for 2026. The tangible environmental benefits include a reduction in eCO₂ emissions of approximately 50% compared to the existing heat source.

[E1-4] Targets related to climate change mitigation and adaptation

The majority of the Group's greenhouse gas emissions originate from the technological processes of KGHM Polska Miedź S.A., therefore, goals for this activity were the first to be prepared. The Company's Decarbonisation and Energy Transition Programs are focused on reducing carbon dioxide emissions from technological processes and those associated with the consumption of energy utilities produced using fossil fuels (especially coal).

The overarching goal is for the Company to support the pursuit of global climate neutrality by 2050. The intermediate goal for KGHM Polska Miedź S.A. is to reduce combined Scope 1 and Scope 2 emissions by 30% by 2030 compared to 2020 emission levels.⁵⁹ Reducing Scope 2 emissions is a strategic goal for KGHM Polska Miedź S.A. related to the energy transition in the 2030 perspective.

The targets set are relative in nature and are measured in percentages (%). Targets are included as indicators in relation to the base year or YoY and measured both in tonnes of CO₂ equivalent (t eCO₂) and as a percentage value.

The interim target adopted (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 (42% by 2030⁶⁰). The target adopted is lower, as reducing emissions in line with the scientific target for energy-intensive companies, where the structure of the national energy mix is based on fossil fuels, is not feasible without changing this structure.

2020 was adopted as the base year in the context of tracking progress in reducing greenhouse gas emissions, with emissions at a level of 3019 thousand tonnes of eCO₂.

⁵⁹ GHG emissions are calculated in accordance with the GHG Protocol. The protocol indicates that companies select and report a base year for which verifiable emission data is available. The first emissions calculation under the protocol was performed on 2020 data. 2020 is therefore indicated in the Climate Policy as the base year for Scope 1 and 2 emissions.

⁶⁰ based on "Pathways to Net-zero -SBTi Technical Summary" (version 1.0, October 2021)

At this stage, emissions from KGHM Group companies are not covered by climate change mitigation targets, which is why no base year has been specified.

Work on the Decarbonisation Program for KGHM Polska Miedź S.A. in the long term until 2050 will continue. In parallel, work will continue on the decarbonisation program for the KGHM Group, including setting reduction targets and the adoption of the KGHM Group Climate Policy.

[E1-5] Energy consumption and mix

Energy consumption and energy mix

Information on total energy consumption by the KGHM Polska Miedź S.A. Group in absolute terms, recognised in MWh, is presented in the table below. In accordance with the requirements of ESRS E1-5, the following assumptions have been adopted for the disclosure of energy consumption information:

- The calculations were based on the data used for the greenhouse gas emissions balance and the preparation of the PRTR Reports.
- Input data was obtained from individual Group companies.
- For the calculation of the following indicators, the structure of fuels and other primary energy carriers published by TAURON Polska Energia S.A. was used (2024).
- All quantitative energy figures are provided in megawatt hours (MWh), taking into account the net calorific value.

Table 122. Energy consumption and energy mix in the KGHM Polska Miedź S.A. Group [MWh]

No.	Energy consumption and energy mix	2025	2024
1	Consumption of fuel from coal and coal products	855 669	15 248
2	Consumption of fuel from crude oil and petroleum products	95 816	79 375
3	Consumption of fuel from natural gas	2 398 155	2 496 360
4	Consumption of fuel from other fossil sources	139 889	23 649
5.	Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	4 471 938	3 950 940
6	Total consumption of energy from fossil fuels (calculated as total of lines 1-5)	7 961 467	6 565 571
	<i>Share of fossil fuel sources in total energy consumption [%]</i>	99.49%	99.95%
7	Energy consumption from nuclear sources	0	0
	<i>Share of energy consumption from nuclear sources in the total energy consumption [%]</i>	0	0
8	Fuel consumption in the case of renewable sources, including biomass (comprising also industrial and municipal bio-waste, biogas, renewable hydrogen, etc.)	205	0
9	Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	0	0
10	Non-fuel self-generated renewable energy consumption	40 662	3 334
11	Total consumption of renewable and low carbon energy (calculated as the total of lines 8-10)	40 867	3 334
	<i>Share of renewable sources in total energy consumption [%]</i>	0.51 %	0.05 %
	Total energy consumption (calculated as the total of lines 6, 7 and 11)	8 002 333	6 568 905

Note: The figures in the tables may not add up exactly to the total due to rounding.

Energy intensity

By calculating the energy intensity index presented in Table 123. Energy intensity based on net revenues [MWh/million PLN], total energy consumption from activities in high climate impact sectors (expressed in MWh) was divided by net revenues from activities in high climate impact sectors (expressed in PLN).

Sectors recognised as exerting a significant impact on climate according to the ESRS classification include those listed in Sections A-H and L of Regulation (EC) No 1893/2006, the so-called NACE Rev. 2 classification, also defined in Commission Delegated Regulation (EU) 2022/1288. The KGHM Polska Miedź S.A. Group generates revenues in the following sectors:

- Section B - Mining and quarrying
- Section C - Manufacturing
- Section D - Electricity, gas, steam and hot water generation and supply
- Section E - Water supply; effluents and waste management, and remediation activities
- Section G - Wholesale and retail trade; repair of motor vehicles
- Section H - Transport and storage

Table 123. Energy intensity based on net revenue [MWh/million PLN]

Energy intensity per net revenue [MWh/million PLN]	2025	2024	Change 2025/2024 (%)
Total energy consumption of activities in sectors with significant climate impact per net revenue from activities in sectors with significant climate impact ⁶¹	220.19	185.98	18.4%

Table 124. Quantitative reconciliation of revenue with the consolidated financial statements

Specification [PLN million]	2025	2024	Change 2025/2024 (%)
Net revenues from activities in sectors with significant climate impact used to calculate energy intensity	32 921.22	32 527.54	1.2%
Net revenue (other)	3 421.13	2 792.45	22.5%
Total net revenue (reference to Part 2 - Business segments and revenue information - of the Consolidated Financial Statements)	36 342.35	35 319.98	2.9%

[E1-6] Gross Scopes 1, 2, 3 and Total GHG emissions

In the balance of greenhouse gas emissions from the KGHM Polska Miedź S.A. Group, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, direct emissions of greenhouse gases listed in the Kyoto Protocol (UNFCCC) were taken into account.

Emissions of nitrogen trifluoride (NF₃) do not occur in the KGHM Polska Miedź S.A. Group, thus, they were not considered in the balance sheet. Substances beyond the ESRS list are also included in the balance, reporting their emissions separately from those in Scopes 1-3. For mixtures of HFCs or PFCs with other gases not listed in the ESRS, the emission of each component of the mixture was considered separately.

Table 125. Scope 1, 2, 3 greenhouse gas emissions in KGHM Polska Miedź S.A. in 2024 [t eCO₂].

Specification	2020 Base year	2025	2024	% change 2025/2024	Target 2030	Target 2050	% change 2025/2020 ⁶²
SCOPE 1 Greenhouse gas emissions							
Gross greenhouse gas emissions	1 413 129	1 420 460	1 438 297	-1.2%	-	-	-
Percentage of emissions of gases from regulated emission trading schemes (%)	86.2%	84.2%	82.2%		-	-	-
SCOPE 2 Greenhouse gas emissions							
Gross greenhouse gas emissions according to location-based method	1 592 368	1 384 649	1 415 930	-2.2%	-	-	-
Gross greenhouse gas emissions according to market-based method	1 605 575	1 916 601	1 743 909	9.9%	-	-	-
Scope 1 and 2 greenhouse gas emissions according to location-based method	3 005 497	2 805 108	2 854 227	-1.7%	-30%	Climate neutrality	-6.7%
Scope 1 and 2 greenhouse gas emissions according to market-based method	3 018 705	3 337 061	3 182 206	4.9%	-30%	Climate neutrality	10.5%
SCOPE 3 Greenhouse gas emissions							
Gross greenhouse gas emissions	-	896 200	1 254 909	-28.6%	-	-	-
1. Purchase of goods and services	-	316 434	754 828	-58.1%	-	-	-
2. Investment assets	-	274 724	139 896	96.4%	-	-	-
3. Activities related to fuel and energy (not included in Scope 1 or 2)	-	202 925	211 634	-4.1%	-	-	-
4. Upstream transport and distribution	-	34 920	71 640	-51.3%	-	-	-
5. Waste generated as part of the operation	-	209	0	-	-	-	-
6. Business travel	-	-	651	-100.0%	-	-	-
7. Employee commuting to work	-	18 868	22 088	-14.6%	-	-	-
8. Leased senior assets	-	259	213	21.4%	-	-	-
9. Downstream transport	-	47 861	53 924	-11.2%	-	-	-
13. Leased junior assets	-	0	36	-100%	-	-	-
15. Investments	-	0	0	-	-	-	-
Total greenhouse gas emissions according to location-based method	-	3 701 308	4 109 137	-9.9%	-	-	-
Total greenhouse gas emissions according to market-based method	-	4 233 261	4 437 115	-4.6%	-	-	-

Note: The figures in the tables may not add up exactly to the total due to rounding.

⁶¹ Due to the impossibility of isolating energy consumption in sectors with a significant climate impact, it has been assumed that its share corresponds proportionally to the share of revenues generated in these sectors.

⁶² Percentage change – current year compared with the base year (2020).

The targets set as regards decarbonisation apply only to the Parent Entity. Therefore, the effects related to emission reductions and resulting from the adopted decarbonisation policy, from a formal point of view, should be referred to the actions taken by the Company. Greenhouse gas emissions from the Group are not subject to climate targets.

Table 126. Scope 1, 2, 3 greenhouse gas emissions in the KGHM Polska Miedź S.A. Group in 2024 [t eCO₂].

Specification	2020 Base year	2025	2024	% change 2025/2024 ⁶³	Target 2030	Target 2050	% change 2025/ 2020 ⁶³
SCOPE 1 Greenhouse gas emissions							
Gross greenhouse gas emissions		2 068 510	2 094 445	-1.2%	-	-	-
Percentage of emissions of gases from regulated emission trading schemes (%)		77.9%	76.9%	-	-	-	-
SCOPE 2 Greenhouse gas emissions							
Gross greenhouse gas emissions according to the location-based method		1 554 657	1 602 852	-3.0%	-	-	-
Gross greenhouse gas emissions according to the market-based method		2 105 896	1 925 530	9.4%	-	-	-
Scope 1 and 2 greenhouse gas emissions according to location-based method		3 623 167	3 697 298	-2.0%	-	-	-
Scope 1 and 2 greenhouse gas emissions according to market-based method		4 174 406	4 019 975	3.8%	-	-	-
SCOPE 3 Greenhouse gas emissions							
Gross greenhouse gas emissions	-	2 527 068	3 219 629	-21.5%	-	-	-
1. Purchase of goods and services	-	525 907	982 495	-46.5%	-	-	-
2. Investment assets	-	327 502	275 825	18.7%	-	-	-
3. Activities related to fuel and energy (not included in Scope 1 or 2)	-	317 765	317 217	0.2%	-	-	-
4. Upstream transport and distribution	-	52 992	96 837	-45.3%	-	-	-
5. Waste generated as part of the operation	-	100 433	89 039	12.8%	-	-	-
6. Business travel	-	-	1 213	-100.0%	-	-	-
7. Employee commuting to work	-	49 360	53 565	-7.8%	-	-	-
8. Leased senior assets	-	877	1 492	-41.3%	-	-	-
9. Downstream transport	-	52 548	67 819	-22.5%	-	-	-
13. Leased junior assets	-	250	2 457	-89.8%	-	-	-
15. Investments	-	1 099 433	1 331 671	-17.4%	-	-	-
Total greenhouse gas emissions according to location-based method	-	6 150 235	6 916 926	-11.1%	-	-	-
Total greenhouse gas emissions according to market-based method	-	6 701 474	7 239 604	-7.4%	-	-	-

Note: The figures in the tables may not add up exactly to the total due to rounding.

Biogenic emissions

Identified biogenic CO₂ emissions account for 1.1% of the Group's Scope 1 emissions. They are derived from the carbon balance of raw materials used in metallurgical processes and were determined separately from Scope 1 emissions. Biogenic emissions in other Group companies are not identified.

Emissions designated and reported under the EU ETS are included in Scope 1 and determined according to the EU ETS method.

Biogenic CO₂ emissions from biomass combustion or biodegradation independently of Scope 2 greenhouse gas emissions are not identifiable. The emission factors used do not allow the separation of the share of biomass or biogenic CO₂. Likewise, biogenic CO₂ emissions from fuel combustion (petrol, diesel, gas) are not identifiable.

Biogenic CO₂ emissions from the combustion or biodegradation of biomass that occur upstream and downstream in the value chain, independent of gross Scope 3 GHG emissions, and CO₂ emissions occurring in the life cycle of biomass other than emissions from combustion or biodegradation (including GHG emissions from biomass processing or transport) in the calculation of Scope 3 GHG emissions are not identifiable.

⁶³ Percentage change – current year compared with the base year (2020).

Emission intensity

The link between the intensity of greenhouse gases based on sales revenue excluding VAT and financial reporting information is shown in the table below.

Table 127. Greenhouse gas emission intensity for the KGHM Polska Miedź S.A. Group

	Net [PLN million]	t eCO ₂	t eCO ₂ /PLN million
Total greenhouse gas emissions (according to location-based method) per total net revenue (t eCO ₂ /monetary unit)	36 342.35	6 150 235	169.231
Total greenhouse gas emissions (according to market-based method) per total net revenue (t eCO ₂ /monetary unit)	36 342.35	6 701 474	184.398

Methodology for determining direct emissions (scope 1)

The Group, as part of its methodology for determining GHG emissions, has taken into account the principles, requirements and guidelines presented in the "GHG Protocol Corporate Standard".

Carbon dioxide direct emission volumes for installations participating in the EU ETS:

- KGHM Polska Miedź S.A. Głogów Copper Smelter and Refinery,
- KGHM Polska Miedź S.A. Legnica Copper Smelter and Refinery,
- KGHM Polska Miedź S.A. Gas and Steam Units.
- Energetyka Sp. z o.o.,
- Wojewódzkie Przedsiębiorstwo Energetyki Ciepłej in Legnica,

have been determined in accordance with Commission Implementing Regulation (EU) 2018/2066 of 19 December 2018 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council and amending Commission Regulation (EU) No 601/2012 (OJ L of 2018, No. 334, item 1 as amended). The same accounting period was adopted for gross Scope 1 greenhouse gas emissions and ETS emissions.

The mass-balance method was used to determine process emissions - annual CO₂ emissions were determined on the basis of the annual consumption of individual raw materials and the carbon content of the raw materials consumed. The detailed methodology for calculating emissions is determined for each ETS installation in separate and administratively-approved "Monitoring Plans". These documents establish a monitoring system, with specific procedure and responsibilities for individual persons involved in the process, and determine specific methodologies for calculating emissions based on the general principle of mass balance of element C in the raw materials used. Monitoring plans are developed on the basis of the aforementioned EU Commission Regulation 2018/2066. The above-mentioned methodology is indicated in Commission Regulation 2023/2772 as the "EU ETS method" which can also be applied to activities in geographical areas and sectors that are not covered by the EU ETS.

In the case of other installations belonging to KGHM Polska Miedź S.A. and Group companies, emissions of CO₂ and methane and nitrous oxide accompanying the consumption of fuels (natural gas, hard coal, fuel oil, propane, LPG) were determined using the methodology applied for the combustion of fuels, based on the quantities of fuels consumed and emission factors published by the IPCC.

Carbon dioxide emissions from installations for which a mass balance is not used are calculated based on the product of the consumption of the coal-bearing material used in the installation, its chemical energy value, and an emission factor derived from the carbon content of the raw material, decreased by an oxidation factor reflecting the efficiency of the combustion process.

Emissions of other greenhouse gases emitted from technological processes and from the combustion of motor fuels were determined in a manner consistent with the requirements of the methodology for determining releases for reporting to the National Pollutant Release and Transfer Register (KRUiTZ), in accordance with the methodology and based on indicators published by the IPCC. The volumes of fugitive releases and emissions accompanying emergency situations have been estimated on the basis of technological data, observing the principles of best engineering practice.

Emission determination methodology for purchased and consumed energy (Scope 2)

In accordance with the GHG Protocol⁶⁴ Scope 2 Guidance, An amendment to the GHG Protocol Corporate Standard, GHG emissions related to energy consumption were determined by two methods:

- the location-based method, using average emission factors for the power grid in the reporting company's area,
- the market-based method, using emission factors specified by the energy supplier in its contract with the reporting company.

Indicators of unit CO₂ emissions accompanying the generation of thermal energy, supplied by suppliers from outside the KGHM Group, were adopted on the basis of data published on suppliers' websites or obtained directly from representatives of energy suppliers, and in the event of their absence as an average value for all other suppliers.

Thermal energy generated at the Group's facilities and purchased by the facilities included in the balance is emission-free for these facilities. Emissions from the generation of this energy have been included as Scope 1 direct emissions for their generators to avoid double counting.

A weighted average CO₂ emission factor for a mix of purchased energy was used to determine the emissions associated with the consumption of electricity purchased centrally by KGHM from suppliers outside the KGHM Group. The indicator was determined based on the shares of each supplier in the total amount of energy purchased and the CO₂ emission factors for 2025, as published on the suppliers' websites. To determine the emissions for the location-based method, the balance of electricity produced as reported by the KOBIZE for 2025 was used⁶⁵. The CO₂ emission factor, without taking losses into account, is 0.5249 t/MWh. For the market-based method, residual mix indicators for Poland, the USA, Chile and Canada were adopted in the absence of data on the factor.

Electricity produced by Group companies is resold, together with electricity from other sources, to other KGHM Polska Miedź S.A. facilities. Emissions from the production of this electricity are included as direct emissions from these facilities. To avoid double counting of emissions, this energy, consumed by the Group's installations, was treated as emission-free. As it is not identified during the purchase, the emission-free nature of this part of the energy stream was taken into account by decreasing the emission factor for electricity resold by the Group's facilities accordingly.

Methodology for determining indirect emissions (Scope 3)

Due to the extensive range of input data (tens of thousands of items of purchased goods - category 1), as well as the large number of suppliers (several thousand), the acquisition of primary data from suppliers and value chain participants is not possible in a foreseeable, timely manner. Moreover, most suppliers do not keep balances of greenhouse gases, so it is impossible to ensure the quality of primary data or to verify the sources of this data. In this situation, in order to ensure the highest possible quality of data and calculated emission figures, secondary data was used – expenditure on purchased goods, services and capital goods relating to spend-based GHG emission factors for the supply chain, sourced from recognised international sources such as:

- UK Government Department for Environment Food and Rural Affairs (DEFRA) - DEFRA Supply Chain data,
- Cornerstone Sustainability Data Initiative (to date, the US Environmental Protection Agency US AEPa): data USEEIO (US Environmentally Extended Input-Output) Supply Chain Emission Factors.
- Centre for Global Environmental Research of the Japan National Institute of Environmental Studies - 3EID data (Embodied Energy and Emission Intensity Data for Japan Using Input-Output Tables).
- EXIOBASE 3: emissions database EE MRIO (Environmentally extended multiregional input-output).

Emission data specific to the material, service or process was used, covering extraction and acquisition, production and processing, and associated transport. For imported copper concentrates, a mass factor from the ECOINVENT database was used.

To estimate emissions from motor fuels used for employee commuting, emission factor data from the European Environment Agency's report 'EMEP/EEA air pollutant emission inventory guidebook 2023' (2025 update), and data from the Central Statistical Office was used to determine the age and type of vehicles used for organised transport and private transport by employees.

⁶⁴ Greenhouse Gas Protocol - a global standard that is used to measure and manage greenhouse gas emissions. Emissions are divided into three scopes: Scope 1, Scope 2, Scope 3.

⁶⁵ Emission factors for CO₂, SO₂, NO_x, CO and total particulate matter for electricity, based on information contained in the National Database on Greenhouse Gas Emissions and Other Substances, Warsaw, December 2025

Table 128. Scope 3 emission categories according to the GHG Protocol for the Group⁶⁶

SCOPE 3 - UPSTREAM	1.	Purchased raw materials and services (emissions related to the extraction and production of raw materials and services)
	2.	Capital goods (emissions related to the production of capital goods)
	3.	Energy and fuel-related emissions not included in Scope 1 and 2
	4.	Transport and distribution (transport and distribution of products purchased by the reporting company during the reporting period between the supplier and the reporting company by vehicles or equipment not owned or controlled by the reporting company (Upstream))
	5.	Waste generated by operations (transport, disposal and treatment)
	6.	Business travel (business-related transport of employees during the reporting period by vehicles that are not owned or managed by the reporting company)
	7.	Employees' commuting (transportation of employees between their homes and their workplaces during the reporting year by vehicles not owned or operated by the reporting company)
	8.	Leased assets not covered by Scope 1 and 2 - Upstream
SCOPE 3 - DOWNSTREAM	9.	Transport and distribution - downstream
	10.	Processing of products sold
	11.	Use of products sold
	12.	End-of-life treatment of products sold
	13.	Leased assets not included in Scope 1 and 2 - downstream
	14.	Franchise
	15.	Investments excluded from Scope 1 or 2

Note: Grey - category excluded from the balance of categories

Table 129. Justification for exclusion from the Scope 3 emission category balance.

Category	Justification
6	The workload associated with aggregating employee business travel data is disproportionate to the level of emissions from this category (0.06% share in Scope 3 of the KGHM Group).
10	KGHM Polska Miedź S.A. is a producer of basic materials with many applications, which are components of many other products. Due to the nature of these products and multiple variants of use, processing and end-of-life treatment, it is impossible to make correct assumptions about the associated emissions (Company products do not generate emissions associated with their use). They are therefore considered insignificant based on the criteria established by the Greenhouse Gas Protocol Standard.
11	
12	
	Company products, due to their high value and ease of recycling, do not constitute waste material and mostly, as a secondary raw material, are recirculated to production, creating circular economy.
14	Neither KGHM Polska Miedź S.A. nor any of the Group companies apply the franchise mechanism.

[E1-7] GHG removals and GHG mitigation projects financed through carbon credits

No installations significantly reducing greenhouse gas emissions have been launched in the KGHM Polska Miedź S.A. Group.

[E1-8] Internal carbon pricing

In KGHM Polska Miedź S.A., no internal fee for greenhouse gas emissions has been set.

[E1-9] Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

The KGHM Polska Miedź S.A. Group, taking advantage of the temporary exemption provided for under the so-called "quick-fix" (in the form of European Commission Delegated Regulation 2025/1416), does not disclose information under ESRS E1-9 in the current period.

⁶⁶ Supplement to the GHG Protocol Corporate Accounting and Reporting Standard, developed by the international research organisation, World Resources Institute (WRI). It is the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

4.2.3 [E2] Pollution

[E2-1] Policies related to pollution

The KGHM Group Environmental Policy adopted in 2025, is an overarching document that addresses the impacts, risks and opportunities of the KGHM Group in the areas of air, water and soil quality, biodiversity and ecosystem protection, water, resource and waste management.

The Environmental Policy of the KGHM Group confirms that the objective is to operate on the basis of sustainable development principles. Among the key commitments, the KGHM Group focuses on: mitigating the negative impact on the environment related to emissions into the air, water and soil by continuously improving processes, monitoring and reducing greenhouse gas emissions, optimising production operations in accordance with the principles of a circular economy (CE), maintaining biodiversity in all regions where operations are carried out, operating in a responsible manner by implementing best environmental management practices, implementing and maintaining ISO 14001-compliant environmental management systems at production sites requiring integrated permits, conducting operations on the basis of the highest standards, in accordance with the requirements of applicable laws and accepted values: zero harm, teamwork, result-oriented, responsibility and courage, application of the precautionary principle with regard to substances considered to be hazardous to humans and/or the environment, and restoration of the use value of land adversely affected by the Group's activities.

When conducting its business operations, the KGHM Group takes into account environmental and climate protection requirements while ensuring dialogue with all stakeholders.

The Environmental Policy is consistent with and supports the long-term strategic directions of the KGHM Group.

The Environmental Policy applies to all KGHM Group entities and takes into account the entire value chain. It covers the operational activities of the KGHM Group and applies to all persons working for the KGHM Group, including in particular the Top Management.

The Management Board of KGHM Polska Miedź S.A., supported by all the Management Boards of the KGHM Group companies, is responsible for the implementation and supervision of the Policy. The Policy forms an integral part of the KGHM Group's management system affecting the decision-making, operational planning and reporting activities.

The Group has defined the environmental impacts and risks arising from its activities. Negative actual impacts include air quality, water quality and soil quality due to emissions, generation and use of potentially hazardous substances and substances of very high concern (SVHC). Potential negative impacts include the impact of arsenic emissions from metallurgical activities on human health and the negative impact on the safety of residents in the event of plant accidents or disasters.

The policy covers all pollution resulting from the Group's operations, including, in particular, emissions of gases and particulate matter into the air (e.g., SO₂, NO_x, CO₂, heavy metals), discharges of industrial wastewater, hazardous substances and substances of very high concern (SVHC), as well as waste, in accordance with the list specified in applicable laws, administrative permits, and the Group's operating procedures.

Monitoring of the implementation of the policy is carried out through the annual management review of the Integrated Management System, which involves top management and leaders of key operational and support areas. As part of the review, an assessment is conducted of the effectiveness of implemented measures, the degree of fulfillment of environmental commitments, and the adequacy of adopted solutions to identified risks and impacts. The results of the review serve as the basis for making strategic and operational decisions and for setting directions for further improvement of the environmental management system.

The Environmental Policy does not set specific objectives or the scope and time limits for the implementation of the assumptions as required by MDR-A and MDR-T.

The Environmental Policy of KGHM Polska Miedź S.A. is made available to all stakeholders through the official website of the Company.

[E2-2] Actions and resources related to pollution

Monitoring of emissions

The KGHM Group conducts ongoing monitoring of its own sites and activities in order to determine the impact of these activities on the environment. Direct measurements in the environment exposed to the impact of the KGHM Group's installations comprise atmospheric air quality monitoring, groundwater monitoring, surface water monitoring and soil monitoring. Monitoring, which has been carried out since the 1980s, provides a picture of the environmental impact and, at the same time, knowledge of the environmental effects that have been achieved as a result of pro-environmental initiatives and investment activities carried out over many years.

Monitoring of the impact is carried out directly on the basis of emission measurements performed in accordance with the applicable standards and methodologies, as indicated in the administrative decisions in force. Linking of emission monitoring with measurements of the ambient air condition enables analysis of the actual impacts in terms of significant pollutants released, and the focusing of action on priority areas.

In addition, emission data and air quality monitoring data are analyzed over a multi-year period, which makes it possible to identify trends, assess the effectiveness of implemented emission reduction measures, and make decisions based on reliable and comparable measurement results over time.

Measures to reduce air emissions

In 2025, the modernization of existing facilities continued, as did the implementation of new projects aimed at reducing air pollution emissions. Total capital expenditures in this area amounted to approximately PLN 60 million and included both investments in new projects and in the modernization and adaptation of infrastructure to comply with applicable environmental requirements.

Having completed the BATs program in 2023, the Company does not undertake any significant ambient air protection activities. These activities focus on maintaining the required operating parameters of the facilities, ensuring compliance with environmental permits, and assessing the environmental impacts of previously completed projects.

Reducing water emission

Reducing water emission and environmental impacts due to the discharge of water originating from the hydrotechnical management of mine and process water. The operation of the KGHM Group's installations involve the emission of pollutants that may affect water quality. The Group pays particular attention to limiting the environmental impact of the discharge of saline mine and process water originating from the activities of KGHM Polska Miedź S.A. In 2025, KGHM continued rock mass injections aimed at creating a filtration barrier for water-bearing levels.

These measures succeeded in halting the increase in mine water inflow. Capital expenditures (CAPEX) incurred in 2025 for the project amounted to approximately PLN 140 million. In addition, the Main Drainage facilities and systems were expanded (CAPEX – approximately PLN 92 million), and protective pillars were installed along tectonic faults where increased water inflow had occurred. The cumulative effect of these measures, combined with water retention, is a reduction in the chloride load in mine drainage discharged into surface waters in 2025 by over 311 000 tonnes compared to 2024.

The KGHM Group carried out parallel analyses of various solutions to reduce salt emissions into water. Nevertheless, none of the currently available solutions such as mine water desalination meet all the criteria, both environmental and economic. All solutions demonstrated high investment costs, the need to manage sludge from brine treatment at the landfill and the high energy intensity of the process.

In economic, technical and environmental terms, the process of selective water management is rational. The solution relies on higher water discharges during periods of high Odra river levels, when the impact on the river conductivity is low, while retaining less saline waters. In the periods of low Odra river levels, water of high and medium mineralisation is transferred to additional retention sites. During the periods of low levels of the Odra river, low salinity water is discharged, which both ensures good water levels and allows the Company to carry out an efficient discharge, reducing the amount of water retained.

The main and fundamental assumption of selective water management is the possession by KGHM Polska Miedź S.A. mines and the Hydrotechnical Plant of KGHM Polska Miedź S.A. of an adequate buffer capacity for pumping their water inflows and the possibility of controlled management of the quality of water discharge into the Odra river. This discharge is carried out in accordance with current legislation and the provisions of the water laws permit, taking into account the hydrological conditions of the Odra river. The discharge of process water is monitored on an ongoing basis and carried out in such a way as to prevent violation of environmental quality standards. The retention and dosing system operating at KGHM Polska Miedź S.A. enables full control and oversight of the discharge of water into the Odra river. Consequently, at low water levels in the receiving water body, we can suspend the discharge of wastewater. In addition, the condition of regulating the load of salt contained in the discharged effluent to prevent exceeding 1 000 mg/l of the sum of chlorides and sulphates in the river waters after mixing with the effluent, is strictly observed.

Occasional exceedances were recorded for total suspended solids—a few instances throughout the year during routine daily measurements, though these values fell within the measurement uncertainty limits. In addition, one exceedance was recorded for lead and one for total organic carbon (TOC). All incidents were isolated and were subject to ongoing analysis and investigation.

Discharge of treated metallurgical effluent

The water used in the production processes of the Legnica Copper Smelter and Refinery, the Głogów Copper Smelter and Refinery and entities operating on or near the metallurgical facilities, is sent to the company "Energetyka" sp. z o.o. for treatment. Industrial wastewater treatment plants operating for the metallurgical facilities specialise in the removal of heavy metals, including arsenic, mercury and cadmium compounds, which are especially difficult to remove.

The wastewater treatment technology relies mainly on neutralisation processes supported by coagulants and flocculants. Because of the high quality of effluents, approximately 30% of the global stream is reused for production processes in the technological processes of the metallurgical facilities. The remaining treated effluents are discharged to the Odra River in the case of the Głogów Copper Smelter and Refinery, and to the Pawłówka stream which feeds the Kaczawa River in the case of the Legnica Copper Smelter and Refinery.

In 2025, acid effluent retention tanks with fittings were built in the wastewater treatment plant at the Głogów Copper Smelter and Refinery. The aim of this task was to increase wastewater retention and stabilise the treatment process.

Soil contamination

In order to mitigate the impact on soil, land and groundwater, the Group applies a number of measures to reduce the negative impact on these environmental components. They include:

- storage of raw materials and solid products on paved storage yards or in designated warehouses;
- storage of liquid raw materials and products in tanks protected against uncontrolled leakage and made of materials resistant to the substances they contain;
- raw materials and products are transported by rail and road; loading and unloading stations are equipped with protective trays to catch and effectively neutralise any spills;
- production processes are carried out in accordance with technological instructions, constituting a part of Integrated Management Systems;
- sealed road and yard surfaces from which rainwater and snowmelt are treated in settling tanks and oil separators;
- use of separate, sealed effluent systems to selectively capture wastewater streams requiring separate treatment technologies; the use of sealed concrete effluent tanks;
- landfill sites are separated from the environment by a deliberately designed system of barriers and seals; the cells are equipped with leachate collection systems;
- storage of waste in designated areas on an impermeable surface; depending on the condition and composition of the waste in bulk or in sealed containers/containers/plastic bags; hazardous waste must be collected under a roof that eliminates the effects of the weather conditions.

At the same time, the Group conducts systematic soil quality monitoring, which allows it to distinguish between impacts resulting from current operations and the effects of historical contamination. In the past year, as part of ongoing monitoring, no exceedances of soil quality standards resulting from current operational activities were recorded. Locally identified exceedances relate to areas affected by historical contamination, which are the subject of planned and ongoing remediation activities

Management of chemicals

In 2025, work began on implementing the chemical management system as part of the environmental management system based on ISO 14001. The aim of these measures is to ensure that chemicals and chemical products are always stored and handled in a way that mitigates risks to people and the environment. Work is now focusing on standardising procedures within KGHM.

At present, the Group has internal documents in the form of orders, instructions and procedures in selected companies using hazardous substances and mixtures, determining rules of conduct to reduce the hazards and risks associated with the use of these substances by employees. In accordance with these procedures, all new chemicals must undergo a risk assessment by OHS services and must be approved before use in operations. The risk assessment comprises the evaluation of the hazard class and the possibility of substitution.

All substances and mixtures produced and used in the Group that meet the criteria for classification as hazardous have safety data sheets.

All domestic companies introducing and importing substances have completed the relevant registration with the European Chemicals Agency, in accordance with the REACH regulation.

Emergency preparedness

Both employees and the surrounding communities may be exposed to pollution risks associated with KGHM Group activities. Effective emergency management is therefore essential to protect people, the environment and the business.

All KGHM Group plants subject to the EU Seveso III Directive are required to have in place safety reports and emergency preparedness plans compliant with the regulations. Emergency preparedness plans are approved by the authorities. They are regularly updated. The plans also cover emergency situations related to gas leaks or spills and procedures of dealing with such situations, including procedures to control and reduce the impact on people and the environment.

In case of material risk to external stakeholders (the affected community), an emergency preparedness plan is prepared in collaboration with potentially affected parties and in accordance with established best industry practice. KGHM Group plants regularly develop emergency plans and test procedures during training.

The timeframe for the activities being carried out and the resources involved

The measures described above for reducing emissions to air, water, and soil are both capital-intensive (infrastructure modernization and expansion projects) and operational (ongoing facility maintenance, monitoring, and management of retention and discharge quality). The investment activities carried out in 2025 are part of multi-year modernization programs covering the period 2023–2027, in accordance with the Group's adopted strategic and budgetary plans. Some activities, in particular environmental monitoring, selective water management, maintaining facility parameters, and chemical management, are carried out on an ongoing basis and constitute a permanent element of operational activities.

The implementation of these initiatives involves the commitment of significant financial, technical, and organisational resources. Expenditures include both capital expenditures (CAPEX) incurred for the modernization and expansion of emission-reducing installations, as well as operating expenses (OPEX) related to the maintenance of environmental protection systems, monitoring, laboratory analyses, operation of retention and dosing infrastructure, and employee training. Depending on the nature of the project, activities are financed from the Company's own funds within the framework of approved investment plans and operating budgets. The scale of resource allocation reflects the strategic importance of environmental issues in the Group's business model and long-term obligations to minimise environmental impact.

[E2-3] Targets related to pollution

As of the date of this report, the Group has not established voluntary, measurable, outcome-oriented and time-bound corporate-level targets in the area of air pollution prevention and control (other than greenhouse gas emissions), emissions to water or soil contamination.

The absence of formally adopted Group-wide targets does not imply a lack of management actions or ambition in this area. The Group's approach is based on maintaining a high level of regulatory compliance and on the continuous improvement of technological processes within the framework of existing integrated permits and water permits. The primary reason for not defining additional voluntary corporate targets is the high level of emission reduction achieved over recent decades. Over approximately 40 years of operations, the Group has systematically invested in the modernisation of installations and in the implementation of Best Available Techniques (BAT), which has resulted in significant and lasting reductions in emission levels. At present, emission levels, particularly air emissions, remain stable and below the limit values of the BAT conclusions, while year-to-year fluctuations are marginal and fall within the natural variability of production processes.

The Group monitors all material environmental impacts and treats pollution prevention and control as an integral element of operational management. The current approach focuses on maintaining a high level of compliance, process stability and continuous improvement of technological solutions, while maintaining readiness to raise the level of ambition in response to evolving regulatory and market conditions.

The Group does not exclude the possibility of establishing corporate-level targets in the area of pollution in the future, particularly in response to regulatory changes, new stakeholder requirements, significant technological developments or the emergence of new environmental risks and opportunities. Any decisions in this regard will be preceded by an assessment of the impact on operational activities, an evaluation of technical feasibility and an assessment of cost-effectiveness.

[E2-4] Pollution of air, water and soil

The data provided in the tables represent the volumes of emissions from the Group's production facilities reported to the E-PRTR (European Pollutant Release and Transfer Register) for which the thresholds set out in Annex II of Regulation (EC) No. 166/2006 (Journal of Laws 2019, item 1311) were exceeded. Companies of the KGHM Group have the relevant permits for emission of these pollutants in place. No significant emissions to soil were recorded in 2025.

Reporting is based on data from plant operating logs and reports on continuous and periodic emission measurements, carried out in accordance with reference standards and methodologies specified in administrative permits and applicable legislation. The data is derived from measurements carried out by internal and external accredited laboratories, as well as from the use of emission factors developed for individual plants. Emissions were determined with the frequencies and methods described in the legal acts applicable to the companies.

The Group's international Companies are not subject to the reporting obligations under Regulation (EC) No. 166/2006. Nevertheless, the emissions reported to the competent local authorities have been analysed in terms of exceeding the capacity thresholds or the volumes required to report releases and transfers of pollutants under Regulation (EC) No. 166/2006.

