



# STRATEGY

## 2055+

of KGHM Polska Miedź S.A.  
Group

July 2026





# A Foreword from the President of the Management Board

*Remigiusz Paszkiewicz*



*” The 2055+ Strategy aims to maintain the KGHM Group's strong position amongst the leaders in copper and silver production, not only in the coming years. Our ambition is to strengthen this position in the long term.*






*We are focusing on the responsible extraction and processing of natural resources and on maximising the potential of our existing and developing projects, primarily within the Main Technological Line (GCT). We are also aware of the global significance of Polish copper. It is a strategic raw material, particularly for the entire European Union, especially in the context of the energy transition and the drive towards climate neutrality in the European economy.*

*We want to lay solid foundations for future generations. That is why we are planning for the future in such a way as to pass on to future generations a stable and profitable organisation that operates in line with the principles of sustainable development, acts responsibly, protects the environment and supports the development of local communities.*

*This strategy has been developed based on a comprehensive analysis of market prospects and conditions, an assessment of opportunities arising, amongst other things, from technological progress, and on the long-standing experience of our employees, management team and board members.”*

# The strategic context of the KGHM Group's development

## Internal situation and industry trends

-  Mining at ever greater depths, under increasingly difficult working conditions, increasing tax and environmental burdens, escalating social and wage demands mean that KGHM is becoming increasingly expensive in terms of unit production costs
-  Copper mining is crucial for the functioning of the KGHM Group's value chain in Poland, whilst raw material supplies are steadily declining
-  The energy transition is significant because of its impact on a company's operating costs and the achievement of emissions reduction targets
-  The global scale and complexity of the KGHM Group's mining and smelting operations require specialist industry knowledge and many years of experience
-  Systematic development of foreign assets and increasing their value

*Strict cost discipline and operational optimisation are essential if we are to invest in the future.*

*To maintain the entire Main Technological Line and ensure profitable copper production, it is essential to secure access to raw material base and to restructure some of the smelting assets.*

*Investments in the Company's own zero- and low-carbon energy sources should be based on the principle of supporting the efficiency and stability of production within the Main Technological Line.*

*Responsible management means making full use of the technical and managerial staff we have, whilst ensuring the continuity of the skills and human resources necessary for the Group's continued development.*

*Developing the portfolio of foreign assets to maximize rates of return and synergies within the KGHM Group, and, in the long term, working to increase their contribution to the Group's value creation.*



1) Source: KGHM's own analysis, based on the EY study – Top 10 risks and opportunities for mining and metals companies in 2025.

# History of KGHM Polska Miedź S.A.

65 years' experience and unique expertise in the mining and processing of copper ore

Discovery of copper deposits at LGCD (Legnica-Głogów Copper District)

1957



Establishment of the Copper Mining and Metallurgy Combine

1961



Commissioning of the first mines

'Lubin' Copper Mine  
'Polkowice' Copper Mine

1968



Development of mining and smelting operations

'Legnica' Copper Smelter (1953)  
'Rudna' Copper Mine (1974)  
'Głogów' Copper Smelter (1971)  
'Cedynia' Copper Smelter (1979)  
'Sieroszowice' Copper Mine (1980)

the 1970s and 1980s



KGHM's transformation into the State Treasury joint-stock company

1991



Go public the Warsaw Stock Exchange

1997



Acquisition of the Canadian company Quadra FNX

2012



Commissioning of the Sierra Gorda copper mine in Chile

2014



Commencement of operations in the Głogów Głęboki-Przemysłowy (Deep Głogów) area

2014



Modernisation of smelting operations

Flash Smelting Furnace Technology at HM Głogów I (2016)  
TBRC (Top Blown Rotary Converter) Furnace at HM Legnica (2019)

2010–2019



Commencement of construction work on 3 new shafts

2025



Strategy 2055+

since 2026





# KGHM

## Current scale of operations

### 3

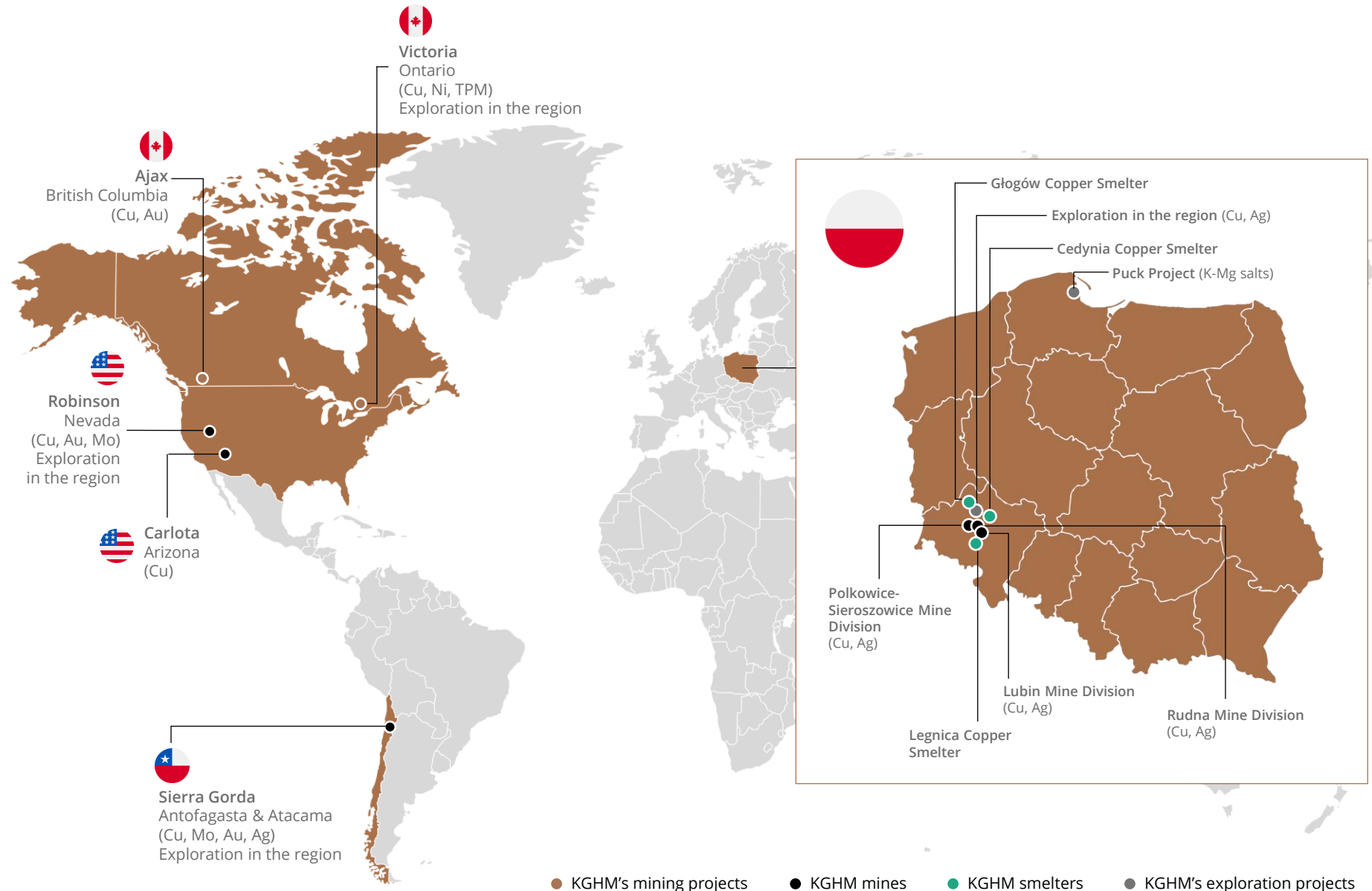
continents, where mining projects are underway: Europe, North America and South America

### 6

copper mines

### 3

copper smelters

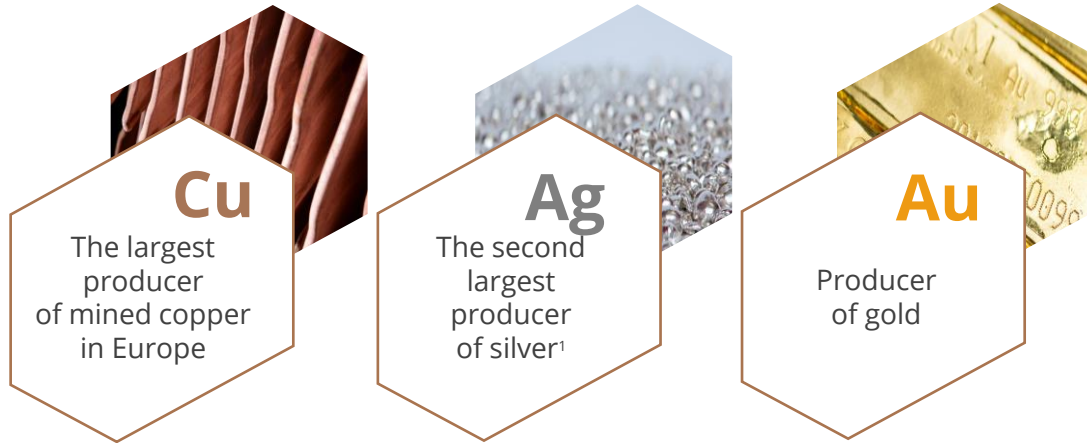




# KGHM

## KEY DATA

### Main metals produced



### Other products of the KGHM Group

- Molybdenum
- Lead
- Nickel
- Palladium
- Platinum
- Rhenium
- Sulphuric acid
- Selenium
- Copper sulphate
- Nickel sulphate

