

KGHM Group responsible supply chain policy



KGHM Polska Miedź S.A. Capital Group (KGHM) has over 50 years tradition in mining and smelting business. As a company we are committed to the highest standards of products' manufacturing, business ethics and business conduct in our day to day operations. We follow these rules in our value chain creation process, which is reflected in the KGHM Capital Group Code of Ethics. By adhering to United Nations Global Compact, KGHM confirms its commitment to fundamental principles in area of human rights, labour standards, the environment and anti-corruption. KGHM is aware that the choice of responsible suppliers, especially in sourcing conflict minerals (gold, tin, tungsten and tantalum), is of key importance for a business focused on sustainability.

We do not tolerate nor profit from, contribute to or assist in:

- Violation of Occupational safety
- Child labor or any form of forced labour
- Violations of granting of the freedom of association
- Violations of international humanitarian law
- War crimes, genocide or any other crimes against humanity
- Money laundering and financing of terrorism

KGHM expects all its suppliers to adhere to those basic principles and does not establish business relationships with suppliers that act against them.

To ensure the highest standards regarding obtaining precious metals (i.e. gold and silver) from conflict and high risk areas, KGHM has established risk-based approach analysis. It allows KGHM to identify high-risk business relationships based on the criteria set out in the LBMA Responsible Gold Guidance, the LBMA Responsible Silver Guidance and in accordance with The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. It is a duty of KGHM's Management Board to retain ultimate control and responsibility for the supply chain.

An internal responsible supply chain management system has been set up to define the scope, organisation and responsibilities, criteria for high-risk precious metals supply chain, supply chain due diligence inclusive of the Know Your Customer process, monitoring of transactions, maintaining records and employee training. The Compliance Officer has been assigned to manage the process, and has a direct line of reporting to the Management Board.

KGHM also established the following e-mail address conflict.minerals@kghm.com allowing any employee, supply chain actor or stakeholder to voice concerns over the gold supply chain.