The pollutants disclosed, in terms of their extent and quantification (standards and methods), are compliant with the administrative decisions issued by the competent authority for the Group's individual installations and the applicable legal requirements.

Table 130. Consolidated quantity of pollutants emitted to the air from installations belonging to the KGHM Polska Miedź S.A. Group in kg/year.

Pollution	2025 total kg	2024 total kg
Carbon monoxide (CO)	626 000	633 000
Hydrofluorocarbons (HFC)	21 000	24 700
Non-methane volatile organic compounds (NMVOCs)	-	108 000
Nitrogen oxides (NOx/NO ₂)	1 720 000	1 890 000
Sulphur oxides (SOx/SO ₂)	756 000	1 080 000
Hydrochlorofluorocarbons (HCFC)	5.66	4.82
Arsenic and its compounds (as As)	757	636
Cadmium and its compounds (as Cd)	58.1	56.9
Copper and its compounds (as Cu)	5 330	5 410
Lead and its compounds (as Pb)	3 410	2 860
Mercury and its compounds (as Hg)	39.7	31.7
Zinc and its compounds (as Zn)	327	203
Polycyclic aromatic hydrocarbons (PAH)	240	270
Chlorine and its inorganic compounds (as HCl)	19 900	22 300

Table 131. Consolidated quantity of pollutants emitted to water from installations belonging to the KGHM Polska Miedź S.A. Group in kg/year.

Pollution	2025 total (kg)	2024 total (kg)
Total nitrogen	855 093	1 186 457
Total phosphorus	5 681	5 578
Arsenic and its compounds (as As)	1 218	977
Cadmium and its compounds (as Cd)	175	272
Chromium and its compounds (as Cr)	1 522	373
Copper and its compounds (as Cu)	7 195	8 712
Mercury and its compounds (as Hg)	24	30
Nickel and its compounds (as Ni)	4 673	6 138
Lead and its compounds (as Pb)	9 626	6 739
Zinc and its compounds (as Zn)	6 125	5 992
Organohalogen compounds (as AOX) (10)	5 555	1 509
Phenols (as total C)	1 188	765
Total organic carbon (TOC) (as total C or COD/3)	402 198	576 268
Chlorides (as total Cl)	1 613 662 361	1 925 163 425
Cyanides (as total CN)	82	-
Fluoride (as total F)	11 832	26 492
Fluoranthene	2	-

[E2-5] Substances of concern and substances of very high concern

The Group is primarily engaged in mining activities - the production of copper concentrate and non-ferrous metals such as electrolytic copper, refined lead, silver, gold, etc. The production processes use raw materials, auxiliary substances that may exhibit potential hazardous properties as defined by the ESRS.

Substances recognised as SVHCs (*Substances of Very High Concern*) are also used in the production process, mainly in metallurgical production. The use of these substances takes place in accordance with the conditions set out in the exposure scenarios and safety data sheets.

The Group's production process mainly produces electrolytic copper, unclassified in terms of exposures. Nevertheless, some of the resulting products may exhibit potential hazardous properties as defined by the ESRS.

All substances of potential concern and SVHC are intended only for the professional uses identified during the REACH substance registration process, and their use shall be compliant with the provisions of the REACH decree and the conditions set out in the exposure scenarios and safety data sheets.

The quantities presented in the tables below were determined on the basis of purchasing reports and production reports in 2025 for substances meeting the definitions of the ESRS standard as determined from the available material safety data sheets. For substances used in volumetric units, conversion factors have been assigned for the calculation of mass in accordance with the substance safety data sheets.

The mass of substances classified in multiple hazard classes is assigned to each relevant category simultaneously, but is not added multiple times in the total summaries to avoid double counting.

In light of the adjustment described in [section \[BP-2\] 'Disclosure in relation to specific circumstances'](#), the table below has been updated accordingly, and the figures for 2024 shown therein reflect the adjusted values.

Table 132. Consolidated quantity of potentially hazardous substances in the KGHM Polska Miedź S.A. Group in 2025.

	2025	2024 ⁶⁷ adjusted	2024
Potentially hazardous substances – quantity [kg]	2 365 775 890	2 567 075 060	3 772 035 917
quantities for individual hazard classes [kg]			
carcinogenicity, categories 1 and 2;	357 240 171	372 778 573	136 428 361
germ cell mutagenicity, categories 1 and 2;	5 788 672	5 349 089	5 340 689
reproductive toxicity, categories 1 and 2	1 855 449 370	2 022 162 561	2 022 138 333
endocrine disruption in relation to human health;	-	-	-
endocrine disruption in relation to the environment;	-	-	-
properties of persistent, mobile and toxic or very persistent, very mobile substances;	-	-	-
properties of substances that are persistent, bioaccumulative and toxic, or very persistent and very bioaccumulative;	-	-	-
respiratory sensitisation, category 1;	12 105	-	2 371 526
category 1 skin sensitisation;	16 433 307	16 254 815	13 894 802
category 1–4 chronic hazard to the aquatic environment;	2 089 355 564	2 030 462 849	3 482 191 599
hazard to the ozone layer;	-	-	-
category 1 and 2 target organ toxicity following repeated exposure;	2 126 408 664	2 310 087 815	3 526 470 035
toxicity to target organs, single exposure, categories 1 and 2;	14 670 521	13 934	961
Substances adversely affecting the reuse and recycling of materials	-	-	-

⁶⁷ Following the adjustment described in [chapter \[BP-2\] 'Disclosure in relation to specific circumstances'](#), an error has been identified in the 2024 data concerning the mass of potentially hazardous substances. The error consisted of an overstatement of the mass of the following items: Copper concentrate – overstated by 1,204,167,994 kg and Molybdenum concentrate – overstated by 792,864 kg. The total overstatement amounted to 1,204,960,858 kg. The irregularity resulted from an error in the aggregation of data reported at the Group level.

Table 133. SVHC substances in the KGHM Polska Miedź S.A. Group in 2025.

	2025	2024
SVHC substances – quantity [kg]	65 547 103	65 265 672
quantities for individual hazard classes [kg]		
carcinogenicity, categories 1 and 2;	5 482 679	4 956 311
germ cell mutagenicity, categories 1 and 2;	2 789 291	2 399 964
reproductive toxicity, categories 1 and 2	62 914 599	62 730 112
endocrine disruption in relation to human health;	-	-
endocrine disruption in relation to the environment;	-	-
properties of persistent, mobile and toxic or very persistent, very mobile substances;	-	-
properties of substances that are persistent, bioaccumulative and toxic, or very persistent and very bioaccumulative;	-	-
respiratory sensitisation, category 1;	5 040	8 664
category 1 skin sensitisation;	5 392 929	4 903 477
category 1–4 chronic hazard to the aquatic environment;	65 517 840	36 428 837
hazard to the ozone layer;	-	-
category 1 and 2 target organ toxicity following repeated exposure;	1 922	1 360
toxicity to target organs, single exposure, categories 1 and 2;	1	-
Substances adversely affecting the reuse and recycling of materials	-	-

[E2-6] Anticipated financial effects from pollution-related impacts, risks and opportunities

The KGHM Polska Miedź S.A. Group, taking advantage of the temporary exemption provided for under the so-called "quick-fix" (in the form of European Commission Delegated Regulation 2025/1416), does not disclose information under ESRS E2-6 in the current period.

Information and data regarding expenditures and provisions for the decommissioning of mines and other technological facilities can be found in the Consolidated Financial Statements of the KGHM Polska Miedź S.A. Group for 2025, in Note 9.4 – "Provision for the costs of decommissioning mines and other technological facilities".

4.2.4 [E3] Water and marine resources

[E3-1] Policy related to water and marine resources

Information regarding the KGHM Group's Environmental Policy with respect to minimum disclosure requirements not included in this section is described in section [\[E2-1\] Policies related to pollution](#).

The scope of the KGHM Group's engagement in limiting negative impacts on the natural environment and in building resilience to the effects of climate change includes the rational use of water. As part of the materiality assessment, the following were identified as key water-related aspects: high water consumption in technological processes; significant abstraction of surface water, groundwater and mine water; as well as the discharge of large volumes of industrial wastewater, including wastewater originating from the hydrotechnical management of mine-process waters from the Żelazny Most Tailings Storage Facility and from technological water circuits. At the same time, increasing the use of saline water from mine dewatering operations and of recirculated process water was identified as an important element of the Group's approach, contributing to the reduction of water abstraction from natural sources.

The Environmental Policy addresses these matters through a commitment to responsible water management in compliance with legal requirements, taking into account the need to ensure operational continuity and to minimise impacts on the aquatic environment.

In relation to ESRS E3 paragraph 12, the KGHM Group's policies cover issues associated with the use and supply of water within own operations, water treatment and wastewater treatment prior to discharge into the environment, as well as preventing and reducing water pollution. These actions are implemented, among others, through monitoring of water abstractions and discharges, the development of closed-loop systems, and the application of appropriate treatment technologies.

The KGHM Group does not design products or services directly aimed at addressing water-related challenges, and therefore this aspect has not been considered material.

In areas potentially exposed to risks related to water availability, the Group seeks to reduce water consumption in its own operations, in particular by increasing recirculation and the use of mine water - a topic addressed in more detail in [section \[E3-4\] Water consumption](#).

[E3-2] Actions and resources related to water and marine resources

The KGHM Group has defined potential environmental impacts and risks arising from its activities. Negative impacts include water intakes for technological processes, water consumption in technological processes and the discharge of industrial wastewater from the hydrotechnical management of mine and process water from the Żelazny Most Tailings Storage Facility, and from the technological water circulation.

The KGHM Group undertakes activities aimed at rational management of water resources, driven by both technological needs and environmental requirements. The Group complies with the provisions of the water law permits, ensuring that its processes comply with the applicable regulations. To mitigate the impact of activities on aquatic ecosystems, solutions are implemented to optimise the use of the resources.

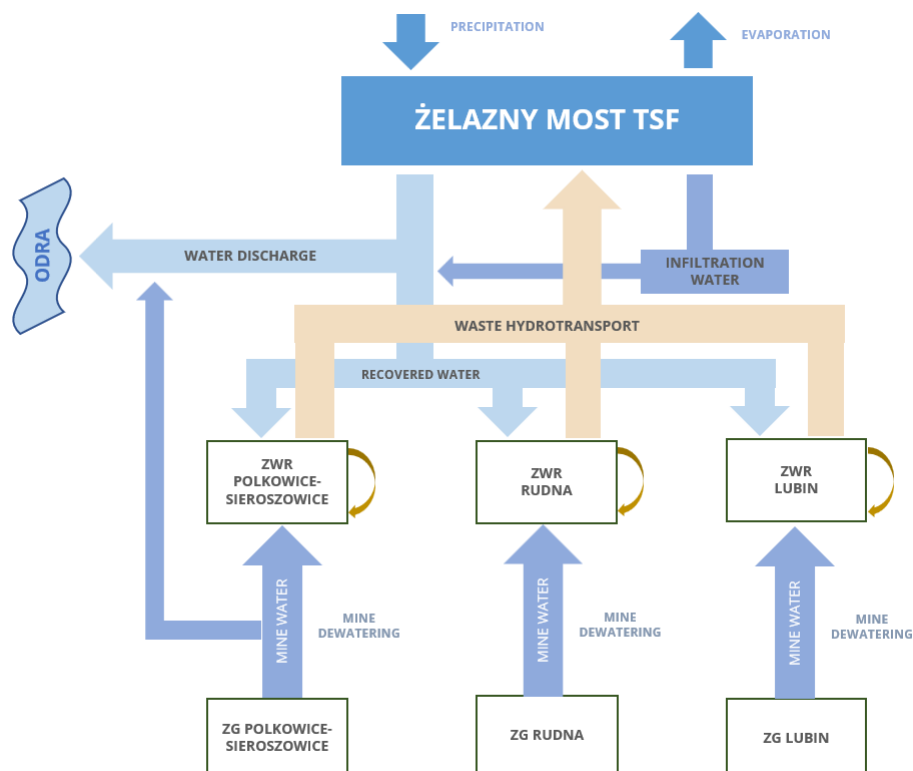
In the KGHM Group, the guiding principle in water management is the recirculation of used water. This approach enables reducing the use of primary water by reusing it in production processes. Where possible, technologies are implemented to recycle process water, reducing the need for new resources and mitigating the environmental risks associated with wastewater discharge.

In response to the risks associated with the discharge of industrial effluent from the hydrotreatment of mine-technology waters, the Company discharges this effluent via a storage facility, while monitoring the parameters of the receiving body (the Odra river) so as not to deteriorate its condition. The KGHM Group monitors watercourses and optimises water extraction and storage processes, as well as implements contingency plans to ensure operational continuity. In addition, measures are in place to minimise the potential impact of water intake on water sources, including the monitoring of groundwater table levels and analysis of the long-term water balance in the Company's operating regions.

Water in the mining process in KGHM Polska Miedź S.A.

Water is necessary for the production of copper. It is used, among others, for enrichment (flotation) of ore, hydrotransport of waste, and also in the core production line in the metallurgical facilities. This is shown in the diagram below.

Diagram 38. Water in the concentration process (flotation) in KGHM Polska Miedź S.A.



Three underground copper mines (the Lubin Mine Division, the Rudna Mine Division and the Polkowice-Sieroszowice Mine Division) mine the ore at depths of 400-1350 meters beneath the surface. Due to the constant inflow of water from the rock mass into the mines, saline mine water is pumped to the surface.

On the surface, retention reservoirs are located next to every mine and every ore enrichment plant collecting rainwater, overflows of cooling water and extracted mine water. Water from the reservoirs is pumped into the flotation tailings ponds (in some cases mine water is pumped directly into mine and process water circulation systems). As a result, neither mine water nor wastewater is discharged directly into local rivers. In the ore enrichment plants (i.e. concentrators), all water is used in the ore flotation process and subsequently for hydrotransport of tailings to the Żelazny Most Tailings Storage Facility. At the Żelazny Most Tailings Storage Facility, tailings are sedimented and the clarified water is returned via a system of decantation towers through pipelines on the surface, to the ore enrichment plants. To maintain the safety of the Żelazny Most Tailings Storage Facility, excess mine and process water is discharged into the Odra River in a controlled manner.

The use of water extracted from the rock mass for production and in mining techniques (as backfill water) ensures that the Company does not use any freshwater resources (groundwater or surface water) for its technological processes. All water abstracted, before being discharged into the Odra River, is used by the Company for its production processes. The Company does not use any other water for its mining and flotation production processes.

Copper ore processing in the concentrators, and in particular grinding and flotation, require the supply of significant quantities of process water. Only water from mine dehydration is used for ore processing in KGHM, forming a mine-process water circulation network between the ore enrichment plants and the Żelazny Most Tailings Storage Facility. In KGHM Polska Miedź S.A., approximately 130 million m³ of water per year is recycled to the ore enrichment process.

Due to the excess inflow of mine water into mine workings over recent years, rock mass injections were continued in 2025 with the aim of creating a filter barrier of the aquifers. These measures prevented the increase in mine water inflow. Moreover, the Main Dewatering facilities and systems were expanded, and protective pillars were established along tectonic disturbances in areas where increased water inflow occurred.

The analysis of the Selective Water Management System concept was continued in 2025. The solution relies on higher water discharges during periods of high Odra river levels, when the impact on the river conductivity is low, while retaining less saline waters. In the periods of low Odra river levels, water of high and medium mineralisation is transferred to additional retention sites. During the periods of low levels of the Odra river, low salinity water is discharged, which both ensures good water levels and allows efficient discharge, reducing the amount of water retained.

The main and fundamental assumption of selective water management is the possession, by the mines of KGHM Polska Miedź S.A. and of KGHM Polska Miedź S.A.'s Hydrotechnical Plant, of an adequate buffer capacity for pumping their water inflows and the possibility of controlled management of the quality of water discharge into the Odra river. This discharge is carried out in accordance with current legislation and the provisions of the water law permit, taking into account the hydrological conditions of the Odra river. The discharge of process water is monitored on an ongoing basis and carried out in such a way as to prevent a breach of environmental quality standards. The retention and dosing system operating at KGHM Polska Miedź S.A. enables full control and oversight of the discharge of water into the Odra river. Consequently, at low water levels in the receiving water body, it is possible to suspend the discharge of wastewater. In addition, the condition of regulating the load of salt contained in the discharged effluent to prevent exceeding 1 000 mg/l of the sum of chlorides and sulphates in the river waters after mixing with the effluent, is strictly observed. The project is currently in progress and is improved on an ongoing basis based on the data obtained.

Water in the mining process in KGHM INTERNATIONAL LTD.

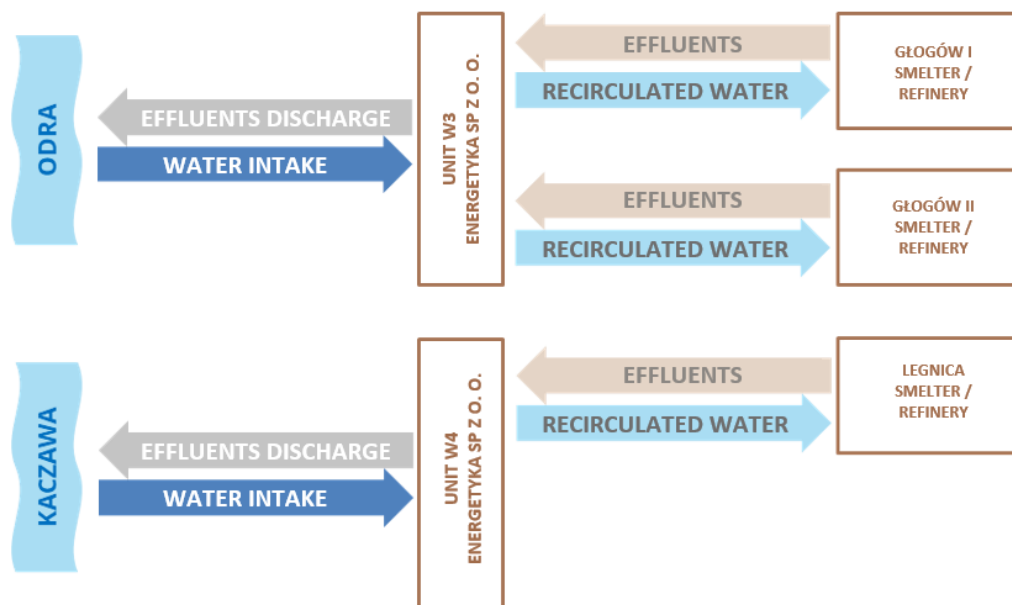
The mines of KGHM INTERNATIONAL LTD. also undertake numerous measures to protect water. In the Robinson Mine, dehydration of the rock mass is carried out in order to carry out open-pit mining. A total of around 19 million m³ of water is pumped out annually, most of which is used for the ore flotation process and dust control. The water used in the flotation process is pumped to the tailings ponds from where it is directed to the enrichment process. After the enrichment process, the water together with the tailings is sent to the tailings disposal facility, where the tailings are sedimented and the clarified water is returned to the flotation process via the operating channel. Of the total water pumped, approximately 1.8 million m³ of fresh, clean water is pumped into the City of Ely's water supply system and 3.5 million m³ is discharged into Gleason Creek.

In the case of the Carlota mine, engineering solutions ensure separation of contaminated water from clean water. Rainwater that has been in contact with the mine is captured and then used in technological processes.

In the case of the Victoria project, infiltration water from rock storage potentially generating acid leachate is pumped to the surface and collects in an underground adit. These are small amounts of water at around 30 000 m³. The infiltration water is pumped to the effluents treatment plant. After treatment, the water is diverted to the well for reuse in drilling operations or discharged into Fairbank Creek.

Water in the metallurgical process of KGHM Polska Miedź S.A.

Diagram 39. Water in the electrolytic copper production process in KGHM Polska Miedź S.A.



The KGHM Group's metallurgical facilities require approximately 11 million m³ of water per year, which is supplied by Energetyka sp. z o.o. The water used in production processes is routed back to "Energetyka" for treatment. Approximately 30% of the global stream is reused for production processes in the technological processes of the metallurgical facilities. Approximately 8.5 million m³ of the remaining treated effluents are discharged to the Odra river (in the case of the Głogów Copper Smelter and Refinery) and to the Pawłowska stream, which feeds the Kaczawa river (in the case of the Legnica Copper Smelter and Refinery).

The Cedynia Wire Rod Plant uses water from own groundwater intakes. Wastewater generated from the area of the Cedynia Wire Rod Division is treated in the local wastewater treatment plant and, after treatment, discharged via a discharge collector into the Odra river. Since 2021, a part of the stream of treated rainwater and effluents from filter flushing at the Water Treatment Plant has been returned for reuse in the cooling circuits.

[E3-3] Targets related to water and marine resources

At the date of preparation of this report, the KGHM Group has not set voluntary, measurable, results-oriented and time-bound targets at a corporate level relating to the management of significant impacts, risks and opportunities associated with water and marine resources, including in particular as regards water consumption, improvements in water quality or reducing pressure on areas exposed to water-related risk.

The decision not to define corporate-level targets results primarily from the ongoing process of harmonising methodologies for collecting, aggregating and verifying data on water abstraction, use, recirculation and discharge across all Group entities, both domestic and international. The Group operates in diverse geographical, hydrological and regulatory conditions, which requires the development of uniform indicator definitions, consistent calculation rules and a common reporting methodology. The objective of this process is to ensure high-quality and comparable data that will serve as a reliable basis for defining adequate, ambitious and realistic targets at the Group level.

At the same time, water management activities are subject to strict legal requirements and to the conditions defined in integrated and water permits, which set mandatory environmental parameters. The Group is currently focusing on ensuring full compliance with regulatory obligations and maintaining a high level of control over its impacts on the aquatic environment.

An additional factor influencing the current absence of voluntary targets is the high level of reduction in emissions to the aquatic environment achieved over the long term, as well as the implementation of advanced water protection technologies adapted to the specific characteristics of mining and metallurgical activities. In the Group's view, any further formulation of corporate targets should be preceded by the full harmonisation of data and by an assessment of the potential for further improvements, taking into account the actual operational conditions.

Upon completion of the process of standardising environmental data and conducting an in-depth analysis of material impacts, risks and opportunities related to water and marine resources, the Group will consider establishing corporate-level targets, including potentially quantitative targets and time horizons for their achievement.

Despite the absence of formal corporate targets, the Group monitors key indicators related to water and wastewater management, in particular water abstraction volumes, levels of use and recirculation, the amount of wastewater discharged, and the quality parameters of water released into the environment. Monitoring is carried out in accordance with regulatory requirements and internal control procedures.

[E3-4] Water consumption

Information on water and wastewater management in its broadest sense, both quantitative (for wastewater) and qualitative for water is collected in the Group companies using two methods: measurements made by the entities or on the basis of accounting documents (invoices) for purchased services. In a few cases, information on the amount of wastewater discharged is provided on the basis of estimates, which can be made from water consumption meter readings. The method, frequency and scope of measurements are described in the administrative decisions in force authorising the use of the environment (water permits, integrated permits), and in the implementing regulations for the Water Law Act. In order to fulfil these obligations, Group companies that operate installations are obliged to carry out measurements, including sampling in accordance with the provisions of the Environmental Protection Law, Article 147a, by an accredited laboratory or certified testing units. On the other hand, the measurement of the amount of water withdrawn is carried out by the operator or user of the installation itself - in accordance with the Environmental Protection Law. Companies which, due to the nature of their activities, do not have permits, purchase services in the form of water supply or wastewater collection from other entities on the basis of contracts concluded and have purchase documents.

At KGHM Polska Miedź S.A., measurements of water abstraction and wastewater discharge go far beyond the obligations arising directly from legal regulations. The best example of this is the system for monitoring the chloride and sulphate load contained in mine water from mine drainage. The system is based on samplers and flow meters installed on all pipelines that pump underground water to the surface. With this system, the Company carries out online measurements of the quantity and quality of water discharged from the mines. Measurements are averaged over 24 hours and chloride and sulphate analyses are carried out by an accredited laboratory.

The companies of the Group do not operate in areas with significant water shortages. This is confirmed by data and information published on the publicly accessible websites of the Institute of Meteorology and Water Management (IMI GW): <https://stopsuszy.imgw.pl/wilgotnosc/> and Polish Geological Institute (PIG) (HydroGeoPortal): <https://epsh.pgi.gov.pl/epsh/>. Nevertheless, the activity is carried out in areas exposed to water risk, which is defined as a catchment area with a number of physical aspects related to water:

- it causes the status of one or more bodies of water to be less than good or to be in decline (as defined in Directive 2000/60/EC of the European Parliament and of the Council, indicating significant problems of water availability, quality, quantity (including significant water scarcity); or
- it leads to water availability, regulatory or reputational issues (including water sharing with communities and water affordability) for its own plants and those of major suppliers.

In view of the foregoing, for prudential purposes, it has been determined that water consumption in water-exposed areas equals the Group's water consumption. The largest production assets of the KGHM Polska Miedź S.A. Group (all Divisions of KGHM, the company Energetyka, WMN Łabędy) discharge wastewater into the Odra catchment area. The Odra river is below good status almost throughout its course, but this does not mean that our production activities generate significant problems in terms of water availability, quality and quantity.

Water consumption was defined as a difference between the volumes of water intake and discharge.

Table 134. Water management in the KGHM Polska Miedź S.A. Group in 2025.

Intake	2025	2024
Surface water (total)	10 709 121	10 248 691
Groundwater (total)	24 652 825	24 810 120
Sea water (total)	0	0
Mine water	48 097 365	45 051 660
Water purchase outside the Group	500 623	357 920
Total water intake	83 959 933	80 468 390
Discharge		
Surface waters	58 159 662	69 279 133
Ground and soil	3 690	1 432
Sea	0	0
Discharge of wastewater into the effluents system of an external entity outside the KGHM Group, public network	318 149	2 192 209
Sale of water to an external entity outside the KGHM Group	3 063 233	1 252 069
Discharge total	61 544 733	72 724 843
Total volume of water recycled and reused	144 518 841	141 869 399
Total water consumption	22 415 200	7 743 547
Water storage at the beginning of the year	6 777 919	12 924 804
Water storage at the end of the year	6 537 479	6 585 406
Total water consumption in areas exposed to water risk	22 415 200	7 743 547

Table 135. Water absorption

Water absorption	2025	2024
Total water consumption within own operations in m ³ per EUR 1 million net revenue	2 615 ⁶⁸	937

[E3-5] Anticipated financial effects from water and marine resources-related impacts, risks and opportunities

The KGHM Polska Miedź S.A. Group, taking advantage of the temporary exemption provided for under the so-called "quick-fix" (in the form of European Commission Delegated Regulation 2025/1416), does not disclose information under ESRS E3-5 in the current period.

4.2.5 [E4] Biodiversity and ecosystems

[E4-1] Transition plan and consideration of biodiversity and ecosystems in the strategy and business model

In 2025, the KGHM Group did not have in place a transformation plan for biodiversity and ecosystems. However, these issues are taken into account in investment and operational processes, as well as within the corporate risk management system.

All new projects are subject to the procedure on obtaining the environmental permit. Ecological surveys are always carried out at the beginning of a project to enable the development of the project according to the **impact mitigation hierarchy**:

- First, avoid impact as much as possible.
- Second, minimise impacts that cannot be avoided by mitigation measures.
- Third, reverse the impact through ecological restoration and reconstruction.
- Fourth, compensate for impacts caused and strive to create a net gain for biodiversity.

The results of biodiversity surveys allow the optimal location of new developments to be selected in terms of minimising the impact on biodiversity. Environmental Impact Assessments (EIAs) regarding natural and cultural values are prepared at an early stage of the permit issuing process for new projects or changes to existing operations.

Potential ecological compensation measures are developed during the permit issuing process for new activities that may cause biodiversity loss.

⁶⁸ The difference compared to 2024 is mainly due to water discharges carried out during that period in accordance with the water permit, aimed at ensuring the safe operation of the Żelazny Most TSF.

The Group has carried out a review-based assessment of the resilience of its Strategy and business model to biodiversity- and ecosystem-related risks, covering:

- **physical risks** (e.g., ecosystem degradation, pressure on natural resources, including water resources),
- **transition risks** (tightening of regulations, expansion of protected areas, increasing compensatory requirements),
- **systemic risks** (accumulation of environmental pressures, changes in the regulatory and social environment).

The scope of the analysis covered the Group's own operations as well as selected upstream and downstream elements of the value chain, insofar as they may be directly linked to operational activities.

As of the reporting date, no biodiversity-related risks have been identified, to the best of the Group's knowledge, that could directly and materially threaten business continuity or the implementation of the Strategy. At the same time, it cannot be excluded that, in the longer term, regulatory, environmental, or social changes may affect the conditions for conducting business activities, including the level of operating and capital expenditures.

The analysis was conducted under the assumption of maintaining the current regulatory framework, with the possibility of its gradual tightening, and continuing operations based on existing administrative decisions.

The same time horizons were adopted as in the double materiality assessment, i.e., short-term, medium-term, and long-term.

The results of the analysis indicate that, in the short and medium term, the business model remains resilient to the identified risks. In the long term, an increase in regulatory requirements and in costs related to mitigation and compensatory measures is possible.

The assessment takes into account information obtained through administrative procedures, public consultations, and dialogue with public authorities, local communities, and environmental experts.

The Group declares its commitment to continue monitoring biodiversity-related risks and to further develop its analytical approach in this area, in line with the scale of its operations and evolving regulatory conditions.

[E4-2] Policies related to biodiversity and ecosystems

Information regarding the KGHM Group's Environmental Policy with respect to minimum disclosure requirements not included in this section is described in [section \[E2-1\] Policies related to pollution](#) of this Statement.

The KGHM Group has in place policies relating to the protection of biodiversity and ecosystems, included in the Environmental Policy and the Sustainable Development Policy of the KGHM Group. These policies define the principles for managing the significant environmental impacts of the Group's activities, including on biodiversity, natural habitats and ecosystem services, and apply to the Group's operational activities.

KGHM Group policies take into account the nature of mining and metallurgical activities, which - due to their scale, location and manner of operations - involve significant actual and potential impacts on biodiversity and ecosystems. In particular, they relate to:

- change in land use,
- direct impacts of mining activities on natural habitats,
- land degradation,
- impact on the size and condition of species populations,
- impacts on ecosystem services and the Group's dependence on these services.

With regard to climate change, the KGHM Group takes into account the fact that climate change may indirectly exacerbate pressures on biodiversity and ecosystems. Materiality assessment and management of this issue is carried out under the ESRS E1 standard - Climate Change, while policies in area E4 focus on the direct and indirect impacts of the Group's activities on nature.

As part of the policies in place, the KGHM Group undertakes to:

- identify, assess and monitor the impacts of operational activities on biodiversity, natural habitats and ecosystem services, including in the context of land use change,
- avoid conducting activities in areas of particularly high natural value and, where this is not possible, to apply measures to reduce the scale of impacts,
- limit the impact of mining activities on ecosystems, in particular by planning and implementing measures to minimise interference with habitats and species populations,
- carry out the reclamation and restoration of the natural and usable values of land degraded by the Group's activities,
- apply the precautionary principle to activities and substances that may cause significant impacts on biodiversity and ecosystems,
- identify and mitigate environmental risks associated with the impact of the Group's activities and its value chain on biodiversity,

- conduct dialogue and cooperation with stakeholders, including local communities, on the impacts of activities on the natural environment,
- raise staff awareness of biodiversity and ecosystem protection.

The KGHM Group's policies in the area of biodiversity and ecosystems cover the key topics specified in ESRS E4. They address both the direct impacts of operational activities on nature (such as land occupation, habitat alteration, emissions, and impacts on species) and the indirect impacts associated with the value chain and the implementation of investment projects.

They incorporate the outcomes of the double materiality assessment, in particular:

- actual and potential negative impacts on biodiversity and ecosystems,
- the KGHM Group's dependencies on ecosystem services (e.g., water availability, soil stability),
- physical risks arising from environmental degradation,
- regulatory and transitional risks associated with the tightening of environmental requirements,
- opportunities related to the implementation of more sustainable technologies and solutions that reduce environmental pressure.

With regard to the value chain, the policies support the traceability of raw materials, components, and products that may have a significant impact on biodiversity, including through environmental requirements for suppliers and the assessment of environmental risks within procurement processes.

The policies also include monitoring the state of the natural environment in operational areas, assessing the effectiveness of land rehabilitation activities, and reporting changes in natural values. They cover the social consequences of impacts on ecosystems, including the effects on local communities that rely on ecosystem services.

Furthermore, the KGHM Group states that:

- the adopted policies apply to operational locations, including those situated near environmentally sensitive areas, where additional protective measures are applied;
- sustainable land management principles are implemented, including limiting new land occupation and conducting progressive rehabilitation;
- the KGHM Group's activities do not include marine operations or the exploitation of ocean resources, and therefore no separate policies relating to oceans and seas have been adopted;
- the policies incorporate the principle of avoiding unwarranted deforestation and undertaking restoration and compensatory measures where vegetation removal is necessary.

The implementation of the KGHM Group's biodiversity and ecosystem policies follows the mitigation hierarchy, comprising, in sequence: avoiding adverse impacts, minimising unavoidable impacts, restoring and rehabilitating ecosystem functions, and – where justified – undertaking compensatory measures.

[E4-3] Actions and resources related to biodiversity and ecosystems

The KGHM Group has defined potential environmental impacts and risks arising from its activities. Negative, actual impacts on biodiversity and ecosystems include climate change, land use change, mining activities, pollutant emissions, land degradation, impacts on species populations, and impacts on ecosystem services. The KGHM Group also generates actual, positive impacts on biodiversity and ecosystems through a range of initiatives and projects concerning the conservation of valuable natural species and their habitats. The risks include maintaining the adequate quality of water discharged from the Żelazny Most Tailings Storage Facility and the inability to manage increased water inflows from mining plants.

Table 136. KGHM Group's ongoing activities related to biodiversity and ecosystem protection

Rational use of natural resources, such as land, water, forests	Economical land management, limiting soil sealing to necessary situations such as the need to protect land and groundwater from contaminant migration, use of treated water and wastewater repeatedly, management of forests that perform protective functions strengthening biodiversity; no productive role for forest land.
Rational management of natural resources	Ore extraction carried out by methods appropriate to the characteristics of the orebody - underground mines operating in Poland use the room-and-pillar system, whereas the international assets are dominated by the open-pit system
Restoring the usable value of land adversely altered by the KGHM Group's activities	Remediation and recultivation of our own land and working with local authorities to finance the liming of agricultural terrain.
Respecting legally designated protected areas and ensuring that any new operations or changes to existing operations are carried out lawfully within the KGHM Group's licence to operate	Investment and modernisation that meets legal criteria is carried out following the environmental impact assessment, an important element of which is an assessment of the impact on the world of living nature; any amendment to a decision that constitutes a licence to use the environment takes into account the potential impact on legally designated protected areas; we carry out active measures to support biodiversity in a protected area designated on the initiative of KGHM - the "Łęgi Głogowskie" ecological site.
Refraining from conducting activities at World Heritage Sites and, where the KGHM	The KGHM Group does not conduct technological operations at or near World Heritage Sites (a 15 km buffer zone).

Group's activities are adjacent to World Heritage Sites, ensure that our activities do not compromise the safety and value of these sites

Reducing the emission of pollutants into the air, water and soil

Constant improvement of the processes and technological operations with the aim of reducing environmental emissions as much as possible. Minimising emissions has a positive impact on biodiversity.

The measures described above contribute to reducing the negative environmental impacts, mitigating risks and increasing biodiversity as well as maintaining the diversity of ecosystems.

Impact of emissions on biodiversity

The KGHM Group regularly monitors its impacts on biodiversity and ecosystems. It does so primarily as part of environmental investigations preceding the launch of new projects or major changes to existing ones. Assessment of habitats and inventories of the species of flora and fauna that inhabit them are a key element in planning new developments and selecting an option that mitigates project impacts on biodiversity, as well as in the ongoing assessment of the impacts of existing facilities and in the implementation of mitigation and compensatory measures.

When carrying out its operations, the Group identifies environmentally valuable areas in its vicinity, covered by various forms of protection. Such locations include the surroundings of the KGHM Polska Miedź S.A. Cedyňa Wire Rod Division - Special Habitat Protection Area Natura 2000 Łęgi Odrzańskie (PLC020002) and the "Orchid Scarp" natural reserve.

An expert report to comprehensively assess the status of habitats and flora and fauna species at the site and within a buffer zone of 500m from the boundaries of the smelter-managed real estate was finalised in 2025. In June 2025, nearly a year after the September 2024 flood, an inventory of the Odra river ecosystems in the vicinity of the plant facilities was carried out. Despite the morphological characteristics of the river in the studied stretch, suggesting average (medium) wildlife value, ichthyological surveys revealed significant biodiversity, identifying 13 fish species, including 2 protected and 3 included in the Habitats Directive appendices.