**Copper Mark**  
KGHM Steelworks with an international certificate for responsible copper production

### Financial and production results<sup>2</sup>

Revenue in the KGHM Group

**PLN 36,366 million** (+3% y/y)

Adjusted EBITDA in the KGHM Group

**PLN 10,276 million** (+22% y/y)

**710 kt**  
copper production for sale within the KGHM Group

**1 347 t**  
silver production by KGHM Group

**88.6 thousand ounces**  
gold production by KGHM Polska Miedź S.A.

**~34,000**  
employment within the KGHM Group

**over 65 years**  
mining and metallurgical traditions

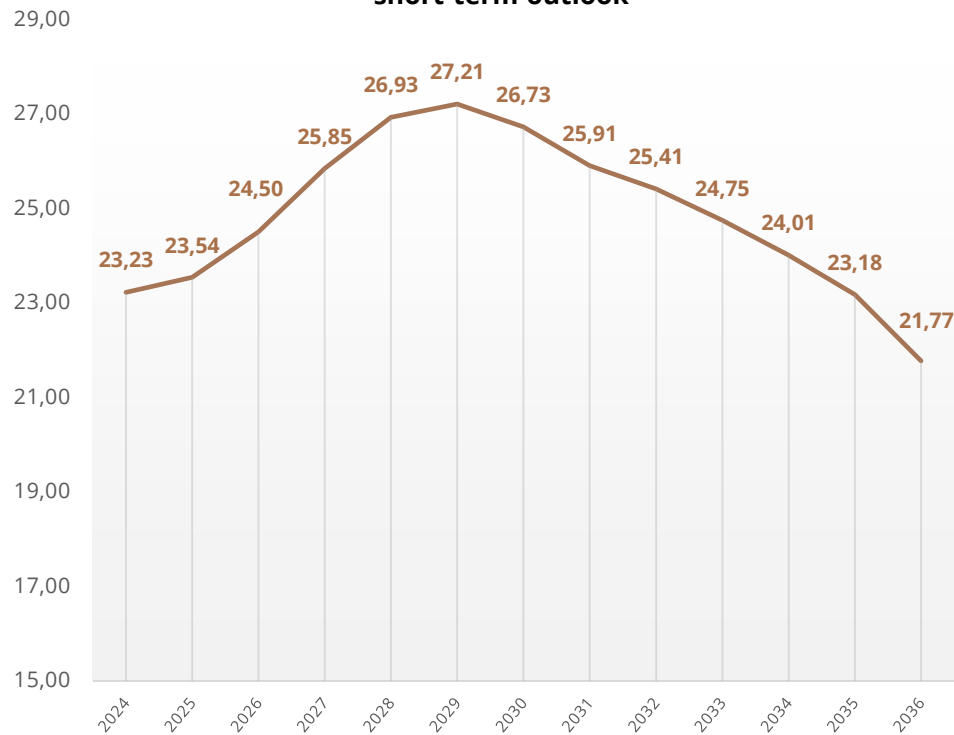
<sup>1</sup>The World Silver Survey 2026 ranking of global silver producers

<sup>2</sup>Data for 2025

# KGHM's global operating environment

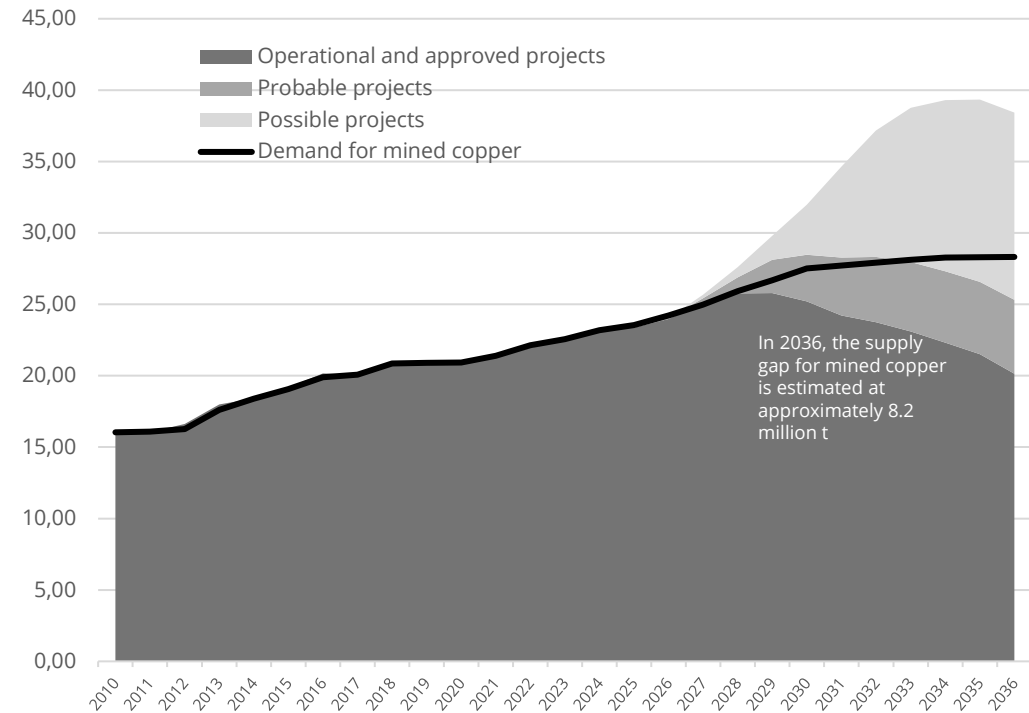
## The growing demand for copper will require the launch of new mining projects

**Global copper production from mining, 2024–2036 [million t] – short-term outlook**



Source: CRU Group, Copper Long-Term Market Outlook – May 2026

**Supply and demand for mined copper [million t]**



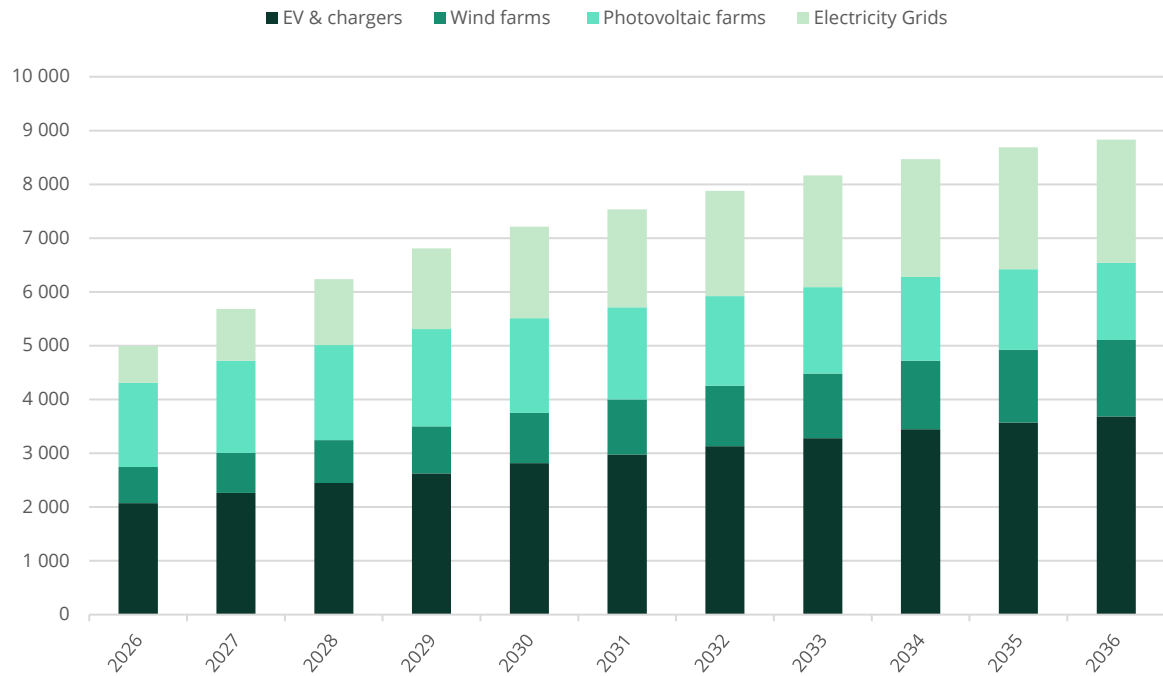
Source: Wood Mackenzie, CRU Group, KGHM Polska Miedź S.A.



