



Investor Relations Department Release

Dear Stakeholders,

In response to market expectations and in accordance with Best Practice, against the backdrop of the pandemic caused by the SARS-CoV-2 coronavirus, we hereby provide a review of the actions taken by the KGHM Polska Miedź S.A. Group in counteracting the impact of the spread of COVID-19. The KGHM Group is engaged in a broad range of actions aimed at preventing the spread of the virus and protecting the Group's employees from the risk of infection, and has also comprehensively joined local and national efforts to aid hospitals and other parts of the healthcare services.

This release also provides information on the activities of KGHM Polska Miedź S.A. during the pandemic; on where to look for the newest information; and answers by the members of the Management Board of KGHM Polska Miedź S.A. to questions related to finances and the basic operations of KGHM.

As the Investor Relations Team we are open and ready to work with our stakeholders. However, given the fact that we are generally working from home during this time, we recommend that you contact us by e-mail or directly using our mobile phone numbers.

Best wishes,

The KGHM Investor Relations Team

“ We have a moral obligation as a state treasury company to help in any way we can and to share our assistance with society,” says Marcin Chłodziński, President of the Management Board of KGHM Polska Miedź S.A. „We are all going through a tough time and we have to support one another. In our company one of our top principles is that we never abandon anyone without assistance. In the current situation this means all Poles as well as our colleagues abroad.”

“ These are unprecedented times that will continue to challenge our business. We have amazing people, who make our business resilient and a safe place to work, even with the threat of the COVID-19 virus,” says Andrew Goodey, Head of Health and Safety, KGHM INTERNATIONAL. „We must continue to support each other, follow the processes we put in place that keep us safe and be able to provide the essential service to the suppliers we support.”

Event Calendar



- 13-05-2020 Quarterly report for Q1 2020
- 14-05-2020 Management Board video conference call
- 14-05-2020 Bank of America conference call
- 19-08-2020 Half-year report for H1 2020
- 18-11-2020 Quarterly report for Q3 2020

[Details](#)

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WE ACT, WE CARE, WE PROTECT

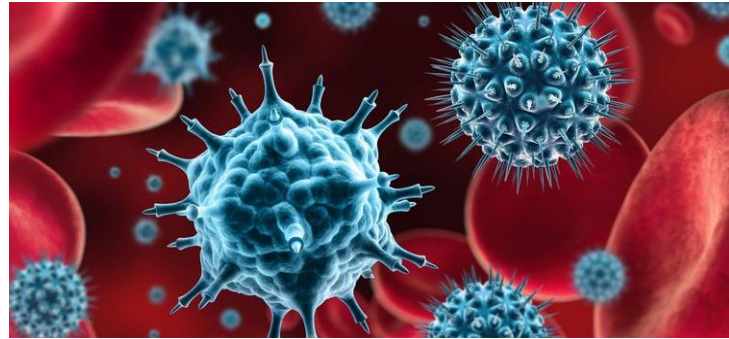
The KGHM Group in the fight against the coronavirus

Against the backdrop of the SARS-CoV-2 coronavirus pandemic, the KGHM Group has taken actions aimed at effectively combatting the spread of the virus and protecting the Group's employees against the risk of infection.

These actions are, on the one hand, shaped by the guidance and decisions of the government and its agencies, and on the other result from internal rules and regulations for the Group's employees.

KGHM has introduced a broad spectrum of procedures of a pro-active and preventative nature, for example:

- A dedicated infoline and e-mail have been developed - through these contacts KGHM's employees can obtain full information regarding the management, principles and manner of work in the company
- All business trips abroad have been cancelled as well as employee participation in domestic conferences and training
- The possibility of home-based remote work was introduced
- Employees can address all of their questions regarding occupational health and safety in the workplace to dedicated OHS teams
- Body temperature measurement has been introduced utilising thermal cameras
- Sobriety testing has been suspended
- Decontamination of all common areas in the company's divisions has begun, including entrances, travel pathways, baths, lamp rooms, dressing rooms and restrooms
- Hand disinfectants have been provided at all entrances to buildings and sanitary spaces
- Additional equipment for industrial ozonation in the divisions has been ordered
- In the mines, the number of staff travelling in cages has been reduced and the frequency of trips into the mines has increased; barriers installed in the cages demarcate inter-person distances
- On-line OHS training has been introduced
- An informational campaign is underway using the company's existing means of communication: intranet, kghm.tv, posters and billboards, enabling the on-going transmission of updated recommendations and announcements by the government and health authorities
- All gastronomical establishments operating on company terrain have been restricted to solely providing take-out meals
- Nitrosept biocidal fluid and protective masks were prepared for each employee - to be picked up at company Divisions before Easter



KGHM International has been carefully monitoring the COVID-19 events and escalation focusing on the health, safety and wellbeing of our employees, as well as the communities around us.