The study reviewed the emissions generated by the Cedyňa Wire Rod Division impacting individual environmental components. These were subsequently cross-referenced with the conservation measures for the elements under the protection of the Special Habitat Protection Area Łęgi Odrzańskie (PLC020002). The analysis performed showed that there were no significant threats to the implementation of conservation goals from the metallurgical facility. It should be noted that the "Orchid Scarp" reserve does not currently have a Plan of Conservation Tasks in force. The final stage of the work was to identify recommendations on the relevance and scope of monitoring and potential minimising and compensatory recommendations (monitoring of environmental components with a high potential impact on biodiversity, preventive treatments, with particular reference to investment and modernisation projects and compensatory measures). In 2025, the metallurgical site began implementing the recommendations resulting from the expert report by installing insect houses on the trees (6 sets) and leaving dead wood (tipping and scrap trees) providing habitats for invertebrates and other small organisms. Actions related to regular monitoring of impacts with the highest potential influence on biological diversity (groundwater abstraction, discharge of treated wastewater) were continued. Investor supervision was strengthened, including safeguarding the protection of trees and shrubs during ongoing investments and modernisation works (e.g., protecting root systems from freezing and drying during earthworks, erecting temporary fencing or boarding around tree trunks directly exposed to mechanical damage). Fieldwork is carried out in a manner that limits the formation of temporary water stagnation areas, and any water pools appearing at the construction site (due to heavy rainfall or snowmelt) are regularly monitored. If trapped animals are found, they are captured and relocated to habitats suitable for the respective species and located outside the zone of impact of the works.

Impact on the biodiversity of aquatic ecosystems

The cooperation initiated in 2024 with a scientific entity to assess the impact of mine and process water discharge into the Odra river on the ichthyofauna and aquatic invertebrate species that constitute its biodiversity was continued in 2025. The results of the study indicate a high tolerance of the organisms to salinity confirming that the organisms are able to adapt to the new conditions and that controlled discharges of mine water into surface water do not affect the growth and survival of the juvenile life stages of the fish species studied. Moreover, the scientific results obtained do not support the view that saline waters have a negative impact on ichthyofauna and invertebrates inhabiting river sections exposed to salinity. KGHM Polska Miedź S.A. plans to carry out further stages of research in which further fish species will be examined.

Change in land use

In 2025, KGHM Polska Miedź S.A. started preparations for the construction of two mine shafts, which is associated with the occupation of land for technological and access infrastructure and a change in land use.

Reclamation and remediation

The KGHM Group is successively identifying areas where the permissible contents of risk-causing substances, which are particularly important for the protection of the earth's surface, may be exceeded. In 2025, cooperation was established with an external entity to carry out preliminary surveys as part of the assessment of contamination of the ground surface on the territory of more than 100 land parcels with a total area of approximately 260 ha adjacent to the Głogów Copper Smelter and Refinery.

Remediation and reclamation measures are implemented in areas where exceeded levels of risk-causing substances have been identified, with the aim, among others, of preventing or reducing further pollution. These included:

- fertilisation with calcium fertilisers, in order to maintain the soil reaction at an appropriate level (pH above 5.5-6.0), including the implementation of other phytotechnical measures related to the appropriate maintenance of the sodden land, limiting wind erosion,
- storage of materials that may be a source of pollutants seeping into the ground under the conditions that minimise their impact on the environment (e.g. in enclosed spaces, silos, containers, on sealed surfaces, etc.),
- maintenance of traffic routes, on sites ensuring that secondary emissions are limited (e.g. regular washing and sweeping),
- replacing the soil with soil free of contamination,
- surface preparation, planting and maintenance,
- technical reclamation in the direction of water or forests (e.g. slope profiling, soil levelling, humus application).

Impact on endangered species and habitats

As a result of the assessment performed, the potential and actual impacts of the activities on habitats and species at risk have been identified. Impacts are related to mining activities carried out in the international assets (USA, Canada).

Robinson mine

Golden eagle (<i>Aquila chrysaetos</i>)	As a result of the need to expand the Liberty pit, an environmental impact assessment was carried out in 2021. This assessment identified the potential impact of the development on the local golden eagle population. The commencement of ore mining in the Liberty pit was associated with the removal of 4 nests and the loss of territory. This action was sanctioned by the relevant permit issued on 25 February 2021 which covers 30 breeding seasons (2021-2050). During this period, the Robinson mine is committed to monitoring the use of the entire site by golden eagles. An external expert conducts surveys in three periods (January-March, March-Mid-April and May-June) to determine territory occupation, breeding activity and the success of any breeding attempts. In addition to monitoring efforts, preventive measures are also in place, including the following: – Removal of dead animals, which are the food base of eagles, from all roads within active extraction areas and their disposal to reduce the risk of collisions between foraging birds and vehicles. – Building awareness among employees and contractors through a training program on minimising the risk of collisions with eagles. – All power poles in the mining project area must be maintained in accordance with Avian Power Line Interaction Committee (APLIC) safety standards for eagles.
Sharp-tailed warbler / roystercatcher (<i>Centrocercus urophasianus</i>)	In relation to the need to build a water main, the Robinson mine carried out an Environmental Impact Statement (EIS) and prepared a Right of Way (ROW) application. The findings concluded that the earthworks associated with the construction of the water supply infrastructure pose a potential threat to the habitat occupied by the ostracod prairie warbler. In order to limit the impact, the water supply network has been designed to minimise interference with the species' habitats, optimising its route in environmental and technical terms. In accordance with Nevada law, the Conservation Credit System (CCS) procedure, which involves the purchase of so-called environmental credits by the developer, was used to compensate for the impacts that were not avoided. The value of one credit unit ranges from USD 2,000 to USD 3,000 (203 units have been purchased to date). The funds from the aforementioned loans are compensation, used to restore or increase the availability of habitat for the protected species included in the procedure.

Carlota mine

The Carlota mine is implementing a comprehensive monitoring program for wetlands, aquatic biology and inland waterfront areas to assess the potential impact of mining activities. The results of the monitoring are used to confirm that the mitigation measures remain effective and that the activity is not causing adverse impacts on wetlands, water resources, riparian habitats and federally protected species. The data collected to date indicates that the mitigation measures are working as intended and there has been no significant impact on threatened or sensitive species.

Victoria Mine

The Victoria Project, as required by the Canadian law, protects the whooping cottontail (*Antrostomus vociferus*) habitat, among other things by limiting plant development activities outside its existing boundaries during the nesting season and by providing endangered species training to all employees. The mine performs annual surveys to monitor the population status of this endangered bird species.

Biodiversity in the value chain

The KGHM Group, in carrying out economic operations ranging from exploration and mining of raw materials, through smelting and refining activities to processing, relies mainly on its own raw materials. Full responsibility for the processes carried out, including the environmental impacts and pressures generated, is assumed by the KGHM Group. Due to the scale and complexity of the operations, supplies of consumables and external sources of energy are used. To a limited extent, external feedstock in the form of concentrates is applied. Activities related to the acquisition of copper scrap as a valuable secondary raw material are being developed, aligning with the circular economy concept. The KGHM Group's products are used as raw materials for further processing in many industries.

The KGHM Group is aware that suppliers and customers may interact with the environment in the area of biodiversity and ecosystems. However, the Group has no confirmed information on the actual or potential negative impact of key contractors on the habitat condition and population size of valuable natural species.

Biodiversity conservation and enhancement projects

Ecological site - "Łęgi Głogowskie"

KGHM Polska Miedź S.A. is actively involved in activities aimed at enhancing biodiversity in areas administered by the company or directly adjacent to it. In order to secure the high natural values of part of the grounds of the former protective zone of the Głogów metallurgical facility, ecological terrain called "Łęgi Głogowskie" was created by a decree of the Lower Silesian Voivode of 28 October 2005. The area to be protected includes the floodplain of the Odra valley over the entire width of the inter-dune. Protected areas include the oxbow lakes of the Odra river, vegetation complexes ranging from aquatic and riparian to fertile deciduous forests with numerous protected species of fauna and flora.

Every year, KGHM Polska Miedź S.A., in agreement with the relevant local government bodies, carries out procedures in the area of the "Łęgi Głogowskie" ecological site in order to maintain the condition, restore habitats and protect the species of valuable flora and fauna occurring in this area.

Activities undertaken include:

- mowing of meadows in a way that leaves patches of late-maturing vegetation (Cnidion dubii communities - celery meadows) and mowing of reed rushes in meadow habitats,
- removal of volunteer trees and shrubs growing expansively into valuable meadow habitats,
- removal of geographically alien species (e.g. ash-leaf maple, American cherry, poplar hybrids),
- planting trees and shrubs of native species (including melliferous species for "pollinators - wild bees") compatible with the habitat type of the forest on the sites of removed plantations of trees of foreign origin,
- planting of traditional "old" varieties of fruit trees (establishment of so-called mid-forest refuges for birds, mammals, etc.),
- constructing clay and wood structures, i.e. replacement habitats for clay nesting insects,
- clean-up work involving the systematic removal of abandoned waste,
- marking the ecological site with government, informational and educational boards.

Action for protected species

Peregrines are some of the rarest birds in Poland. KGHM Polska Miedź S.A. has been actively contributing to the protection of this endangered species for many years. Every year, on one of the emitters of the Głogów Copper Smelter and Refinery, a pair of these birds of prey are raised in a mounted nesting platform. The birds are cared for by the company's employees in cooperation with specialists from the Wildlife Society and volunteers. Głogów falcons can be observed at the dedicated website.

Forest management

KGHM Polska Miedź S.A., in conducting its business activities, does not focus exclusively on the management of land occupied by technological installations and equipment and other supporting infrastructure. In order to reduce the impact of its processes on its surroundings, including, above all, local communities, the company actively manages more than 1360 ha of forested and wooded land under its ownership or in perpetual use. Of these, forests account for more than 98% (approx. 1340 ha). The remaining tree-covered land is classified as wooded and shrub land (approximately 20 ha) and agricultural land in the form of wooded and shrub permanent grassland (approximately 1.5 ha) and arable land (approximately 3 ha). In addition, KGHM Polska Miedź S.A.'s Legnica Copper Smelter and Refinery, on an area of approximately 150 hectares, grows forest on the land owned by others, e.g. KOWR (National Agricultural Support Centre).

In the forest areas managed by KGHM Polska Miedź S.A., forest management is carried out based on forest management plans (PUL, UPUL). Approximately 200 000 tree seedlings and 6 000 shrub seedlings were planted in 2025.

In addition, outside the forest areas, 60 trees, around 850 shrubs and around 2 000 herbaceous plants were planted in areas administered by KGHM Polska Miedź S.A.

[E4-4] Targets related to biodiversity and ecosystems

As at the date of this report, the KGHM Group does not have formally defined measurable biodiversity and ecosystem targets as defined by the ESRS E4 standard. The lack of set targets is due to the current stage of development of the Group's approach to managing this area, as well as from the specific nature of the operations, whose impacts are predominantly local and dependent on the environmental conditions of individual operational locations.

The impacts of the KGHM Group on biodiversity and ecosystems are predominantly local in nature and depend on the specific environmental conditions of the individual operating locations. Accordingly, the Group's nature conservation activities are carried out primarily on the basis of applicable environmental decisions, administrative permits and national and EU legislation, including regulations on the protection of naturally valuable areas, site restoration and compensation measures.

The KGHM Polska Miedź S.A. Group plans to conduct, in 2026–2027, an analysis of the feasibility of defining measurable biodiversity- and ecosystem-related targets at the Group level, taking into account regulatory requirements, the results of the materiality assessment, the specific characteristics of operational locations, and the availability of reliable data. Any potential targets will be defined in a manner that enables their monitoring over the medium- and long-term horizons.

As part of the further development of the approach to managing this area, the Group anticipates:

- the identification of key performance indicators (KPIs) appropriate to the nature of the activities, such as the area of land subject to rehabilitation, the scope of compensatory measures, the results of environmental monitoring, or the number of projects aimed at restoring natural values,
- the definition of the level of ambition for targets relating to the minimisation of negative impacts and the gradual increase in restorative and compensatory actions,
- the implementation of harmonised rules for environmental data reporting across the Group's entities.

The effectiveness of biodiversity- and ecosystem-related actions is currently monitored through environmental management systems operating within the Group's companies, periodic internal reporting, analysis of environmental monitoring results, and verification of compliance with administrative decisions and legal requirements. The outcomes of these activities constitute the basis for assessing the effectiveness of initiatives undertaken and for the potential definition of future measurable targets in subsequent reporting periods.

[E4-5] Impact metrics related to biodiversity and ecosystems change

The location analysis conducted shows that the production plants of the KGHM Group do not operate in areas distinguished by special natural values (defined as national parks, nature reserves or Natura 2000 areas) or in the immediate vicinity of such areas (buffer of 500 metres). Areas of high natural or landscape value, covered by various forms of protection schemes, are located from 0.5 to 15 kilometres away from the Company's operating sites - details in [section \[SBM-3\] Material impacts, risks and opportunities and their interaction with the strategy and business model](#).

In the context of biodiversity-sensitive areas, only the discharge of treated wastewater from the Cedynia Wire Rod Division was found to take place within the Special Habitat Protection Area "Łęgi Odrzańskie" (PLC20002). The remaining KGHM Group sites are not located in biodiversity-sensitive areas.

[E4-6] Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities

The KGHM Polska Miedź S.A. Group, taking advantage of the temporary exemption provided for under the so-called "quick-fix" (in the form of European Commission Delegated Regulation 2025/1416), does not disclose information under ESRS E4-6 in the current period.

4.2.6 [E5] Resource use and circular economy

[E5-1] Policies related to resource use and circular economy

Information regarding the KGHM Group's Environmental Policy with respect to minimum disclosure requirements not included in this section is described in [section \[E2-1\] Policies related to pollution](#).

The Group's policy on resource use and the circular economy addresses the significant impacts, risks, and opportunities identified in the areas of resource use and the circular economy. Specifically, it covers:

- **material negative impacts** related to the use of natural resources (copper ore) and the generation of mining and production waste,
- **material positive impacts** resulting from the production of metals (particularly copper), which can be recycled indefinitely without losing their properties, as well as from the optimization of waste management in accordance with the waste hierarchy,
- **opportunities** related to the development of copper recycling and recovery processes that support the transition to a circular economy,
- **Risks** regarding the availability of primary resources, increasing regulatory requirements for waste management, and stakeholder expectations regarding material efficiency and circularity.

The basic assumption of the existing circular economy policy is to optimise production operations by maximising the turnaround of production processes and improving recycling and recovery processes, as well as responsible waste and safety management of mine waste facilities to protect health and safety and minimise adverse environmental impacts. This action is integrated into the Group's strategic objectives.

Applying the circular economy principle where possible is one of the ways for reducing greenhouse gas emissions to help move towards climate neutrality, while also being a means of ensuring responsible waste management. The KGHM Group pays particular attention to the appropriate management of waste – in accordance with the waste management hierarchy, compliance of its activities with environmental legal requirements and the use of the best available technologies and practices.

The KGHM Group does not plan to abandon the use of primary resources such as copper ore, nevertheless, it is consistently developing copper recycling and recovery processes, thereby strengthening its positive contribution to the development of the circular economy and reducing pressure on natural resources.

[E5-2] Actions and resources related to resource use and circular economy

The KGHM Group undertakes activities aimed at rational management of natural resources, driven by both technological needs and environmental requirements. The Group complies with the provisions of the integrated and sectoral permits as regards waste management, ensuring that its processes comply with the applicable regulations. To mitigate the impact of activities on the environment, solutions are implemented to optimise the use of the resources.

The Company applies the principles of the circular economy (CE), which enables the reduction of waste for disposal through landfill, reducing the need for new resources and mitigating environmental risks associated with pollution.

Table 137. Activities of the KGHM Group related to the use of resources and circular economy

Rational management of natural resources	The Group develops deposit extraction systems to optimise ore mining and waste rock management, striving to maximize resource utilization while minimizing environmental impact.
Reducing the amount of waste generated	Actions are undertaken to reduce the amount of waste generated, in particular by reusing it as secondary raw material in industrial processes.
Development of waste management techniques	The Group strives to maximise further use of production residues from its own production lines to recover copper and associated metals from them through the development of waste management techniques.
Compliance with regulations and standards	Operations are conducted in compliance with applicable regulations concerning waste management at the national, regional and local level. Application of Best Available Techniques (BAT) for waste management.
Public participation and transparency	The Group cooperates with local communities and non-governmental organisations to understand their concerns and incorporate their views into the decision-making process. Ensuring transparency of the company's activities related to natural resources, providing information on waste disposal, emitted pollutants.
Failure prevention and crisis management	Emergency plans are developed to minimize the impact of incidents related to waste management, including facility failures, leaks, fires, and transportation incidents. The procedures outline guidelines for rapid response, limiting the spread of contamination, and restoring safe operating conditions. Employees receive regular training on emergency procedures, and drills are also conducted in cooperation with local emergency services. Every incident is recorded and analyzed to identify causes and implement preventive measures. During the reporting period, several failures occurred on transmission pipelines at the Hydrotechnical Plant. These incidents were immediately secured in accordance with applicable procedures, and their environmental impacts were monitored on an ongoing basis. Continuous monitoring of the technical condition of the transmission infrastructure is conducted to mitigate the risk of similar incidents in the future.
Innovation in the area of environmental protection	Investment in research and development of technologies aimed at the mitigation of adverse environmental impact.
Review and improvement	Periodic reviews of the company's policies on the use of natural resources and waste management are carried out to adapt to new legal, technological and social requirements and to ensure continuous improvements.

The measures described above contribute to minimising negative environmental impacts, mitigating risks and increasing efficiency in the use of natural resources and waste management.

Use of resources

The Group is engaged in the mining and processing of natural resources. The largest copper ore deposit in Europe is located in south-western Poland. The Group also has mines in the United States and Canada.

The processes of mining and processing in the Group are continuous, and no timeframe has been set for them. Activities related to gaining access to new parts of the deposits, including the construction of new shafts, serve to sustain this continuity and ensure stable access to resources, without affecting the timeframe of the processes themselves

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KGHM Polska Miedź S.A. has a fully integrated production process, in which the end product of one technological phase is the feedstock (semi-finished product) used in the next phase. Mining in KGHM Polska Miedź S.A. is performed by three mining divisions: Lubin, Rudna and Polkowice-Sieroszowice. In the next phase, the Concentrator Division prepares concentrate for the smelters and refineries, while the Hydrotechnical Plant Division is responsible for storing and managing the waste generated in the copper ore enrichment process. There are two smelting and refining divisions within the Company's organisational structure: Legnica Copper Smelter and Refinery and Głogów Copper Smelter and Refinery, as well as the Cedynia Wire Rod Plant. A detailed description of the production processes can be found in [section 1.3.3 Description of the production process](#).

Mining operations are conducted using the underground method, which influences the nature of material environmental impacts, particularly with regard to the generation of mining waste, the management of waste rock, and the impact on the surface. As part of its rational management of natural resources, the Company has developed its own copper deposit

mining systems (room-and-pillar systems with roof caving, dry backfilling, and hydraulic backfilling), tailored to the thickness and dip of the deposit. The use of these systems reduces the proportion of waste rock in the excavated material, enables its underground utilization, and reduces the amount of mining waste sent to the surface, which mitigates environmental pressure and addresses the identified material impacts in the areas of resource use and waste management.

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Carlota

The Carlota mine, located in the state of Arizona (USA), extracts copper ore by open pit mining. The production process involves heap leaching using the sulphuric acid solution followed by solvent extraction (SX) and electrowinning (EW) to produce copper cathodes. The use of open-pit mining involves a different profile of significant environmental impacts than that of underground mines, particularly in terms of greater land disturbance and the need to manage waste dumps and water and wastewater systems. The facility uses technologies that comply with applicable environmental regulations and implements measures to minimize its environmental impact.

Robinson

The Robinson Mine, located in White Pine County, Nevada (USA), comprises three currently exploited pits: Ruth, Tripp-Veteran and Liberty.

Mining is carried out by conventional open-pit methods and involves mining with explosives, loading and transporting the ore to the processing plant. The ore is crushed and milled and then subjected to a flotation process. The resulting concentrate is concentrated and filtered. The copper concentrate, with the appropriate moisture parameters, is then transported to warehouses in the state of Nevada, from where it is shipped to its intended customers.

The use of open-pit mining technology at the Robinson mine affects the scope of material environmental impacts, including the scale of land transformation, the generation of mining waste, and water demand in processing operations. Operational activities are designed to manage these impacts, in particular through waste management, environmental monitoring, and post-mining areas reclamation.

Waste management

In the KGHM Group, the priority in waste management is to prevent waste generation and maximise recovery and recycling, in accordance with the principles of a circular economy. However, due to technological, economic, environmental and legal considerations, not all waste generated can undergo recovery.

The category of non-recoverable waste includes, in particular, tailings from metal ore enrichment processes, as well as selected process and hazardous wastes for which no efficient and safe recovery technologies are currently available or for which treatment would entail a disproportionate environmental risk. This waste is managed in accordance with current legislation, including disposal or storage in dedicated facilities, respecting environmental and safety rules.

The Group monitors the development of available technologies and carries out analyses to identify potential opportunities to increase recovery rates in the future, including for historically non-recycled waste.

Waste recovery

Waste is generated as a side effect of almost every industrial activity. The copper industry also generates huge amounts of post-industrial waste, since it requires multi-stage processing of ores to obtain useful final products.

Management of waste generated in the domestic companies of KGHM Polska Miedź S.A. is carried out in accordance with the principles set out in the Waste Act of 14 December 2012 (Journal of Laws of 2013, item 21, as amended), pursuant to which all activities should be planned, designed and carried out in a way that prevents or minimises the volume of generated waste.

In order to minimise the amount of waste generated, as recommended in the BAT conclusions, the production processes carried out in the process installations have been designed and are implemented in such a way that the process residues generated in them are managed as far as possible. The return of process residues to the production processes is an integral part of the implemented technologies and is described in the developed and implemented process instructions.

Process residues returned to the process are an integral and valuable component of the feedstock, improving the efficiency of the processes implemented and reducing production losses. Process residue returns substitute in part for the raw materials of natural origin used in the processes - metal-bearing raw materials, slag-bearing raw materials, fluxes and others. Most of the process residues generated - slag, dust, sludge, scale, spillage, metal-saturated swages, worked anodes, castings run-off, electrolyte refining, etc. - are managed by returning them to the process in whole or in part. Process residues returned to production processes within a single plant, according to the assumptions of the implemented technology, are not classified as waste, as they are in fact integral material flows occurring between individual process nodes within the implemented technology.

The reduction of waste to landfill is achieved by managing residues from metallurgical processes in a manner consistent with the requirements of best available techniques, in particular by:

- recovery of metals from dust and sludge generated in dust abatement systems. The dust is used, according to its composition, as a feedstock in copper production or lead production facilities, the sludge from wet dedusting of converter gases is sent for recovery in the lead production facility,
- recovery of copper from copper-rich slurry (recovery in electric furnaces at the Głogów Copper Smelter and Refinery),
- the transfer of de-milled slag for the production of construction aggregates,
- the transfer of de-greased granulated slag for the production of abrasive,
- the transfer of used sweepings for the production of copper concentrate,
- the transfer of non-coppered lining to external customers for the production of refractory materials,
- total internal turnaround of all slags from converters and melting furnaces as feedstock for pyrometallurgical processes,
- the use of electrolyte withdrawn from electrorefining circuits for the production of copper sulphate and nickel sulphate, and the use of de-copperised electrolyte for the preparation of the working electrolyte used in the production of cathode copper,
- returning used anodes to pyrometallurgical copper production processes,
- the use of anode slime from the electrorefining process as a raw material for the production of precious metals,
- recovery of metals from sludge from the converter gas treatment plant at the lead production facility,
- selenium recovery from the recirculating water of a wet gas dedusting node in a precious metals plant,
- recovery of silver from spent electrolyte.

Activities aimed at preventing waste, reducing its quantity and its negative impact on the environment include, in particular:

- conducting production processes in accordance with the technological regime,
- the use of materials and resources of high quality standards and their rational use,
- maintaining machinery and equipment in a good state of repair, including the prevention of breakdowns and malfunctions of equipment through constant supervision,
- monitoring the progress of ongoing processes, enabling a rapid response to be taken to prevent waste generation,
- storage of waste, taking into account its chemical composition and properties, in such a way as to protect the environment from pollution.

The directions and methods of recovery of waste generated by the KGHM Group's installations depend on its material properties and the environmental impact of the process.

Recovery of waste material consists of its use as a whole or in part in mining technologies as:

- construction or building material,
- material for reclamation and filling of post-mining voids,
- raw material for the production of abrasives.

The Żelazny Most Tailings Storage Facility, together with the Southern Quarter, is used for management of waste from the flotation enrichment of copper ores with the code 01 03 81 *Waste from the flotation enrichment of non-ferrous metal ores, other than listed in 01 03 80*, generated in three areas of the Concentrator in Polkowice, belonging to KGHM Polska Miedź S.A. in Lubin. Such waste is primarily used for the construction of downstream dams and sealing the bottom of the tailings facility, with the remainder being disposed of in the landfill process.

At the Giroux Mining Waste Disposal Facility at the Robinson mine, the Cycloned Main Embankment (CME) is constructed from flotation waste by separating coarse material using a battery of hydrocyclones. It is a centreline firewall. The remaining perimeter dams are raised using the downstream method with local material extracted from the area around the site. Before being deposited, the waste is compacted to a level of approximately 50% (solids/water ratio) to recover the water needed for the flotation process.

Metal-bearing waste is subject to processes to recover and recycle the metals and metal compounds it contains.

In some mines of KGHM Polska Miedź S.A., hydraulic backfill is used to fill mined void (goafs). The main material used for this purpose is sand, but also granulated slag from the Głogów Copper Smelter and Refinery. Also, granulated slag of the appropriate fraction after drying is an excellent material for the production of abrasive materials used for blast cleaning of metal or concrete surfaces.

Scrap

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

In the KGHM Group, the processing of copper scrap is an important element of the circular economy strategy. Copper scrap is extracted, prepared and delivered to the metallurgical facilities mainly through KGHM Metraco S.A., and then used as metallurgical feedstock. At KGHM's copper metallurgical facilities, in particular at the Legnica Copper Smelter and Refinery, scrap is processed, among others, with the use of a Revolving-Casting-Refining (RCR) furnace and processed into anode copper, which is sent for further electrolytic refining. This process allows the recovery of full-value metal, reducing waste and reducing the need for virgin raw materials, while supporting the Group's environmental goals and raw material efficiency.

[E5-3] Targets related to resource use and circular economy

Goals related to the utilization of resources and the circular economy are set out in the Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040. These include:

Optimisation of mining production in Poland and abroad ensuring long-term business continuity.

Development of metallurgy with the use of effective processing based on Circular Economy principles.

As part of the implementation of the CE concept, the Group aims to maximise the further use of production residues from its own production lines in order to recover copper and associated metals from them, while limiting the harmful impact of the Group's operations on the environment. The priorities of the CE concept include the maximum reduction of waste by using it as raw material and to increase recycling of copper scrap to 350 thousand tonnes by 2030.

The specified quantitative target for the recycling rate of copper scrap constitutes a formal target within the meaning of ESRS E5, whereas the other elements of the Strategy are of a guiding and operational nature, setting the long-term direction of the Group's activities, but do not constitute formalized targets within the meaning of that standard.

Targets are monitored in the context of implementation of the Strategy of the KGHM Polska Miedź S.A. Group, while progress on the implementation of the targets is published quarterly during presentation of the financial results of the KGHM Polska Miedź S.A. Group. Information on the targets is presented in more detail in [section 1.4 Strategy, plans and objectives](#) of the Management Board's Report on the Activities of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group in 2025.

[E5-4] Resource inflows

As the KGHM Group is involved in the extraction and processing of valuable natural resources, the data presented below refers to the processes of ore extraction, ore enrichment and smelting/refining, resulting in the production of metals.

For KGHM Polska Miedź S.A., resource quantities were determined on the basis of production reports and purchase reports for 2025. The quantitative data was determined by direct measurement. For units of measurement other than tonnes, appropriate conversion factors have been applied. For technical materials, purchased auxiliary materials were included in this group. Wood used in mining and metallurgical processes was included among biological materials.

In the case of the Group's international companies, resource quantities refer to production at three mines: Robinson, Sudbury and Carlota. Quantitative data was determined from production reports for 2025 through direct measurement. Technical materials used in the mining process include explosives. Mines of KGHM INTERNATIONAL LTD. do not use recycled and biological materials.

Table 138. Resources inflows in the KGHM Group in 2025 [tonnes]

Specification	2025	2024
Total weight of products, technical materials and biological materials	141 570 469	123 385 578
Of which		
Ore mining	50 206 166	45 488 835
Waste rock extraction	83 819 454	70 520 203
Quantity of rock deposited in underground mines	5 521 099	5 286 453
Salt extraction	140 797	228 963
Own concentrates	1 778 726	1 775 782
Copper in concentrate	401 111	392 807
Silver in concentrate	1 321	1 294
Imported concentrates	109 984	123 924
Amount of copper in imported concentrate	40 592	43 255
Amount of silver in imported concentrate	9	12
recyclable materials - copper scrap	173 190	158 887
Copper scrap % (with regard to copper in concentrate)	37.17%	34.49%
Technical materials	1 599 779	1 578 313
biological material	0.37%	0.34%

[E5-5] Resource outflows

The Group mines and processes precious natural raw materials. The Group's main products include base metals such as copper, silver, gold, lead, copper and molybdenum concentrates, substances such as sulphuric acid, nickel sulphate and copper sulphate. The main products manufactured by the Group offer many application variants.

Copper

One of the Group's main products is metallic copper in the form of cathodes and products obtained by processing cathodes. The company processes the ore into concentrate in the first stage. The concentrate is then processed in subsequent metallurgical processes into a basic copper product, i.e. copper cathodes with a minimum raw material content of 99.99%. At the next production stage, a portion of the cathodes produced (approximately 50%) is processed into the following copper products: wire rod and wire.

Copper is one of few materials that does not undergo degradation or lose its chemical or physical properties during the recycling process. Therefore, at the end of their life, copper products can undergo multiple recycling. This means that once copper products reach the end of their life cycle, the raw material can be effectively returned to the economic cycle, which significantly reduces the demand for primary raw materials.

Precious metals

KGHM Polska Miedź S.A. is one of the largest producers of metallic silver. The company produces approximately 1 300 tonnes of this valuable metal annually. The feedstock is anode slime produced in the copper electrorefining process. Cathode silver with a content of more than 99.99% Ag is produced in the form of bars (ingots) weighing 1,000 jewellery ounces (32.15 kg) and granules. This metal in the form of bars is registered under the brand KGHM HG and has a registered certificate on the COMEX (New York Mercantile Exchange) as well as Good Delivery certificates issued by the London Bullion Market Association. Silver is supplied in the form of grains to the jewellery and metals industries, which produce alloys containing silver. Silver in the form of bars (ingots) goes mainly to financial institutions.

In the second half of 2025, KGHM Polska Miedź S.A. also began offering small-weight silver and gold bars for sale, intended for the investment market (1 oz, 50 g, 100 g, 250 g, 500 g, 1000 g). These products are a response to the interest of individual customers wishing to purchase physical metal and the growing market for investment silver and gold in Poland.

Gold with a content of more than 99.95% Au is recovered from the gold-bearing slime produced during the electrorefining of silver and sold as bars.

Silver and gold are among the precious metals with a very high recycling value due to their chemical and physical properties and material durability. These metals have a high resistance to corrosion and degradation, allowing for their recovery even from materials that have been exploited for a long period of time.

A key feature of silver and gold is that they can be recycled multiple times without losing their quality and functional properties, making them ideal raw materials for a circular economy. Smelting and refining processes allow for the effective separation of these metals from ores, concentrates, secondary materials and waste streams, while maintaining a very high purity of the final product.

Lead

KGHM produces around 30 thousand tonnes of crude lead annually, which is produced at the Głogów Copper Smelter and Refinery and then refined at the modern Lead Refining Plant at the Legnica Copper Smelter and Refinery, which has been in operation since 2007. The feedstock for lead production at the company consists of lead-bearing dust and sludge from the dedusting of process gases at all smelters, as well as copper-stripped converter slag. Refined lead as a marketable product has been registered on the London Metal Exchange since 2014 under the KGHM brand. The main use of refined lead is in the production of batteries and lead oxides.

Lead is a metal with very high recyclability due to its physical and chemical properties and material stability. It is characterised by a low melting point, good susceptibility to metallurgical processing and the ability to be repeatedly recycled without losing key performance properties.

An important characteristic of lead is its high durability and resistance to degradation, which enables it to be efficiently recycled into the material cycle, particularly from final products and waste streams. Recycling processes allow for efficient separation of lead from other components, including complex waste materials, while maintaining high purity of the recovered metal.

Sulphuric acid

An important product arising from metallurgical production is sulphuric acid, which is produced in the process of desulphurisation of smelter gases at the Głogów I and Głogów II Copper Smelter/Refineries and the Legnica Copper Smelter and Refinery. Production volumes reach approximately 600 thousand tonnes per year. It is widely used in the fertiliser and chemical industries. Among other things, it is used for the production of phosphate fertilisers, phosphoric acid and dyes, cellulose, batteries and explosives. Sulphuric acid is mainly sold locally to domestic and European customers, with surpluses exported to North and South America. KGHM also has a sulphuric acid handling terminal located in Szczecin with a storage capacity of approximately 33 000 tonnes of acid.

Unlike metals, sulphuric acid is not a material subject to conventional material recycling at the end of a product's life cycle. Its significance in the context of the circular economy stems primarily from:

- its chemical stability and the possibility of repeated recirculation in industrial processes,
- recovery from process gases (SO₂), which reduces emissions to the air,
- its role in biological cycles, particularly in the production of fertilizers that support the nutrient cycle in the soil.

Process efficiency and emission minimization are key here, rather than recycling in the material sense.

Copper sulphate

Technical copper sulphate is a blue-coloured chemical compound that is produced at the Legnica Copper Smelter and Refinery on the basis of copper granules, and is used in the flotation of zinc ores, the production of fertilisers and other chemical compounds and chemicals.

Copper sulphate is a highly processable chemical compound that can be recovered and reused in process circuits, particularly in hydrometallurgical and chemical processes. Due to its stable physico-chemical properties, it can be efficiently recycled into production processes without significant loss of quality.

Nickel sulphate

Nickel sulphate produced in the electrolyte purification process by both the Legnica Copper Smelter and Refinery and the Głogów Copper Smelter and Refinery is a greenish coloured chemical compound that requires further processing. Purification processes produce higher-processed nickel compounds including plated nickel. It is used to produce nickel compounds such as nickel hydroxide, nickel oxide, nickel sulphate hexahydrate or nickel sulphate hexahydrate, among others.

Nickel sulphate is a chemical compound with a high process value that can be recovered and returned to process cycles, particularly in hydrometallurgical and refining processes. As with other metal salts, its role in the circular economy lies primarily in effective process recycling, rather than in the recycling of the final consumer product.

Selenium

Technical selenium containing minimum 99.40 % selenium is produced at the Głogów Copper Smelter and Refinery. After processing used in glass, feed, pharmaceutical and cosmetic industry.

Selenium is an element of significant industrial importance, used in the electronics, photovoltaics, metallurgy, glass and chemical industries, among others. Due to its semiconductor properties and ability to improve material performance, it is a valuable speciality raw material with limited primary availability.

Its recovery from process streams is an example of the effective use of a byproduct that would otherwise be considered waste. Selenium is chemically stable and can be reused in industrial applications (including electronics, glass, and the chemical industry); however, its role in the circular economy lies primarily in process recovery rather than in the traditional recycling of end products.

Robinson copper concentrate

Robinson copper concentrate (approximately 20% Cu, containing gold and silver) and molybdenum concentrate are primary materials produced during the mining and ore beneficiation process.

Concentrates are not reclaimed or recycled materials—they are primary raw materials intended for further metallurgical processing. Only the end products manufactured from concentrates (e.g., copper, precious metals) have high recycling potential and fit into the circular economy model.

Waste

Information on quantitative data on waste was prepared on the basis of statements prepared by individual Group companies based on waste records maintained in these companies. Obligations related to waste record-keeping and reporting are carried out through the electronic register BDO (Database on Products and Packaging and Waste Management) - applies to the operations in Poland.

The most commonly used recovery processes at non-ferrous metal production facilities are R4 (Recycling or recovery of metals and metal compounds) and R5 (Recycling or recovery of other inorganic materials). The scope of these processes indicates that they include both recycling and other recovery processes.

The physical processing in the R5 process of shaft slags in aggregate production to produce a full-value product (aggregates) meets the definition of recycling.

On the other hand, the treatment in the R4 process at copper and lead production facilities of waste gas dust and intermediate slags to separate metals from them constitutes a different recovery process.

Another recovery process is also the use of tailings in the R5 process to form dams and seal the canopy of the Żelazny Most Tailings Storage Facility, as recycling does not include reprocessing into materials to be used for earthworks.

The qualification of the waste treatment processes handled at the facilities into the appropriate recovery methods is consistent with the records kept at BDO.

When calculating the total amount of non-recycled waste, waste sent for disposal and waste subjected to recovery processes other than recycling were taken into account.

The peculiarities of the non-ferrous metal industry, including above all the relatively low metallic element content of the ore, result in the generation of significant volumes of waste. The vast majority of industrial waste generated in the production process undergoes recovery processes other than recycling. The largest waste stream in the Group is represented by tailings which, as mentioned above, undergo other recovery processes. This has a major impact on the total amount of non-recycled waste. For this reason, in addition to the indicator showing the amount of waste from its own operations not recycled, an indicator showing the quantity and percentage of waste not disposed of (related, among others, to the use of tailings as a construction material at the Żelazny Most Tailings Storage Facility and the recovery of metals in pyrometallurgical processes) has been added to the table below. The inclusion of the operations in question in the list below is important as it illustrates the scale of waste treatment by a process other than disposal. Other forms of recovery than recycling should not be overlooked as they represent a key process for the copper industry to use waste as raw materials, thus preventing it from being diverted to disposal, including landfill.