# KGHM's global operating environment

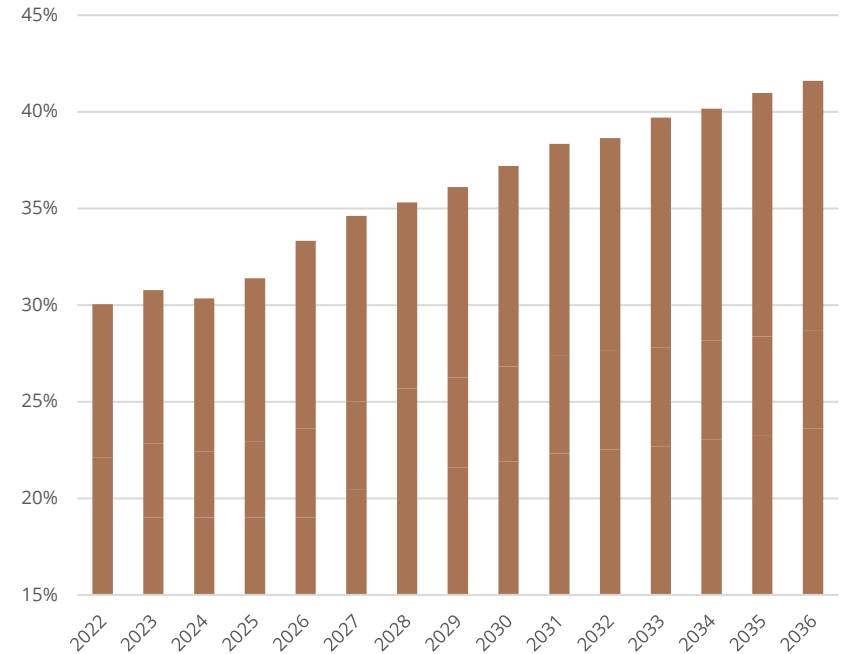
## The energy transition will be the main factor shaping copper market forecasts

Forecast for copper demand in green energy sectors [kt]



Source: CRU Group, KGHM Polska Miedź S.A..

Share of scrap in total copper consumption [%]



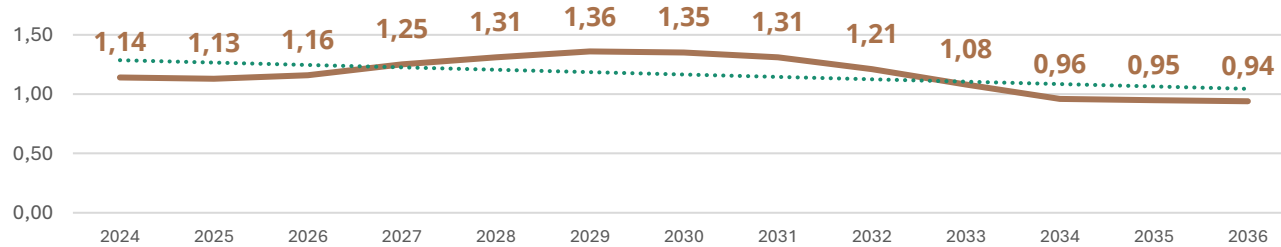
Source: Wood Mackenzie, KGHM Polska Miedź S.A.



# Copper market in Europe

KGHM is a key copper mining asset in Europe, Poland accounts for almost 50% of copper production in the EU

Mining-based copper production in Europe<sup>1</sup> in 2024–2036 (million t Cu)

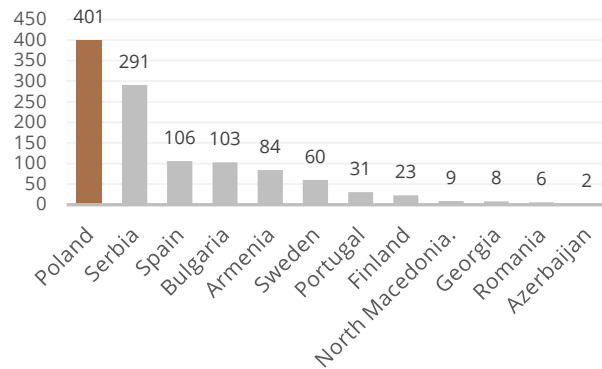


1) Europe excluding Russia.

Source: CRU Group - Copper-long-term-market-outlook-May 2026

Mined copper production in Europe

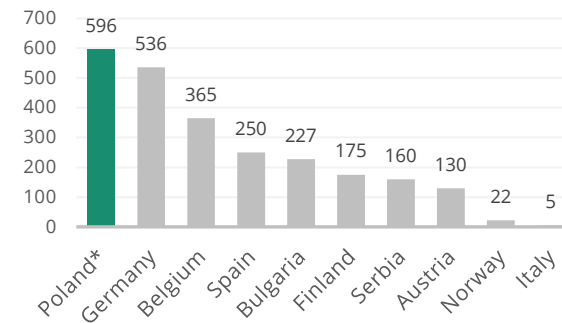
[2025, kt Cu]



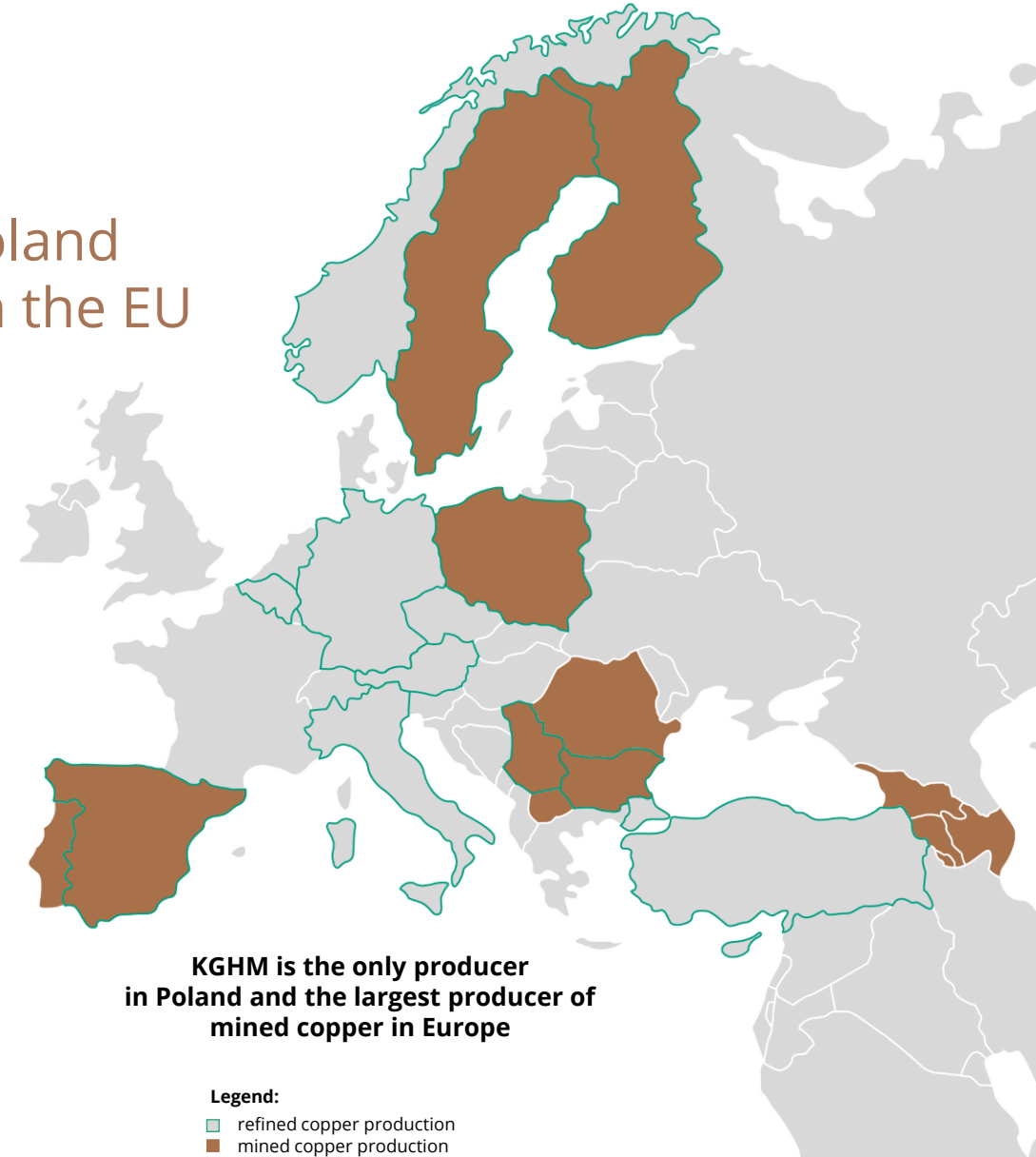
Source: CRU Group – Copper Market Outlook – March 2026  
\*KGHM Polska Miedz S.A. (domestic production)

Refined copper production in Europe

[2025, kt Cu]



Source: CRU Group – Copper Market Outlook – March 2026  
\*KGHM Polska Miedz S.A. (domestic production, including imported inputs)



**KGHM is the only producer in Poland and the largest producer of mined copper in Europe**

Legend:

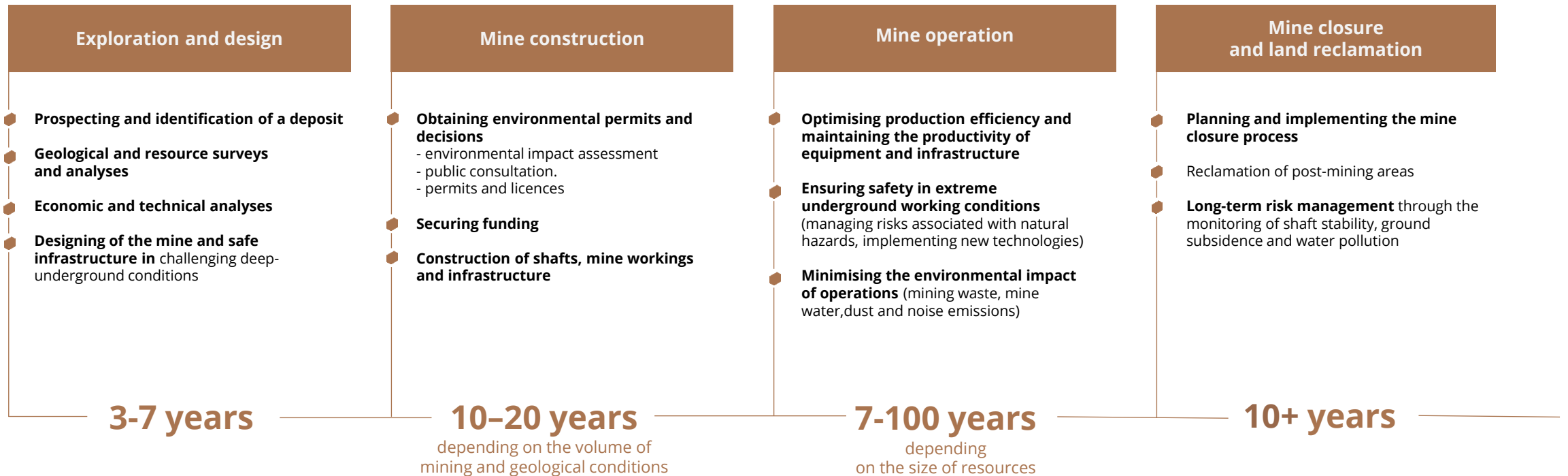
- refined copper production
- mined copper production

# The life cycle of a mining project

The complexity and specific nature of underground mining operations

15–20 years

Average time to bring a new copper mine into production worldwide, depending on the size of the deposit, environmental regulations, availability of capital and technology





# KGHM Group Strategy

The circumstances surrounding KGHM's operations require the Company to have a long-term development strategy with a horizon of at least 30 years

## Priorities:



### ■ A plan designed to implement the long-term vision for the development of the KGHM Group

into a company with a diversified raw materials portfolio, whilst remaining focused on responsible copper production

- It takes into account the life cycle of the mine and sets out the necessary development measures up to the point where exploitable reserves are exhausted
- Creates the conditions for development and for unlocking the potential for further efficiency gains and innovation in the raw materials sector
- Focuses on addressing KGHM's current operational challenges, capitalising on business opportunities and optimising costs to increase the EBITDA margin (3–5-year outlook)
- Outlines the main areas of focus up to 2055. Written with a view to a new beginning for KGHM – the decisions taken today will bear fruit in 10 or 15 years' time



# Foundations of the STRATEGY

## **EACH GRAM OF COPPER CARRIES INNOVATION**

means combining quality and modern technologies with a responsible approach to the environment throughout the value chain



## **SUSTAINABLE EXTRACTION FOR THE NEXT GENERATION**

means ensuring sustainable mining practices, through which KGHM creates value for present and future generations



# KGHM 2055+

KGHM Group's strategy comprises three complementary areas

Strategy of the KGHM Polska Miedź S.A. Group 2055+ combines three areas of development with clearly defined courses of action that provide a practical response to the opportunities and challenges identified for KGHM in the coming years.



Strategic area:

**Expansion and development technology and innovation**

Strategic area:

**Sustainable mining and smelting of copper and associated products**

Strategic area:

**Strengthening and developing the competences and business potential of the KGHM Group**



# Prospects for the implementation

## Strategy of KGHM Polska Miedź S.A. Group



up to 2030

up to 2035

up to 2055 and beyond

### Short term: 3-5 years

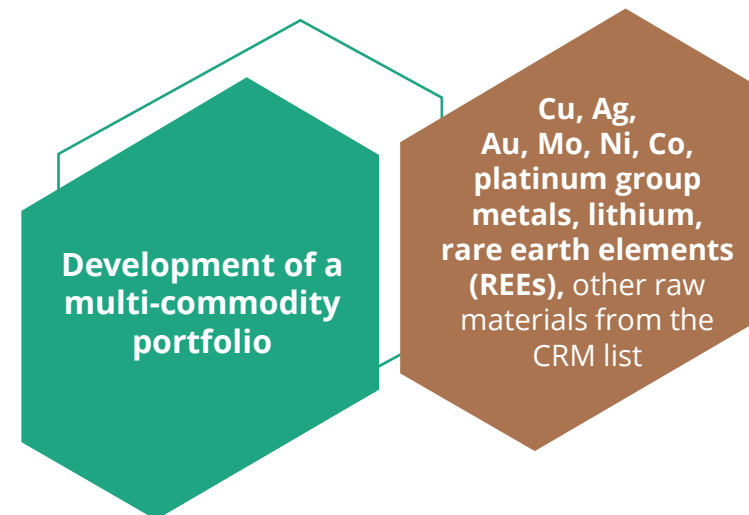
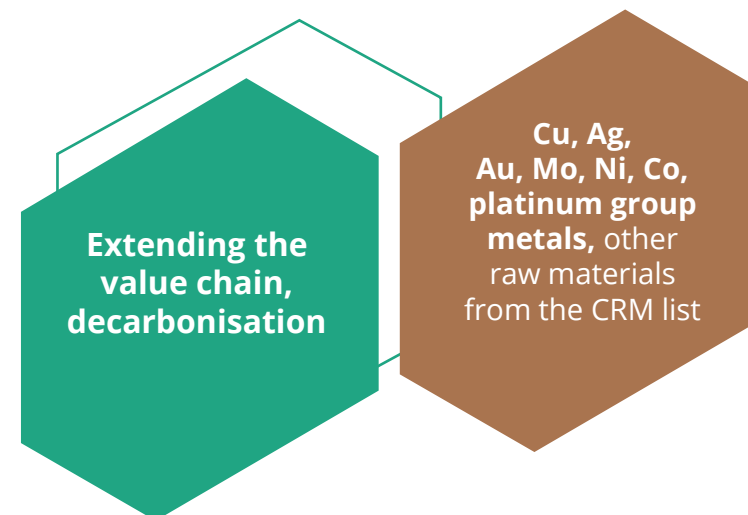
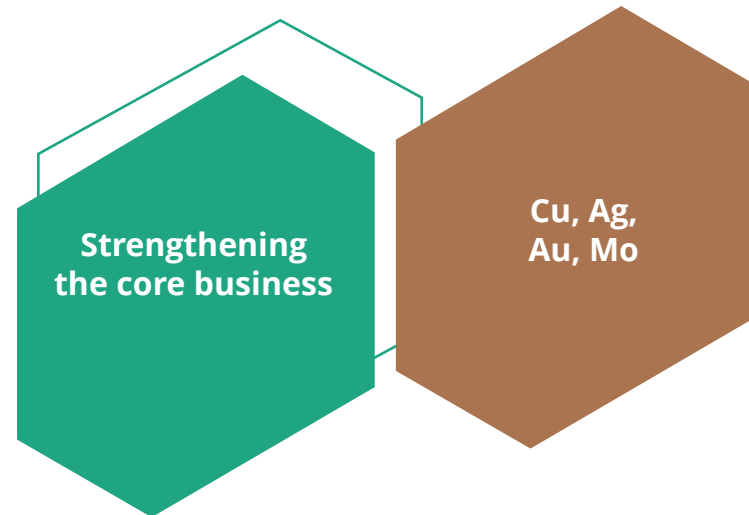
Stabilising the foundations of the core business in Poland and abroad to support the Company's further development – ensuring access to the resource base and improving the profitability of operations.

### Medium term: 5-10 years

Increasing margins and market share through raw material diversification, focused on developing access to critical raw materials, expanding capabilities into further stages of the value chain, and offering innovative products and services from the KGHM Group.

### Long term: 10+ years

Creating a business structure that is diversified in terms of raw materials and products, and resilient, enabling the Company to grow in a changing economic environment and respond to global transformational trends.