In the Sudbury Basin (Canada) we have:

- Continued to provide factual information on the COVID-19
- Educated employees on how to prepare and mitigate against contracting the COVID-19
- Encouraged employees to self-declare health vulnerabilities that may be detrimental if they were to get the virus
- Encouraged employees to self-declare symptoms and stay at home for a minimum of 14 days and until certified fit to return to work
- Educated employees on how to prevent and mitigate contracting the virus
- Implemented "Physical Separation" in the workplace and put in place "Working from home" where ever possible
- Put in place pre-access questionnaires for visitors
- Innovated by reviewing temperature testing of employees in the workplace
- Increased sanitation of the workplace and much more

In the Robinson Mine (US), we donate our community and provide support to our employees thanks to the implemented *Employee Assistance Program*:

Confidential Counseling: Get help with stress, anxiety, depression, problems with children, relationships, job pressures, grief and loss, and substance abuse

Work-Life Solutions: Get qualified referrals and customized resources for child and elder care, moving and relocation, making major purchases, college planning, pet care and home repair

Guidance Resources Online: Expert information on issues with relationships, work, school, children, wellness, legal, financial, etc.

Legal Support and Resources: Talk to an attorney by phone. If you require representation they will refer you to a qualified attorney in your area for a free 30-mins consultation with a 25% reduction in customary legal fees thereafter

Financial Information and Resources: Speak with Certified Public Accountants and Certified Financial Planners for help with getting out of debt, credit card or loan problems, tax questions, retirement planning, estate planning and saving for college

WE ACT, WE CARE, WE PROTECT

The KGHM Group in the fight against the coronavirus

Selected activities of the Company and its employees

The companies of the KGHM Group are engaged in a broad spectrum of additional actions aimed at protecting not only our employees but also people in the region and in Poland. Selected examples of our actions in the fight against the epidemic are

presented below. And that isn't our final word. More current information on the activities of the KGHM Group can be found in our social media and on the website: Media in [English](#) or [Polish](#).



KGHM is financing the purchase of medical equipment for Poland from China. It comprises nearly 50 respirators, approx. 130 thous. protective suits, 500 thous. masks and around 160 thous. protective goggles. The Ministry of Health will then decide as to its subsequent distribution.

The companies KGHM ZANAM and Mercus Logistyka are engaged in producing protective masks for the regional hospital in Lubin and for the Voivodeship of Lower Silesia and the Ministry of Health.

The KGHM Foundation has provided over PLN 1.2 million for the purchase of vital life-saving equipment, including respirators, tests and oxygenators. This aid has been given to the MCZ hospital in Lubin as well as to the hospital in Legnica.



The company NITROERG has begun the production of disinfectants. The liquid is being provided to Polish hospitals, companies and government offices.

„Be a good neighbour” – this is an program of the KGHM Volunteer Initiative „Miedziane serce” or Copper Heart – thanks to which company employees provide support to senior citizens in dealing

The company INTERFERIE has donated one of its buildings for use as a quarantine facility. In addition, sanitary buildings of the Polish Spa Group will serve the same purpose.



The company Mercus Logistyka is engaged in the continuous decontamination of its vehicles (large and small buses), which provide transportation for KGHM's employees to and from work.

The company Lubinpex is providing meals to medical staff at the hospital in Legnica. The company Uzdrowiska Kłodzkie has provided 2.5 thousand bottles of mineral water produced by Staropolanka to infectious diseases hospitals.

In the last week of March Robinson donated: 80 meals & glove packets to seniors, 108 safety glasses, 200 Tyvek suits to the William Bee Ririe Hospital, and 400 decks of playing cards to go in lunches provided to school children.

WE ACT, WE CARE, WE PROTECT

The KGHM Group in the fight against the coronavirus

Marcin Chludziński,
 President of the Management Board

[excerpt from statements made during the results conference on March 18, 2020]

„This is the first time we are meeting in this unusual way, but the circumstances forced us to do so. (...) And since we are speaking about this exceptional situation, it is worth starting with that. I would like to tell you what is happening regarding this, both in the context of the activities undertaken by the Group and the external support activities undertaken by us involving the resolution of coronavirus-related problems. These are actions related to our employees, as they are the most important for us. Firstly, we are maintaining the continuity of production, which is extremely important. By ensuring production we take care of all of our commercial needs. I can also confirm that until now we have not observed any changes in relation to the sales volumes and demand, so that's good news for us.

Just last week, we launched a 24-hour helpline where employees can ask questions and dispel all worries related to potential hazards and occupational safety. We have also launched an email address to which questions can be sent at any time. The answers are given immediately.