For the international companies, in particular RNMC and Carlota mines, the waste classification system differs from the European one. The US system is mainly based on Environmental Protection Agency (EPA) regulations and categorises waste according to the Resource Conservation and Recovery Act (RCRA) code system. In addition, waste rock and tailings are not classified as general waste - they are subject to special waste regulations under RCRA and are managed separately from municipal or industrial waste streams. Information on quantitative data on waste was prepared on the basis of statements prepared by individual international companies based on waste records maintained in these companies for the needs of internal (state) and federal (EPA) reporting.

Table 139. Waste in the KGHM Group in 2025 [tonnes].

Specification	2025	2024
Total waste generated (hazardous and non-hazardous waste) - total [tonnes]	124 629 307	121 700 639
Total quantity of hazardous waste recovered - total [tonnes]	69 082	68 221
of which:		
– Preparation for re-use [tonnes]	104	234
– Recycling [tonnes]	14 170	16 026
– Other recovery processes [tonnes]	54 805	51 962
Total quantity of non-hazardous waste recovered - total [tonnes]	22 496 572	22 029 143
of which:		
– Preparing for re-use	788	3 471
– Recycling [tonnes]	979 143	922 634
– Other recovery processes [tonnes]	21 516 647	21 103 043
Total quantity of hazardous waste sent for disposal - total [tonnes]	118 276	118 459
of which:		
– Combustion [tonnes]	165	222
– Storage [tonnes]	117 907	118 081
– Other disposal processes [tonnes]	203	155
Total quantity of non-hazardous waste sent for disposal - total [tonnes]	102 070 250	99 675 866
of which:		
– Combustion [tonnes]	52	176
– Storage [tonnes]	102 069 675	99 675 471
– Other disposal processes [tonnes]	545	220
Total amount of waste not recycled [tonnes]:	123 760 869	120 953 035
Total percentage of waste not recycled [%]:	99.303	99.386
Total amount of hazardous waste generated - total [tonnes]:	167 188	167 160
Total amount of waste not disposed of [tonnes]:	22 565 654	22 097 365
Total percentage value of waste not disposed of [%]:	18.106	18.157

[E5-6] Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities

The KGHM Polska Miedź S.A. Group, taking advantage of the temporary exemption provided for under the so-called "quick-fix" (in the form of European Commission Delegated Regulation 2025/1416), does not disclose information under ESR5 E5-6 in the current period.

4.3 INFORMATION ON SOCIAL ISSUES

4.3.1 [S1] Own workforce

The KGHM Polska Miedź S.A. Group's own workforce primarily comprises employees (i.e. those in an employment relationship), performing work in the mining, metallurgical, concentrating and hydrotechnical divisions, as well as employees supporting the core production business employed in Group companies – in sectors involving mining, metal recycling, production of machinery and equipment for mining, power generation and distribution, rail transport, and in mining, drilling, tunneling, infrastructure, laboratory research and other projects, in Poland and abroad. The Group's operations are also significantly affected by non-employee workers, in particular persons providing management services under management contracts, persons under civil law contracts and agency workers (delegated by temporary employment agencies).

The Group identifies categories of its own workforce who are potentially at higher risk of negative impacts, in particular employees performing work in conditions of increased occupational risk (miners, metallurgical workers, and rescuers from the Emergency Mine/Smelter Rescue Division), working in difficult environmental and technological conditions, including exposure to physical and chemical factors, as well as shift workers, including those on night shifts.

Knowledge about the increased exposure of these groups is obtained, among other things, through health and safety analyses, periodic and workplace occupational risk assessments, monitoring of accidents and near-misses and dialogue with employees and their representatives, as well as the results of internal inspections, audits and post-accident investigations.

[S1-1] Policies related to own workforce

Policies for managing the material impacts, risks and opportunities associated with own workforce

KGHM Polska Miedź S.A. implements and monitors policies concerning managing its own workforce, focusing on identifying, assessing and mitigating material impacts and risks, as well as leveraging opportunities related to human capital. Group companies, acting in compliance with national law and international standards, promote and protect human rights, ensure fair working conditions and professional development of employees. Systematic risk analysis and proactive management of the policies support building of a working environment free of discrimination and unethical behaviour, respecting the principles of equality and diversity.

In developing policies, the interests of employees and their representatives, local communities, investors, customers and public authorities are taken into account. Their engagement in the process is ensured by, among others, consultation with trade unions and employee representatives, continuous dialogue with local communities and ongoing communication with business partners, customers and investors. The reported proposals are analysed and may lead to updating the policies to reflect the needs of employees and the expectations of the Group's environment. The Management Board of the Company is responsible for setting objectives, approving and overseeing the implementation of the policies.

Policies implemented in the Group are made available to persons responsible for their implementation, as well as to affected stakeholders. The provisions of the key policies are published on the Group's website in the ESG section on "Policies and Codes" (in Polish and English). As part of internal communication, employees confirm that they have read and understood the policies via the Intranet, while operational employees use the Extranet. New employees learn about the policies as part of their onboarding, while printed versions are available to persons without internet access.

The policies adopted to manage material impacts, risks and opportunities related to the Company's own workforce (with the exception of exclusions arising from the collective bargaining agreement described in the table below) do not exclude any group of employees, including in terms of geographical areas. The provisions of the Code of Ethics, Human Rights Policy and Health and Safety Policy also cover workers in the value chain as well as business partners, while the Human Rights Policy and the Code of Ethics also cover local communities.

Table 140. Key policies for managing material impacts, risks and opportunities related to employees in the KGHM Polska Miedź S.A. Group.

Code of Ethics of the KGHM Polska Miedź S.A. Group (public document) Applies to the impacts: <i>Extensive methods of social dialogue</i> <i>Employee support and work-life balance</i> <i>Comprehensive physical and mental health support programs for employees</i> <i>Gender pay gap</i> <i>Opportunities to develop skills and competence</i> Applies to the opportunities: <i>Potential of implementing a long-term follow-up program in the Company and occupational adaptation programs</i> <i>R&D potential in the OHS area</i>	A new Code of Ethics for the KGHM Polska Miedź S.A. Group was adopted in 2025, replacing the earlier version of the document. The Code defines the rules of conduct applicable to all Group employees, members of corporate bodies and business partners, setting common standards of ethics, social responsibility and sustainability. The Code is based on the values of KGHM Polska Miedź S.A. – zero harm, teamwork, results-driven, responsibility and courage - and it is a tool to strengthen the Group's corporate culture and the consistency of conduct principles at all levels of management. Its aim is to support decision-making in line with the Company's values, respect human rights and ensure a fair and safe working environment for all employees. The Code of Ethics emphasises the importance of diversity and cooperation in multicultural and multigenerational teams as important factors supporting the achievement of business objectives and the long-term development of the Group. The companies aim to create an inclusive organisational culture based on mutual respect, trust and openness to different perspectives. The adopted principles promote teamwork, knowledge sharing and the transfer of experience between employees with different lengths of service, as well as favourable conditions for the professional adaptation of new employees, including their integration into the working environment. Under its Code of Ethics, the Group commits to conducting its activities 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. In line with these instruments, the Group commits to conducting its business in an ethical, fair and transparent manner and with due respect for human rights, diversity and the natural environment. The Code of Ethics ensures broad access to the whistleblowing mechanism known as the "KGHM Ethics Hotline", which enables the submission of anonymous or identified reports of misconduct in a secure and confidential manner. Reports are reviewed by ethics committees, which conduct investigations and recommend remedial actions. This mechanism constitutes an integral element of the Group's corporate risk management framework and provides ongoing oversight of compliance with ethical standards across the Group. The Management Board of KGHM Polska Miedź S.A. is responsible for the implementation of and oversight over compliance with the Code. In the Group companies, responsibility rests with the respective management boards and ethics committees, which monitor adherence to the Code and recommend preventive measures. The Code is published on the KGHM Polska Miedź S.A. website and is available to employees via the Intranet. All employees are required to familiarise themselves with its provisions and to act in accordance with its principles.
Anti-Abuse Procedure in the KGHM Polska Miedź S.A. Group⁶⁹ (internal document) Applies to the impact: <i>Incidents of discrimination, harassment or violence and their psychological impacts</i>	The Anti-Abuse Procedure supports compliance with the principles of equal treatment and respect for the dignity of employees, preventing harassment, bullying and other forms of workplace misconduct, in line with international standards for the protection of labour rights. It defines preventive measures and remediation protocols in the event of incidents, as well as the duties and responsibilities of the employer and employees. The aim is to build an organisational culture conducive to safe and ethical relationships in the work environment. The Procedure is the foundational document for counteracting discrimination and harassment, complementing the provisions of the Code of Ethics, the Human Rights Policy, the Diversity Declaration and the new Human Capital Management Policy. It applies to all employees, regardless of their position or form of employment. Management is required to counteract harassment through preventive measures, including promoting ethical attitudes and principles of social conduct, enforcing them among employees, providing training, and monitoring and assessing the risk of harassment. The Group does not have separate policies for the social inclusion of vulnerable groups or dedicated measures for their benefit, other than the Procedure and the Human Capital Management Policy. The Group does not apply separate procedures for implementing policies on the prevention, mitigation and remediation of discrimination, or on enhancing diversity and general social inclusion.
Human Rights Policy in KGHM Polska Miedź S.A. (public document) Applies to the impacts: <i>Extensive methods of social dialogue</i> <i>Collaboration with trade unions, works council and collective agreements</i>	KGHM Polska Miedź S.A. regards the protection of and respect for human rights as a fundamental obligation arising from responsible business conduct. The Company is committed to the protection, promotion and fulfilment of human rights in all areas of its operations and towards all affected stakeholders it directly or indirectly impacts. The Company's activities are conducted 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 ILO Declaration on Fundamental Principles and Rights at Work, the UN Declaration on the Rights of Indigenous Peoples and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals. The Company emphasises the importance of human rights compliance by contractors and business partners, treating this aspect as a significant criterion for cooperation. Respect for human rights is a mutual condition for collaboration with business partners.

⁶⁹ Full title of the normative act: *KGHM Polska Miedź S.A. Group procedure for counteracting violations of labour law in the area of equal treatment of workers, in particular bullying and discrimination.*

<i>Work-related stress and impact on employees' private lives</i>	The Policy assumes full respect for the dignity of work, ensuring safe and healthy employment conditions and equal treatment of all employees. The Company is definitely opposed to any forms of modern slavery, forced labour, human trafficking and child labour. The Policy does not explicitly refer to the prohibition of human trafficking but these issues are addressed in the international instruments mentioned above, while the Policy includes those issues within the declaration referred to. The Company does not tolerate discrimination, bullying or harassment, committing to equal treatment, addressing gender inequality and respecting privacy, the right to professional development, family values and respecting the rights of indigenous peoples. The Human Rights Policy does not list specific potential grounds for discrimination, which may include: racial and ethnic origin, skin colour, gender, sexual orientation, gender identity, disability, age, religion, political opinion, national or social origin - these issues, supplemented by neuroatypicality, union membership and form of employment, are included, among others, in the Code of Ethics of the KGHM Polska Miedź S.A. Group.
<i>Incidents of discrimination, harassment or violence and their psychological impacts</i>	KGHM Polska Miedź S.A. has implemented grievance mechanisms in line with the UN recommendations on access to remedy. Violations can be reported by name or anonymously through the "KGHM Ethics Hotline" platform, ensuring full confidentiality and whistleblower protection. This mechanism enables the application of appropriate remedial measures and continuous process improvement in accordance with due diligence principles. The Human Rights Policy has been developed in accordance with the corporate risk management methodology adopted by the Company. It identifies and assesses potential risks of human rights violations in the Company's operations and implements measures to mitigate or minimise these risks. The Policy has been adopted in the Parent Company, however, it also applies to employees of Group companies and business partners. Contractual clauses and Contractor Charters are used in the process of collaboration with contractors, committing partners to respect the Group's human rights standards. In the event of violations, a corrective dialogue is conducted with the counterparty, aimed at eliminating the consequences and preventing their recurrence. In the Group's international assets, the following rules are in force: <i>Canadian Human Rights Code</i>, <i>Fighting Against Forced Labour and Child Labour in Supply Chains Act</i> and, in the US, the <i>Fair Labor Standards Act</i>, regulating human rights, child labour and forced labour.
Occupational Health and Safety Policy (public document) Applies to the impacts: <i>Work-related stress and impact on employees' private lives</i> <i>Fatal accidents, serious injuries and occupational diseases</i> <i>Comprehensive physical and mental health support programs for employees</i> Applies to the risk: <i>Changes to OELs and MAC - impact on workers' health</i> Applies to the opportunities: <i>Possibility of obtaining external support for innovations in the field of OHS</i> <i>R&D potential in the OHS area</i>	KGHM Polska Miedź S.A. has a uniform Occupational Health and Safety (OHS) Policy in place, in accordance with high standards confirmed by the ISO 45001 standard, covering its own workforce and external entities. Occupational health and safety are among the Company's core values, stemming from its commitment to high OHS standards and a fostering work environment. The OHS Policy is consistent with the Strategy and the Code of Ethics. The top management of KGHM Polska Miedź S.A. is committed to: – ensuring safe and healthy working conditions, taking into account ergonomics and prevention of work-related injuries and diseases; – continuously improving the occupational health and safety measures; – meeting the requirements of the applicable law while respecting the ethical principles of the Company; – identifying, monitoring, and eliminating hazards, and mitigating OHS risks, as well as seizing opportunities in this regard; – guaranteeing the participation of workers and/or their representatives in decision-making processes within the occupational health and safety management system; – using employee initiatives and ideas in the area of occupational health and safety; and – fostering a sense of personal responsibility among all employees for the performance of their work in a manner that is safe and causes no hazards to health, and providing training. The Company is open to acquiring external support for OHS innovations and leverages the potential of its own R&D centers specialising in diagnosing and adapting to changes in this field. All employees and other persons on the Company's premises are required to comply with the applicable regulations and internal requirements. The Management Board and management at all levels strive to ensure workplace safety for all persons on the Company's sites. Monitoring of the OHS Policy is implemented through a systemic approach, covering both ex-post analysis (i.e., lagging indicators, accidents, legal compliance) and preventive measures (leading indicators, ongoing assessments, internal operational audits, compliance audits, inspections, risk assessments, and training). The OHS policy is implemented individually across all Group companies, including international operations. In Canada, the Ontario Occupational Health and Safety Act, Mining Regulations 854, Construction Project Regulation 213, and the ICMM accident reporting standard apply. In the USA, the KGHM INTERNATIONAL LTD. Group companies – Carlota Copper Company and Robinson Nevada Mining Company – manage health and safety in accordance with their respective Employee Handbooks and Mine Safety and Health Administration (MSHA) standards, which promote workplace safety in the mining industry.
Human Capital Management Policy of KGHM Polska Miedź S.A.	In 2025, KGHM Polska Miedź S.A. implemented the Human Capital Management Policy of KGHM Polska Miedź S.A., which complemented the existing policy framework for the management of its own workforce, strengthening the consistency of the human capital management framework. The Policy serves as the overarching document defining the Company's management approach and provides the basis for developing and implementing detailed procedures, programs, and operational activities in this field. The policy sets out principles relating to employment, working conditions and remuneration, competence development, occupational health and safety, equal treatment, social dialogue and employee engagement.

(public document) Applies to the impacts: <i>Low representation of vulnerable groups at risk of exclusion</i> <i>Extensive methods of social dialogue</i> <i>Opportunities to develop skills and competence</i> <i>Ensuring stable employment conditions and social protection for employees</i> <i>Work-related stress and impact on employees' private lives</i> <i>Fatal accidents, serious injuries and occupational diseases</i>	Its provisions apply at all organisational levels and support the achievement of the Company's business objectives. It aims to strengthen material positive impacts, particularly job security, professional development, and a safe working environment, while supporting organisational continuity by building competence potential and ensuring staff succession. The document establishes the principle of equal opportunity and non-discrimination, addressing diversity and inclusion, including gender equality. Recruitment, promotion, and performance appraisal processes are conducted based on uniform criteria defined in internal regulations. The Company identifies and addresses barriers to the participation of the under-represented gender and promotes balanced representation, considering industry specifics and labor market conditions. The Policy contains no exclusions and covers all own employees of KGHM Polska Miedź S.A. For Group companies, the implementation of consistent personnel policies is planned successively, albeit on an optional basis, taking into account the specifics of individual entities as well as local organisational and market conditions. Monitoring the implementation of the Human Capital Management Policy of KGHM Polska Miedź S.A. is integrated into the Company's management processes. It specifically includes the achievement of annual management targets for executive staff, a review of social capital management projects, and the analysis of Key Performance Indicators (KPIs). This information is reported to the Management Board, enabling ongoing supervision of the effectiveness of implemented solutions and the taking of corrective or improvement actions. Employees' interests are integrated into the implementation and monitoring of the Human Capital Management Policy through the Company's existing management and regulatory mechanisms, including the principles set out in the Policy and related documents. The Policy has been developed to protect the mutual interests of the Company and its workforce, serving as a core element of the organisational culture and the human capital management system. Historically, the identification of employee interests and expectations was further supported by periodic engagement surveys, the results of which served as a key data source for social capital management activities.
The Collective Bargaining Agreement (ZUZP) together with the Work Regulations and the Company Social Benefits Fund (ZFŚS) (internal documents) Applies to the impacts: <i>Ensuring stable employment conditions and social protection for employees</i> <i>Collaboration with trade unions, works council and collective agreements</i> <i>Employee support and work-life balance</i> <i>Comprehensive physical and mental health support programs for employees</i> <i>Opportunities to develop skills and competence</i> Applies to the opportunity: <i>Potential of implementing a long-term follow-up program in the Company and occupational adaptation programs</i>	The Collective Bargaining Agreement (ZUZP) for employees of KGHM Polska Miedź S.A., entered into in 2000, stipulates the terms and conditions of employment, particularly: working time, annual and additional leave, remuneration principles, protection of working conditions, employment-related benefits and the rules for their granting and implementation, benefits for former employees, retirees and pensioners and their family members, as well as the mutual obligations of the parties to the agreement. The ZUZP provides for additional employee benefits, such as: the annual award for Miner's Day and Metallurgist's Day, the additional annual award (14th salary), an additional annual award based on the Company's profit, holiday benefits, a cash equivalent for children's school expenses, and jubilee awards. The ZUZP does not cover young workers undergoing vocational training or apprenticeships, employees working abroad, members of the Company's Management Board, or directors, deputy directors, and chief accountants of the Divisions. The provisions of the ZUZP are the result of negotiations between the Management Board and the trade unions representing employee interests. The parties, recognizing the importance of collective agreements within the legal system, sought to regulate employee rights in a manner that accounts for the needs of the workforce and the specific nature of the Company, while establishing principles of cooperation based on independence and autonomy. Negotiations were conducted with respect for the interests of both parties. ZUZPs are also in force in the largest Polish subsidiaries of KGHM Polska Miedź S.A., as well as in several smaller entities, such as: WPEC w Legnicy S.A., KGHM Cuprum Sp. z o.o. – CBR, and BIPROMET S.A. The work regulations at KGHM Polska Miedź S.A. define the organisation and conduct of work, as well as the rights and obligations of both the employer and employees, in accordance with national and international standards on working conditions and safety. These documents define the procedures and rules for working time accounting, granting leave, and the method of wage payment. They also include Occupational Health and Safety (OHS) regulations, established practices for awards and recognition, and procedures for applying penalties for breaches of work discipline. The Company Social Benefits Fund (ZFŚS) is operational at KGHM Polska Miedź S.A. The rules and conditions for using benefits financed by the ZFŚS, as well as the allocation of funds for specific social activities, are defined by the employer in regulations established in agreement with the trade unions operating in a given division. ZFŚS benefits cover employees, former employees, and their families. The ZFŚS also applies to the Group's Polish operating subsidiaries (excluding the two smallest entities: Polska Grupa Uzdrowisk sp. z o.o. and NITROERG SERWIS sp. z o.o.) Canadian and US labour market regulations allow for collective bargaining. In Canada, this is regulated by the Canada Labour Code and provincial legislation – the Ontario Labour Relations Act and the British Columbia Labour Relations Code – covering wages, working time, benefits, and OHS. At FNX Mining Company Inc. and KGHM AJAX MINING INC., the agreements apply exclusively to unionised employees. In the US, these rules are governed by the National Labor Relations Act (NLRA), which protects the right to collective bargaining. At Robinson Nevada Mining Company (RNMC), a collective agreement is not in force; instead, the Fair Labor Standards Act (FLSA), the Family and Medical Leave Act (FMLA), and the Americans with Disabilities Act (ADA) apply. State regulations, including the Nevada Revised Statutes, are implemented through internal policies such as the RNMC Employee Handbook.

[S1-2] Processes for engaging with own workers and workers' representatives about impacts

The KGHM Polska Miedź S.A. Group provides employees with the opportunity to exert a real impact on decisions regarding the management of actual and potential impacts relating to themselves and the organisation. The dialogue is conducted both directly with employees and indirectly through their representatives (trade unions, works councils and OHS committees). The opinions of the workforce are taken into account in decision-making processes due to an open organisational culture, regular consultations, opinion polls, surveys and anonymous whistleblowing channels (the "KGHM Ethics Hotline" platform).

Employees' influence on decisions is exercised both at a level of day-to-day operational activities and reported initiatives, as well as in a formalised way through dialogue with employee representatives as part of consultation, bargaining and negotiation. Over recent years, the Company has carried out three editions of employee engagement surveys which helped to identify the key factors influencing motivation and job satisfaction. Based on the results, measures were implemented to strengthen positive areas and reduce demotivating factors. The feedback from the surveys is analysed while justified conclusions are implemented in practice.

Forms of engagement with employees include, among others, annual negotiations on remuneration and working conditions, OHS initiatives, development programs created based on solutions and improvements submitted by employees, and events such as the "Giełda Wynalazczości" ("Invention Exchange"). The latter is an annual innovation program for the Company's employees that provides additional rewards for organisational solutions with potential for application. At KGHM Polska Miedź S.A., permanent commitment and competence-building programs are also developed, including "Competent in the Mining and Metallurgy Industry", a series of training courses on building an inclusive organisational culture, the Leadership Excellence development program, and employee volunteer "Copper Heart" program. The aim of the projects is to support professional development, integrate employees and foster a sense of belonging. The key instrument of social dialogue at KGHM Polska Miedź S.A. is the Company Collective Bargaining Agreement (ZUZP), which regulates working and remuneration conditions and forms the basis for negotiations with employee representatives.

Employee engagement is a part of building the Group's image as an attractive and responsible employer. The Company has consistently developed employer branding activities, promoting the employer's brand among current and potential employees. Communication is carried out through job fairs, collaboration with trade schools and technical colleges, social media, employee newsletters and the Intranet. The aim of the initiatives is to strengthen the identification of employees with the organisation, to foster knowledge sharing and to build a culture of engagement in the long term.

Although the Group does not have a single, uniform procedure for engaging employees, rules in this regard are set out in the Code of Ethics, the Human Rights Policy, OHS policies, personnel policies and company codes of conduct as well as collective bargaining agreements. Cooperation is pursued through daily dialogue with management, the exchange of experience within project teams, and consultations with staff representatives. Responsibility for cooperation with employees lies with supervisors at all levels and the Management Boards, which monitor the dialogue and integrate its results into strategic actions.

The Group operates 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 Copper Mark standards guidelines. Respect for human rights is a bilateral condition for collaboration with business partners. As of the date of the report, no formal framework agreement on human rights has been concluded with employee representatives. The Group also does not apply a separate, formalised method to assess the effectiveness of the dialogue with employees. The results of employee engagement surveys and the analysis of reported requests constitute an element of indirect assessment.

[S1-3] Processes to remediate negative impacts and channels for own workers to raise concerns

The KGHM Polska Miedź S.A. Group operates a comprehensive system of internal procedures and channels that enable employees to report legal violations and ethical issues in a secure and confidential manner. The system has been aligned with the requirements of Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law (the Whistleblowing Directive) and the national implementing legislation, ensuring compliance with domestic regulations and uniform standards of conduct across all Group companies.

Table 141. Processes for the remediation of negative impacts and the existing whistleblowing channels within the KGHM Polska Miedź S.A. Group.

Principles for handling reports and available reporting channels	A common <i>Procedure for receiving internal reports of violations of the law and taking follow-up actions</i> is in effect across the Group companies. Reports concerning violations of the law, including labour rights, are recorded and are subject to central review and qualification at the level of the Parent Company. Subsequently, they are referred for appropriate follow-up actions; this includes issues related to violations of labour and human rights, which are considered by Ethics Committees operating on the basis of the regulations in force in the Group companies. The Committees present the findings of their proceedings to the employer and, if irregularities are confirmed, recommend corrective or remedial actions. The decision to implement them is made by the individual companies. In justified cases, these measures may include redress if the company has contributed to a material negative impact on employees. The list of reporting channels is specified in the <i>Procedure for receiving internal reports of violations of the law and taking follow-up actions</i>, which is available to employees in the internal normative acts system. The primary reporting tool is an online form available on the "KGHM Ethics Hotline" whistleblower platform, accessible via the KGHM Polska Miedź S.A. corporate website. In addition to the online form, employees may also use other confidential channels indicated on the whistleblower platform, such as telephone lines, e-mail, and mailing addresses.
Procedure and methods for submitting reports	Reports can be submitted through dedicated proprietary channels: the "KGHM Ethics Hotline" platform, e-mail, written correspondence, a telephone helpline, or during a meeting with a representative of the Corporate Risk Management and Compliance Department. All channels are owned by the Company, have been developed using the Company's own resources, and are operated by the Company. The channels are designed to ensure confidentiality, the possibility of anonymous reporting, and impartiality of proceedings, regardless of the place of employment within the Group. The rules for using individual channels and detailed contact information are described on the website: https://liniaetyki.kghm.com/web/liniaetyki In 2024, the Group implemented a <i>Procedure for receiving internal reports of violations of the law and taking follow-up actions</i>, in compliance with the requirements of the Act on the Protection of Whistleblowers (Journal of Laws 2024, item 928). The document introduces uniform rules for handling reports across all Group entities, replacing previous regulations. The procedure defines the rules for establishing whistleblowing channels, the process for registering and investigating reports, conducting follow-up actions, and protecting whistleblowers. Designated organisational units are responsible for managing the process throughout the entire case life cycle. Reports in the area of ethics – concerning, among others, violations of the Code of Ethics, the Human Rights Policy, or the Responsible Supply Chain Policy – are referred to the competent Ethics Committees operating in individual Group companies or divisions of KGHM Polska Miedź S.A. Technical support for the communication channels, as part of provided IT services, is provided by the COPI Division. Information about the channels and the rules for their use is communicated to employees during onboarding and through regular e-learning courses covering ethics, anti-corruption, and conflict of interest. Additional support in this regard is provided by the Chairpersons of the Ethics Committees appointed in each division of KGHM Polska Miedź S.A. The Corporate Risk Management and Compliance Department supervises the central report management system.
Monitoring of reports and effectiveness of reporting channels	All internal reports are registered and monitored in a central registry maintained within the "eSygnalista" application, which enables the tracking of cases from the moment of receipt to the completion of follow-up actions. Access to the system is restricted exclusively to authorized employees. The report investigation process is supervised by the Corporate Risk Management and Compliance Department, and data regarding report handling are subject to periodic analysis and reporting. In accordance with internal regulations, the implementation of recommendations and post-audit activities are monitored in justified cases to verify their effectiveness. Since the adoption of the regulations in 2018, a steady increase in the number of reports has been observed, which confirms the employees' trust in the functioning mechanisms. The rules for submitting reports are discussed during training sessions on ethics, anti-corruption, and conflict of interest, as well as during the onboarding process.
Protection of whistleblowers and trust in reporting channels	The Group strictly prohibits retaliation against whistleblowers and individuals who make public disclosures. The scope of whistleblower protection is derived from national legislation and internal procedures. Reports of suspected retaliation are referred to the Corporate Risk Management and Compliance Department, which monitors compliance with these protection rules. The security, confidentiality, and anonymity of the process are ensured by IT tools: the "KGHM Ethics Hotline" platform and the "eSygnalista" application. Individuals submitting a report via the online form have access to a confidential user account, which allows for the secure exchange of information and receipt of notifications regarding the progress of the case – including for anonymous reports. This solution increases the transparency of the process and trust in the mechanisms used. In accordance with internal regulations, investigations are conducted in an impartial and independent manner, and individuals with professional links to the parties involved in a case are recused from the proceedings.

[S1-4] Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The KGHM Polska Miedź S.A. Group operates in the spirit of social responsibility, focusing on monitoring employee-related matters and implementing initiatives to improve working conditions, safety, and competence development. Based on impact, risk, and opportunity analyses, measures are taken to ensure employment stability, work-life balance, and open dialogue with employees. The Group promotes equal treatment, access to professional development, training, and language learning, while offering employees a wide range of social benefits. The management of material impacts on own workforce is carried out using the Company's organisational, human, and financial resources. The Management Board plays a key role in this process, overseeing the management of the organisation's social capital, defining strategic directions, and monitoring the achievement of objectives.

The Group has implemented regulations to mitigate negative impacts on employees and strengthen compliance with ethical principles and human rights protection. Key documents include the Code of Ethics, the Anti-Abuse Procedure, the Human Capital Management Policy of KGHM Polska Miedź S.A., the Anti-Corruption Policy, OHS policies, and the Responsible Supply Chain Policy, as well as the Collective Bargaining Agreements (ZUZP) and Social Benefits Fund (ZFŚS) regulations in individual Group companies, and in KGHM Polska Miedź S.A. also the Human Rights Policy and the Procurement Policy (more in [sections \[S1-1\] Policies related to own workforce](#) and [\[G1-1\] Business conduct policies and corporate culture](#)). To ensure a safe and ethical working environment, the Ethics Committee Regulations and the whistleblower platform are in place to report and monitor incidents of harassment, mistreatment and other irregularities (see more in [section \[S1-3\] Processes to remediate negative impacts and channels for own workers to raise concerns](#)).

The Group's policies and regulations apply for an indefinite period and form the basis for measures to ensure an attractive and safe working environment. Measures are implemented on an ongoing basis and their effectiveness is monitored by, among others, analysing staff data, absenteeism rates, turnover, accident rates, participation in training and results of periodic risk analyses. These results are used to assess the progress of policies and programs concerning their own employees. Processes and policies are continuously adapted to ESRS disclosure requirements, including standards for managing, monitoring and reporting on social issues. The objectives and measures identified in the report are part of an interim implementation stage and do not fully meet the requirements resulting from MDR-T and MDR-A

The policies and regulations in force within the Group are of an indefinite nature and form the basis for actions ensuring an attractive and safe work environment. These actions are implemented on an ongoing basis, and their effectiveness is monitored through the analysis of HR data, absenteeism rates, turnover, accident rates, training participation, and results of periodic risk analyses. These results serve to assess progress in the implementation of policies and programs regarding the Group's own employees. Processes and policies are continuously adapted to ESRS disclosure requirements, including standards for managing, monitoring, and reporting on social matters. The objectives and actions specified in this report are part of an interim implementation stage and do not fully meet the requirements resulting from MDR-T (Targets) and MDR-A (Actions).

Table 142. Actions regarding material potential or actual impacts, risks and opportunities in the area of own employee resources in the KGHM Polska Miedź S.A. Group.

Ensuring stable employment conditions and social protection for employees	The KGHM Polska Miedź S.A. Group strives to ensure stable jobs and employment security. This approach is reflected in the monitoring of turnover levels and in workforce planning practices. These principles are supported by social protection solutions and a comprehensive range of fringe benefits, through which the Company is perceived by stakeholders as a responsible employer offering attractive working conditions.
(positive actual impact)	Group companies support employees through benefits financed by the Company Social Benefits Fund (ZFŚS) and additional non-wage benefits. The benefits offered to employees include, among others, holiday subsidies for employees and their children, cultural, educational, and sports-and-recreational activities, financial assistance, and repayable housing loans. In addition to statutory benefits, the Company offers a range of additional benefits, such as group insurance, psychological support, subsidised commuting, training and language courses, subsidies for postgraduate studies and MBA programs, as well as "closed-enrollment" studies dedicated exclusively to Company employees, sports packages, and a support program for young parents. Employees of KGHM Polska Miedź S.A. and their families also benefit from preferential subscription-based medical care provided by "Mieziowe Centrum Zdrowia" S.A. Employees of KGHM Polska Miedź S.A. also participate in the Employee Pension Scheme (PPE), in which the basic contribution financed by the employer amounts to 7% of the salary (unchanged from the previous year). The PPE covers all eligible employees working in Poland or delegated abroad who meet the participation criteria and submit a declaration of participation. The measures taken, such as additional benefits from the ZFŚS, ZUZP and the PPE, provide employees with social support, employment stability, and a sense of security, resulting in low turnover and high loyalty. These measures are implemented on an ongoing and indefinite basis, covering the entire own workforce (subject to the reservation in the paragraph above).

Expanded methods of social dialogue (focus on dialogue with employees) Cooperation with trade unions, works councils and functioning of collective bargaining agreements (positive actual impacts)	A wide range of trade unions operate within the Group, representing the interests of employees. The organisation places great importance on social dialogue and cooperation with their representatives. In Polish companies, works councils also function as an additional communication channel with the Management Board. The largest companies have collective agreements (ZUZP) in place to regulate employment conditions and ensure the balance of interests between the parties. Trade unions are actively involved in improving occupational health and safety (OHS) and other employee matters, including through the participation of employees or their representatives in decision-making processes within the OHS management system and by utilizing employee initiatives and ideas regarding safety. Another example of trade union involvement in policy-making is the determination of the average monthly wage increase index, as stipulated in the Collective Bargaining Agreement (ZUZP). The provisions of the ZUZP were developed through negotiations between the Management Board and trade unions, aimed at aligning employee entitlements while respecting the interests of both parties and the autonomy of the social partners. Collective Bargaining Agreements also apply in the largest Polish subsidiaries of KGHM Polska Miedź S.A. Support for trade union activities within the Group is provided in accordance with the applicable labor law regulations. The companies provide the legally required organisational and formal conditions for conducting union activities and maintain a dialogue with trade union representatives on matters covered by legal regulations. In the years 2021-2023, the Company periodically conducted employee engagement surveys, the results of which in successive editions indicated consistent and stable trends, particularly in the area of the need for a long-term change in corporate culture. Due to the recurrent nature of the findings and the fact that activities in this area are long-term and require systematic work on attitudes and mindsets, an approach was adopted to align the frequency of surveys with the implementation stage of development initiatives – hence, the surveys were not repeated in the years 2024–2025. Under current organisational and technological conditions, the priority remains the implementation and monitoring of development activities, while maintaining the possibility of re-conducting surveys in subsequent periods. At the same time, the results of previous surveys remain an important source of information and are utilized in designing development programs and in the Company's Strategy in the area of human capital management.
Employee support and work-life balance (positive actual impact)	Group companies have implemented remote and hybrid work where possible and in line with the operational requirements, supporting work-life balance. The Group's approach in this area remained unchanged compared to the previous year. Due to the nature of continuous production activities, flexible working arrangements cannot be fully applied. Nevertheless, the Company enables occasional remote work or starting work at preferred hours. The Company takes measures to support employees in reconciling work and private life, taking into account diverse family and personal needs. This includes educational campaigns on neurodiversity, training on child neurodiversity, and team-building initiatives for employees and their families, such as Children's Day picnics. Furthermore, psychological support is offered to enable employees to receive help with personal issues that may affect their professional functioning. In addition, initiatives supporting family life are implemented, such as educational campaigns for fathers, the “CUdowni rodzice” (“Wonderful Parents”) program at KGHM Polska Miedź S.A., subsidies for school supplies, and co-financing for children's summer and winter breaks. Furthermore, employees and two of their family members can access a foreign language learning platform free of charge. The Company also operates the KGHM Readers' Club to promote literacy, enabling employees to place electronic orders for items in the catalogue, which includes both e-books and printed copies.
Comprehensive physical and mental health support programs for employees (positive actual impact)	Group companies implement initiatives to support the physical and mental health of employees on several levels: – <i>Healthcare</i> – employees have access to subscription-based medical care at “Mieziowe Centrum Zdrowia” S.A., which includes specialist consultations and diagnostic tests. The Company organises three-week rehabilitation stays, preventive health trips for children, sports and rehabilitation activities, and medical screening. Furthermore, the Company supports diagnostic programs, blood donation, and the modernisation of medical facilities, including those outside the Group. – <i>The “Mental Care” benefit</i> – in 2025, 1,560 employees used the benefit (compared to 660 employees in 2024). – <i>Health promotion</i> – in 2025, the Company co-organised, among others, the “Cross Straceńców”, the “Bieg o Lampkę Górniczą” (“Miner's Lamp Run”), the “Bieg Barbórkowy” (“Saint Barbara's Day Run”), and a series of events from the “Bieg Piastów” (“Piasts' Race”) series. Employees and their families participated in the Akademia Biegowa KGHM (KGHM Running Academy) and free skiing lessons for children. Support was provided for sports initiatives, such as cycling and running groups, and blood donation was actively promoted. – <i>The “Care Solutions” project</i> – the project aims to provide comprehensive support for the physical and mental health of the Company's employees and their families by providing free webinars addressing key areas of well-being: women's and men's health (cancer prevention), mental health, mindfulness, digital balance, spinal health and healthy nutrition. As part of this project, on-site “Zdrowy kręgosłup” (“Healthy Spine”) workshops and a series of webinars were organised; the latter are made available to employees for on-demand viewing. The project is a continuation of the program launched in 2024.
Opportunities to develop skills and competence (positive actual impact)	The Group consistently develops the competence of its employees. Statistical data concerning training is presented in section [S1-13] Training and skills development metrics. In 2025, development activities encompassed both vocational training, enabling employees to acquire or renew the qualifications necessary for their roles (e.g., electrical certifications), and broader workforce training, defined as a comprehensive range of initiatives aimed at building the Company's core competencies. Of particular note were development projects launched in response to employee engagement survey results, specifically in areas related to organisational culture, collaboration, and the development of managerial skills. <i>Building an inclusive culture of KGHM Polska Miedź S.A.</i> The project's objective was to raise awareness of inclusion and neurodiversity, build a culture of mutual respect, and develop skills for effective collaboration in a diverse work environment in terms of generations, communication, and

cognition. The project encompassed activities aimed at a wide range of stakeholders within the Group's environment, including all Company employees and their families, as well as in-depth development initiatives targeted at selected employee groups. The project included recorded online lectures such as „Inkluzywność w biznesie” (“Inclusiveness in Business”) and “Neuroróżnorodny Świat Dziecka” (“The Neurodiverse World of the Child”), along with a series of webinars on neurodiversity, generational differences, communication, and concentration. Additionally, the program was supplemented by 8 on-site training sessions titled „Równi w (neuro)różnorodności – edycja II” (“Equal in (Neuro)diversity – 2nd Edition”, with 114 participants, compared to 162 in 2024) and on-site training for HR, payroll, and communication staff, as well as for directors and senior management. The implementation of the project contributed to increasing the accessibility of knowledge regarding inclusion and neurodiversity and supported the development of social and managerial competencies, forming an integral part of the Company's long-term activities in human capital management.