## Vice-President of the Management Board for Production

*Mirostaw Laskowski*



” *Production at KGHM is a precisely planned, integrated process. Every stage of this process – from the mining face in the mining plants, through the enrichment processes at the ore enrichment plants, right through to the cathodes, or wire rod at the smelters – is focused on maximising the value of our resources.*

*Our challenge lies in the rising costs of extraction in the mines, where access to deposits is becoming increasingly difficult.*

*Thanks to a clearly defined, comprehensive strategy for the development of the smelting sector, which integrates mining and smelting operations, the Company is able to plan investments well in advance over many years and ensure the sustainable development of the smelting part of the production process.*

*We will take action and implement modern technological solutions to increase the recovery rate of raw materials, utilise the potential for recycling and minimise waste streams, which will allow us to optimise processes whilst maintaining high environmental standards.*

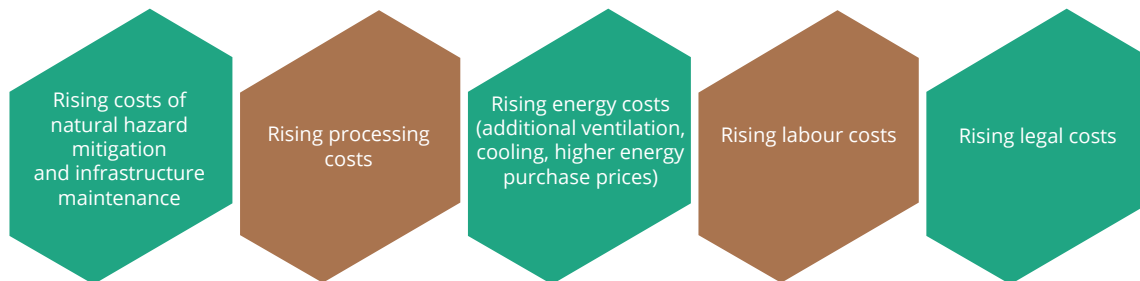
*It is also our ambition to increase the degree of processing of the copper products we sell.”*

# Operating conditions

Increasingly challenging geological and technical conditions, and ever-rising operating costs

## Challenges in domestic assets

- Extraction from deep deposits (1,320 m)
- High initial temperature of the rocks (from +27 to +48.5 °C)
- Difficult geological conditions requiring intensive ventilation, air conditioning and drainage (construction of shafts, air conditioning capacity of 98.5 MW and set to increase)
- Increasingly greater distances from mining centres
- Essential investment in modern hazard monitoring technologies and safety systems
- Regulatory pressure and increasing environmental requirements



## Changes since 2012<sup>1</sup>

2012	Criterion	2025	Change
1.59	Average copper content in the ore [%]	1.49	-6%
2.52	Thickness of the deposit [m]	2.08	-17%
134.4	Mineral reserves [kg/m <sup>2</sup> ]	105.7	-21%
36	Installed capacity of central air-conditioning stations [MW]	98.5	+174%
1,700	Length of ventilation ducts [km]	2,000	+18%
308	Number of air-conditioned mining machines [units]	832	+170%
23	Number of mining divisions with reduced working hours [number]	34	+48%
15	Consumption of explosives [kt]	20	+33%
148	Average unit cost of extracting ore [PLN/t]	303	+105%

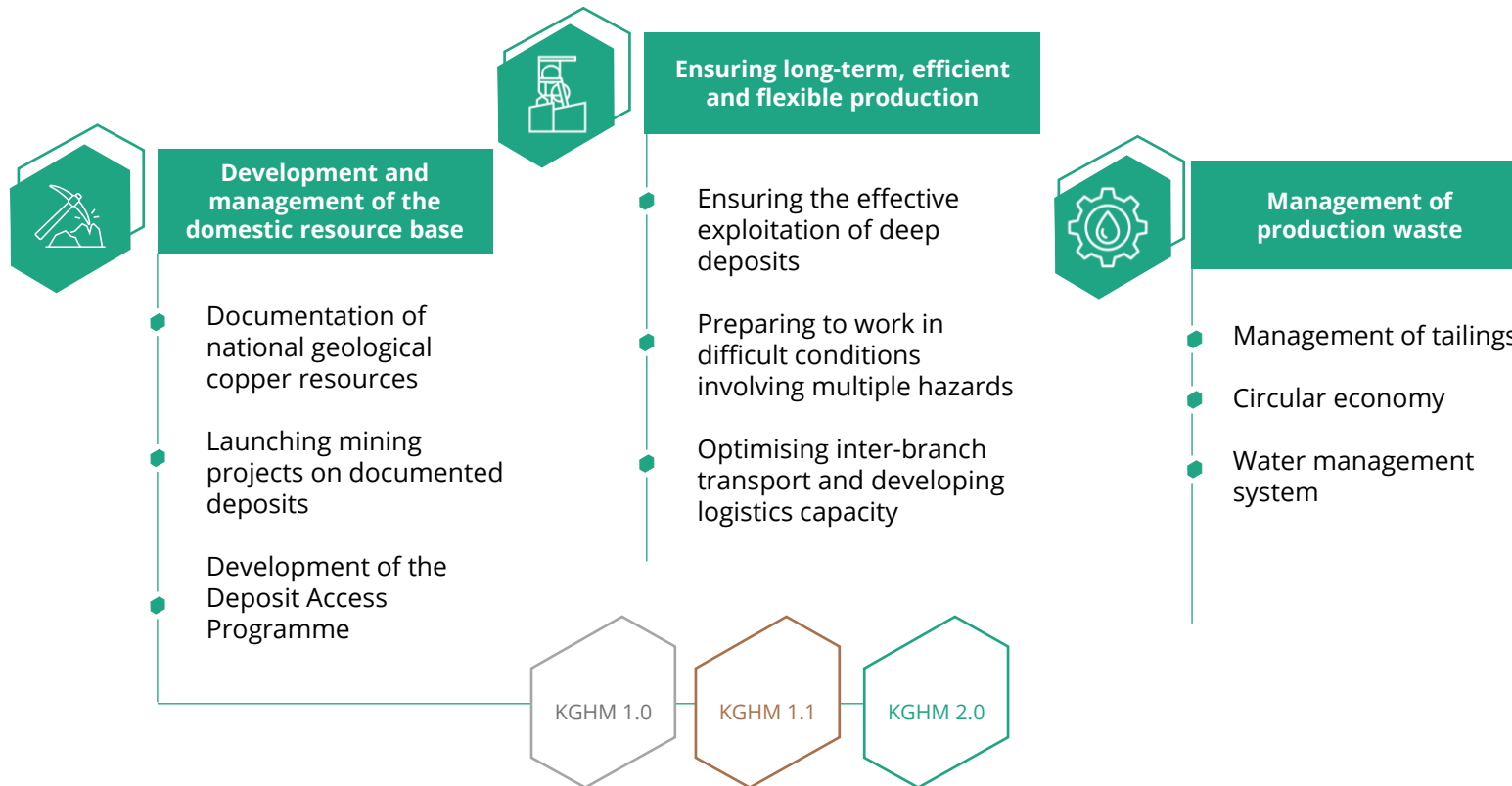
1) Applies to KGHM Polska Miedź S.A.



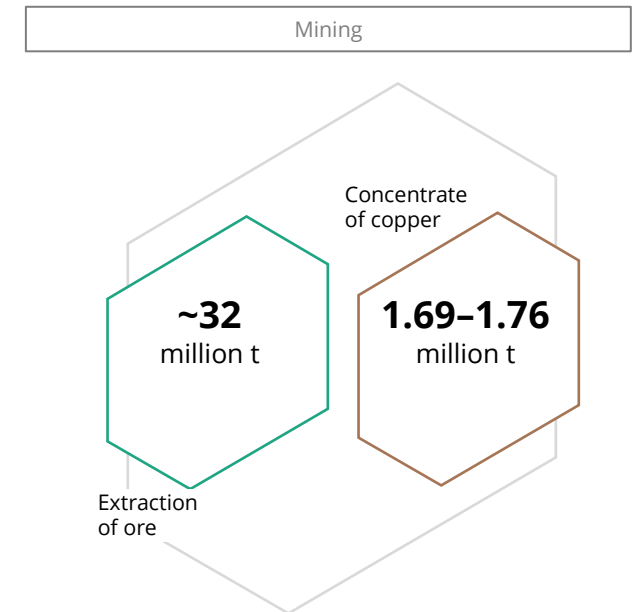
# Strategic directions of KGHM Group 2055+



Strategic area  
Sustainable mining and smelting of copper and accompanying products



## Projected annual production levels at KGHM Polska Miedź S.A.'s domestic assets for 2026–2030





# Strategic directions of KGHM Group 2055+

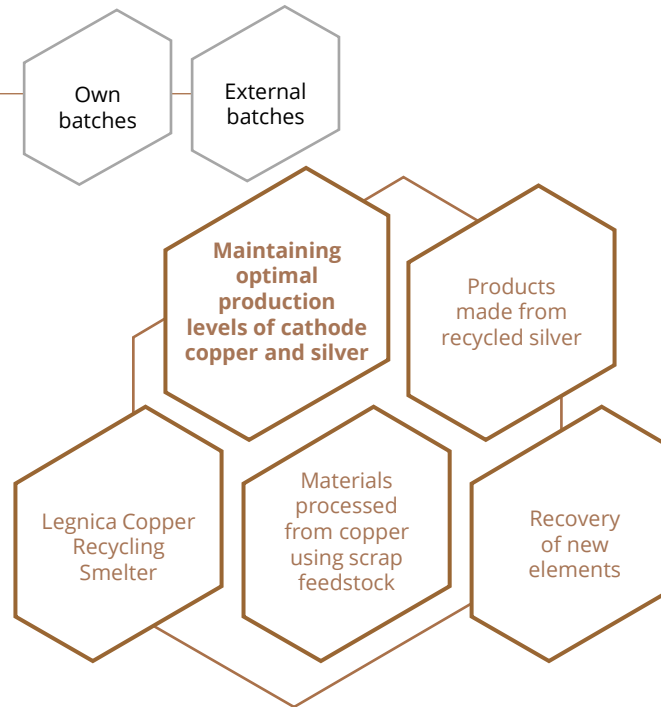


Strategic area  
Sustainable mining and smelting of copper and accompanying products