At the beginning of last week, we stopped all trips abroad and also limited any domestic trips (...). We have also suspended holidays of key people in terms of Health and Safety and company management. There is, of course, work from home, remote work whenever possible, everyone receives permission and they work. Those are both people who are caring for their children, but also employees aged 65+, because we have a few of them, who may potentially be at risk of the virus the most, so they also get permission to work from home.

In addition there is also an extensive information campaign, posters, television, we are trying to dispel all myths and doubts related with the danger and calm everyone down. But at the same time we're trying to provide disinfectants available in the highest volumes, protecting employees by limiting the number of people going underground, when it comes to cages, so we have a reduced number of people, we are obviously providing hygiene and personal care and protective products for everyone. We have prepared, in express mode, the entire Group and Company for larger remote work. These are internal activities and of course we will adapt everything that is needed in our production to the legal environment that is currently changing, because we have new potential necessities, regulations, so we are dealing with it dynamically.

In terms of external activities (...) we have begun the production of biocidal fluid through our subsidiary NITROERG. This company produces explosives daily. This company didn't have a production line for fluid, but in an



express mode, also when it comes to registering this product, and thanks to the efforts of technicians and management, the Company is already able to produce the first test versions. We are moving to full-scale production and that is very important.

Our key company for the production process, Centrum Badań Jakości (Quality Research Centre), has also joined in preparations for performing and conducting tests for the presence of coronavirus, of course, at the request of hospitals and sanitary-epidemiological stations. We are in regular contact, and if such a decision is made, CBJ will perform these tests. We also have other matters related to providing buildings for quarantine. We gave one building in Głogów, the rest of the buildings that we can lend are currently being announced by us. Whether they will be used depends on local government decisions.

(...) We are cooperating with the local Regional Crisis Management Team, meaning the provincial team, but also with all institutions at the national level (...) Also, there is a great campaign called "Help the senior", and it has received a great response from employees. People in our volunteering network have placed ads in many places, declaring that they would help with shopping, help with buying medicines in a pharmacy for people who cannot go out and are in isolation, but also for people who are more exposed due to their age. We are pleased to see our employees taking on such great responsibilities. Everyone has an impact on reality, not only in the context of preventive measures but also in the context of what they can safely do for others. We are happy that the response is quite large.

Also, in terms of taking advantage of our international relationships, especially in Chinese context, we are currently completing orders for personal protective equipment and other medical products from China. We are waiting for confirmation of the volumes involved. We are taking further steps here in many aspects.

Questions & Answers

asked during the results conference on 18 March 2020 and online investor chat on 24 March 2020

➤ Copper has been quite strong since the beginning of the coronavirus epidemic in the world. What does the Company believe is behind this and what must happen for copper prices to follow trends already prevailing in other resources?

MARCIN CHLUDZIŃSKI, PRESIDENT & CEO:

What is happening in the world is behind it, the current situation and greater hope or less hope for positive developments, so here we have macroeconomic mechanisms that are shaping this price. It is what it is, and it changes dynamically. I can only say that we said for good reason, that we have very good hedging teams. Because first, we are already implementing hedging and security operations, and we are also preparing and have been preparing for these circumstances, because these people are there to deal with such situations. Thanks to this, price affects us but maybe not as much as it could.

➤ What is the current situation of the company, staff turnout, production, sales? In connection with the coronavirus the government has announced various forms of support for business entities, is the Management Board of KGHM considering suspending the mineral tax charges to the Company?

MARCIN CHLUDZIŃSKI, PRESIDENT & CEO:

(...) We do not see any situation that people are not coming to work en masse. On the contrary, there is a lot of mobilization, for which we are also grateful to our employees, everyone is trying in these difficult circumstances simply to do their daily work and earn their salary, this is the attitude we are currently seeing. As for sales, as I said, it remains at normal levels, both when it comes to January and February, there are no significant deviations, and in March we do not see significant deviations either. Which would confirm that the industries that buy from us are producing because they need our copper. How will the reality look in a months' time? I don't know. In two months', I also don't know. Let's see what the situation will bring us and we will directly and strongly respond to that.

As for the government package, facilities, concessions, subsidies, suspensions. This is a very good comprehensive package for the economy, a package for the hard times that we are facing. I think when I look at Europe, this is the most comprehensive approach, so it will significantly help all of those who will feel the effects of the virus and the effects in their wallet, on the company's books, in payments, and in the invoices they issue. It can significantly help to get through this difficult time. From our side, we also asked them to consider potential possibilities of supporting the company when it comes to certain suspensions of various types of instruments. But it can only happen, if we also feel the consequences of this crisis. If sales decrease, if the

lower price stays for a long time, we will ask for it in a situation when we will feel the crisis in the company's results.