Leadership Excellence Program

The aim of the Leadership Excellence development program was to enhance managerial competencies, with a particular focus on the soft skills that form the foundation of modern leadership, including effective communication, team management, employee motivation, and leading an organisation through change management. The program was designed as a comprehensive development cycle, comprising mutually reinforcing thematic modules that developed both the knowledge and practical skills of the participants. The program included modules on the distinctions between leadership and management, the leader's role within the organisation, identifying and leveraging individual differences within teams, interpersonal communication, conducting effective performance reviews, managing stress and emotions in the workplace, constructive conflict resolution, and the leader's role in transformation processes. The program was targeted at two management levels: middle and lower-level operational supervision. It was delivered in a closed-group session format, comprising three training modules (nine training days in total) for each group. In 2025, 416 people were trained under the program – 3.5 times more than in 2024, when 119 people were trained.

Studies in Metallurgy of Non-Ferrous Metals

The objective of the degree program, conducted during the 2024/25 academic year in cooperation with the AGH University of Krakow, was to upgrade and supplement the specialised competencies of employees in areas of key importance to the Company's metallurgical operations and to facilitate the transfer of expertise within the organisation. The program was targeted at 30 employees from three Metallurgical Divisions and the Head Office, fulfilling the requirements of formal education and enabling participants to earn a Master's degree. The curriculum, delivered by AGH faculty, was fully tailored to the specific nature of the Company's technological processes and operational requirements. The implementation of the program contributed to deepening participants' technical knowledge, strengthening the skills necessary for production and technological tasks, and enhancing the knowledge exchange between academia and industrial practice. The acquired competencies are currently being applied in the Company's day-to-day operations.

Competent in the Mining and Metallurgy Industry. KGHM - a Key Partner in Vocational Education

The Company takes active measures to build its future workforce and develop competencies through the program "Competent in the Mining and Metallurgical Industry. KGHM – a Key Partner in Vocational Education." The Company implements educational and development activities targeted at students of patron schools and youth, focused on promoting technical education, developing social and professional skills, and building early relationships with potential future employees.

Furthermore, in 2025, several initiatives were carried out, including those promoting a healthy and active lifestyle and safety (the latest edition of the “Competent in Shape for Spring” program – “Kompetentny robi formę na wiosnę”), measures to counteract hate speech and build a culture of mutual respect (“We Don’t Want Hate” – “Hejtu nie chcemy”), as well as projects supporting youth in their transition to the labour market. These included training on the recruitment process at KGHM Polska Miedź S.A., CV preparation, and job interview coaching.

The Company also participated in job fairs organized at patron schools and universities, and provided advisory activities as part of the “Lessons with a Master” (“Lekcje z mistrzem”) initiative, supporting students in choosing their further educational paths. Furthermore, it conducted subsequent editions of the mining and metallurgical knowledge olympiad “Competent Gilbert” (“Kompetentny Gilbert”), which promotes industry knowledge and identifies the most talented students. These efforts were supplemented by team-based and practical initiatives, such as the “Zodiac Chests” (“Skrzynie Zodiaka”) project, which develops cooperation, communication, and creative thinking skills, as well as first-aid capabilities.

The initiatives implemented within the project aim to develop the skills of young people, promote technical education, and build a long-term competency pipeline for the Company, while simultaneously strengthening its image as a responsible and attractive employer in the regions where it operates.

**Work-related stress
and impact on
employees' private
lives**

(negative actual impact)

Group companies conduct cyclical health-promotion activities in the areas of physical and mental health, including both generally accessible initiatives and voluntary actions targeted at interested groups of employees. These include educational campaigns conducted via the Intranet, webinars held as part of the Care Solutions program, as well as preventive and social campaigns (including "Pink October," "Movember," and blood donation drives with the Regional Blood Donation and Blood Treatment Centre – RCKiK in Wrocław), along with sporting and integration events (Bieg Piastów, Kolej na Bieg, KGHM Cup) and support for sports clubs.

KGHM Polska Miedź S.A. has launched the benefit "Psychological support for KGHM Polska Miedź S.A. employees". The program includes one-to-one sessions, couples' and family therapy, parenting consultations and supervision for managers. In 2025, 1,560 people participated, representing a 136% increase compared to 660 participants in the previous year.

	The objective of these activities is to support employee wellbeing, raise health awareness, and promote an active lifestyle. The effectiveness of these initiatives is assessed both qualitatively and quantitatively, in particular through the analysis of interest and attendance (e.g., participation in events, the number of webinar attendees, and views of educational materials), as well as findings from engagement surveys and ongoing dialogue with employees. These results are utilized in planning future activities, which the Group intends to continue and develop in subsequent reporting periods, tailoring their scope to identified employee needs.
Fatal accidents, serious injuries and occupational diseases (negative actual impact)	Occupational diseases in the mining and metallurgical industries pose a significant threat to employee health. For years, KGHM Polska Miedź S.A. has been pursuing the vision: "Safe Human Among the Elements – zero accidents and occupational diseases." The Company maintains high OHS standards, certified under ISO 45001:2018, which also cover external entities operating on its premises. All workplaces have identified hazards and assessed risks, which are regularly updated. Employees are familiarized with risk assessments and participate in training to upgrade their qualifications. Continuous monitoring of the working environment, periodic equipment reviews, and technical inspections are conducted. The Company has procedures for incident identification and hazard mitigation and promptly implements new legal requirements in the area of safety. The assessment of OHS performance takes place during weekly production meetings and monthly meetings between the Management Board and the management of the Divisions. Regular meetings are held with mining supervision authorities and the National Labour Inspectorate (PIP), with the participation of social labour inspectors. Once a year, safety issues are discussed by the Occupational Safety Council at KGHM Polska Miedź S.A., which includes representatives of the Management Board, trade unions, and company social labour inspectors.
Gender pay gap (negative potential impact)	One of the Group's priorities is to ensure a working environment free from discrimination. These principles are derived from the Code of Ethics and are applied in daily management, including remuneration processes. Employees are compensated based on the applicable Collective Bargaining Agreements and bonus regulations, regardless of gender, age, nationality, or background. The Company monitors the gender pay gap, analysing differences in pay between women and men and their underlying causes based on clear and transparent remuneration criteria. These analyses are an integral part of management processes in the area of compensation and serve to assess the consistency of the solutions applied. Simultaneously, the Group is preparing to implement pay transparency regulations resulting from Directive (EU) 2023/970 of the European Parliament and of the Council and planned changes to national laws. Preparatory activities specifically include an analysis of the adequacy of existing internal regulations, as well as remuneration and reporting processes, in light of future requirements regarding transparency and equal pay for equal work or work of equal value. The Group intends to continue monitoring this area in subsequent reporting periods.
Cases of discrimination, bullying or violence at a workplace and their psychological effects on employees (negative potential impact)	Incidents of bullying and discrimination can lead to serious psychological consequences, which highlights the need for effective prevention and rapid response. Given the scale of its workforce, the Group maintains ongoing measures to prevent bullying and violence in the workplace. Reports are monitored via the whistleblower platform – available online to the own workforce and workers in the value chain – as well as by the Ethics Committee. At the "Polkowice-Sieroszowice" Mine, a team of mediators is active in supporting conflict resolution. The Anti-Abuse Procedure obligates Group companies to promote ethical conduct, provide education on bullying and training, and monitor the risk of its occurrence. For more information, see section [S1-3] Processes to remediate negative impacts and channels for own workers to raise concerns. In the Group's employment structure, outside of production areas, gender representation is balanced. In technical industries, challenges remain in recruiting women due to the low number of female graduates in STEM fields and OHS restrictions regarding work in the operations of mining and metallurgical plants, which limits the possibility of increasing their share in technical positions.
Low representation of vulnerable groups at risk of exclusion (negative potential impact)	In the area of equal opportunities and diversity, the Group implements initiatives to support the employment of individuals from under-represented groups and the development of an inclusive culture. These efforts include initiatives aimed at raising awareness of neurodiversity and strengthening collaboration competencies in a diverse work environment. They address challenges related to gender, generational, communication, and cognitive diversity while driving a long-term shift in organisational culture, including: – "Competent in the Mining and Metallurgy Industry: KGHM as a Key Partner in Technical Education" – since 2018, the Company has supported vocational training in professions critical to both the region and the industry. Patronage classes are open to both girls and boys. In 2025, 41 graduates of the program were employed (compared to 200 in 2024). Campaigns are actively conducted to promote technical professions among girls; currently, 31 girls are enrolled in patronage classes. – The management of the Company's mining divisions was presented with a report from the Advisory Team for the Employment of Women in Underground Positions. The report included an analysis of potential organisational barriers to hiring women for underground roles and a list of positions suitable for women, in compliance with applicable OHS regulations. Based on the report's findings, the Divisions are implementing remedial actions, including the adaptation of social infrastructure for women by providing appropriate sanitary and shower facilities. – The Gender Balance Policy for the Bodies of KGHM Polska Miedź S.A. and Human Capital Management Policy of KGHM Polska Miedź S.A. have been implemented, clearly defining the principles, objectives, and mechanisms for equalizing career opportunities for women. Accountability for the implementation of these policies has been assigned to top management. Under the Gender Balance Policy, the Management Board appointed a Diversity Officer, responsible for coordinating the implementation and monitoring of the Policy (including its updates) and serving as a point of contact for both employees and candidates for the Company's bodies. – Implemented training sessions titled "No Labels: How Gender Stereotypes Shape Workplace Decisions" as part of the "Competence Has No Gender" project, targeting senior management at the Company's Head Office. In 2026, the Company plans to continue these training activities and roll them out to its divisions. – "Building an Inclusive Organizational Culture" project – the objective is to enhance awareness of inclusion and neurodiversity, foster a culture of mutual respect, and develop skills for effective collaboration in a diverse

	environment (spanning generational, communication, and cognitive differences). The project encompassed initiatives addressed to a broad range of stakeholders within the KGHM Polska Miedź S.A. ecosystem, including all employees and their families, as well as in-depth development programs tailored for selected employee groups. It featured online lectures and webinars on inclusion and neurodiversity, which were made available as on-demand recordings via the intranet and extranet, ensuring broad and long-term access to educational content. Activities addressed to a wide range of stakeholders were supplemented by in-person training sessions, including the "Równi w (neuro)różnorodności – edycja II" ("Equal in (neuro)diversity – 2nd edition") series, attended by 114 participants (compared to 162 in 2024). Additionally, dedicated training was provided for HR, payroll, and communication departments, as well as for executive and middle management, focusing on inclusive communication and the role of inclusion as a driver of organisational effectiveness. The project's implementation has enhanced employee awareness of inclusion and neurodiversity, supported the development of social and managerial competencies, and represents a key element of the Group's long-term efforts to foster a culture of mutual respect and collaboration.
Changes in terms of OELs and MAC – impact on workers' health (risk)	At the European Union level, a trend towards stricter hygiene and biological standards has been observed for several years. In Poland, this process involves, on the one hand, the harmonisation of national legislation with the requirements arising from EU directives and, on the other hand, the introduction of standards for an increasingly broader group of previously unregulated substances. These changes make it necessary for KGHM Polska Miedź S.A. to adapt the technical and organisational solutions used. Adaptation processes are long-term, costly and require a significant commitment in the area of research and development. The Company applies a proactive approach to managing these changes, including in particular: – Participation in national and international industry expert organisations enabling the exchange of knowledge, analysis of proposed regulations and identification of potential effects of changes on operations (e.g. International Lead Association, European Network of Silica, Euromines, Polish Chamber of Chemical Industry, Economic Chamber of Non-Ferrous Metals and Recycling, Polish Copper Employers' Association), – Participation in the work of advisory and consultative bodies related to the process of transposition of EU directives into national law, including the Inter-Ministerial Commission for Maximum Admissible Concentrations and Intensities of Factors Harmful to Health in the Working Environment, – Proactive preparation for regulatory changes, including the implementation of programs to reduce the absorption of harmful substances by employees' bodies and cooperation with national research and development units in the development of new technical and organisational solutions for more effective protection of employees' health. In 2025, the Company participated in the transposition of new EU regulations on hygiene and biological standards, in particular in relation to lead and hygiene standards for crystalline silica. Moreover, the positions of Euromines members concerning the implementation of new Occupational Exposure Limits (OELs) for nitrogen oxide in the mining industry in selected European countries were obtained.
Possibility of obtaining external support for innovations in the field of OHS (opportunity)	Changes in the external and internal OHS environment affecting the Company's operations provide the rationale for analysing the available public support mechanisms in the context of the implementation of transformation activities. An example of such activities would be the initiative to establish the Reference Centre for Biological Monitoring and Risk Assessment at the Institute of Occupational Medicine in Łódź, which would aim, in addition to monitoring occupational exposure, to develop innovative methods for non-invasive monitoring of workers' health and programs to reduce the negative impact of exposure on the health of workers. At the same time, the Company cooperates with the Central Institute for Labour Protection, National Research Institute in Warsaw. In 2024-2025, as part of the research project carried out at Stage VI of the multi-annual "Government Occupational Health and Safety Improvement Program" (2023-2025), funded in the field of scientific research and development works from the funds of the National Centre for Research and Development, KGHM participated in the project with the aim to use VR and AI technologies in training on work at height. In 2025, at KGHM Polska Miedź S.A., work was also carried out covering five non-standard groups of preventive activities financed by the funds of the prevention contract concluded with PZU Życie SA, including: – training of employees in carrying out work at height and in confined spaces, – purchase of fall protection equipment, – training in qualified pre-medical assistance, – preparing materials to promote the culture of safety, and – development of instruction videos on working at height. The program was implemented in the first half of 2025.
The potential of the Group and R&D centers in the area of OHS capable of diagnosing and adapting KGHM to changes (opportunity)	The Group identifies important opportunities in the area of employee resource management, conducive to optimising operating costs and increasing organisational efficiency. It perceives the opportunity to raise external funding for OHS innovation and transformation activities, which will enable an improvement in safety standards and process efficiency. Cooperation with research and development centers in the field of OHS is an opportunity to better adapt to technological and regulatory changes and to further strengthen occupational safety. Irrespective of the activities described above, cooperation between KGHM Polska Miedź S.A. and KGHM Cuprum Sp. z o.o. - Research and Development Centre was an important element of activity. Among others, it included an overview Report on the status of occupational health and safety protection in the work environment at KGHM Polska Miedź S.A. for 2024, which presented data on the health status of the Company's employees compared to the population data. In parallel, pilot activities were carried out to assess a possibility of using cooling vests developed by the Central Institute for Labour Protection - National Research Institute in Warsaw. Moreover, cooperation was established with the Wrocław University of Technology in terms of development of individual cooling devices for employees working in a hot microclimate. In addition, in cooperation with KGHM Cuprum Sp. z o.o. - Research and Development Centre, the assumptions of an innovative research program in the area of human resources management involving the use of artificial intelligence technology have been prepared.

Potential of implementing a long-term follow-up program in the Company and occupational adaptation programs

(opportunity)

The Group recognizes the potential to develop long-term initiatives in the areas of succession, substitution, and vocational adaptation, aimed at competence development and building an effective, inclusive organisational culture based on the values of KGHM Polska Miedź S.A. The succession and substitution program has been implemented across the Company's Divisions and is currently undergoing updates. These activities aim to align employee competence development with the strategic needs of the organisation, strengthen human capital, and support organisational effectiveness and job satisfaction. Planned initiatives, including development programs and age management activities, will be further refined during subsequent stages of the Group Strategy implementation, in accordance with MDR-A requirements.

The materiality test identified one material risk related to working conditions, while no material corporate risk was identified in the area of equal treatment and equal opportunities for all, in accordance with the criteria adopted.

[S1-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Sustainability objectives related to own workforce are qualitative in nature and cover the entire KGHM Polska Miedź S.A. Group, although the degree of their implementation may vary across individual companies. Managing our own workforce is a key element of the Group Strategy, and objectives in this area focus on identifying and managing material impacts, risks, and opportunities associated with the workforce.

Group companies undertake systemic measures and development programs aimed at mitigating negative impacts and enhancing positive impacts on employees, in particular through:

- implementation of health and prevention programs to reduce sickness absenteeism and improve the overall health of employees,
- providing regular OHS training to minimise accidents at work,
- ensuring broad access to employee benefits and social care which, in addition to their motivational function, have a material impact on the health and well-being of employees,
- enhancing positive impacts on employees through the implementation of training and development programs, including subsidised studies, the organisation of integration events, and activities strengthening the workplace community to increase employee satisfaction and engagement,
- managing material risks and opportunities by implementing a succession and substitution program to ensure organisational continuity and growth, as well as monitoring remuneration indicators, including the gender pay gap, to support pay equity and equal opportunities.

KGHM Polska Miedź S.A. establishes and implements objectives regarding its own workforce based on dialogue with employees, results of internal analyses, and applicable policies and procedures. Between 2021 and 2023, employee engagement surveys were conducted, covering issues such as organisational culture, leadership style, communication, perceptions of fair treatment, and psychological safety. The survey results were consistent and indicated a steady trend, allowing for the identification of key areas for development actions. Due to the stability of the results, the Company decided not to conduct engagement surveys on an annual basis – they were not repeated in the years 2024–2025 – while simultaneously utilizing existing results as a significant benchmark for planning and implementing activities.

The process of training and competence development planning begins with a dialogue with employees, who submit their development needs through their supervisors. These submitted needs are then analysed by the HR department and incorporated into development plans.

Progress in achieving the objectives is monitored through:

- analysis of HR data, including absenteeism, turnover, accident rates, and training participation,
- results of periodic risk analyses,
- information obtained via the whistleblower platform, which enables the secure reporting of violations related to ethical principles and equal treatment.

Based on the results of analyses, engagement surveys and ongoing dialogue with employees and the trade unions, initiatives to support organisational culture, equal opportunities and employee well-being were implemented and developed, including the “Building an inclusive KGHM culture” and “Competence has no gender” programs, psychological support benefits and Care Solutions, as well as the Leadership Excellence development program, addressing the need for modern, inclusive leadership.

The targets presented above do not yet meet all ESRS requirements and do not cover all impacts, risks and opportunities identified in the double materiality assessment. The Group is working on aligning its actions and refining its reporting processes to comply with the MDR-A, MDR-T and MDR-M requirements in subsequent reporting periods.

[S1-6] Characteristics of the undertaking's employees

As of the last day of the reporting year, total employment in the KGHM Polska Miedź S.A. Group stood at 34,477 people, 92% of whom were employed in Poland. The employment structure presented in Note 12.9 of the Consolidated Financial Statements reflects the average number of employees on a full-time equivalent (FTE) basis.

Table 143. Total number of employees by gender in the KGHM Polska Miedź S.A. Group as of 31 December 2025 (including comparative data)

	Number of employees (headcount) ⁷⁰	
	2025	2024
Female	6 236	6 229
Male	28 241	28 799
Total	34 477	35 028

Table 144. Total number of employees by type of employment (full-time and part-time) and by gender in the KGHM Polska Miedź S.A. Group as of 31 December 2025 (including comparative data)

	Number of employees (headcount) ⁷¹			
	Full-time		Part-time	
	2025	2024	2025	2024
Female	6 148	6 142	88	87
Male	28 201	28 755	40	44
Total	34 349	34 897	128	131

Table 145. Employee turnover by gender in the KGHM Polska Miedź S.A. Group in 2025 (including comparative data)

	Number of employees (headcount)		Number of employees who left		Employee turnover rate*	
	2025	2024	2025	2024	2025	2024
Female	6 236	6 229	496	522	8.0%	8.4%
Male	28 241	28 799	2 480	2 443	8.8%	8.5%
Total	34 477	35 028	2 976	2 967	8.6%	8.5%

* The turnover rate is calculated as the number of employee leavers divided by the total number of employees as of 31 December, and then multiplied by 100 to obtain a percentage value. This figure also includes employees who have transferred their employment between companies within the KGHM Polska Miedź S.A. Group.

Table 146. Total number of employees by employment contract type (permanent and temporary) and by gender in the KGHM Polska Miedź S.A. Group as of 31 December 2025 (including comparative data)

	Number of permanent employees		Number of temporary employees	
	2025	2024	2025	2024
Female	5 571	5 477	665	752
Male	25 720	25 611	2 521	3 188
Total	31 291	31 088	3 186	3 940

[S1-7] Characteristics of non-employee workers in the undertaking's own workforce

The KGHM Polska Miedź S.A. Group, using the temporary exemption provided under the so-called "quick-fix" (in the form of the European Commission Delegated Regulation 2025/1416), does not disclose information under ESRS S1-7 in the current period regarding the characteristics of non-employee workers in its own workforce (i.e. individuals cooperating under contracts other than employment contracts).

⁷⁰ Number of employees (headcount) as at the end of the year; excludes members of the Management Board engaged under civil law contracts – management services contracts

⁷¹ Number of employees (headcount) as at the end of the year; excludes members of the Management Board engaged under civil law contracts – management services contracts

[S1-8] Collective bargaining coverage and social dialogue

The KGHM Polska Miedź S.A. Group respects the employees' right to freedom of association and collective bargaining. Trade unions operate in most of the Group's companies, and the dialogue with their representatives covers, among others, remuneration, bonus schemes, working conditions, and social matters. Collective Bargaining Agreements (ZUZP) are in force in the Group's largest entities.

Worker representatives of the Group are chosen through elections held in all subsidiaries, ensuring representation coverage for all employees. Consequently, in both 2025 and 2024, 100% of employees were represented by worker representatives.

In 2025, 90.2% of the Group's employees were covered by collective bargaining agreements (compared to 89.7% in 2024). Within the European Economic Area (EEA), the coverage rate was 95.0% (94.3% in 2024), while outside the EEA, it stood at 34.9% (42.7% in 2024). All employees within the EEA were employed in Poland.

[S1-9] Diversity metrics

The KGHM Polska Miedź S.A. Group presents the gender structure of top management, including positions from the first and second level below the management and supervisory bodies.

Table 147. Gender breakdown of top management in the KGHM Polska Miedź S.A. Group as of 31 December 2025 (including comparative data)

Category	Gender	2025		2024	
		Number of persons	Percentage	Number of persons	Percentage
Management Board	Female	7	12.7%	5	9.4%
	Male	48	87.3%	48	90.6%
Senior management	Female	72	31.2%	62	27.6%
	Male	159	68.8%	163	72.4%
Management	Female	467	32.5%	521	31.8%
	Male	970	67.5%	1 116	68.2%

Table 148. Age structure of employees in the KGHM Polska Miedź S.A. Group as of 31 December 2025 (including comparative data)

Age group	2025		2024	
	Number of persons	Percentage	Number of persons	Percentage
< 30	4 071	11.8%	4 413	12.6%
30–50	22 265	64.6%	22 593	64.5%
>50	8 141	23.6%	8 022	22.9%

[S1-10] Adequate wages

All employees of the KGHM Polska Miedź S.A. Group receive remuneration at least equal to the applicable minimum in the countries where the Group operates.

[S1-11] Social protection

Employees of the KGHM Polska Miedź S.A. Group employed in domestic and foreign companies under an employment contract are covered by social protection against loss of income due to sickness, unemployment, work-related accidents, parental leave, and retirement, in accordance with applicable regulations arising from the Labour Code as well as international labour and social protection laws.

Furthermore, selected Group companies offer additional social programs, including, among others: group life insurance, private medical care subscriptions, employee pension schemes (PPE), and benefits from the Social Benefits Fund (ZFŚS).

[S1-13] Training and skills development metrics

The KGHM Polska Miedź S.A. Group provides employees with training to support professional development and maintain employability. Performance assessment is conducted on an ongoing basis in accordance with bonus regulations, while the Management Board and top management are subject to the evaluation of management objectives.

The Group does not have uniform rules for periodic employee performance appraisals or a common training policy. Individual companies maintain their own internal regulations in this regard, tailored to their specific operations and business objectives. Training planning is based on a cyclical analysis of employees' development needs. In 2025, development activities within the Group focused on strengthening human capital and effective knowledge management within the organisation.

Table 149. Average number of training hours and percentage of employees receiving regular performance and career development reviews in the KGHM Polska Miedź S.A. Group (including comparative data)

Specification	Average number of training hours		Percentage of employees receiving regular performance and career development reviews	
	2025	2024*	2025	2024*
Average per employee	22	21	15.9%	18.6%
– Female	12	11	32.7%	35.7%
– Male	24	23	12.2%	14.9%

*The 2024 Group data did not include KGHM INTERNATIONAL LTD. Group, Uzdrowisko Świeradów-Czerniawa Sp. z o.o. – Grupa PGU, and Walcownia Metali Nieżelaznych "ŁABĘDY" S.A., as these entities did not maintain statistics in such a breakdown.

[S1-14] Health and safety metrics

In accordance with Appendix C of the ESRS 1 standard, the KGHM Polska Miedź S.A. Group, in its first year of sustainability reporting, utilized the exemption regarding the disclosure of recordable work-related accidents for non-employee workers within its own workforce. Consequently, comparative data for 2024 is not available.

Table 150. Key occupational health and safety (OHS) metrics in the KGHM Polska Miedź S.A. Group (including comparative data)

Specification	2025	2024
Percentage of employees covered by an OHS management system*	99.8%	99.9%
Number of fatalities among employees resulting from work-related injuries and work-related ill health	1	5
Number of fatalities among non-employee workers (contractors) or third parties on the Group's premises	1	n/a**
Number of recordable work-related accidents	346	362
Accident frequency rate (FR)***	6.24	n/a
Number of cases of recordable work-related ill health, subject to legal restrictions on data collection	7	38
Number of days**** lost due to work-related injuries and fatalities from work-related accidents, and due to work-related ill health and fatalities from ill health	20 435	20 635

*Based on legal requirements or recognized standards or guidelines.

**Due to the application of phase-in provisions in the previous year, comparative data was not collected in respect of fatalities among non-employee workers and the accident frequency rate.

***FR = (number of accidents × 1,000,000) / hours worked.

****The number of days covers the full period in the given reporting year.

[S1-15] Work-life balance metrics

All employees within the KGHM Polska Miedź S.A. Group, with one exception, are entitled to take family-related leave⁷². The only reservation in this regard applies to companies based in the USA, where under the *Family and Medical Leave Act* (FMLA), the right to take unpaid, job-protected leave for specified family or medical reasons is acquired after 12 months of employment and a minimum of 1 250 hours worked.

The Group companies in the USA have introduced their own Paid Parental Leave program to support employees following the birth or adoption of a child; eligibility for this program is acquired after 6 months of employment. Statistics regarding employees utilizing these entitlements are presented in the table below.

Table 151. Work-life balance indicators in the KGHM Polska Miedź S.A. Group

	2025	2024
Percentage of employees entitled to take family-related leave	99.9%	99.8%
Percentage of entitled employees who took family-related leave, including:	34.4%	33.5%
– Women*	38.7%	40.6%
– Men	33.4%	32.0%

*The percentage of women (and men, respectively) who took family-related leave was calculated as the ratio of the number of women (men) who took family-related leave to the number of women (men) entitled to such leave.

⁷² In accordance with the ESRS definition, family-related leave includes leaves and benefits such as: maternity leave, paternity leave, parental leave, and carers' leave. This also includes childcare leave (*Polish: wychowawczy*), time off for childcare for a child up to 14 years of age (16 hours or 2 days), as well as childcare allowance and family care allowance.

[S1-16] Compensation metrics (pay gap and total compensation)

As part of the KGHM Polska Miedź S.A. Group's operations, monitoring and reporting remuneration indicators – including the pay gap and annual total remuneration – is a material aspect of human resources management.

Pay gap

The gender pay gap is described as the difference in the average remuneration levels between female and male employees. The Gender Pay Gap (GPG) indicator is used to calculate this difference.

Table 152. Pay gap in the KGHM Polska Miedź S.A. Group.

Type of remuneration		2025	2024
Average hourly remuneration	Basic ⁷³	18.6%	20.1%
	Total ⁷⁴	28.7%	30.2%

An analysis of the resulting difference reveals that the structure of the Group has the most significant impact on the pay gap to the disadvantage of women. Employees across the Group companies work in diverse industries and varying market conditions, and are subject to different remuneration regulations at both domestic and international levels. Due to the aforementioned organisational diversity, the companies' workforces represent distinct and varied employee categories.

Furthermore, the noticeable difference between average hourly remuneration rates results from the application of shortened working hours in mining and production plants due to particularly arduous or hazardous working conditions. Employees working under these conditions – predominantly men – who work shortened hours are entitled to remuneration as if for an 8-hour working day.

An analysis of the components included in both base and total remuneration shows that the pay gap to the disadvantage of women is primarily driven by remuneration components related to working conditions, mainly linked to the workplace (underground) and specific work systems.

Total remuneration

In the KGHM Polska Miedź S.A. Group, the annual total remuneration ratio reached 13.6 in 2025 (compared to 13.1 in 2024), which means that the highest-paid individual earned nearly 13.6 times more than the median annual remuneration of all employees.

[S1-17] Incidents, complaints and severe human rights impacts

Procedures for the receipt, central registration, and handling of reports concerning, among others, violations of labor law and human rights have been in force at KGHM Polska Miedź S.A. since 2018. Subsidiaries are implementing these procedures within their own structures; while most have aligned their internal regulations with current legislation, some remain in the implementation phase.

Statistical data is sourced from a central register of reports, which are analyzed according to criteria such as the subject matter, the reporting entity, and the date of submission. These include internal reports from employees – including anonymous submissions – regarding issues such as bullying, harassment, discrimination, unequal treatment, violations of the principles of social coexistence, or infringements of personal rights. Additional information is obtained from quarterly corporate risk reports consolidated at the KGHM Polska Miedź S.A. Head Office level. These reports include data on key incidents affecting risk levels.

In addition, the Group companies implemented a *Procedure for counteracting violations of labour law in the area of equal treatment of workers, in particular bullying and discrimination in KGHM Polska Miedź S.A. Group*, as well as anti-abuse procedures.

⁷³ Basic salary: the salary paid on a monthly/weekly basis including, among others: basic salary, bonuses and other allowances (e.g. length-of-service allowance, coal allowance, shift allowance, injury benefits, function allowance - no overtime pay).

⁷⁴ Total remuneration, in accordance with the ESRS definition: the sum of basic salary and other remuneration components (for domestic companies, remuneration components included in the remuneration according to the methodology of GUS, Statistics Poland), e.g.: annual awards, bonuses and quarterly awards, jubilee awards, overtime pay.

Table 153. Incidents, complaints and severe human rights impacts related to own workforce reported during the reporting period in the KGHM Polska Miedź S.A. Group

Specification	2025	2024
Number of complaints submitted through whistleblowing channels	89	79
Number of reported cases of discrimination ⁷⁵	23	11
Number of severe ⁷⁶ incidents regarding respect for human rights	–	–
Total amount of fines, penalties, and compensation for damages resulting from incidents and complaints:		
– compensation for discrimination	0	PLN 104 500
– redress and compensation for bullying	PLN 100 000	PLN 250 000
Total amount of fines, penalties, and compensation for severe human rights violations	–	–

The amount of fines, penalties, and compensation for damages resulting from incidents and complaints awarded in 2025 includes a legally binding court proceeding in which an amount of PLN 100 000 was awarded as redress in connection with a bullying allegation.

The amounts relating to fines, penalties, and damages for incidents and complaints awarded in 2024 relate to cases from earlier years. Compensation for discrimination was awarded by the District Court judgment of 29 December 2023, upheld by the Court of Appeal on 28 May 2024. Furthermore, a total amount of PLN 250 000, comprising redress (PLN 50 000) and compensation (PLN 200 000) for bullying, was awarded by the District Court judgment of 2 October 2024.

4.3.2 [S2] Workers in the value chain

In the materiality analysis of the KGHM Polska Miedź S.A. Group's impacts on workers in the value chain, the indirect impact of the Group's companies on the employees of its suppliers, in particular on their employers' respect for the labour and human rights of this group of stakeholders, was considered material. Information on material impacts, risks and opportunities is presented in section [\[SBM-3\] Material impacts, risks and opportunities and their links with the strategy and business model](#). The Group expects the suppliers to behave ethically in relations with their employees, but the interests and opinions of stakeholders such as the employees of the Group's suppliers have not yet influenced the Group's business model or strategy.

A value chain analysis of the KGHM Polska Miedź S.A. Group was carried out in 2025, which, based on available internal data and public sources, did not identify any significant problematic issues in the value chain related to sustainability. Detailed information on the value chain structure is presented in [section \[SBM-1\] Strategy, business model and value chain](#).

[S2-1] Policies related to value chain workers

There is no dedicated policy related to workers in the value chain in the KGHM Polska Miedź S.A. Group which would comprehensively include identified impacts, risks or opportunities under the ESRs S2 standard. Such issues are reflected in other documents implemented in KGHM Polska Miedź S.A., as well as in Group companies that transpose selected policies or procedures from the Parent Entity. The majority of Group companies apply solutions implemented at a Group level, including in particular the Responsible Supply Chain Policy and the Group Code of Ethics (for both documents: "significant impact on the local economy, employment, and working conditions at suppliers" and "impact on decent working conditions at direct suppliers"), with additional procurement and/or industry regulations (e.g. purchasing policies, codes of conduct) also in place at selected units.

The KGHM Polska Miedź S.A. Group manages issues related to individuals working within the value chain based on high ethical standards and respect for human rights. As part of its internal policies, the approach focuses on proactively managing relationships with suppliers to eliminate the risk of irregularities at an early stage of cooperation.

The negative impacts identified in the report, relating to:

- unethical practices in the supply chain, including a failure to verify compliance with human rights and freedom of association,
- violations of work-life balance principles,
- illegal or unethical occupational health and safety practices leading to accident risks,
- actions inconsistent with equal opportunity principles, including gender equality, pay equity, and access to training,
- lack of procedures to prevent violence and harassment,
- violations of the principles of diversity and the inclusion of persons with disabilities,
- the use of child labor or forced labor, and

⁷⁵ Reports in which whistleblowers indicated the potential occurrence of, among others, bullying.

⁷⁶ E.g., forced labor, human trafficking, or child labor.

- failure to provide adequate living conditions for employees,

have not been explicitly included in existing policies and procedures. These issues are defined as potential impacts, the occurrence of which is considered unacceptable and contrary to accepted corporate values.

The management approach is based on the assumption that the organisation of procurement processes and the selection of contractors make it possible to eliminate the above issues as early as the pre-contract stage. At the same time, the absence of a detailed description of each of the aforementioned risks in the policies does not imply a lack of oversight, as appropriate intervention mechanisms are triggered upon the identification of any irregularities. These actions aim to immediately clarify the facts and implement corrective measures, including the termination of the contractual relationship. The Group's prevention-oriented approach focuses on building a supply chain based on shared ethical standards, which is considered a form of risk mitigation rather than listing potential violations in internal documents.

In its operations, the Group adheres to ethical, social and environmental standards, operating in compliance with international guidelines such as the UN Principles, the OECD Guidelines and the United Nations Global Compact. These commitments are rooted in the Responsible Supply Chain Policy in the KGHM Polska Miedź S.A. Group, the Procurement Policy and in the Contractor Charter, which is a key document defining the standards of cooperation with external entities and is an expression of commitment towards those performing work in the value chain. The Contractor's Charter clearly defines the principles of cooperation, requiring all suppliers and partners to comply with international standards in terms of human rights, working conditions and business ethics. These principles include the elimination of all forms of forced labour, slavery and child labour. These requirements are formalised in relations with suppliers through contractual provisions and purchasing documentation, while their fulfilment is a condition for establishing and maintaining cooperation with Group companies.