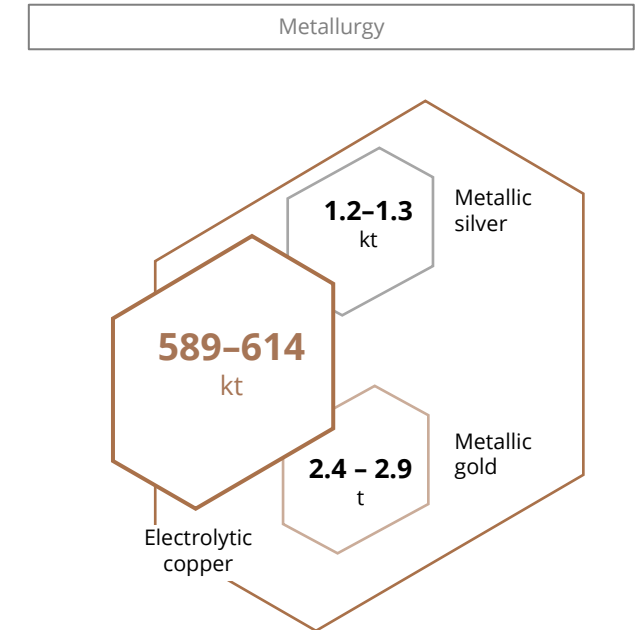


## Development of metallurgical production

- Adapting the existing technological infrastructure of the processing and smelting plants to changing internal and external conditions
- Using third-party feedstock in smelting and the production of processed products
- Diversifying the production of by-products from the Main Technological Line
- Optimising waste management



## Projected annual production levels at KGHM Polska Miedź S.A.'s domestic assets for 2026-2030



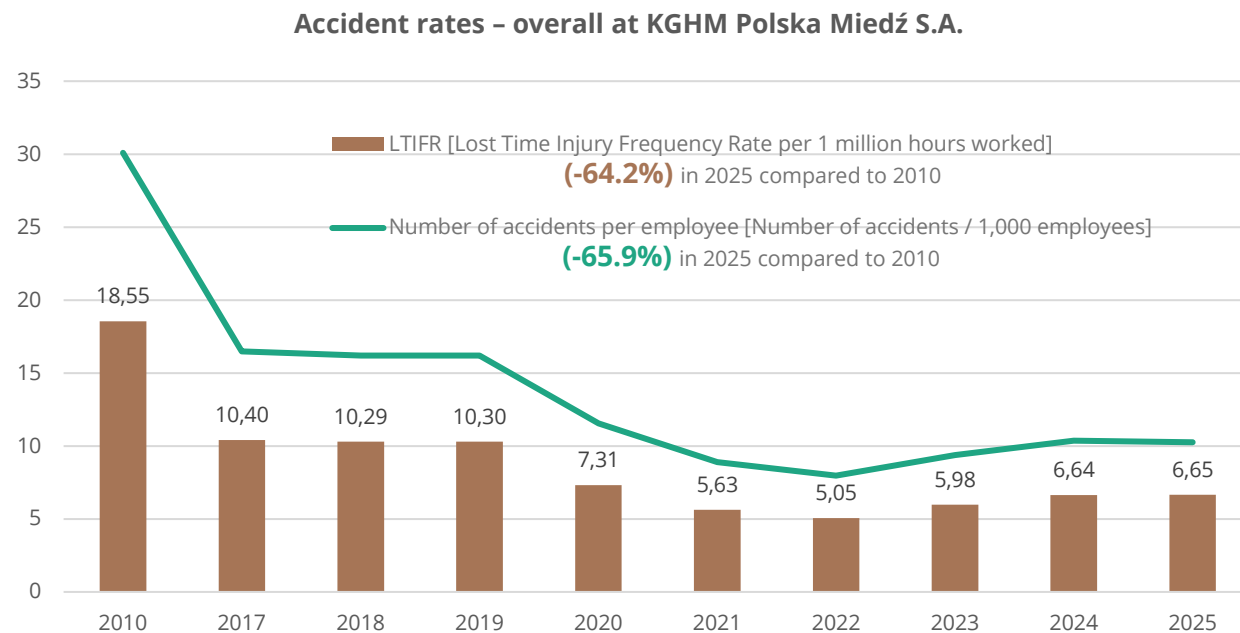


# Health and safety at KGHM

A systematic approach and compliance with the highest OHS standards



## Accident rates for the period 2010–2025



The lives and health of employees are our top priority

- Ensuring safe and ergonomic working conditions
- Training and fostering a safety culture
- Health and psychosocial initiatives

Minimising accidents according to the principle 'Zero accidents'

- Implementation of modern technologies and the identification and mitigation of natural hazards
- Monitoring and elimination of occupational hazards

Integrated safety management model

- Organisational systems and support (including health and safety services in the Branches, the Mining and Metallurgical Rescue Unit, and the Copper Health Centre)
- Improving the health and safety system to comply with ISO 45001



## Vice-President of the Management Board for Development

*Zbigniew Bryja*

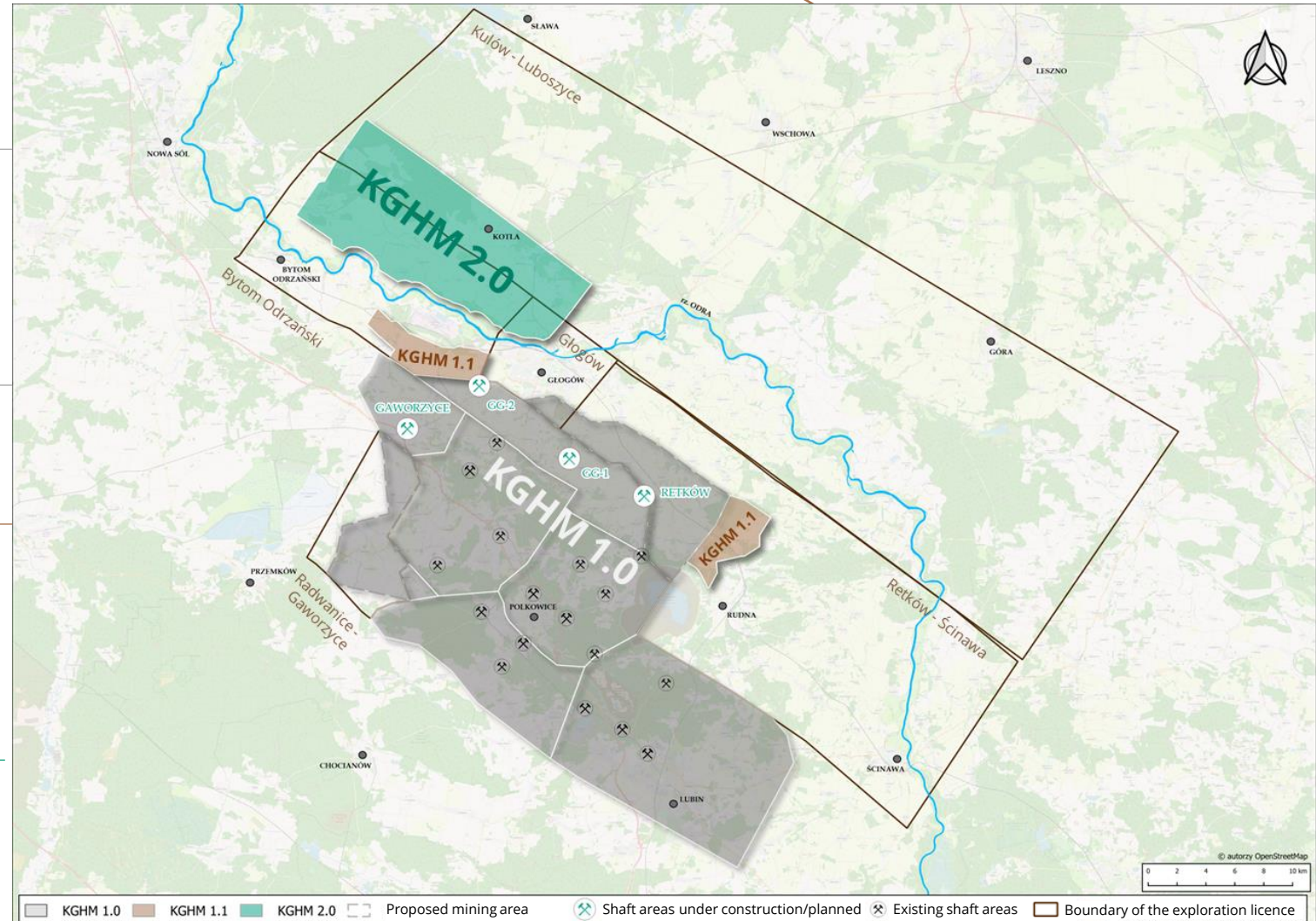
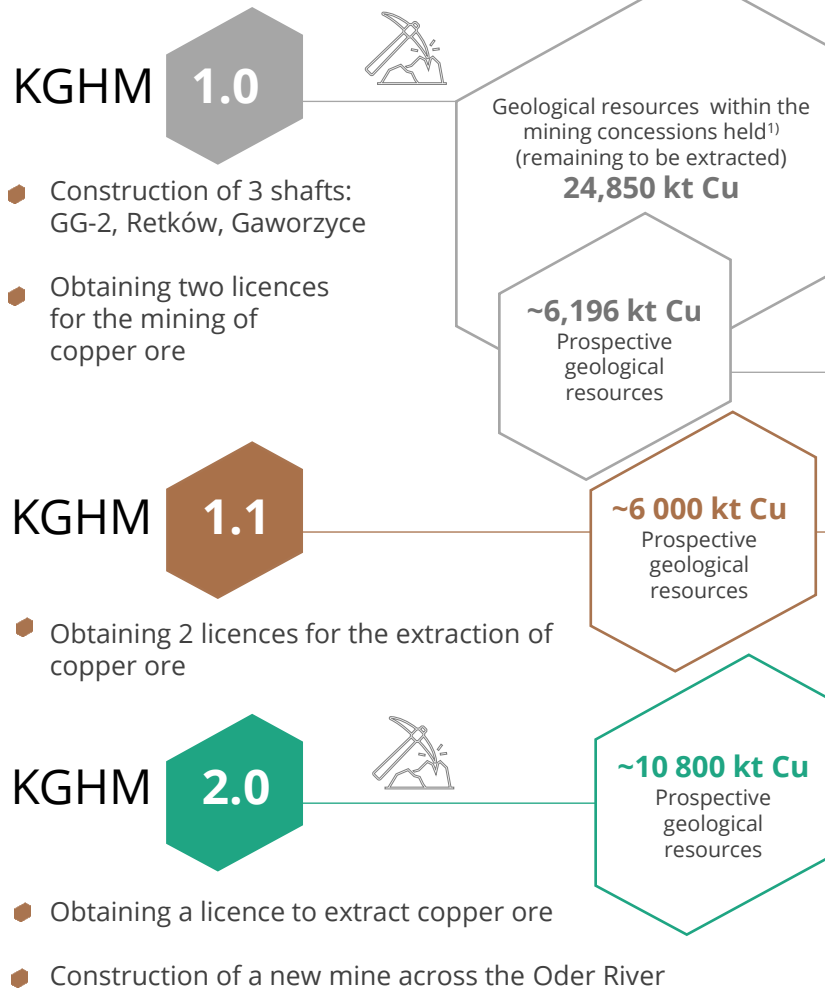


