



CORPORATE RISK MANAGEMENT POLICY IN THE KGHM GROUP

The KGHM Group recognises corporate risk management as an important element of effective operation, whose overriding objective **is to protect and enhance its shareholder value**. The corporate risk management is consistent with the growth strategy and is carried out with due consideration for:

- ESG sustainable development principles,
- Corporate Social Responsibility (CSR) principles,
- Best Practices of Companies Listed on the WSE,
- ISO standards implemented in KGHM,
- Regulations contained in the Corporate Risk Management Procedure and the Corporate Risk Management Methodology
- functional and project structure of the KGHM Group,
- due diligence.

The corporate risk management process has been tailored to the KGHM Group specifics and is binding across the entire KGHM Group.

The intermediate goals of corporate risk management in achieving the overriding objective are:

- Identification and assessment of risks that may impact the achievement of the overriding objective,
- Mitigating the negative impacts of risks through the implementation of key risks responses,
- Ensuring robust support for decision-making at all tiers of the organization,
- Protection of the life and health of employees, the natural environment, the climate and the brand's reputation,
- Effective resource management through the reduction of uncertainty,
- Building a risk-conscious organization that strives for continuous improvement,
- Promoting an organizational culture that strengthens risk management awareness within the KGHM Group,
- Supporting the KGHM Group in building a resilient corporate structure.

Division of powers and responsibilities is underlain by the principles of good corporate governance practices and the commonly recognized model of three lines of defence:

| Supervisory Board (Audit Committee) | | |
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| Performs an annual assessment of the effectiveness of the risk management process and monitors the level of key risks and how those risks are managed. | | |
| Management Board | | |
| Ultimately responsible for the risk management system and supervision over its individual elements. | | |
| 1st line of defence | 2nd line of defence | 3rd line of defence |
| Management Internal control (functional) i ongoing supervision | Risk Committees Support effectiveness of the risk management process. Exercise ongoing supervision over the risk management system | Audit Internal Audit (autonomous assessment and verification of the system) |

The Management Board of the KGHM Polska Miedź S.A. declares its support for the actions resulting from this Policy and provision of adequate resources and means for its execution.