The organisation identifies and monitors high-risk business relationships in accordance with OECD Guidelines and the Joint Due Diligence Standard for Copper, Lead, Molybdenum, Nickel and Zinc as part of The Copper Mark initiative or the Responsible Minerals Initiative. The Copper Mark certificate is used by the Group's metallurgical facilities. The Copper Mark, as part of its cyclical external audits, assesses the due diligence procedures in place at KGHM Polska Miedź S.A., confirming full compliance of activities and policies for responsible mineral supply chains with the recommendations of the OECD Guidelines, including those relating to human rights. Monitoring is carried out as part of procurement processes, contractor verification and ongoing operational supervision. No specific measures have been defined in the Company to ensure or enable the application of a remedy in terms of impact on compliance with human rights.

The Contractor's Charter applies to all business partners of KGHM Polska Miedź S.A., regardless of the region in which they operate. Supporting responsible raw material sourcing initiatives from conflict-affected areas (*conflict minerals*) is one of the key elements of the Charter. At the same time, the lack of a formal code of conduct for suppliers and detailed data on cases of violations by sub-suppliers (tier 2) indicates room for further development in monitoring and reporting on the compliance with the guidelines.

The scope of application of the regulations in force focuses primarily on direct suppliers and contractors as entities that have an impact on the working conditions of persons performing work in the value chain.

The Company declares full transparency in its operations by making its Responsible Supply Chain Policy available on its website (in Polish and in English), allowing potential stakeholders to familiarise themselves with the rules applicable in the Group. The companies of the KGHM Polska Miedź S.A. Group do not tolerate violation of human rights, including forced labour or human trafficking, and in the event of identifying a material risk of serious abuse, they immediately take action, such as suspending or terminating cooperation with the responsible party. The Company emphasises its commitment to human rights, labour standards, environmental protection and counteracting corruption, as expressed in its Human Rights Policy. Oversight of ethical and social compliance in supplier relations is exercised by the relevant organisational units responsible for ethics and compliance issues.

The Group's international assets have not implemented separate policies dedicated exclusively to value chain professionals. The international assets apply the policies in force at a Group level, in particular the Code of Ethics of the KGHM Polska Miedź S.A. Group, which also covers contractors, suppliers and other cooperating entities. In selected international assets, issues relating to people in the value chain are included in ethical, anti-corruption or procedural documents, however, these requirements are not consolidated in a single, dedicated document. The international assets ensure that confidential whistleblowing channels are in place and apply the laws of their regions of operation, including human rights and supply chain regulations. Examples include the Canadian Fighting Against Forced Labour, Child Labour in Supply Chain Act and the Canadian Human Rights Code.

Supplier relations policies and regulations were implemented or updated in the years 2023-2025, through resolutions and internal orders.

The Group has not recorded any instances of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises among employees of cooperating entities. No cases of breaches of these guidelines in relation to persons working for direct suppliers have also been identified.

[S2-2] Processes for engaging with value chain workers about impacts

In 2025, the Group did not have separate regulations or processes in place to allow the direct involvement of value chain employees in supply chain impact management decisions. Nor have mechanisms been established for the representation of these workers, or procedures for determining the forms and frequency of their participation. In the absence of a dedicated process, neither a unit with operational responsibility for this area nor tools to assess the effectiveness of employee collaboration in the value chain have been designated. In parallel, cooperation relating to persons performing work in the value chain was implemented in practice as part of procurement procedures and the ongoing implementation of contracts with suppliers and contractors, as part of a broader supply chain due diligence approach. These activities included, in particular, communicating ethical requirements and standards of cooperation, verifying and monitoring contractors (including through supplier audits and assessments) and the use of whistleblowing channels, which supports the management of both actual and potential impacts on people working in the value chain, particularly in the areas of health and safety, human rights and working conditions.

[S2-3] Processes to remediate negative impacts and channels for value chain workers to raise concerns

The process of responding to identified negative impacts towards employees in the value chain corresponds to the remediation mechanisms applied to the entity's own employees, as described in [section \[S1-3\] Processes for remediating the effects of negative impacts and channels for raising concerns through own staff resources](#). Value chain employees can raise concerns or needs through the same channels as made available to Group employees (for more information, see [section \[S1\] Own staff resources](#)). If a material negative impact is confirmed, the Company shall take appropriate corrective action and provide redress if appropriate. Follow-up may also include corrective and preventive actions aimed at addressing the causes of irregularities, including recommendations to contractors, additional requirements in the purchasing relationship and information and training activities.

The procedure for receiving internal reports of violation of the law and taking follow-up action extends to all persons performing work within the Group and its value chain, including employees of subcontractors. For the purposes of the procedure, an "employee" is any person employed under an employment contract, civil law contract or other legal relationship, job applicants as well as a person employed by a Subcontractor. Reports are recorded, subject to verification and qualification, and then referred for appropriate follow-up. In selected cases, violations relating to labour and human rights are dealt with within the framework of ethics committees acting on the basis of the regulations in force at Group entities.

The Group provides the Whistleblower Platform as a tool for anonymous reporting of legal and ethical violations. The platform is available to the public in four languages (Polish, English, Spanish and Russian) and it is complemented by other contact channels such as email boxes and telephone lines. Information on processes that support or require the availability of channels, as well as issues concerning the monitoring of reports and the evaluation of their effectiveness, is further described in [section \[S1-3\] Processes for remediating the effects of negative impacts and channels for raising concerns through own staff resources](#). The security, confidentiality and anonymity of the process is supported by IT solutions that enable secure communication with the reporting person and tracking of cases from the acceptance of the report to the termination of follow-up actions.

KGHM Polska Miedź S.A. undertakes measures to identify, assess and manage negative impacts on workers in the value chain. These actions include regular supplier audits and assessments, employee training and education, as well as the implementation of standards and procedures to promote safe and decent working conditions. The scope of management includes, in particular, risks related to potential cooperation with suppliers with illegal or unethical practices in the areas of health and safety, equal opportunities, prevention of violence and harassment, diversity and prohibition of forced and child labour, as well as risks related to living conditions and respect for the right to privacy.

At the stage of the procurement process, counterparties are provided with key corporate documents of the KGHM Polska Miedź S.A. Group, such as the Code of Ethics and the Anti-Corruption Policy, which contain information on the internal reporting procedure and available channels. The Company does not conduct surveys or analyses of the effectiveness of these mechanisms among value chain employees, nor does it assess their awareness or level of confidence in whistleblowing procedures and their ability to resolve them (publicly available Whistleblower Platform). At the same time, an increase in the number of notifications under the system in operation has been recorded, which is an indirect indication of the increasing use of channels by stakeholders authorised to make notifications.

Information on the Internal Whistleblowing Procedure is provided to individuals who are not engaged in business activities in the event of an application to enter into a civil law contract with KGHM Polska Miedź S.A. In accordance with the Company's procedures, the reason for the commencement of the process related to the conclusion of the aforementioned agreement is the submission of a declaration by the candidate that he/she has received information on the internal whistleblowing procedure.

Information in the above scope is included in [section \[S1-3\] Processes for remediating the effects of negative impacts and channels for raising concerns through own staff resources](#), as a description of the principles of protection against retaliation, respect for the right to privacy and data protection rights for those using whistleblowing channels. Retaliation against whistleblowers is prohibited in the Group, and reports of suspected retaliation are referred to the relevant unit supervising the whistleblowing process.

The “Line of Ethics” and the way it operates in relation to workers in the value chain is universal across the Group, including the international assets. Companies, either directly on their websites, or indirectly by referring to the Parent Company's resources, provide access to information about the Parent Company. In addition, documents relating to, among others, the respect of human rights are implemented and applied: the Code of Ethics of the KGHM Polska Miedź S.A. Group and the codes of conduct operating in some Group companies. The contractor is obliged to become familiar with the aforementioned documents and to apply them. In addition, at the bidding stage, bidders are required to submit a declaration of compliance with the principles of human rights and labour standards, ethics and business operations referred to as the “Contractor's Charter”. Relations with suppliers and value chain partners also include contractual provisions and clauses committing them to respect the rules under the Code of Ethics and to disclose irregularities promptly. At the same time, counterparties are provided with access to the KGHM Polska Miedź S.A. Group's reporting channels, which enable them to report directly to the Parent Company.

[S2-4] Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action

Actions aimed at suppliers' employees working on the premises of KGHM Polska Miedź S.A. Group divisions

The Parent Company and selected Group companies have practices in place to ensure adequate working conditions and systems in place to protect the health and safety of contractors' employees. Measures are taken to monitor the implemented practices and activities. In procurement processes, contractors are obliged to sign and comply with the provisions of the Contractor Charter, including adherence to basic human and employee rights.

KGHM Polska Miedź S.A. has advanced (technical and organisational) safety systems in place at its mines and surface divisions. These systems are constantly improved. These actions result in the counteracting of potential negative effects on the health and safety of both own employees and those of contractors. This also prevents the materialisation of the risk of accidents at a workplace and the associated consequences for all those performing work on the Company's premises. On the other hand, detailed risk analyses are the starting point for defining appropriate and necessary measures in response to actual or potential negative impacts (as well as risks) including, among others, the regulations on occupational health and safety, traffic management and specialised fire protection. The analysis of the state of occupational safety is a permanent element of the Company's activities and the basis for improvement and the introduction of corrective measures. The Company also carries out a number of innovative R&D projects that are oriented towards mitigating risks and further improving of the OHS status. Employees of value chain entities have access to key corporate documents, including policies, codes of ethics and conduct, as well as information on available whistleblowing channels such as the “Line of Ethics”. During the reporting period, no serious issues or incidents relating to human rights violations associated with the upstream and downstream value chain were reported.

The Company provides occupational health and safety training for third-party employees. During the training, employees are informed about safety and health risks while working on the Company's premises, covering occupational safety, fire protection and environmental issues, confirmed by the participants' signature.

Health and safety training for employees of external entities is provided in a diversified form, depending on the Company division. In accordance with Polish regulations, basic OHS training for its employees is carried out by their employers (subcontractors), with the Company requiring confirmation that it is up-to-date. Cooperation with external parties is governed by an internal procedure in this regard and detailed contractual provisions.

According to the procedure, contractors are obliged to inform the OHS Services immediately of any occupational accidents and near misses on the premises of KGHM Polska Miedź S.A. Other potential negative impacts such as unethical behaviour that violates the dignity and rights of employees, including employees in the value chain, can be reported through the Whistleblower Platform. The Company continuously monitors and periodically reports data on occupational accidents that have occurred on its premises and incidents of unethical practices reported through the whistleblowing channel.

In the event of danger resulting from the characteristics of work in the mining industry, people working in the value chain are assisted by rescuers from the KGHM Polska Miedź S.A. Emergency Mine/Smelter Rescue Division and, in the case of mines, also by employees of mine rescue stations. Ad hoc emergency medical care facilities are located in each division. KGHM Polska Miedź S.A., through a Group entity, provides additional medical assistance and psychological first aid to persons performing activities on the premises of the divisions. The Company also undertakes actions enabling the application of remedying measures, in accordance with applicable regulations and the occupational health and safety management system implemented at KGHM Polska Miedź S.A. in accordance with ISO 45001, conducts analyses of the causes of accidents at work and incidents, updates safety procedures and revises training programs for employees of external entities. Where actual material impacts occur, monitoring of the remedying actions implemented is carried out to ensure that the actions taken are effective.

The KGHM Polska Miedź S.A. Group undertakes a number of measures to raise OHS standards among subcontractors, including:

- implementing incentive and control procedures (e.g. sobriety checks)
- exchanging experience with contractors,
- organising periodic meetings to discuss OHS issues, with the participation of the National Labour Inspectorate (PIP) and the State and Regional Mining Authority (WUG, OUG),
- holding joint meetings to promote safe behaviour,
- providing information and prevention material.

Information on the available channels for reporting violations in the areas of ethics, human rights and anti-retaliation is described in detail in sections [\[S1-3\] Processes for remedying the effects of negative influences and channels for raising concerns through own staff resources](#) and [\[S2-3\] Processes for remedying the effects of negative impacts and channels for raising concerns through workers in the value chain](#).

Due to the scale of its operations and the significant volume of procurement of goods and services, the Group exerts a material indirect impact on working conditions of workers in its value chain, in particular at the level of suppliers and contractors. This impact is especially visible in regions where the Group's operational activities are concentrated, where cooperation with external entities contributes to employment stability and supports local labour markets.

In its relationships with suppliers, the Group communicates its expectations regarding respect for human rights and labour standards, including matters relating to employment stability, adequate remuneration, working time, equal treatment, freedom of association, social dialogue, and the prohibition of forced labour and child labour. These expectations are intended to mitigate the risk of adverse impacts and to promote responsible business conduct throughout the supply chain.

The Group does not have full visibility over employment practices of all suppliers, particularly with regard to working time arrangements and remuneration levels. This limitation results from the large number and diversity of business partners, including small and medium-sized enterprises (SMEs). Where signals of potential irregularities are identified, the Group undertakes actions proportionate to the nature and severity of the issue, taking into account operational continuity and business relationships. The Group intends to progressively strengthen supplier verification mechanisms in the area of labour rights.

In the international operations and in projects implemented jointly with business partners, arrangements are in place to enable monitoring of working conditions and dialogue with workers, including regular employee surveys and organisational climate assessments, which provide a basis for supportive or corrective measures.

The Group attaches importance to transparent communication of principles relating to working conditions and labour rights, recognising that a lack of awareness in this area may lead to tensions, reduced engagement or employment instability at the supplier level. Although the Group has not identified cases within its value chain requiring the provision of accommodation for supplier workers, it expects compliance with fundamental standards of decent working conditions, including access to water, adequate sanitation and respect for privacy.

The Group's approach to workers in the value chain is based on clearly-defined expectations, promotion of responsible practices and the gradual development of monitoring and dialogue tools, while acknowledging its limited direct leverage over day-to-day employer practices within the supply chain.

Given the significant operational scale, multi-layered structure and high diversification of the Group's activities, as well as the resulting large and heterogeneous pool of business partners, the Group recognises objective limitations in directly verifying labour standards across all partners throughout the entire value chain. Consequently, management and mitigation processes are prioritised towards areas assessed as having the highest level of materiality and risk. As a result, at the current stage of reporting, not all identified impacts relating to workers in the value chain are fully covered by active management measures.

These impacts include, in particular, cooperation with suppliers:

- infringing work-life balance principles, leading to excessive workloads for workers;

- applying unlawful or unethical occupational health and safety practices, which may result in serious regulatory breaches and workplace accidents, including fatal accidents or severe injuries;
- applying unlawful or unethical practices in relation to equal opportunities, including gender equality, equal pay for work of equal value, and access to training and skills development;
- applying unlawful or unethical practices in the prevention of workplace violence and harassment;
- applying unlawful or unethical practices concerning diversity and the employment and inclusion of persons with disabilities;
- engaging in unlawful or unethical practices such as the use of child labour or forced labour;
- failing to ensure adequate living conditions for workers, including appropriate accommodation (where applicable), access to clean water, adequate sanitation facilities and respect for privacy.

The Group maintains a rigorous approach to ethics and human rights. Where material adverse impacts on workers in the value chain are confirmed, the Group undertakes appropriate remedial actions and applies contractual consequences, including termination of the business relationship where necessary. At the same time, in pursuit of continuous improvement of its due diligence system, the Group does not exclude the future implementation of additional monitoring mechanisms and management actions aimed at extending oversight to a broader range of identified material impacts.

As part of its double materiality assessment, the Group identified a material opportunity, namely, the availability of highly skilled specialists from global corporations implementing large investment projects. The opportunity to collaborate with and benefit from the resources of international companies fosters the acquisition of knowledge, the exchange of experience and the implementation of best practices in modern management methods. This cooperation facilitates the transfer of know-how, which can contribute to the implementation of innovative solutions and increased operational efficiency. An important aspect of this is also the development of competence of the Group's employees and managers.

The fulfilment of this opportunity is in line with the Group's strategic development directions, particularly in the areas of optimising operations and developing the potential of its domestic and international companies. Striving to improve operational processes, enhance staff skills and adapt to a changing market environment can promote long-term sustainability and increase company value. At the same time, an emphasis on innovation, the development of new technologies and knowledge sharing will allow the implementation of modern technological solutions, the digitalisation of processes and potential cooperation with the R&D centers of business partners.

The identification and successful exploitation of this opportunity can directly translate into the Group's financial performance, supporting revenue retention or growth and enhancing the company's ability to adapt in a dynamic market environment. At the same time, they can help to stabilise operating costs, reducing the risk of their growth.

Currently, no direct resources have been allocated to manage the material impacts on workers in the value chain. This is due to several factors: the impacts are indirect (e.g. through the employment of suppliers), there are no tools and procedures to effectively verify working conditions, and the methods used to cover people in the value chain are parallel to those applied to the Companies' employees. Moreover, no activities other than those related to working conditions were carried out, due to the fact that most of the identified impacts are potential in nature and because the Company does not have such a far-reaching actual impact on the behaviour of its contractors, both in terms of positive and negative impacts. The controls in place are limited to the Contractor's Charter in which value chain entities declare their compliance with the Group's requirements.

[S2-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Parent Company and KGHM Polska Miedź S.A. Group companies have not defined targets for managing material negative impacts, enhancing positive impacts and managing material risks and opportunities.

4.3.3 [S3] Affected communities

Details of the impacts, risks and opportunities in the area of affected communities are presented in [\[SBM-3\] Material impacts, risks and opportunities and their links with the strategy and business model](#).

[S3-1] Policies related to affected communities

The Group has not implemented a policy directly addressing only the management of material impacts, risks and opportunities in relation to the communities affected by its operations. These issues are partially covered by the Corporate Social Responsibility (CSR) Policy of KGHM Polska Miedź S.A. (hereinafter: the CSR policy), in the area of the following impacts: "Positive impact on the health of local communities," "Positive impact on social, cultural, and sporting life and education (social capital)," "Positive impact on the development of local communities through taxes and employment," "Positive impact on the local environment, environmental initiatives, environmental education, and raising environmental awareness".

However, the Companies conduct constant dialogue with local governments and communities in areas that may be affected by the Group's operations. The dialogue also covers issues of human rights protection, included in the Human Rights Policy and the Code of Ethics of the KGHM Polska Miedź S.A. Group. With regard to the international assets, dialogue with communities is carried out to the extent required by local regulatory considerations and the nature of the business, including, in selected cases, through direct operational contacts or cooperation with relevant public authorities.

The priority of KGHM Polska Miedź S.A. is to reduce the risk to local communities, including the risk of violation of the right to health, through consistent implementation of the Climate Policy and the Environmental Policy (impacts: "Noise and odors -impact on the neighborhood (metallurgical facilities and mines)," "Impact of arsenic emissions from metallurgical production on human health").

KGHM Polska Miedź S.A. pursues principles of responsible actions towards local communities in accordance with the accepted policies and procedures, including Human Rights Policy, Climate Policy, Environmental Policy, Responsible Supply Chain Policy, CSR Policy and Code of Ethics and the Uniform Procedure for the Remediation of Mining Damage and Construction Prevention Measures in Connection with the Projected Impacts of Mining Operations (addressing the impacts: "Mining and Post-Mining Damage," "Negative Impact on Resident Safety in the Event of Accidents or Disasters at Facilities").

The Group has not recorded any cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises involving affected communities.

The Human Rights Policy of KGHM Polska Miedź S.A. sets out a commitment to conduct 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 Guidelines for Supply Chains of Minerals from Conflict and High-Risk Areas (Addressing the impacts: "Failure to ensure that indigenous peoples can give their free, prior, and informed consent; violation of the right to self-determination; and violation of the cultural rights of these peoples (regarding the international assets)"; "Cooperation with indigenous peoples based on the principles of dialogue, partnership, and respect for cultural rights").

The Responsible Supply Chain Policy of the KGHM Polska Miedź S.A. Group is based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the LBMA Responsible Gold Guidance, the LBMA Responsible Silver Guidance and the Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc, which is part of The Copper Mark industry standard.

Selected Group companies implement, among others, the provisions of the ISO standards, which partly relate to relations with local communities. With regard to the international assets, work is underway on a policy concerning relations with indigenous peoples, with the completion of the work expected in 2026. Despite the absence of a formal document, where activities are carried out that have the potential to affect indigenous peoples, activities are carried out with respect to the regulations in force and based on dialogue and agreement with representatives of these communities and on the basis of applicable corporate policies and local legal requirements.

In the case of the Victoria Project and the temporarily closed Podolsky Mine (in care & maintenance status), agreements (IBAs - Impact and Benefit Agreements) have been signed with Indigenous Peoples, providing a framework for cooperation.

No specific measures have been designated within the Group to ensure or enable the application of a remedy in terms of impact on compliance with human rights. Any identified negative impacts related to the compliance with human work for the Group's operations were classified as potential.

[S3-2] Processes for engaging with affected communities in terms of impacts

Local communities are the key stakeholders of the KGHM Polska Miedź S.A. Group, and their opinion is taken into account, among other things, when undertaking investments. The Group is committed to maintaining the License to Operate in its areas of business operations. The Group has not implemented a uniform, formalised process for working with affected communities on a Group-wide basis, while the Parent Company has a systematic process in place for collaboration implemented as part of its day-to-day operations. The management boards of the companies are responsible for cooperation, while operational activities are coordinated by the designated technical units. The Parent Company has a Local

Government Cooperation Division, reporting to the Vice President for Development which, together with the Communication Division, coordinates dialogue with communities.

In direct cooperation with local government units (LGUs, representatives of the community) from the Copper Basin (LGOM) area, agreements are signed annually, which specify the scope of joint activities, objectives, responsibilities of the parties and expected results, laying the foundation for further relations and implementation of joint projects. In the framework of the signed cooperation agreements and the transfer of funds in 2024, the LGUs implemented activities in 2025. In August 2025, three cooperation and cash transfer agreements were concluded: with the City of Legnica, the County of Złotoryja and the County of Bolesławiec, as part of the pilot CSR "KGHM-LAB" project, aimed at supporting the educational and pro-social activities of local schools and the integration of the local community in the area of science, including through the preparation of chemical laboratories and their outfitting. The Employee Volunteer Program has continued since 2014.

The effectiveness of the collaboration with the affected communities is assessed through an ongoing analysis of the impact of the Company's activities on the local communities and the degree to which the agreed agreements are implemented. The monitoring covers, in particular, the implementation of investments and CSR projects, including an assessment of whether the activities undertaken are delivering the intended benefits for residents and local authorities. The assessment takes into account opinions and signals from local communities and LGUs, both during public consultations and at the stage of investment implementation and operation. The effects of compensation measures and financial and in-kind support, including for infrastructure development, education, health care and social and sporting activities, are also analysed. An element of the evaluation of effectiveness is also the verification of the implementation of the obligation to inform local communities about the financing of tasks from donations made by the Company, which makes it possible to assess whether this support adequately compensates for the negative impact associated with the operation of activities in a given area. This assessment is of a qualitative nature.

The KGHM Polska Miedź S.A. Group declares its full respect for human rights, including the rights of indigenous peoples, and to conduct its operations in a manner that does not violate the fundamental rights or interests of any social group. The scope of the cooperation includes the local communities in the immediate vicinity of the investments (residents of the municipalities where the investments are made) and (for the international assets) the indigenous population. While no direct steps have been taken at KGHM Polska Miedź S.A. to gain insight into the perspectives of affected communities, IBAs were signed in the international assets that formalise the principles of cooperation with indigenous peoples. As part of its approach to stakeholder engagement, the Group applies the principles of equal treatment and conducts dialogue based on respect, transparency and compliance with international standards.

In most Group companies, due to their profile and scale of operations, the perspectives of affected communities were not taken into account in terms of their impact on decisions or actions aimed at managing actual and/or potential impacts.

The Company takes into account the views of vulnerable or marginalised groups. The agreements concluded with local authorities and the various forms of support offered to the community are targeted at the entire community, with the Company also responding to the needs raised by vulnerable or marginalised groups. Where such needs are identified, they are analysed and addressed accordingly. Moreover, donations provided to local government units are used to implement investments that take into account the needs of such groups, including the modernisation of a building in Kłobuczyn to create a center for disadvantaged groups with special needs. The implementation of this project addresses key challenges faced by rural residents, particularly elders and people with disabilities. Another task is the paving of an area in one of our municipalities. The current condition of the area has significantly limited its use by persons with disabilities and senior citizens.

Adequate housing conditions

Housing conditions can be shaped by various factors, including noise and odours, which result from the operational activities and investment plans of KGHM Polska Miedź S.A. and the Group's companies. In an effort to minimise potential negative impacts, the Company applies appropriate processes to assess and manage the impact of its activities on the environment.

Operational activities and implementation of investments may involve the generation of noise. The company conducts a systematic environmental impact assessment, including an analysis of noise levels in the context of the applicable standards. Noise models and measurements are used to verify compliance and identify possible sources of negative impact. The company also consults the public in cases where there may be a significant impact on the environment. Nevertheless, there are occasional signals from a local community indicating subjective feelings about noise impact.

In some locations, especially near our metallurgical plants, unpleasant odours can occur, especially under specific weather conditions. As part of the environmental impact assessment, the chemical composition of the emissions and the potential extent of the spread of odours are analysed. The Company applies solutions to minimise their impact. Where necessary, public consultations are organised to assess the scale of the problem and develop possible remedial action.

When no action is required for a specific area, the Company does not implement additional processes, which is noted in the environmental impact reports.

Impact on land

Mining activities can affect local land and community-owned buildings. Key aspects of this impact include:

- Mining and post-mining damage: as a result of mining activities, damages affecting private individuals' buildings, municipal and national roads may occur.
- Remedying measures: in situations where the Company's mining activities lead to damage of infrastructure, the Company takes specific remedial action. Each case is analysed in detail to confirm its relationship with the business conducted.
- Damage reporting process: the Company has a clearly defined process in place for reporting damages resulting from mining activities. This procedure allows for effective handling of the notifications and taking appropriate remedial actions.

The Group implements preventive measures in line with mining legislation. It minimises the impact of mining on the environment, such as bump prevention, technical inspections and monitoring of infrastructure and optimisation of mining. Prevention activities also include staff training in security and emergency response, the development of emergency procedures and cooperation with local services, as well as investment in modern security technologies.

In addition, reclamation of post-mining areas is being carried out, restoring their utilitarian and ecological functions as a result of the obligations imposed by the geological and mining law.

The Group works with local authorities and communities to reduce the long-term impacts of mining activities. As part of this cooperation, decisions are made to adapt mining plans to local conditions and to support infrastructure investments in areas affected by mining activities.

Impact on health

Selected Group companies carry out activities that have a positive impact on the health of local communities, including health prevention (organisation of preventive programs, subsidised diagnostic tests in cooperation with municipalities, promotion of healthy lifestyles and physical activity) and medical infrastructure.

The Group manages spas, hospitals and clinics, which allows it to support local communities directly in terms of healthcare and rehabilitation.

Positive impacts on social life, local community development and the environment

KGHM Polska Miedź S.A. perceives itself as an integral element of the local communities, which is manifested in its involvement in municipal activities and its support for socio-economic development and environmental protection.

The company actively engages in activities that support social capital by organising and supporting cultural, sporting and educational events, collaborating with local schools, universities and educational institutions and supporting community initiatives. It influences the development of local communities through the payment of taxes to local and national budgets and the offer of employment. The Company is a significant employer in the region, creating stable jobs and supporting the local economy. The Company's impact on local nature and ecological activities occurs through its environmental campaigns and environmental education and awareness campaigns promoting nature conservation.

Arsenic emissions

KGHM Polska Miedź S.A. emits arsenic in connection with its smelting activities, as described in more detail in [section \[E2\] Pollution](#), but the impact of these emissions on health and the environment is assessed as potential, not actual, and the risk of negative impacts from arsenic emissions is low.

Prior, free and informed consent, self-determination and cultural rights

Companies of the KGHM INTERNATIONAL LTD. Group may potentially have a negative impact on indigenous communities, especially if they do not provide opportunities for voluntary, informed consent for the projects implemented. The right to self-determination and the protection of cultural heritage require special attention to avoid social conflicts and violation of rights.

The Ajax project (Canada, British Columbia) is currently in the planning and analysis phase. The measures taken to date do not indicate an imminent risk of violation of indigenous peoples' rights, including the right to self-determination and the protection of cultural heritage. The likelihood of such violations is low due to the prevention implemented (compliance with environmental permits and reporting to regulators) and the principles of cooperation with local communities - an element of the project is to conduct a dialogue between KGHM INTERNATIONAL LTD. representatives and representatives of indigenous peoples.

In 2025, KGHM INTERNATIONAL LTD. concluded Impact and Benefit Agreements for the Victoria Mine with the Atikameksheng Anishnawbek and Sagamok Anishnawbek Indigenous Peoples' Groups, formalising the principles of long-term cooperation throughout the project lifecycle. These agreements have been developed as a result of many years' dialogue based on mutual respect and commitment and concluded in accordance with the principle of Free, Prior and Informed Consent (FPIC). The agreements stipulate, among others, employment, training, business cooperation, knowledge exchange, access to the project site and the participation of both communities in environmental activities.

The assessment concluded that the likelihood of impacts of the above projects and their potential severity in relation to smaller thematic units, such as freedom of expression, freedom of assembly, impact on human rights defenders, access to adequate food, water and sanitation, are low.

The negative impacts on affected communities identified by the double materiality assessment are potential. If they materialise, the Group will carry out an analysis of the causes of the situation and, where justified, take appropriate management action and implement corrective or preventive measures to reduce the risk of the negative impact recurring.

[S3-3] Processes to remediate negative impacts and channels for affected communities to raise concerns

KGHM Polska Miedź S.A. continues constant dialogue with local communities, striving to improve their living conditions and to reduce the negative impact resulting from its operations. The needs of the community are articulated during meetings initiated by a designated substantive unit (the Local Government Cooperation Department), and the Company's activities focus on coordinating arrangements with local government units and local communities to enable the implementation of investments and fulfilment of the provisions of the Group Strategy.

The Company's approach to providing remedies to affected communities is based on the principles of social responsibility, dialogue and respect for local interests. The Company recognises its responsibility for the impact of its activities on the social environment and seeks to minimise negative impacts and, if they occur, to take adequate corrective or compensatory action. To this end, formal processes are in place to remedy the effects of negative impacts, including the identification of reported problems, the analysis of their validity, the implementation of corrective or compensatory actions and the monitoring of their effectiveness. Each report is analysed in terms of its validity and potential impact on the social and environmental structure, and then forwarded to the relevant organisational units for appropriate action. In particular, the Company implements solutions tailored to the nature of the problems reported and, where justified, concludes agreements to compensate for impacts in accordance with the law and accepted internal standards.

The effectiveness of the corrective measures applied is evaluated by monitoring their effects and analysing the level of community satisfaction, and the conclusions of the evaluations are used to improve processes and corrective actions. Examples of such measures include covering the costs of building safeguards in buildings erected in mining areas exposed to deformation and mining tremors, modernising building structures that are not resistant to the planned operations, covering the costs of land reclamation in areas exposed to waterlogging and flooding, repairing buildings damaged by the effects of mining or reimbursing the costs of such repairs, implementing the BATAs Program and launching diagnostic clinics in Legnica and Głogów, as well as complying with legal requirements on noise emissions.

Local communities have an access to formal complaint mechanisms operating both at the local government level and available from the Company, in particular through cooperation with the Local Government Relations Department. Applications can be addressed directly to the representatives of the LGUs who keep regular contact with the Department. The Department is responsible within the Company for receiving calls and coordinating corrective or compensatory actions. In its communication with local communities, KGHM Polska Miedź S.A. uses the Company's website, which publishes news and relevant information, including information on public consultations. The dedicated tab "For residents" provides information on the protection of mining areas, the Good Neighbour Program and procedures for individual reporting of concerns related to the impacts of mining, including reporting mining damage directly to the relevant divisions of KGHM Polska Miedź S.A. The Company undertakes preventive actions to mitigate the effects of mining on the surface of the area and its development and is liable for mining damage that could not have been prevented. In addition, KGHM Polska Miedź S.A. conducts communication via social media.

Whistleblowing channels are operated and managed by the Company and directed to the people of the Copper Basin in Polish. With regard to overseas assets, the mechanisms for communication and reporting of concerns by the community are tailored to local regulatory and social conditions and include, among others, dedicated telephone lines, e-mail addresses for receiving complaints and queries, as well as direct contact with representatives of operating companies, with each company in the KGHM INTERNATIONAL LTD. Group having individually defined solutions in this regard. The Group's companies, due to their business profile, mostly do not have defined processes for providing remedies where significant negative impacts on society are identified. In the case of legitimate reports, corrective action is taken to restore the desired state.

The constant contact of the representatives of the LGUs with the Department for Cooperation with Local Self-Government makes it possible to resolve reported problems on an ongoing basis, to identify recurring issues and to take preventive measures. The Company tracks reported and resolved issues by analysing community notifications and comments and uses the lessons learned from available channels to improve processes and prevent future negative impacts, including by introducing more effective operational and preventive solutions and increasing the effectiveness of corrective actions.

The Company does not conduct surveys or analyses of the effectiveness of the mechanisms among affected communities, nor does it assess their awareness or level of confidence in the procedures for raising concerns and needs and their ability to be resolved or addressed. The rules to protect those using the reporting mechanisms from retaliation are implemented within the Group's existing whistleblowing and whistleblower protection arrangements.

[S3-4] Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

In 2025, KGHM Polska Miedź S.A. undertook activities targeted at local communities, employees and their families, aimed at managing actual and potential social impacts and enhancing positive impacts. These activities were implemented primarily through stakeholder communication, social, educational and health-oriented initiatives and employee volunteering.

- **“Mie(dź) Rodzinę” and “Rodzinne Strefy KGHM”**

As part of its social campaign, “Mie(dź) rodzinę”, KGHM Polska Miedź S.A. actively promoted and supported foster parenting in the region. One of the key events of the campaign was the Foster Families Rally, which took place at the Polana Jakuszycka. As part of the event, Family Zones were organised, where specially prepared stands encouraged family activities, offering a variety of attractions and workshops.

- **Cultivating mining and metallurgical traditions and culture**

Traditions are an important element of the identity of KGHM Polska Miedź S.A. and the Copper Basin community, involving all Group companies and the people of the region. A ceremony is organised on the anniversary of the discovery of the copper deposits to pay tribute to the region's industrial heritage and the people who contributed to the development of copper mining and metallurgy. Barbórka and Metallurgist's Day - the most important industry holidays which are celebrated each year with the involvement of all Group companies - are also an integral part of traditions of KGHM Polska Miedź S.A. Their celebrations emphasise the importance of community, continuity of tradition and respect for the hard work of miners and metallurgists, the foundation of operations of KGHM Polska Miedź S.A.

- **Cooperation with local government units** (described in [section \[S3-3\] Processes to remedy negative impacts and channels for raising concerns by affected communities](#))

Due to the fact that the vast majority of Group companies do not have a significant impact on communities, they did not define action plans and consequently did not define capital expenditures (CAPEX) or operating costs (OPEX). Ad hoc support includes donations and sponsorship activities, which, after analysis and decisions by the sponsorship committees, are awarded according to requests made by representatives of the local communities.

Employee volunteer program

The "Copper Heart" employee volunteer program has been operating at KGHM Polska Miedź S.A. since 2014. Statistical data on volunteering initiatives is presented in the table below.

Table 154. KGHM Polska Miedź S.A. Group employee volunteering in figures

Specification	2025	2024	YoY change
Number of voluntary projects	190	137	38.7%
<i>(including projects with the participation of subsidiaries)</i>	64	38	68.4%
Number of volunteers involved	1 267	1 010	25.4%
Number of hours spent on preparing and implementing projects	5 165	4898	5.5%

The activities carried out as part of volunteering covered a broad spectrum of social areas, in particular education and skills development, health and safety, culture and the protection of local heritage, as well as sport, recreation and environmental activities, reflecting the diverse needs of local communities and a flexible approach to selecting forms of engagement.

Volunteer activities at KGHM Polska Miedź S.A. in 2025 reflect employees' commitment to building social ties and supporting local communities, highlighting the importance of the Company's social responsibility. KGHM Polska Miedź S.A. undertakes a range of activities to prevent, mitigate and remedy significant negative impacts on affected communities. In the framework of signed cooperation agreements with local government units, the Company financially supports local initiatives in the field of health promotion, healthy lifestyles and pro-social activities.

The Company takes steps to provide redress in relation to actual significant impacts on communities. Local government entities with which the Company enters into agreements are required to submit reports on the expenditure of funds allocated for ongoing investments and tasks.

KGHM Polska Miedź S.A. reviews reports submitted by LGUs, but does not have in place any other, additional procedures and tools to monitor the effectiveness of activities.

Social dialogue and cooperation with local authorities are key to ensuring that the initiatives undertaken meet the real needs of the community.

The processes allowing to determine what action is needed and appropriate include regular meetings with municipality representatives and the analysis of their needs. Cooperation with the LGUs enables KGHM Polska Miedź S.A. to tailor its financial support to the specific requirements of local communities, which contributes to their development and improves the quality of life of the Copper Basin inhabitants.

Due to the fact that the vast majority of the Group's companies do not generate significant impacts on the community, they did not define action plans. Ad hoc forms include the donations granted or sponsorship activities. They are awarded and monitored on an ongoing basis, in line with requests submitted by local communities.

The above-mentioned activities are provided for in the companies' budgets. The safeguarding of remediation required by permits and annual budgets supports environmental and remediation expenditure.

The Group's operations, which encompass both metallurgical and mining processes, have a range of impacts on the communities living in areas adjacent to its facilities. The Group takes measures to minimize potential negative impacts and enhance positive impacts, while maintaining compliance with applicable legal regulations and high standards of social responsibility.