*” Our priority is to expand our resource base and invest in mining infrastructure to start production in new license areas. We are at a crucial juncture in channelling investment flows into mining and smelting, so to ensure KGHM’s economically optimal, long-term operations for future generations – the decisions taken today will bear fruit in a dozen or so years’ time.*

*Technological development, diversification of raw materials and the use of innovation are the pillars that enable us to look to the future responsibly. At KGHM, we are investing in the technologies of the future to explore critical metals, extend the value chain with new products and develop new processes using artificial intelligence.*

*This approach not only supports KGHM’s aspirations but also enables us to deliver solutions that meet the strategic needs of the Polish and European economies. This is also important in the context of regional development, strengthening local communities and safeguarding jobs.”*

# Development and management of the national resource base



1) Geological resources extracted between 1965 and 2024 under the mineral extraction licences held: 22,901 kt Cu



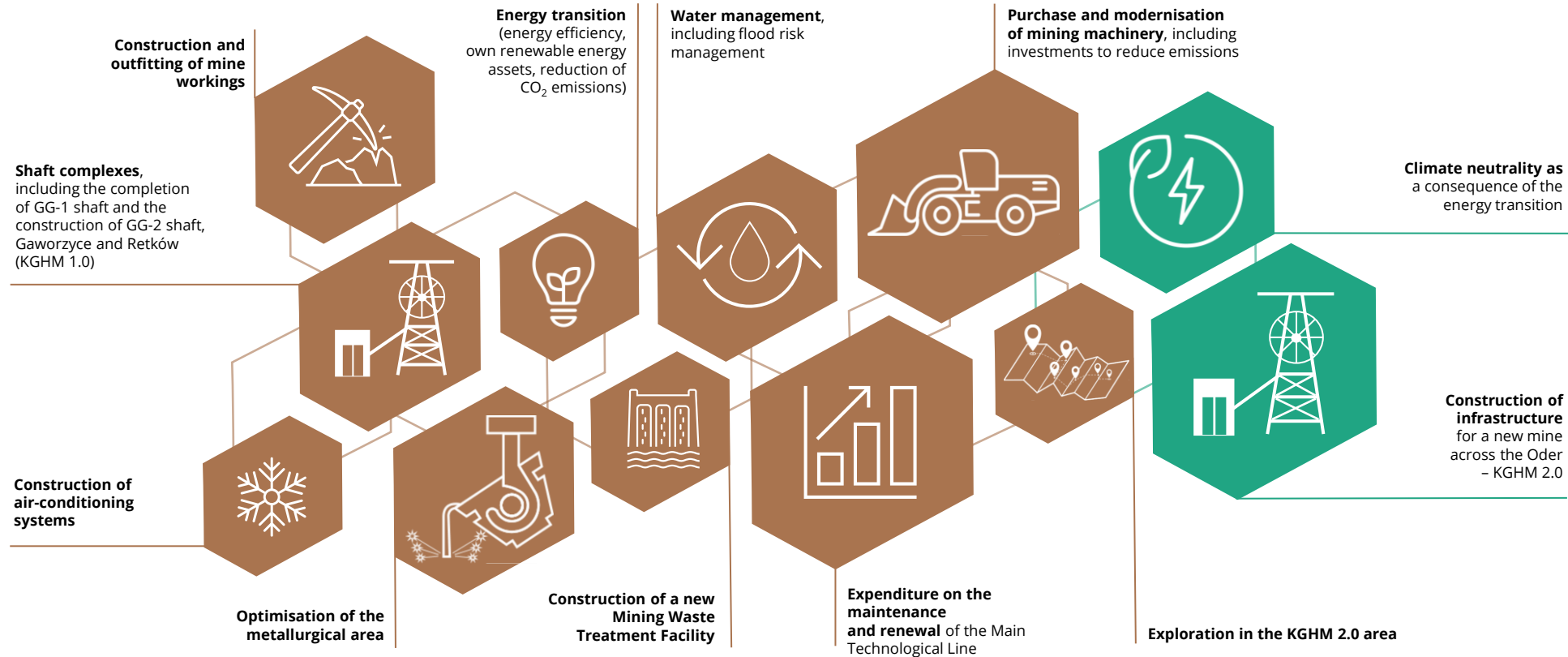
# KGHM's key investment areas in Poland

Medium-term outlook

KGHM 1.0 / KGHM 1.1

Long-term outlook

KGHM 2.0



**Legend:**  
Size of the mineral deposit is analogous to the level of CAPEX expenditure on the investment area.





# KGHM Group's Strategic Directions 2055+



Strategic area  
Expansion and technology development and innovation



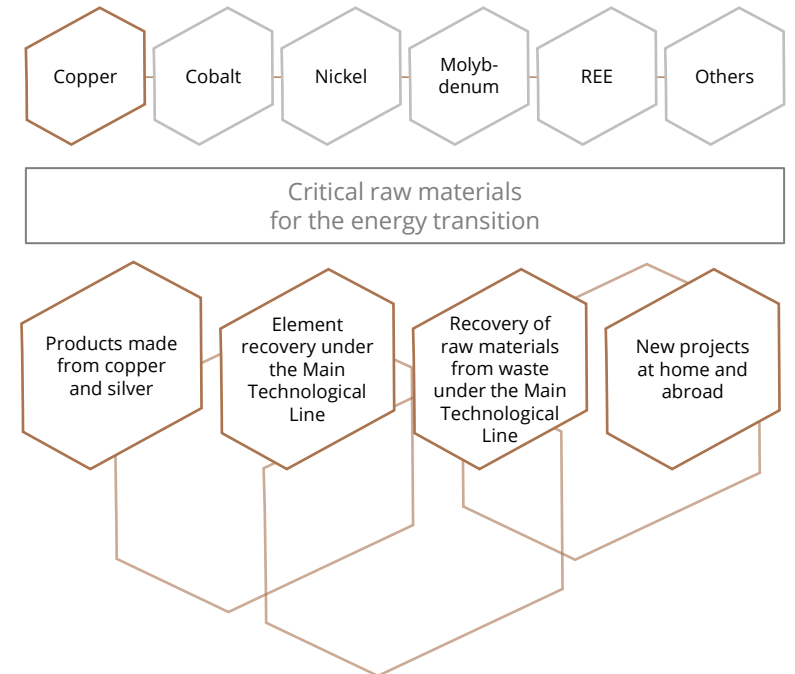
## Extending the value chain with new products and services

- Tailoring the product range to customers' needs, in terms of carbon footprint and product quality
- Expanding the product portfolio to include products with a higher degree of processing than copper cathodes, including through investments that incorporate the recycling of copper scrap
- Assessing the potential for recovering raw materials from waste and processing them into commercial products
- Increasing opportunities to expand the product portfolio through tangible investments, capital investments or cooperation with third parties



## Focusing on multiple raw materials, including critical metals

- Development of recovery technologies and commercialisation of new elements found in the main technological line
- Expanding the portfolio in terms of reserves and production of mineral resources other than copper, with a particular focus on critical metals (new areas within the country and projects abroad)





