

KGHM

Polska Miedź S.A. (hereinafter referred to as "KGHM" or the "Company"), as one of the largest global copper producers, will have a significant impact on the successful transformation into a low-carbon economy. The new role will stem from having to satisfy the growing demand for copper, which is a key component of the green economy of the future. Apart from supporting the transformation directly by providing the key resource, KGHM will also contribute indirectly to the reduction of greenhouse gas emissions. Also, in the described reality, KGHM sees the potential for increasing its role in the global economy – generating new, previously unattainable opportunities to improve the competitive potential of the Company.

The above-mentioned vision is expressed by the Climate Policy of KGHM Polska Miedź S.A., which aims to convey the following objectives:



defining the ambitions of KGHM Polska Miedź S.A. regarding the reduction of their impact on the climate and adapting the operations of the Company to fulfil these ambitions,



indicating how the Company's operating model should be adapted to the existing and predicted climate change.

The scope and impact of the Climate Policy include the dominant entity of the KGHM Group (hereinafter referred to as the "KGHM Group") – KGHM Polska Miedź S.A., which will cascade the changes down to the subsidiaries. The Climate Policy complements the Strategy of the KGHM Group regarding the operations of KGHM Polska Miedź S.A. The consequences of the Climate Policy will include the Decarbonisation Programme of the KGHM Group.

OUR UNDERTAKINGS

1

GREENHOUSE GAS EMISSIONS OF KGHM POLSKA MIEDŹ S.A.

KGHM Polska Miedź S.A. emits approximately 3.3 million tons of CO₂ equivalent, approximately 40% of which consists of Scope 1 emissions and 60% of which are Scope 2 emissions according to the GHG Protocol.¹

In 2022, KGHM will conduct a full survey of Scope 1 and Scope 2 emissions at their subsidiaries, so that, by the first half of 2023, they will be able to announce the total Scope 1 and Scope 2 emissions for the entire organisation within the meaning of the GHG Protocol. KGHM shall publish the data concerning Scope 3 emissions for the Group no later than in the first half of 2024.

¹ These emission levels have been determined based on the GHG Protocol standard, excluding the rule requiring to consider the entire organisation, i.e., the Group.

2

AMBITIONS FOR THE REDUCTION OF GREENHOUSE GAS EMISSIONS BY KGHM POLSKA MIEDŹ S.A. IN THE 2030 AND 2050 PERSPECTIVE



THE OVERRIDING OBJECTIVE

of the Climate Policy of KGHM Polska Miedź S.A. is for the Company – as the dominant body of the KGHM Group – to achieve climate neutrality by 2050 with respect to Scope 1 and Scope 2 greenhouse gas emissions, with the maximum possible reduction of the emissions.



THE INTERMEDIATE OBJECTIVE

of KGHM Polska Miedź S.A. is to reduce total Scope 1 and Scope 2 emission levels by 30% by 2030 relative to the emission levels in 2020.

The emission reduction targets indicated in this Climate Policy for the dominant body of the KGHM Group, i.e., KGHM Polska Miedź S.A., include the key portion of the greenhouse gas emissions of the KGHM Group. The reduction targets for the entire KGHM Group will be announced publicly no later than in the first half of 2023.



3

MEANS USED TO REDUCE THE IMPACT ON THE CLIMATE

Considering the current development and availability of advanced technologies, the primary activities of the Company until 2030 will be aimed at reducing indirect Scope 2 emissions, and the key activities aimed at reducing direct Scope 1 emissions will be performed successively until 2050.

The primary methods of reducing the carbon footprint will include:

- using hydrogen technologies,
- development of electromobility,
- implementation of advanced technologies on the production line,
- gradual withdrawal from using electricity and heat acquired from the market towards increased use of own,
- zeroemission energy sources, continuous improvement of energy efficiency at production branches
- and improvement of production processes as well as the use of CCS/CCU technologies to manage the remaining CO₂ emissions in mill processes.

4

ADAPTATION OF THE OPERATIONS of the Company to achieve the greenhouse gas emission reduction targets and incorporating climate risk management in internal processes

To support the achievement of greenhouse gas emission reduction targets and fully consider the impact of climate change on the Company's operating model and reporting, KGHM intends to introduce process and organisational changes resulting from the TCFD Recommendations in all corporate processes of KGHM and then extend the changes to all subsidiaries of KGHM Polska Miedź S.A. One of the most important of these changes will be to define the roles and obligations of the managers regarding matters connected with the climate and the associated changes to the organisational structure. The changes will also have an impact on the Company's operating model and the remuneration policy of key personnel, including senior management.

Marcin Chludziński

President of the Management Board of KGHM Polska Miedź S.A.

CLIMATE POLICY