In the area of housing conditions, the Group conducts operations in accordance with environmental standards, and individual divisions implement their own modernisation and environmental programs. To reduce noise, acoustic barriers are used, work schedules are appropriately planned, and noise levels are continuously monitored. For projects, particularly in the Głogów area, the possibility of temporary increases in noise disturbances is taken into account, and measures are taken to minimize their scale.

With regard to its impact on the land, the Group records reports of mining-related damage, including cracks in residential buildings and damage to road infrastructure. In selected cases, it provides financial support for repairs, while emphasizing that rock bursts may recur due to the nature of mining operations.

In the area of public safety, the Group has implemented preventive measures that significantly reduce the likelihood of technical failures or disasters. For many years, no incidents posing a threat to local communities have been reported at any of its sites; however, the Group maintains a high level of operational readiness and continuously strengthens the resilience of its infrastructure.

The Group also has a positive impact on the health of local communities by implementing preventive programs, subsidizing medical examinations, organizing sporting events, and collaborating with municipalities. The operation of health resorts, a hospital, and clinics within the Group's structure further strengthens its role in the area of public health.

In the context of arsenic emissions, the Group employs modern technologies, including BAT, which has enabled a significant reduction in emissions. Emissions are continuously monitored by both the Company and independent air quality monitoring stations. In response to community expectations, diagnostic clinics were opened in Legnica and Głogów, and test results and emission-reduction measures are presented transparently.

The Group is actively involved in the social, cultural, sporting, and educational life of the regions, implementing numerous projects and collaborating with universities, schools, and local governments. Through tax payments and job creation, the Group strengthens the local economy and the financial stability of local governments.

The Company takes additional steps to ensure positive impacts on affected communities, including through the implementation of IBA agreements with indigenous peoples. Their effectiveness is monitored and evaluated in terms of delivering measurable benefits to communities.

In the area of Indigenous peoples' rights, the Group conducts preventive measures based on dialogue and respect for local cultural conditions, particularly within the Ajax Project. Although there is currently no risk of violating Indigenous peoples' rights, the Group emphasizes the importance of constructive dialogue and developing joint solutions. An example of good practice is the conclusion of an IBA agreement with the Atikameksheng Anishnawbek community, the result of over a decade of dialogue. This agreement ensures the community's share in economic benefits, access to employment, training,

and contracts, as well as participation in environmental protection activities, while respecting cultural values and supporting self-determination.

The Group's companies located in Canada manage historic mining sites to mitigate their impacts on the environment and affected communities. These activities include data collection, modelling, risk assessment and implementation of mitigation and monitoring plans. The Company remains in compliance with environmental regulations and meets regulatory requirements regarding site closure plans.

The Company takes additional measures to ensure positive impacts on affected communities, including through the implementation of IBA agreements with indigenous peoples. Their effectiveness is monitored and evaluated in terms of delivering measurable benefits to communities.

The management of potential and actual impacts in relations with communities is based on responsible planning and performance monitoring. The Company ensures that its practices do not cause or contribute to material adverse impacts through the management and mitigation processes in place. All activities are implemented on the basis of dedicated human resources and annual budgets. Currently, no serious human rights issues or incidents related to communities affected by the activity of the KGHM Polska Miedź S.A. Group have been recorded.

Apart from the examples cited above, the Group has not undertaken any structured initiatives in relation to the affected communities.

[S3-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Company's goal is to minimise the impact of its activities both socially and materially by carrying out activities in the areas of culture, health promotion, sports, ecology and science. The scope of these activities has been defined as social and material, with the measurable objective being the number of initiatives implemented. These targets are in line with the Company's business strategy, which also defines milestones and intermediate targets.

The KGHM Polska Miedź S.A. Group is in the process of aligning targets with ESRS disclosure requirements. Hence, not all MDR-T requirements are described.

These assumptions are not linked to any specific policy or science-based environmental issues. The methodology for their implementation and monitoring has not been defined in detail. However, the target-setting process is based on regular dialogue with local communities, while information on actions taken and results is communicated through press releases. Currently, no separate data is available on changes in metrics, assumptions or performance against targets.

The Company consistently engages in activities that support the development of local communities, taking into account their needs and expectations, as an integral part of its strategy.

The Group's companies, including the international companies, have not defined targets for managing significant negative impacts, enhancing positive impacts and managing significant risks and opportunities.

4.3.4 [S4] Consumers and end-users

Within the KGHM Polska Miedź S.A. Group, only a small group of companies has been identified for which contact with consumers and end-users is of key importance, where material impacts have been identified. This group includes: „Miedziowe Centrum Zdrowia” S.A. („MCZ” S.A.) and spa companies belonging to Polska Grupa Uzdrowisk sp. z o.o. (PGU): Uzdrowiska Kłodzkie S.A. - Grupa PGU, Uzdrowisko Cieplce Sp. z o.o. - Grupa PGU, Uzdrowisko Połczyn Grupa PGU S.A. and Uzdrowisko Świeradów-Czerniawa Sp. z o.o. - Grupa PGU.

Table 155. Characteristics of selected companies of the KGHM Polska Miedź S.A. Group and their consumers and end-users

Name of entity and country of establishment	Activities	Characteristics of consumers or end-users
Uzdrowiska Kłodzkie S.A. - Grupa PGU (Poland)	Provision of services in the area of spa-healing, sanatorium, preventative medicine, rehabilitation, biological renewal, recreation based on natural healing materials and bioclimatic conditions, sales of medicinal products	Clients and patients receiving curative and rehabilitation therapies within the framework of the National Health Fund (NFZ) and private patients
Uzdrowisko Połczyn Grupa PGU S.A. (Poland)		
Uzdrowisko Cieplice sp. z o.o. - Grupa PGU (Poland)		
Uzdrowisko Świeradów Czerniawa sp. z o.o. - Grupa PGU (Poland)		
„MIEDZIOWE CENTRUM ZDROWIA” S.A. (“MCZ” S.A.) (Poland)	Hospital services; medical practice; activities related to protecting human health; occupational medicine	Individual patients , including employees of KGHM Polska Miedź S.A. Group companies under AOM*, local community; private and under NFZ

None of the aforementioned entities offer products that are intrinsically harmful to humans or increase the risk of chronic diseases. The services provided by the aforementioned Group companies do not have a real negative impact on the right to privacy, data protection, freedom of expression or non-discrimination. Patients, clients and consumers are not put at risk by not having access to accurate and accessible information about services and products. The companies listed do not pursue aggressive marketing and sales strategies to vulnerable groups such as children or the financially disadvantaged.

*Medical care subscription

In analysing the materiality of the impacts of the KGHM Polska Miedź S.A. Group on consumers and end-users, the potential impact of the aforementioned Group companies on the privacy and the actual impact on the security of this group of stakeholders was considered material. For an explanation of the overall approach adopted by the Group to identify and manage any material actual and potential impacts on consumers or end-users related to the entity's products or services and management of these impacts, see section [\[IRO-1\] Description of the process to identify and assess material impacts, risks and opportunities](#). Detailed information concerning the material impacts, risks and opportunities are presented in section [\[SBM-3\] Material impacts, risks and opportunities and their links with the strategy and business model](#).

The KGHM Polska Miedź S.A. Group has not identified any links between the interests, views and rights of consumers or end-users and the Group's strategy and business model in the context of the ESRS 2 SBM-2 requirements. The KGHM Polska Miedź S.A. Group has also not identified a link between material risks and opportunities arising from impacts on consumers or end-users and the entity's strategy and business model. These impacts do not derive from, shape or contribute to the Group's strategy or business model (e.g. the regulatory context of GDPR).

[S4-1] Policies related to consumers and end-users

“Miedziowe Centrum Zdrowia” S.A.

“Miedziowe Centrum Zdrowia” S.A. does not have a separate, formalised human rights policy relating directly to consumers and end-users. Due to the profile of its treatment activities, the relationship with patients and end-users is entirely governed by the applicable common law, including the regulations on the protection of patients' rights, the protection of personal data and the rules on the exercise of treatment activities.

In order to manage the potential negative impact of the loss of sensitive personal data, “MCZ” S.A. has implemented procedures related to Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons in relation to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (hereinafter in subsection: GDPR).

Detailed information on the grounds and principles for the processing of personal data, monitoring and the rights of data subjects is provided on the company website. As standard, the company's website also includes contact information for the designated Data Protection Officer (DPO) and deputy DPO, as well as information clauses for: (1) patients, (2) applicants for employment and (3) contractors, including employees of contractors. An appropriate contact form is provided in the event of a suspected data breach. Violations can also be reported to the DPO via email at: iod@mcz.pl.

By design, the provisions of the GDPR Regulation apply to and take into account the interests of all consumers and end-users and do not exclude any group, including in terms of geographical areas. The provisions of the GDPR also apply to other stakeholders - in the value chain, local communities and business partners.

The functioning of the Integrated Management System at "MCZ" S.A. plays a key role in managing the company's actual positive impact on patients' health. Its compliance with PN-EN ISO 9001:2015-10, PN-EN ISO 14001:2015-09 and PN-ISO 45001:2024-02 is regularly verified through recertification audits, confirming the company's high standard of quality, environmental and occupational health and safety management.

The Integrated Management System is one of the key elements in ensuring that the company's activities comply with the applicable legal and organisational standards in terms of patient safety and the quality of healthcare services provided.

"MCZ S.A." has in place a Group-wide Code of Ethics (information on the document is included in section [\[S1-1\] Policies related to own staff resources](#)).

The company has not recorded any cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises referring to consumers or end users.

The issues governing relationships of this kind are set out, among others, in the provisions of the Act of 6 November 2008 on Patients' Rights and the Patients' Ombudsman (consolidated text, Journal of Laws 2024, item 581). Compliance with the patient's rights defined in this law is the responsibility of the public authorities with jurisdiction over health care, the National Health Fund, health care providers, medical practitioners and other persons involved in the provision of health care services.

The Patients' Ombudsman collaborates with healthcare providers on an ongoing basis to monitor the compliance with patient rights. Patients can familiarise themselves with their statutory rights via the website of "Miejskie Centrum Zdrowia" S.A., where an extract from the applicable legislation is provided.

The Management Board of "MCZ" S.A. is the body responsible for defining the objectives of policies, regulations and procedures, and adopting and overseeing their implementation in the organisation.

PGU companies

The companies belonging to Polska Grupa Uzdrowisk sp. z o.o., due to the nature of their operations and the scope of services they provide, conduct all their activities in accordance with the legal provisions applicable to the health sector in Poland and with the guidelines of the National Health Fund. The policies implemented in the companies are consistent with those adopted across the Group.

PGU companies do not have a separate, formalised human rights policy relating directly to consumers and end-users. Relationships with patients, visitors and other end-users are governed by generally applicable laws and documents applicable at a Group level.

In order to manage the potential negative impact of the loss of sensitive personal data of patients and visitors, the companies of Polska Grupa Uzdrowisk have documents compliant with the GDPR in place - the General Information Clause on the Processing of Personal Data and the Privacy Policy. They set out the principles for processing and protecting the data of persons who have provided their data to Polska Grupa Uzdrowisk sp. z o.o., including customers, contractors, their employees, website users and newsletter subscribers. These documents indicate the data controller, the purposes and basis of the processing, the rights of data subjects and the data retention period. The information clauses are publicly available on the companies' websites and cover all consumers and end-users of PGU companies.

The tools for managing the actual positive impact of PGU companies on the health of patients and visitors are the internal standards of service and care (including the certified ISO 9001 quality management system at Uzdrowiska Kłodzkie S.A. - Grupa PGU) and ongoing patient satisfaction surveys. Stakeholder interactions, conducted through meetings, surveys and dialogue, form the basis for developing and updating company-specific procedures. Where deficiencies are reported by consumers or end-users, prompt corrective action is taken to restore the desired standard of services provided. In addition, third-party activities, such as certification and auditing bodies, enable the identification of areas for improvement in product or service quality.

Direct relationships with end-users are built during patients' stays in spas. Patients can submit their comments, opinions and suggestions in writing, e.g. through complaints or surveys. Dedicated feedback applications are also available in selected cases.

The PGU companies have not implemented a human rights policy and associated obligations relevant to consumers and end-users. However, these issues are included in the documents adopted by the PGU companies and in force at the KGHM Polska Miedź S.A. Group level, such as the Code of Ethics or the Anti-Corruption Policy (the documents are described in sections [\[S1-1\] Policies related to own staff resources](#) and [\[G1-1\] Business conduct policies and corporate culture](#)). The companies do not have separate, dedicated remedying mechanisms or procedures relating solely to consumers and end-users.

All policies, regulations and internal acts are implemented by the Management Boards of the companies, in accordance with the corporate governance rules applicable in the Group.

The companies have not recorded any cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the International Labour Organisation Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises referring to consumers or end users.

[S4-2] Processes for engaging with consumers and end-users about impacts

"Miedziowe Centrum Zdrowia" S.A.

In "Miedziowe Centrum Zdrowia" S.A., the patient satisfaction survey is an effective tool to support the process of continuous quality improvement in healthcare. The systematic and reliable collection of patients' opinions enables quick response to their current needs and the adaption of operational measures affecting the safety and quality of health services. Satisfaction surveys are implemented on a continuous basis and questionnaires are made available to patients of the company's various business units. The surveys are anonymous, allowing for direct interaction with patients and their legitimate representatives. Once a year, a summary analysis of the satisfaction survey results is carried out with the aim of drawing conclusions and introducing possible remedial measures.

Details of the customer satisfaction survey for 2025 are under preparation. The results are discussed during the cyclical Integrated Management System Reviews, which usually take place in May/June each year.

The analysis of the feedback provided in recent years by patients hospitalised in the Internal Medicine and Diabetology Ward of the "MCZ" S.A. Hospital in Lubin indicates that some of them are not satisfied with the conditions prevailing in the department. For this reason, the Management Board has planned an investment for 2027 comprising a comprehensive modernisation of the Internal Medicine and Diabetology Ward, with the aim of raising the standard of patient care and adapting the infrastructure to modern medical, sanitary and safety requirements. The modernisation will encompass both the usable space for patients and the diagnostic, sanitary and social facilities, as well as the technical infrastructure supporting the ward's activities.

The main aim of the project will involve the improvement of the quality of medical services provided, increasing the comfort of patients and creating an ergonomic and functional working environment for the staff. The implementation of the investments will allow a reduction in hospitalisation time, increase the efficiency of therapeutic processes and enhance patient and staff safety.

Over the years, it has been observed that the active participation of patients in the survey results in them being more involved in the treatment process itself (the fact that the vast majority of respondents are in the 60+ age group may be of significance), which in some way also translates into building trust in the healthcare provider.

Through the implementation of the Integrated Management System, the company is continuously improving the processes implemented. This has a direct effect on the ongoing evaluation by patients using the services as well as the opinions of objective experts.

As a result of the accreditation review carried out on 17-19 December 2025 and following the recommendation of the Accreditation Council expressed in Resolution No. 114/2025 of 30 December 2025, the Minister of Health granted accreditation certificate No. 2025/108 to the hospital "MCZ" S.A. in Lubin for a period of 4 years. As a result of the scoring, the hospital "MCZ" S.A. in Lubin obtained 93% of the possible number of points of the accreditation standards defined in the Announcement of the Minister of Health of 6 September 2024 on accreditation standards for therapeutic activities such as 24-hour and stationary hospital health services (Official Journal of the Minister of Health of 2024, item 73) and has fulfilled the necessary requirements set out in the Act of 16 June 2023 on Quality in Healthcare and Patient Safety (Journal of Laws of 2023, item 1692). The results obtained places "MCZ" S.A. on an equal footing with the University Hospital in Kraków, in first place among entities accredited in accordance with the above-mentioned regulations (as at 14 January 2026).

It is the responsibility of "MCZ" S.A.'s management board to ensure that the engagement in the satisfaction survey process is implemented and that the results are used in the company's activities.

Due to the nature of its business, the company ensures that its services are available to all stakeholders, regardless of their situation. No specific action has been taken to gain detailed insight into the needs of consumers and end users who may be particularly vulnerable or marginalised. The exception to this is the "Standard for the Protection of Minors at the Miedziowe Centrum Zdrowia S.A. in Lubin", which has been introduced, which sets out the principles for the protection of children to ensure a safe and friendly environment for them. This document sets out procedures for identifying and addressing risks, including suspected abuse of minors, and sets out the principles for intervention and support planning and the responsibilities of staff in protecting them.

The activities of "MCZ" S.A. are strongly regulated by health care legislation and internal standards. The hospital and outpatient clinics are governed by legislation, ISO standards, the Code of Ethics, the anti-corruption policy and mechanisms supporting patients' rights and regulating their stay and treatment. Given these regulations and the mechanisms in place for permanent collaboration with patients, the company does not identify the need to implement a separate, formalised process for collaboration with consumers and end-users.

PGU companies

In the spa companies, patients can submit comments via paper surveys, a dedicated app or by submitting complaints verbally or in writing. In the company Uzdrowiska Kłodzkie S.A. - Grupa PGU, a procedure for dealing with complaints is in place. Moreover, there are anti-corruption clauses in contracts with contractors, which indicate dedicated reporting channels where appropriate. In addition to patients, the companies have direct contacts with the Social Insurance Institution (ZUS) and the National Health Fund (NFZ).

Contact with patients takes place at every stage of their stay in the spas. The conditions of stays and the rules of treatment are defined and controlled by the National Health Service before and during the signing of the contract. A similar procedure applies in the case for stays organised by ZUS as part of tenders. Accordingly, the interaction with individual clients is therefore continuous, starting from the moment of application and continuing until the end of the stay and includes ongoing communication, collecting opinions and responding to the needs reported.

The operational responsibility for ensuring the implementation of spa guests engagement and the impact of the results of their feedback on the business rests with the management boards of individual companies. The effectiveness of interactions with consumers and end-users is overseen by the treatment and commercial divisions.

The effectiveness of these interactions is measured by indicators such as the results of satisfaction surveys, contract volumes with the NFZ, the number and subject of complaints (both in surveys and through other communication channels), the number of returning customers and the value of sales.

The perspective of consumers and end-users, including vulnerable or marginalised people, is explored through the analysis of satisfaction surveys, information obtained through a dedicated app and the monitoring of online communication channels. Consumers can also report their comments and complaints to the company's employees and, in the case of treatment financed by the NFZ and ZUS, also directly to these institutions. These activities also indirectly contribute to reducing potential negative impacts associated with the processing of consumer and end-user information. The companies have not implemented a separate general process for engaging with consumers or end-users. Spa operations are highly regulated and the companies' approach to working with patients is additionally based on the values set out in the Code of Ethics and the Anti-Corruption Policy of the KGHM Polska Miedź S.A. Group.

[S4-3] Processes to remediate negative impacts and channels for consumers and end users to raise concerns

Companies maintain direct relationships with consumers and end-users by providing channels for reporting complaints and claims available on their websites. These arrangements operate in parallel with mechanisms resulting from sector-specific legislation and allow for the identification and implementation of remedying measures in the event of potential negative impacts on consumers and end-users, particularly in areas related to the security of services and information protection.

"Miedziowe Centrum Zdrowia" S.A.

Within the company, the person responsible for day-to-day communication with patients and handling of requests is the Representative for Patients' Rights. Information about this role, including contact details, is available on the facility's website. In addition, there are information boards in the company's individual units and organisational units containing basic contact details and information on the Representative.

Patients are offered standard forms of contact, such as a personal visit, telephone contact, mail correspondence and e-mails. In addition, a dedicated contact form is available on the company's website allowing for the submission of comments and requests.

These channels are complemented by a possibility to address complaints and requests through external entities, including the Patients' Ombudsman, the National Health Fund and the competent professional self-governance bodies, thus providing multi-level access to remedial mechanisms. The processes of identification and implementation of remedying measures are carried out in the framework of the functioning Integrated Management System and serve to reduce negative impacts related to the quality and safety of health services.

PGU companies

Contact with consumers and end users is ongoing. These include face-to-face interviews with employees, telephone contacts and email communication. Uzdrowiska Kłodzkie S.A. - Grupa PGU, a helpline and an online notification channel has been made available for submission of complaints or comments concerning products.

In the company Uzdrowiska Kłodzkie S.A. - Grupa PGU, as part of the implemented ISO 9001 standard, a procedure is in place to regulate handling of complaints and claims. Complaints are considered by designated, suitably-qualified persons, complaint registers are maintained and procedures provide for requesting and implementing remedial action for legitimate complaints.

In the other PGU companies, the identification and implementation of remedying measures take place in accordance with sectoral regulations, in particular based on the guidelines of the National Health Fund and the relevant supervision authorities, and if deficiencies are identified, the companies are obliged to implement corrective actions, including in areas that may affect the safety of patients.

However, no direct formal evaluation process has been implemented to determine whether consumers and end-users are aware of the opportunity to express their concerns or needs and to what extent these are addressed. Despite the absence of this process, companies have the Code of Ethics, the anti-corruption policy and the anti-abuse procedure in place that provide protection against retaliation for persons who submit comments. Any negative comment addressed to the companies is taken as an opportunity to improve the standard of services provided. There has never been a situation where a consumer or end user has suffered consequences for raising their needs or concerns.

At the same time, the analysis of notifications, complaints and survey results is an element that indirectly supports the mitigation of risks associated with the processing of consumer and end-user data.

[S4-4] Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and the effectiveness of those actions

"Miejskie Centrum Zdrowia" S.A. and the spa companies belonging to Polska Grupa Uzdrowisk sp. z o.o. make the utmost effort to secure the personal data of consumers and end users in the best possible way. Data management and processing have been adapted to the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (GDPR).

Companies prioritise IT security, protecting data from loss, misuse, unauthorised access and disclosure. The companies appointed Data Protection Officers and the implemented GDPR and privacy policies include a description of actions for managing this potential impact.

Companies monitor regulatory developments and any potential GDPR-related incidents on an on-going basis, ensuring a high level of regulatory compliance. There have been no cases of leakage of personal data from entities owned by the above companies in recent years. In addition, neither "Miejskie Centrum Zdrowia" S.A. nor the spa companies belonging to Polska Grupa Uzdrowisk sp. z o.o. have reported any serious human rights issues or incidents related to their consumers or end-users. Apart from unconditional compliance with the applicable legal regulations and the implementation of data protection mechanisms required under the regulations, the companies do not currently carry out additional separate activities in this area.

The possible loss of sensitive medical data of patients or clients from the "MCZ" S.A. facilities and spa companies belonging to the PGU could lead to serious legal consequences and reputation loss. A violation of data protection legislation in such a case would result in imposing financial penalties and a loss of trust of both patients and the general public. Due to the GDPR regulations in place and cyber security solutions in place, including the protection of the hospital and spa IT systems, the Group assesses the risk of an incident as low and has not identified it as a material risk in the double materiality assessment.

"Miejskie Centrum Zdrowia" S.A.

In the context of managing the actual positive impact on the health of patients, the activities of the hospital "MCZ" S.A. focus on meeting the health needs of the inhabitants of the Copper Basin region in a comprehensive and highly specialised manner.

The priority is to take action to ensure a high standard of medical services, effectively manage material corporate risks and take advantage of opportunities to improve the quality of services. Information on cooperation in the area of consumer and end-user impact can be found in section [\[S4-2\] Cooperation processes in terms of impacts with consumers and end users](#).

The plans for "MCZ" S.A.'s activities, which take into account the positive impact on patients' health, are based on the existing and expanded range of services provided, while maintaining their high quality. Key activities in this regard comprise, among others:

- Ensuring the sustainability of health services in the Copper Basin region, based on the comprehensiveness, breadth and high quality of services provided.
- Systematic monitoring and analysis of health needs and patient expectations in the region.
- Active attracting of patients by expanding the range of services provided by highly qualified medical staff.
- Expansion of services as part of subscription, outpatient and inpatient activities.
- Efforts to increase the productivity of its assets and upgrade its medical and technical infrastructure in order to adjust it to the current standards and norms.
- Cooperation with scientific and research units to verify the application of modern technologies in the treatment and diagnostic process.
- Implementation of projects/activities for the benefit of stakeholders in accordance with the CSR strategy adopted by KGHM Polska Miedź S.A.

In the reporting year, acquiring support from the National Recovery and Resilience Plan for the project on "Improving the quality, availability and efficiency of cardiac diagnostics and treatment at the 'Miedziowe Centrum Zdrowia' S.A." was identified as a key activity (Component D "Efficiency, accessibility and quality of the health care system", Investment D1.1.1 "Development and modernisation of infrastructure of highly specialised care centers and other medical entities").

The development of occupational medicine and preventive health care is also an important element, one which is becoming increasingly important in the context of sustainable development and the growing responsibility of employers for the health of their employees. The company intends to capitalise on this trend by creating comprehensive prevention and education programs for companies and their employees. The development of this business will not only allow the company to increase the scale of its services, but also to strengthen its position in the regional market in the area of occupational medicine and health prevention.

In parallel, the company will focus on maintaining and further improving the quality and safety of medical services. Increasing reporting requirements for quality indicators and facility certification mean that modern systems for quality monitoring, internal audits and continuous improvement of clinical processes will be necessary. The aim of achieving and maintaining high standards is not only to improve patient outcomes, but also to increase patient satisfaction and trust in the "Miedziowe Centrum Zdrowia S.A." brand.

Implementing state-of-the-art digital solutions, expanding its offer to include preventive and commercial services and consistently building a culture of quality and innovation can allow the company to compete successfully in both the public and the private market. The overarching goal of the "MCZ" strategy is to strengthen the company's position as a reliable, modern and stable partner in the healthcare system, offering complex, safe and accessible medical care to patients.

PGU companies

In order to maintain the actual positive impact on the health of patients and visitors, PGU companies are continually developing accommodation, treatment and nutrition facilities as part of their operations and expanding their offer of treatment services and products, including musculoskeletal and visual treatment, balneological treatments and the possibility of purchasing mud and brine. These activities are carried out on a continuous basis, with care taken to gradually introduce new services and products. The activities of the PGU companies focus on hiring and systematically training staff, with the appropriate education and the right to practise their profession.

Most PGU companies do not have a formalised action plan or separate dedicated resources for managing material impacts, risks and opportunities towards consumers and end-users. The commitment of human, financial and organisational resources is implemented indirectly through management and organisational structures.

As part of quality management, Uzdrowska Kłodzkie S.A. - Grupa PGU implemented appropriate procedures for dealing with adverse events, as well as procedures for corrective or improvement actions. Each case of non-compliance is analysed on an individual basis, and actions to eliminate irregularities are documented and verified for their effectiveness.

In selected companies, it was indicated that development activities were undertaken in terms of adapting capabilities to changing customer expectations, developing the commercial offer, and specialising and overseeing the fulfilment of the requirements set by contractors and customers.

In order to reduce the risks arising from influences and dependencies on consumers and end users, companies regularly review and update their procedures, implement new, more efficient solutions, and provide training for employees.

Measures to mitigate material risks included the hiring of qualified medical staff and the training of cleaning staff carried out in accordance with an internal hygiene procedures book, including cleaning and disinfection rules, waste handling and cleaning rules for specific areas.

Improving service standards for consumers and end-users is done through regular staff training and upgrading and refurbishing facilities. The investments implemented are aimed at improving the quality of services provided and attracting new commercial customers.

In the reporting year, examples of activities included staff training (including physiotherapists and spa base staff), modernisation of the hotel base (including room upgrades) and purchases of modern medical equipment, as well as marketing activities in international markets. Among other things, investments aimed at improving the quality of the hotel facilities, upgrading the treatment facilities and further training of staff are planned for the coming periods, while in selected cases the planning of investment activities for 2026-2027 has been indicated.

"Miedziowe Centrum Zdrowia" S.A. and the spa companies belonging to Polska Grupa Uzdrowisk sp. z o.o. have not specified the resources allocated to the management of their material impacts due to the need to protect information of a strategic and confidential nature. At the same time, companies ensure the transparency of their material impact management activities by publishing information that allows stakeholders to qualitatively assess the effectiveness of the management actions taken, without the risk of breaching the confidentiality of individual companies.

[S4-5] Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

Materiality analysis showed two areas of impact: "loss of sensitive personal data" (potential impact) and "impact on the health of patients and visitors" (actual impact) in selected Group companies, with no identified material risks or opportunities related to consumers and end-users. None of the five companies set separate, formalised goals directly attributed to the S4 disclosure for managing material negative impact or increasing positive impact. However, in selected companies, there are goals of an operational and management nature that relate indirectly to the relationship with consumers and end-users, in particular to the quality of services provided, the level of customer satisfaction, contract performance and financial stability, which have not been singled out as objectives dedicated to the S4 area.

The companies did not formally engage with consumers, end-users or their representatives to set targets, monitor their achievement or identify improvements. In selected cases, however, consumer feedback is used indirectly, e.g. through the results of satisfaction surveys, questionnaires and analysis of operational indicators, as an element to support the ongoing adjustment of management actions and priorities.

Actions in these areas are based on an ongoing analysis of the situation and the adaptation of existing procedures to circumstances and regulatory requirements, particularly in the health and spa sector. This applies to both managing the quality of health services and ensuring compliance with data protection legislation.

As part of the ongoing update of the KGHM Polska Miedź S.A. Group's strategy and its planned operationalisation, it is envisaged that this approach may be revised, including potential refinement of goals relating to the management of impacts, risks and opportunities associated with consumers and end-users in future reporting periods.

4.4 INFORMATION RELATED TO CORPORATE GOVERNANCE

4.4.1 [G1] Business conduct

[G1-1] Business conduct policies and corporate culture

The KGHM Polska Miedź S.A. Group applies a systemic approach to the shaping and development of corporate culture, based on defined values, its stated mission and applicable standards. These are underpinned by formal documents such as the Code of Ethics, policies and procedures. They define standards of behaviour towards employees, business partners and stakeholders and set the direction for the organisation, addressing risks associated with unclear policies and unacceptable behaviour among employees.

The Group's mechanisms for assessing and updating its corporate culture documents enable them to adapt to the changing business environment and applicable regulations and standards. These reviews take into account both the internal needs of the organisation and external requirements from international standards. The Group monitors and assesses the risk of violations of accepted ethical standards, including the risk of corruption, responds to incidents and implements adequate adaptation measures to mitigate the risk. The Group conducts quarterly internal audits of processes for compliance with accepted standards and norms.

Table 156. Key policies for managing material impacts, risks and opportunities related to business conduct and corporate culture

Anti-Corruption Policy of the KGHM Polska Miedź S.A. Group	The policy establishes basic principles and standards to ensure compliance with the applicable anti-corruption regulations and voluntary anti-corruption commitments in the jurisdictions in which the Group operates. The Group applies a zero tolerance policy towards corruption and bribery. The Policy contains a declaration of full commitment by the senior management to activities related to the maintenance and continuous improvement of the implemented Anti-corruption Management System compliant with the requirements of the PN-ISO 37001 standard. The Anti-Corruption Policy responds to the potential impacts, risks and opportunities associated with anti-corruption activities. The document clearly defines the rules of conduct, eliminating the lack of clarity in rules and unacceptable behaviour by employees. The policy also clarifies expectations of counterparties, indicating that suppliers and customers of the KGHM Polska Miedź S.A. Group are committed to the same high ethical standards. On the other hand, it does not directly address the rules and expectations of the social environment. One of the key risks that the policy addresses is the failure to adhere to established principles and standards of business conduct. The mechanisms in place, such as the whistleblowing system, whistleblower protection and disciplinary proceedings, are designed to minimise these risks and ensure that the organisation's actions comply with applicable regulations. The scope of the policy covers the entire Group, including all employees, associates, suppliers and customers. The document provides no exemptions and applies to all areas of the organisation. The implementation of the policy is the responsibility of the Management Board of KGHM Polska Miedź S.A., which appoints persons to perform the function of ensuring anti-corruption compliance, acting in an independent and impartial manner. The document is publicly available, appearing on the website and at all physical locations of the companies.
Procurement Policy of KGHM Polska Miedź S.A.	The aim of the Procurement Policy is to establish the overarching principles that should be followed by all participants of the procurement process in the KGHM Polska Miedź S.A. Group, as well as the general regulations of this process. The Policy sets forth supervisory measures mitigating the risk of irregularities in the procurement process. The policy sets out policies and procedures that clearly define acceptable and unacceptable behaviour for employees, suppliers and other stakeholders. At the same time, it counteracts the negative impact on the financial health of suppliers, especially small and medium-sized enterprises, by setting clear rules for cooperation, defining payment deadlines and monitoring their implementation. The Procurement Policy also takes advantage of available opportunities, such as new technologies and IT systems to manage purchasing processes. The introduction of integrated tools improves risk analysis, increases work efficiency and minimises the potential for fraud. In addition, the procurement strategy takes into account the development of the potential of the Group companies through the optimisation of their operations, support in obtaining funding and the assignment of clear terms of reference. Key aspects of this policy include the standardisation of processes, optimisation of purchasing, safeguarding the company's strategic interests and effective risk management. Ensuring the financial stability and security of the supply chain is also an important part of the policy. The Procurement Policy takes into account the impacts, risks and opportunities associated with purchasing processes. Key impacts include ensuring financial stability and transparency of operations. Risks include restrictions on access to suppliers, volatility of raw material prices and potential supply chain disruptions. On the other hand, opportunities arising from the implementation of the policy include optimising purchasing processes, negotiating better commercial terms and increasing the company's competitiveness in the market. The implementation of the policy is monitored through systematic analysis and verification of its effectiveness. This process includes the assessment of key performance indicators, the analysis of the correctness of the procurement processes by the Procurement Process Security and Analysis Department and the verification of potential contractors by the Security Department. The results of the analyses and recommendations are forwarded to the Chief Procurement Officer, who oversees the implementation of the policy and reports the results to the Management Board. Responsibility for the implementation of the policy rests with the Chief Procurement Officer, who acts as the overarching supervisor for the implementation of the procurement processes. The scope of the Procurement Policy covers the entire KGHM Polska Miedź S.A. Group, regulating both central and local procurement processes. The policy applies to all business units within the Group. The policy covers the value chain by regulating relationships with suppliers and contractors. The policy does not refer to third party standards or initiatives. Information on the Procurement Policy is available on the Company's corporate website.
Responsible Supply Chain Policy at the KGHM Polska Miedź S.A. Group;	The Responsible Supply Chain Policy in the KGHM Polska Miedź S.A. Group addresses the key impacts, risks and opportunities associated with managing the supply chain in an ethical and sustainable manner. The document introduces clear rules and standards of behaviour, eliminating the lack of transparency of rules and unacceptable behaviour among office workers and operational employees. All employees in

the Group are required to comply with ethical standards, which contributes to standardising rules of conduct and reducing unethical practices.

One of the main risks that the policy seeks to minimise is the failure to adhere to established principles and standards of ethical conduct within the Group. To prevent this, the Group has implemented a supply chain management system that includes audits, risk assessment and mechanisms for identifying non-compliance. The transparency and effectiveness of the policy is reinforced by a risk-based approach to vetting suppliers and taking corrective action when breaches are detected. The policy addresses the main risks and impacts, eliminating potential risks associated with unethical supply chain practices. It includes, among other things, a ban on cooperation with entities involved in forced labour, corruption, money laundering, environmental degradation and other human rights violations. The controls and cooperation rules in place are designed to exclude organisations from the supply chain that act in a manner contrary to international standards of business responsibility.

The process of monitoring policy implementation is based on five key stages:

- Establishing a supply chain management system that includes management structures, communication mechanisms and control systems.
- Identification and assessment of risks by analysing suppliers' compliance with accepted standards.
- Development of a strategy to respond to identified risks, including corrective actions and monitoring mechanisms.
- Conducting independent, external audits to assess the effectiveness of the policies implemented.
- Reporting on supply chain due diligence results to ensure transparency and compliance with regulatory requirements.

The scope of the policy covers all of the Group's activities, including all of its suppliers and contractors. There are no exemptions in the document and its assumptions apply at all levels of the organisation and throughout the value chain - both upstream and downstream. The policy also addresses specific stakeholder groups, covering employees, suppliers, customers and local communities that may be affected by the Group's activities.

The implementation of the policy is formally the responsibility of KGHM's Management Board, which controls compliance with responsible supply chain standards and makes decisions on the acceptance or exclusion of counterparties.

The policy refers to international standards and initiatives, including:

- OECD Guidelines for a Responsible Mineral Supply Chain,
- LBMA guidelines for responsible sourcing of gold and silver,
- Joint Due Diligence standard for copper and lead sourcing.

The policy also sets out expectations of contractors, indicating that suppliers must respect human rights, anti-corruption rules and care for the environment. Failure to comply with these requirements results in an organisation's exclusion from the supply chain. The document also partly addresses expectations of the social environment, by emphasising the importance of relations with local communities and the protection of indigenous peoples' rights.

It is generally available to all stakeholders, including employees, suppliers and business partners. The Group provides communication channels for comments on the supply chain and the document can be obtained, among other things, through contact by e-mail using dedicated addresses for the various supply areas.

Competition Law Policy in the KGHM Polska Miedź S.A. Group.

The Group's Competition Law Policy is designed to ensure that the activities of the organisation comply with the competition law and maintain high ethical standards in its business relationships. This document sets out rules of conduct that eliminate the risk of unfair market practices, counteract unethical behaviour and increase transparency in relations with trading partners.

One of the key challenges that the policy addresses is the lack of clarity of rules and expectations among employees, suppliers and customers. This can lead to non-compliance with ethical standards, the risk of breaches of security procedures or unfair practices in the Group's business sectors. The policy counteracts these risks through clearly defined guidelines on relations with competitors, a prohibition on the exchange of sensitive information and the need to consult the Competition Law Representative before entering into contracts if there are doubts regarding the content of a contract from a competition law perspective. This structure eliminates the risk of misinterpretation of rules and enables effective management of regulatory compliance.