RADOSŁAW STACH, VICE PRESIDENT OF THE MANAGEMENT BOARD (PRODUCTION):

I'd like to add something in regards to production. Of course, I will confirm once again that we are perfectly aware of the seriousness of the situation in which we are in as a production business. Every day we are talking to our Executive Directors here, we have information about what is happening, how many people are off sick, how many people are on delegations, we are in control here. It's hard to say what will happen tomorrow, the day after tomorrow, because as you all know, the situation is highly volatile, but we also have a message for our employees, in line with our strategy of thinking about the consequences, to be very responsible if anyone feels that they are, or may be infected, that they take appropriate measures. We are observing this, as of today, there is currently no drastic drop, but I am talking about today and the number of our employees at work.

➤ Has the current situation related to COVID-19 led to a change in the Budget targets for 2020, published in the annual report for 2019? If so, in what way?

KATARZYNA KRECZMAŃSKA-GIGOL, VICE PRESIDENT OF THE MANAGEMENT BOARD (CFO):

No, it has not affected the Budget and we are not changing our targets. We are continuously monitoring the situation, which as you can see is highly volatile, difficult and unpredictable. Production and sales, as announced in our report for February 2020, remain at very good levels, we are not feeling the impact of the new situation on these parameters. As required by law, if the need arises for a change to any of the Budget's elements, we will announce this to the market.

➤ Will there be a dividend this year?

KATARZYNA KRECZMAŃSKA-GIGOL, CFO:

This is not yet the moment when such a declaration can be made. Firstly, we don't know how the situation related to the epidemic and its effects will turn out, and secondly, it's too early for a definite answer to this question. KGHM's dividend policy is still valid and we, as the Management Board, are favourably disposed to this mechanism. For now however, we have to get through this difficult period, we have to carefully observe what is happening around us. The final decision will in any case belong to the General Shareholders Meeting of KGHM.



For more information please visit our [Results Center](#) where you can find the latest conference call transcript, presentation and much more, or use the contact information from page 1

Events calendar & Press releases

The KGHM Group in the fight against the coronavirus



More planes with medical equipment purchased by KGHM have landed in Warsaw

Wednesday, 1 April, 2020

Another plane with medical equipment purchased on behalf of KGHM Polska Miedź S.A. landed today at Okęcie airport in Warsaw. This is the second transport with assistance for healthcare facilities in Poland financed by the Lubin-based company. In total, KGHM has purchased medical equipment worth over USD 15 million. It is intended to combat the effects of the epidemic caused by SARS CoV-2.

KGHM provides 20,000 litres of disinfectant

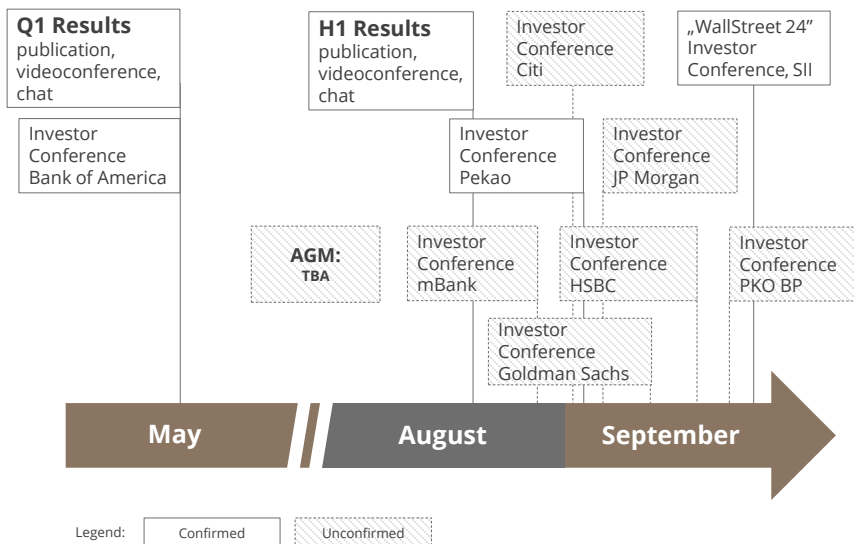
Tuesday, 31 March, 2020

The KGHM Polska Miedź Foundation is donating 20 thousand litres of Nitrosept disinfectant to hospitals, hospices and other medical facilities throughout Poland. The first donations of the liquid produced by a company from the KGHM Group have already been made to the staffs of medical institutions.

Read more news and press releases [English](#) [Polish](#)

Events calendar

The following calendar was developed based on prior-year events. Final event dates will be announced by the organizers.



Save the date

13/14-05-2020

- Quarterly report for Q1 2020
- Management Board video conference call
- Bank of America conference call

19/20-08-2020

- Half-year report for H1 2020
- Management Board video conference call

7/8-09-2020

17th Emerging Europe Investment Conference, Pekao

25/26/27-09-2020

„WallStreet 24” Conference, SII

18/19-11-2020

- Quarterly report for Q3 2020
- Management Board video conference call