The negative impact on the liquidity of suppliers, especially small and medium-sized enterprises, resulting from long payment periods has been minimised thanks to the principle of transparency in cooperation and the guarantee of fulfilment of obligations within the agreed deadlines.

The scope of the policy covers all of the Group's activities, including all its employees and representatives. Responsibility for the implementation of the policy lies with the Competition Law Representative in the KGHM Polska Miedź S.A. Group, while monitoring of the implementation of the policy is carried out through his supervision and the support of the Local Representatives in individual entities of the organisation.

	The Competition Law Policy does not refer to third-party standards or initiatives.
	In case of doubts, contractors can contact the Local Competition Law Representatives who can explain detailed rules applicable in the Group.

Table 157. Regulations related to the Anti-corruption Management System (SZDA) in place in KGHM Polska Miedź S.A.

KGHM/ ZSZ/ SZDA/P-10 Corruption risk management	The purpose of the procedure is to ensure that all business processes carried out in the Group are conducted in accordance with the applicable Anti-Corruption Policy. The procedure establishes principles to ensure that the management of corruption risks is continuous, involving systematic monitoring and improvement of the effectiveness of the supervisory measures in place. The document defines the organisational and operational framework for the corruption risk management process, providing the basis for the uniform and consistent application of control mechanisms across the Group.
KGHM/ ZSZ/ SZDA/P-11 Handling activities of corruptive nature	The purpose of the procedure is to ensure that all activities and processes carried out in the Group remain in full compliance with the applicable Anti-Corruption Policy. These regulations cover all employees and representatives of Group entities. The procedure specifies in detail the standards of procedure in case of corrupt activities. This applies, in particular, to situations involving conflicts of interest, the giving and receiving of business gifts, contacts with public officials, and incidents indicating a potential corruption offer. The document also indicates the consequences of non-compliance with the anti-corruption conduct rules, ensuring a uniform and transparent approach to anti-corruption across the Group.

Issues of business conduct and corporate culture are also included in external regulations and standards that have been implemented at KGHM Polska Miedź S.A., such as The Copper Mark certificate obtained by the metallurgical facilities of KGHM Polska Miedź S.A., as well as ISO standards in the areas of environmental, energy, business continuity, anti-corruption, OHS and information security management.

Moreover, a verification procedure has been introduced in the Group's purchasing, sales and investment processes as an additional mechanism to mitigate the risk of corruption, fraud and non-compliance with accepted standards of business conduct.

Description of how the company establishes, develops, promotes and evaluates its corporate culture

Organisational culture is promoted through consistent communication of values and ethics to a wide range of stakeholders, including employees, contractors and supply chain participants. The company's values are communicated through various channels, such as the website, onboarding materials, industry events, training and daily business practices. An important role in promoting corporate culture is played by employees who, through their attitudes and the way they interact with stakeholders, help to perpetuate it.

The Code of Ethics in force in the Group companies is based on the Group's shared values of zero harm, teamwork, results oriented, responsibility and courage. Detailed information on this subject can be found in section [\[S1-1\] Policies related to own staff resources](#).

KGHM Polska Miedź S.A. continuously develops and strengthens the awareness of its employees around important issues in the area of business ethics, such as protection of human rights, anti-corruption, corporate social responsibility, fair business practices, environmental protection and sustainable development through training, a range of educational activities and campaigns, including activities that strengthen the transparency of rules and trust in whistleblowing mechanisms. The company indirectly assesses its corporate culture by analysing incidents involving violations of ethical standards, human rights or anti-corruption policies. As a result, decisions can be made to take appropriate adaptation measures.

Candidates applying for work in the Group are acquainted with the contents of the Code of Ethics and Anti-Corruption Policy at the recruitment stage via the eRekrutacja portal. Every new employee is required to be familiar with the contents of the key Policies and undergoes mandatory training, which they acknowledge by making a declaration. Employees also participate in regular training (every 3 years) on ethics and anti-corruption.

In addition, the Company introduces anti-corruption clauses into agreements with business partners, providing them with the Code of Ethics and Anti-Corruption Policy, committing them to become familiar with its content and comply with its provisions, thus addressing the risks associated with relations with external stakeholders.

The Company's key policies, such as: the Responsible Supply Chain Policy, the Anti-Corruption Policy and the Code of Ethics, are available on the corporate website and intranet, as well as distributed and made available in physical form in all Group business units.

Description of mechanisms for identifying, reporting and investigating concerns about illegal behaviour or behaviour contrary to the code of conduct or similar internal rules

KGHM Polska Miedź S.A. is subject to legal requirements under national laws implementing Directive (EU) 2019/1937, i.e. the Law on the Protection of Whistleblowers, with respect to the receipt and processing of whistleblower reports and the protection of whistleblowers.

The mechanisms for identifying, reporting and investigating concerns related to unlawful behaviour or behaviour contrary to the code of conduct or other internal policies are described in [section \[S1-3\] - Processes for remedying the effects of negative impacts and channels for reporting concerns by own staff resources.](#)

Disclosure of whistleblowing safeguards, including whistleblower protection

The measures adopted to ensure information security (integrity, confidentiality and availability), protection of personal data and protection against retaliation in the process of handling reports are described in [section \[S1-3\] - Processes for remedying the effects of negative impacts and channels for reporting concerns by own staff resources.](#)

The entity commits to prompt, independent and objective investigation of business conduct incidents

In accordance with the internal regulations in force for the investigation of business conduct incidents, all investigations are carried out only by authorised persons who meet the criterion of impartiality and who have the necessary qualifications to guarantee that the investigations are carried out correctly and effectively. Internal procedures clarify deadlines for actions and impose an obligation to carry them out without undue delay, thus reducing the risk of escalation of irregularities and potential negative legal consequences and reputational losses.

The internal regulations also stipulate that the composition of the investigation team or the Ethics Committee must ensure the impartiality and independence of the activities carried out. In the event that any member of the Commission or the Panel has a business relationship or any other relationship with any of the parties to the case, he or she is required to exclude himself or herself from the proceedings. In such a situation, the composition of the Commission or panel shall be appropriately supplemented in order to guarantee the highest standards of objectivity and fairness in the proceedings.

Information on in-house training policies on business conduct

The Company's Internal Procedure "Corruption Risk Management" specifies that each employee and representative of the Company (i.e. any entity or person representing, on any legal basis, any of the organisational units of KGHM Polska Miedź S.A., acting on their behalf or for their benefit), in their dealings with the Company's business partners, government authorities and other interested parties, is obliged to confirm that they are familiar with the Anti-Corruption Policy and the internal regulations on corruption risk management. This commitment must be documented in the form of a written statement.

Each employee and representative, no later than 30 days from the date of his/her employment or the commencement of cooperation with an Organisational Unit in the Group, participates in a training course organised by the Anti-Corruption Officer. This training provides key information on corruption risks and the Group's approach to managing these risks, including:

- Circumstances in which corruption may occur in connection with the duties performed, how to recognise the symptoms of corrupt activities and key corruption risk indicators, how to prevent, avoid and respond to corrupt proposals or offers, and the potential consequences of corruption.
- The role of employees in ensuring the effectiveness of the Corruption Risk Management/Anti-corruption Management System and the benefits of its functioning for the organisational units and the entire Group.
- The potential consequences of failing to comply with the requirements of the Corruption Risk Management/Anti-corruption Action Management System and violations of the Anti-corruption Policy and internal anti-corruption regulations
- Paths of submitting comments and concerns regarding the functioning of the Corruption Risk Management/Anti-corruption Action Management System and suspected breaches of the Anti-corruption Policy and regulations as well as the benefits of reporting suspected corruption.

Newly hired persons are also subject to mandatory training on the requirements of the Code of Ethics, conducted by the Anti-Corruption Officer of the respective organisational unit of KGHM Polska Miedź S.A. Officers are additionally obliged to carry out educational and communication activities aimed at building employee awareness of the ethical standards in force in the Group. For example, in the Company they are also subject to mandatory training in terms of:

- identifying and preventing conflicts of interest,
- human rights in KGHM Polska Miedź S.A.

Disclosure of functions most at risk of corruption and bribery

In accordance with the regulations in force at KGHM Polska Miedź S.A., individual Divisions maintain lists of positions and functions which, based on the results of a corruption risk assessment, require in-depth due diligence analysis. According to the Corruption Risk Management Procedure, when a risk is assessed as high or critical in a particular process and, in addition, positions or functions are identified that may be associated with potential corrupt activities, due diligence is required for:

- candidates applying for these posts,
- personnel who already perform specific functions or who are to be entrusted with tasks related to processes with a high risk of corruption.

It is not possible to clearly identify the categories of posts that are subject to due diligence due to the different characteristics of each Division. They include:

- persons with access to personal data,
- occupational medicine physicians,
- project managers,
- chief production preparation engineers,
- chief technology engineers,
- chief investment engineers,
- financial control managers,
- financial settlement coordinators,
- chief power engineers and similar positions.

The Anti-Corruption Officer function in each Group entity is mandatorily subject to due diligence.

[G1-2] Supplier Relationship Management

Responsibility for supplier relationship management in the KGHM Polska Miedź S.A. Group has been divided into two key areas:

- procurement of copper-bearing feedstock,
- relationships with other suppliers.

Such a division makes it possible to effectively manage purchasing processes and build sustainable and transparent relationships with business partners, taking into account the specific characteristics and requirements of each area.

Description of the policy to prevent late payment, especially for SMEs

The Company has adopted a document called Principles of Financial Management and of the Economic System of KGHM Polska Miedź S.A., defining, among others, principles and terms of payment with suppliers. This document defines the Company's internal economic and financial system, also covering the rules for making payments, including to small and medium-sized enterprises (SMEs). These rules reflect the requirements under the provisions of the Act of 8 March 2013 on the prevention of excessive delays in commercial transactions.

- Group companies are guided by the provisions of the aforementioned Act (or the relevant legal regulations in their countries of operation) and, where applicable, by the provisions in individual contracts with their counterparties.
- Some subsidiaries in the Group have internal detailed regulations, such as, for example, the Standard Terms and Conditions of Cooperation with Counterparties in KGHM Metraco S.A., which detail issues related to payment execution, while remaining in compliance with statutory requirements.

In case of the international assets of the Group, payment management processes are adapted to local legal and operational conditions.

Table 158. Payment management processes in the Group's international assets.

Companies located in the United States and Canada	Payments made in accordance with internal guidelines contained in the document Spending, Contracting & Signing Authorisation and Cash Disbursement policies.
DMC companies located in Canada and the United States	Payments made in accordance with internal guidelines contained in the document Spending, Contracting & Signing Authorisation policy and in Procurement to Pay Procedures.
Companies located in Chile	Companies located in Chile pay their suppliers according to an internal procedure called the Accounts Payable Process, which complies with local regulation 21.131, requiring payment to suppliers within 30 days of receipt of an invoice. Other exceptional deadlines are allowed, but they must not be shorter than 30 days.
DMC Chile	Payments made in accordance with the internal guidelines contained in the document Integrated Management System - Administration & Finance Procedure and local regulation no. 21.131, which states that payment of invoices must be made within 30 days of the date of the invoice, unless other terms are agreed between the parties.

No formal policy dedicated to the prevention of payment delays has been adopted in the Group - it has been recognised that the solutions currently in place in the Parent Entity and the Group companies reduce the likelihood of payment delays.

Description of approaches to supplier relations, taking into account supply chain risks and sustainability impacts

The KGHM Polska Miedź S.A. Group has implemented a Responsible Supply Chain Policy, which aims to ensure compliance with the adopted standards of business and production ethics throughout the entire value creation chain. This policy is an integral part of the Code of Ethics of the Group, which sets out the principles for a responsible approach to business activities. The Group expects its suppliers to comply with the principles contained in the policy and reserves the right not to enter into business relationships with entities that act in a manner inconsistent with the accepted rules.

In order to implement the responsible sourcing of materials from conflict-affected and high-risk areas, KGHM Polska Miedź S.A. adopts a risk-based approach. This makes it possible to identify risks and high-risk business relationships, implemented in accordance with international guidelines such as:

- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas,
- LBMA Responsible Gold Guidance and LBMA Responsible Silver Guidance,
- Criteria applicable to the Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc implemented at KGHM's Metallurgical Divisions, which is part of the industry standard, The Copper Mark.

In addition, the Responsible Gold Supply Chain Audit Procedure and the Due Diligence Procedure For Copper And Lead Supply Chain were introduced at KGHM Polska Miedź S.A. These procedures enable the sourcing processes to be monitored and audited by independent third parties, allowing compliance with normative and regulatory requirements to be systematically checked.

The organisation-wide Group Procurement Policy is described in [section \[G1-1\] Business conduct policies and corporate culture](#).

The Group conducts an ongoing supplier evaluation process, as part of which activities are carried out to assess the compliance of individual bidders with the requirements of KGHM Polska Miedź S.A. with respect to compliance with applicable ethical, environmental and social principles. This process involves parallel and complementary activities:

- So-called reference visits by the Purchasing Department to key suppliers relevant to ensuring continuity of supply. During these visits, direct confirmation is made of the conformity of the facts with the declarations made by suppliers under the 'Contractor Charter', which is an annex to the Purchasing Policy. A report is produced from each visit, including an assessment of the supplier and recommendations. These reports are also used in The Copper Mark certification process.
- Conducted by the Security Department, parallel to the reference visits, the process of verification and evaluation of suppliers forms an integral part of purchasing, sales and investment procedures. This verification is obligatory, and is carried out on the basis of a request from the substantive units of the purchasing, trade or investment divisions, prior to the start of cooperation.

The verification of the Security Department is carried out based on the "Verification procedure in procurement, sales and investment processes in the KGHM Polska Miedź S.A. Group" and involves:

- initiating verification on the basis of a request submitted by the relevant organisational units from the purchasing, trade or investment divisions prior to the start of cooperation,
- analysing suppliers in terms of potential cooperation risks.
- development of reports containing recommendations and the identification of possible "red flags" that signal potential risks arising from cooperation,
- forwarding the results of the assessment to the relevant departments for further business decisions.

The results of the verifications carried out by the Security Department are valid for the following periods: two years for procurement processes and one year for other types of cooperation.

In addition to the regulations adopted at the Group level, the individual Group companies have their own procedures, which further shape the principles of supplier relations, taking into account the specifics of their industry.

Companies located outside Poland apply regulations adopted at Group level in matters of supplier relations, while taking into account guidelines specific to the countries in which they operate.

Disclosure of whether and how social and environmental criteria are taken into account in the selection of supply-side contractual partners

Currently, social and environmental criteria are not directly included in the supply-side Business Partner selection process as contracting factors. The Procurement Policy in force at KGHM Polska Miedź S.A. does not require these criteria to be applied during tender procedures.

In the area of purchasing, the key document that defines the responsibilities and expectations for Business Partners is the Contractor's Charter. Each supplier is required to accept the provisions of this document, which includes requirements for adherence to ethical business practices. In the event of any breach of these principles or non-compliance with accepted standards, KGHM Polska Miedź S.A. reserves the right to terminate cooperation. The Contractor's Charter is divided into three categories:

- Business ethics and operations, including prohibition of corruption and paid patronage, conflict of interest, environmental protection, product and quality responsibility, anti-money laundering and terrorist financing
- Human rights and labour standards, covering health and safety, prevention of forced and child labour, basic human and worker rights
- Compliance, covering public levies, sanction lists and conflict minerals

Some Group companies implement the Procurement Policy and detailed documents, adapting them to their organisational structure, the subject of their activities and the applicable legal regulations. The selected companies do not include social and environmental criteria in the selection process of Business Partners, taking them into account only in the later stages of the bidding process, after considering economic issues.

Companies located in the United States do not consider social and environmental criteria when selecting Business Partners. For Canadian companies, health, safety and environmental criteria are assessed during the contracting process. Companies located in Chile, on the other hand, provide for sanctions as part of their purchasing process in the event of non-compliance with policies and procedures related to health and safety, environmental protection and social issues.

[G1-3] Prevention and detection of corruption and bribery

Description of procedures used in order to prevent, detect and respond to allegations or incidents related to corruption and bribery

In order to comply with the most important principles related to the prevention of corruption in the KGHM Polska Miedź S.A. Group, including the domestic and international companies, an Anti-Corruption Management System (SZDA) was implemented in 2020 in accordance with the PN-ISO 37001:2017 standard. In February 2025, the second edition of the standard was published. Consequently, in April 2025, the Group's regulations applicable to the SZDA area were updated. The KGHM/ZSZ/SZDA/P-10 and KGHM/ZSZ/SZDA/P-11 procedures, indicated in [section \[G1-1\] Business conduct policies and corporate culture](#), have been simplified and adapted to the current requirements of the standard.

The basis for the Anticorruption Management System is Corruption Risk Management, based on identification and assessment of corruption risks in individual processes pursued by Group entities. The adopted procedures also regulate the process of corruption risk management in relation to supervised organisations and business partners. They define detailed standards of handling corruption activities, including conflicts of interest, giving and accepting business gifts, contacts with public officials or events indicative of a bribery attempt. They also define the responsibility for violations of the provisions of the Anti-Corruption Policy.

An Anti-Corruption Officer has been appointed in each Group organisational unit. In the event of suspected corruption or bribery, incidents are immediately reported to superiors and to the Anti-Corruption Officer and further action is taken on the basis of legal analysis. At the Head Office of the Company, the role of the Anti-Corruption Officer is performed by the Anti-Corruption Committee. The Committee also exercises oversight over Anti-Corruption Officers operating across the Group's organisational units, ensuring uniform standards of conduct and compliance with applicable regulations.

Anti-corruption Officers are subject to mandatory due diligence to confirm their competence and reliability. Where a potential of conflict of interest exists between the Officer and those involved in the case, the conduct of activities is delegated to members of the multi-member Anti-Corruption Committee operating at the Head Office of the Company.

Where a breach of the principles is confirmed, the Officer is responsible for initiating the formal procedure in terms of subjecting the specific situation to legal analysis in terms of legitimacy of filing a notice of a potential criminal offence by an organisational unit of KGHM Polska Miedź S.A. In the event that this is deemed justified, the notification shall be made by persons authorised in this respect.

In connection with the implementation of the PN-ISO 37001:2017 standard, the new Anti-Corruption Policy was adopted in the Group in 2021. Together with other procedures in the area of anti-corruption, it is described in detail in [section \[G1-1\] Business conduct policies and corporate culture](#).

Ethics and anti-corruption training

All employees newly hired in Group entities are covered by training in the area of anti-corruption. At three-year intervals, mandatory e-learning courses are also provided for all employees on the prevention of irregularities in the company, standards for dealing with corrupt activities, including situations of conflict of interest, giving and accepting business gifts, contacts with public officials or events indicative of a bribery attempt.

In addition, educational and information campaigns, competitions and publications aimed at employees are organised every year. Regular training courses in the area of security and loss prevention, including ethics and anti-corruption and conflict of interest, are also organised for employees of the security departments of Group entities. In the years 2023-2024, meetings were held for employees of the Mining and Metallurgical Divisions in the form of anti-corruption campaigns, during which the values that guide us in the Group were promoted; employees were also made aware of the procedures in force. They were also able to practise scenarios of how to behave in corrupt situations.

The latest version of the mandatory e-learning course, the completion of which is certified both electronically in the system and by an issued certificate with a 3-year validity period, was also launched in 2024. Additional training on the requirements of ISO 37001, training for internal and lead auditors of the Anti-Corruption Management System according to ISO 37001 or improvement workshops are also provided each year.

Education activities were continued in 2025, treating training as a key tool to mitigate corruption incidents, ethical breaches and reputational risks.

Training for persons holding functions most at risk of corruption and bribery

All employees, regardless of their position (including members of the Management Board and Supervisory Board), are required to complete mandatory anti-corruption training in the form of e-learning covering the following topics:

- how to recognise the symptoms of corrupt activities,
- how to deal with conflicts of interest,
- how to give and receive business gifts,
- what action to take when dealing with business partners,
- how to deal with officials,
- how to respond to corrupt solicitations or offers, and the possible consequences of corruption.

In addition, in line with the ongoing update of the SZDA procedures, employees occupying positions selected on the basis of the risk matrix for due diligence are covered by additional training, implemented by the Anti-Corruption Officers in the organisational units at 1-year intervals.

The extent of training provided to members of the management and supervisory bodies

Top management and Members of the Management Board are required to complete e-learning training. Moreover, a series of specialised training sessions conducted by an officer from the Central Anti-Corruption Bureau were organised in 2025 for top management across the Group and for employees particularly exposed to the risk of increased corruption.

[G1-4] Incidents of corruption or bribery

Effectiveness of anti-corruption measures in 2025

In 2025, similarly to 2024, the Group did not record any pending proceedings concerning violations of anti-corruption or anti-bribery regulations. Accordingly, no convictions or fines have been awarded in this type of case.

Prevention and education activities

The Group consistently pursues anti-corruption measures, focusing on three key areas:

- Mechanisms have been implemented to prevent conflicts of interest - the employees are required to disclose potential links and the decision-making processes are subject to additional checks to increase the transparency and impartiality of operations.
- A systematic verification of counterparties is carried out, including due diligence and risk assessment, ensuring that the cooperation is limited to entities that meet high ethical and compliance standards.
- Extensive communication activities are carried out - information campaigns are organised in the divisions and articles are periodically published on the intranet to raise anti-corruption awareness among employees. Professional training is also an important part of the system, both for new recruits and for employees holding positions that are particularly exposed to the risk of corruption.

In 2025, the Group's procedures in place were updated and training was provided by an officer from the Central Anti-Corruption Bureau in accordance with the approved schedule, to continue on an ongoing basis. In 2024/2025, the anti-corruption e-learning training was updated, the procedures were adapted to the Company's organisational changes and the analysis of corruption risk in the processes was carried out, taking into account the new risk assessment form. As part of the exercise, positions requiring detailed due diligence were identified. The implementation of updated regulations in the Group's entities, including international ones, is also monitored on an ongoing basis.

The above measures apply to both office and operational staff, responding to the risks associated with the lack of clear rules and unacceptable behaviour among employees.

[G1-5] Political impact and lobbying activities

Based on the double materiality assessment, the sub-theme "G1-5 - Political impact and lobbying activities" was deemed immaterial.

[G1-6] Payment practices

Payments to external entities are made by the Group in accordance with generally accepted legal regulations and on the basis of internal regulations determined in the Principles of Financial Management and Economic System of KGHM Polska Miedź S.A. Liabilities to suppliers are settled on the last day of the term specified in the payment terms of the contract.

Delays in payments result mainly from decisions to withhold payments, in accordance with the terms of the contract and instructions from the substantive unit. Withholding of payment occurs mainly when the counterparty has not provided the required contractual documents necessary to launch the payment and is most often the result of lack of payment to the subcontractors executing the contract. Payment is released upon receipt of statements that all financial obligations to the contractor's subcontractors have been settled.

Delays in payment are also due to incorrectly entered data in the financial and accounting system or the submission of a document for payment after its due date. These situations have an impact on the determination of the payment term and occur occasionally.

The Group has identified two main categories of suppliers: SMEs and other suppliers. Typical payment terms set out in contracts are payment terms within 30 (mainly for SMEs) or 60 days of receipt of the invoice. In selected companies and for certain categories of transactions, shorter payment terms are also used, in particular 7 or 14 days, as well as advance settlements or individually agreed payment schedules, resulting from the specific nature of the business or justified operational needs. The percentages of on-time payments for specific payment terms do not deviate significantly from the average rate presented in the table below.

All invoices issued within the Group, excluding intra-group transactions, were taken into account in the analysis.

The following table presents key information on the payment results of the Group. The metrics presented in the table have not been validated by any external bodies other than the provider of assurance services. The average number of days to pay an invoice was calculated on the basis of the date on which the liability arose (defined as the date on which the invoice was issued or received, in accordance with the terms of the contract and internal procedures) as well as the date on which the invoice receivable was settled (paid).

Table 159. Key information concerning payment ratios in the KGHM Polska Miedź S.A. Group.

Year	Average number of days to pay an invoice from the start of the contractual or statutory payment period	Payment percentage compliant with standard payment terms	Number of legal proceedings currently pending due to delays in payment
2025	35	88.44%	0
2024	42	90.78%	5

USEFUL TERMS AND ABBREVIATIONS

Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)	Profit from sales plus depreciation and amortisation recognised in expenses by nature, and recognition or reversal of impairment losses on non-current assets.
BAT (Best Available Techniques)	"Best Available Techniques (BAT)", as defined in Directive 2010/75/EU, means the most effective and advanced stage in the development of activities and their methods of operation which indicates the practical suitability of particular techniques for providing the basis for emission limit values and other permit conditions designed to prevent and, where that is not practicable, to reduce emissions and the impact on the environment as a whole.
Bearer shares	In accordance with the Polish legal system the term: "bearer shares" has a different meaning than "bearer shares" (anonymous and unregistered shares facilitating illicit actions) eliminated from the market by certain countries, e.g. in the UK. The obligatory dematerialisation of shares carried out in Poland in 2021 abolished the anonymity of all shareholders of joint-stock companies. The necessity to register bearer shares makes it possible to identify each shareholder entitled to hold shares. The division into registered and bearer shares has been upheld largely due to the legal tradition in Poland.
BGP	Gas and Steam Units (<i>Polish: Bloki Gazowo-Parowe</i>)
BREF	"BAT REference document", the reference document of best available techniques (BAT)
C1 unit cash cost of payable copper production	The unit cash cost of producing payable copper, including mining and processing costs, transport costs, the minerals extraction tax, mining-phase administrative costs, and treatment and refining charges (TC/RC), net of by-product credits. For the KGHM Polska Miedź S.A. segment, C1 cost relates to payable copper in own concentrate, while for the KGHM INTERNATIONAL LTD. and Sierra Gorda S.C.M. segments, it relates to payable copper in the final products of individual mines.
COMEX	The Commodity Exchange, Inc. – a New York-based global commodity exchange specializing in derivatives trading (futures and options) for metals such as gold, silver, copper, aluminum, steel, molybdenum, zinc, lead, and iron ore.
Commercial Partnerships and Companies Code, KSH	Act of 15 September 2000, Commercial Partnerships and Companies Code (Journal of Laws No. 94, item 1037, as amended).
COPI	KGHM Polska Miedź S.A. Oddział Centralny Ośrodek Przetwarzania Informacji (Main Data Processing Centre Division)
Copper cathodes	The primary form of electrolytically refined copper and the final product of the copper electrorefining process.
Copper concentrate	A product obtained by enriching low-grade copper ore.
Copper electrorefining technology	The process of electrolytic refining applied to copper. The periodic withdrawal of portions of the electrolyte is necessary to maintain impurities at an acceptable level, which is a key factor in determining the quality of electrolytically refined copper. The spent electrolyte and anode slimes serve as raw materials for the recovery of certain metals associated with copper, such as silver, gold, selenium, and nickel.
Copper wire rod	A rolled copper rod, typically 6–12 mm in diameter, commonly used as a raw material for the cable and wire industry.
CRU (CRU Group)	A London-based business intelligence and consultancy firm specializing in the mining, metals, and fertilizer markets.
CSRD (Corporate Sustainability Reporting Directive)	Directive (EU) 2022/2464 of the European Parliament and of the Council as regards corporate sustainability reporting, published in the Official Journal of the EU on 16 December 2022.
Cu-OFE wire	Oxygen-free copper wire produced at the Cedynia Copper Wire Rod Plant using UPCAST technology.
Deposit/Mineral deposit	A natural mixture of minerals in the Earth, formed through various geological processes.
DPO	Data Protection Officer
EE TGE YA	The electricity price on the Polish Power Exchange (<i>Polish: TGE – Towarowa Giełda Energii</i>) – Poland's only licensed commodity exchange authorized to operate a regulated market – for delivery in the next calendar year (YA – Year Ahead).
Electrolytic copper	The product of the electrolytic refining of copper.

Electrorefining	An electrolysis process using a soluble anode made from the impure metal or alloy being refined. During the process, under carefully controlled conditions, the refined metal is selectively deposited onto the cathode, while impurities remain in the electrolyte in either a dissolved or solid state.
ESPI	Electronic Information Transmission System (<i>Polish: Elektroniczny System Przekazywania Informacji</i>) – the official ICT system operated by the Polish Financial Supervision Authority (KNF), used by companies listed on the Warsaw Stock Exchange to disseminate inside information as well as current and periodic reports required under Polish and EU capital market laws to market participants.
ESRS (European Sustainability Reporting Standards)	The standards issued as Commission Delegated Regulation (EU) 2023/2772. The Regulation entered into force and has been applicable since 1 January 2024.
Excavation	A space created by mining operations.
Fed (Federal Reserve)	The Federal Reserve System (commonly referred to as the Federal Reserve or "the Fed") – the central banking system of the United States.
Flotation (ore enrichment)	A process of separating ore into fractions with varying contents of valuable components by exploiting differences in the wettability of individual mineral grains. Easily-wetted minerals sink to the bottom of the flotation cell, while poorly-wetted grains (whose wettability is further reduced by reagents called collectors, e.g., xanthates) rise to the surface of the slurry, attaching to bubbles in a froth created by frothing agents.
Flotation tailings	Waste solids (tailings) generated during the ore processing and flotation stage.
FOMC (The Federal Open Market Committee)	A body within the Federal Reserve System (Fed) responsible for formulating monetary policy, overseeing open market operations in the United States, and setting target levels for the money supply.
Green transition	Action to increase the use of renewable sources for energy production.
Group	The KGHM Polska Miedź S.A. Group comprises KGHM Polska Miedź S.A. as the Parent Entity and the subsidiaries over which it exercises control as defined in International Financial Reporting Standards (IFRS).
Head Office	The Head Office of KGHM Polska Miedź S.A.
HM	Copper Smelter and Refinery (<i>Polish: huta miedzi</i>)
INE	Shanghai International Energy Exchange – a subsidiary of the Shanghai Futures Exchange (SHFE) providing a platform for trading futures and options in crude oil, copper, low-sulfur fuel oil, and natural rubber.
Invention Regulations	An internal corporate document setting forth the principles and procedures for evaluating and remunerating inventive project submissions, the acquisition by KGHM Polska Miedź S.A. of the rights to use such projects, and the acquisition of the rights to obtain Exclusive Rights.
IRO	Impacts, Risks, Opportunities
ISO	International Organisation for Standardization
JRGH	KGHM Polska Miedź S.A. Oddział Jednostka Ratownictwa Górniczo-Hutniczego (Emergency Mine/Smelter Rescue Service)
JST	A local government administrative entity (<i>Polish: jednostka samorządu terytorialnego</i>).
KGHM INTERNATIONAL LTD. Group	The KGHM INTERNATIONAL Ltd. Group comprises KGHM INTERNATIONAL Ltd. as the parent entity and the subsidiaries over which it exercises control within the meaning of International Financial Reporting Standards (IFRS).
LBMA	The London Bullion Market Association – a precious metals trade association responsible for setting the global standards for the gold and silver bullion markets.
LGOM, Copper Basin	Legnica-Głogów Copper Basin, Western Copper Basin, Copper Basin (<i>Polish: Legnicko-Głogowski Okręg Miedziowy</i>)
LME (London Metal Exchange)	The London Metal Exchange – the world's largest exchange for non-ferrous metals, facilitating trading in futures and options for various commodities. It serves as the global benchmark for metal prices and plays a crucial role in international trade.
LTIFR KGHM (Lost Time Injury Frequency Rate)	The rate of workplace accidents (as defined under Polish law) at KGHM Polska Miedź S.A., normalized per 1,000,000 hours worked.
Management	Managers of individual units or departments of the organisation, including both top management (senior management) and middle management.

Management and supervisory bodies	The highest governance level in the organisation, comprising the Management Board and the Supervisory Board.
Minerals (Mineral Resources)	A raw material of economic significance extracted from the earth, such as coal, crude oil, salt, and metal ores.
Mobility Policy	The International Mobility Policy in the KGHM Polska Miedź S.A. Group, defining the rules for the transfer of employees seconded from one KGHM Polska Miedź S.A. Group entity to another KGHM Polska Miedź S.A. Group entity based in a different country.
Muck, run-of-mine (ROM)	Rock material extracted at the working face, comprising both the ore and waste rock.
NBP	National Bank of Poland (<i>Polish: Narodowy Bank Polski</i>)
Net debt	The value of liabilities from loans, borrowings, debt securities, and leases, less cash and cash equivalents, including the impact of derivatives related to external financing sources. This category excludes liabilities arising from the use of financial instruments featuring reverse factoring mechanisms.
OPEC+	OPEC+ is an expanded alliance comprising the members of the Organization of the Petroleum Exporting Countries (OPEC) and other major non-OPEC oil-producing nations that have agreed to cooperate in regulating the global oil supply.
Ore	A mineral resource from which one or more valuable components can be extracted. Ores are classified as monometallic (containing a single metal) or polymetallic (containing more than one metal).
Own employee	An individual who is in an employment relationship with the undertaking.
Own workforce, own workers	Employees who are in an employment relationship with the undertaking ("employees") and non-employees who are either individual contractors supplying labour to the undertaking ("self-employed people") or people provided by undertakings primarily engaged in 'employment activities' (NACE Code N78).
Parent Entity	KGHM Polska Miedź S.A.
Payable metal	The volume of metal produced less losses incurred during further processing into refined metal.
Pillar (mining)	A section of the rock mass left unmined to support the roof and prevent it from collapsing.
Pre-precious metals credit unit cost of electrolytic copper production from own concentrate	The sum of the costs of mining, flotation, and metallurgical processing attributable to cathodes, support functions (COPI, JRGH, and the Head Office), along with the selling costs of cathodes, adjusted for the value of inventories of semi-finished products and work in progress, divided by the volume of electrolytic copper production from own concentrates. This indicator is used exclusively in the Parent Entity (KGHM Polska Miedź S.A.).
REACH	REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) is a Regulation of the European Parliament and of the Council (EU) concerning the safe use of chemicals through their registration and evaluation and, in certain cases, the authorisation and restriction of the trade and use of specific chemicals.
Sell-side	A term used in the financial services industry to describe the side of the market involved in the creation, promotion, and sale of securities, including entities such as investment banks, brokerage houses, and market makers.
SHFE	The Shanghai Futures Exchange – one of the primary futures exchanges in China, facilitating the trading of financial instruments (futures and options) based on metals such as copper, aluminium, and zinc (including precious metals), as well as energy products and rubber.
Silver Smelting and Electrorefining Technology	It comprises: feed preparation (mixing of feed components and drying); the smelting of Doré metal and anode casting (melting the feed in a Kaldo furnace to remove slag or volatilize impurities, followed by casting the product [99% silver] into anodes); silver electrorefining (resulting in cathode deposit with a silver content of at least 99.99%); melting in an electric induction furnace and casting the refined silver into marketable forms (ingots or granules).
SMR	Small Modular Reactor technology
STEM	An acronym for Science, Technology, Engineering, and Mathematics, denoting the fields of exact and technical sciences that are essential for technological development and an innovative economy.
SX/ EW (solvent extraction and electrowinning)	A copper cathode production technology used at certain KGHM INTERNATIONAL LTD. Group assets, involving the atmospheric leaching of copper ore heaps (the process of dissolving valuable components using a solution) with diluted sulfuric acid.
Time horizon	Time horizon and implementation timeframe for a given action. The following are adopted: – short-term horizon – covers a period of up to 1 year – medium-term horizon – covers a period of 1 to 5 years – long-term horizon – covers a period of more than 5 years

Total unit cost of producing copper from own concentrate	The sum of mining, flotation, and smelting/refining costs attributable to cathodes, support functions (COPI, JRGH, and Head Office), including cathode selling costs, adjusted for the change in the value of semi-finished products and work-in-progress inventories, and less the valuation of anode slimes, divided by the volume of electrolytic copper production from own concentrates.
TPM (Total Precious Metals)	Precious metals (specifically gold, platinum, and palladium).
TRIR (Total Recordable Incident Rate)	The rate of work-related incidents that meet the reporting criteria of the ICMM (International Council on Mining & Metals) standard, normalized per 200,000 hours worked.
Troy ounce (t oz/troz)	A unit of mass used primarily in English-speaking countries and the international precious metals trade. One troy ounce (abbreviated as oz t or troz) corresponds to exactly 31.1035 grams.
TSF	Tailings Storage Facility (<i>Polish: QUOW – obiekt unieszkodliwiania odpadów wydobywczych</i>)
TTF Gas MA	The natural gas price on the European TTF (Title Transfer Facility) wholesale market for futures contracts with delivery one month ahead (MA – Month Ahead).
Waste rock	Rock that is considered unusable or of no economic value when extracting a specific mineral from a deposit.
Whistleblowing platform	The “KGHM Ethics Hotline”, an anonymous and confidential whistleblowing channel.
WTI Crude Oil	WTI (West Texas Intermediate) crude oil – a grade of crude oil originating from the USA. It serves as one of the main international price benchmarks for crude oil (alongside Brent and Urals).
WTR	Rotary-casting-refining furnace (<i>Polish: WTR – wychylno-topielno-rafinacyjny</i>)
y/y	Year on year, an abbreviation for comparing a value in a given period to the corresponding period in the previous year.
ZG	Mines (<i>Polish: ZG – Zakłady Górnicze</i>)
ZWR	Ore Processing Plants (<i>Polish: ZWR – Zakłady Wzbogacania Rud</i>)

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SIGNATURES OF ALL MEMBERS OF THE MANAGEMENT BOARD

This report was adopted for issue on 24 March 2026.

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of the Management Board

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