# KGHM Group's Strategic Directions 2055+

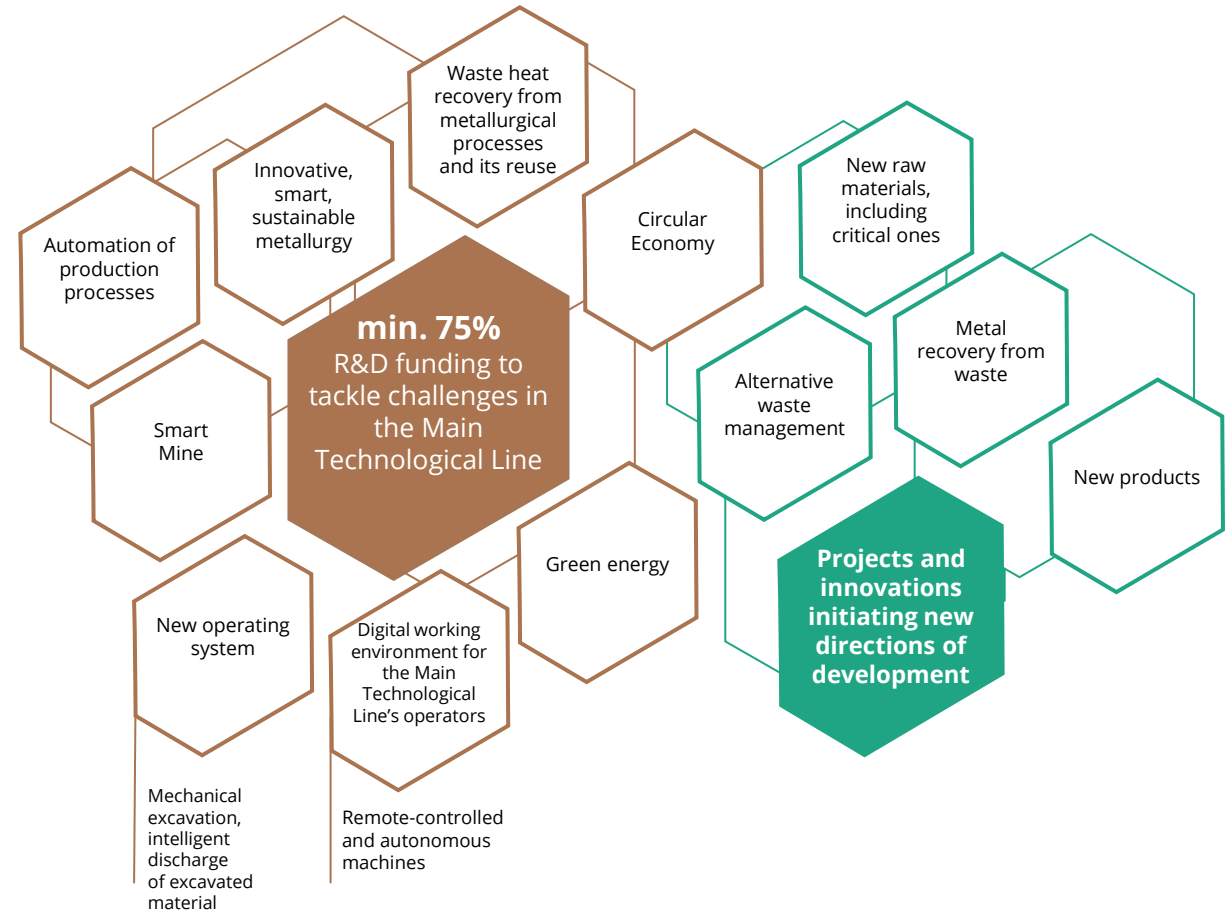
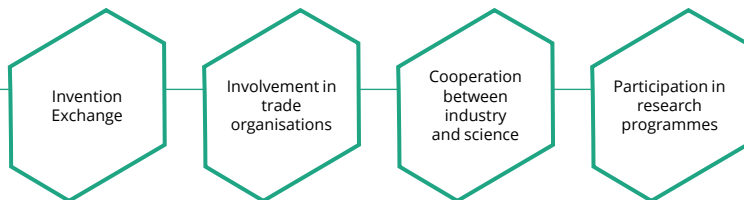


Strategic area  
Expansion and technology development and innovation



## Innovation, development of new technologies, knowledge sharing

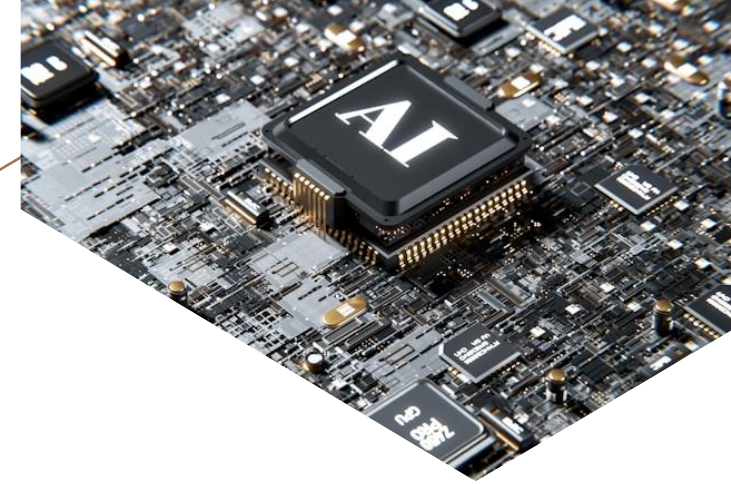
- Development of techniques and technologies in the main technological line processes; increasing the level of innovation, automation and autonomy in mining and metallurgical processes
- Commercialisation of the KGHM Group's specialist knowledge and know-how within the industry and in other sectors and branches of the economy
- Increasing the level of innovation within the KGHM Group





# Data & AI at the KGHM Group

## Implementing the concept *Data-Driven Organisation* in technological and business processes



Digital maturity – a data-driven organisation

Improving organisational efficiency and increasing labour productivity

- Development of existing and implementation of new Data&AI solutions, such as automated reporting, machine learning, computer vision (VisionAI) and generative artificial intelligence (GenAI) in management and operational processes
- Supporting the automation and autonomisation of technological processes through digital systems managed by algorithms and expert operations centres
- Providing the infrastructure necessary for the stable operation of AI, including communication networks, data centres, data warehouses and data lakes<sup>2</sup>, and sensor technology

Digital Workstation

Business analytics, Data governance

AI technologies in business

Digital transition

~80%

**Decisions taken within the Business Areas with the support of analytical and new technology systems**  
[up to 2035 year]

15

**Implemented new technology systems** based on data and using AI solutions  
[up to 2035 year]

min. 2

**Implementation of Data & AI technologies in the Main Technological Line's processes** with a view to strategically increasing their level of automation and autonomy  
[annually]

1) Data and artificial intelligence – smart technologies based on data analysis and AI.  
2) 'Data lake', i.e. a central data repository.



# KGHM Group's Strategic Directions 2055+

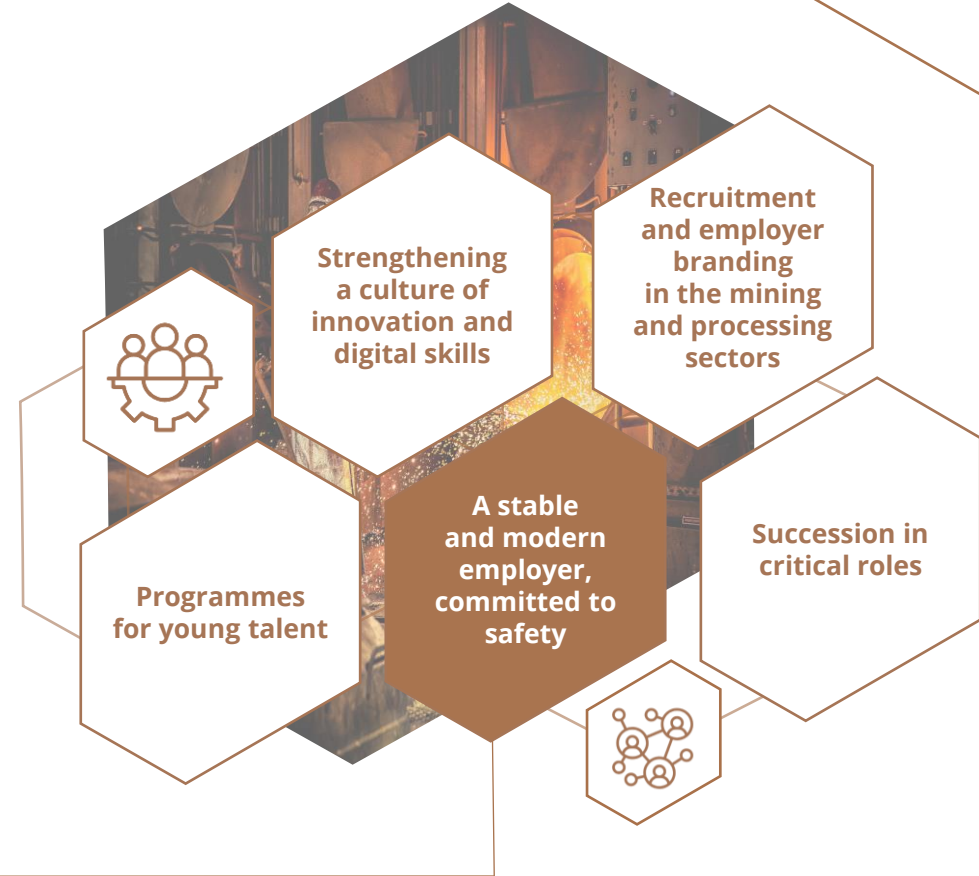


Strategic area  
Strengthening and developing skills and the business potential of the KGHM Group



## Ensuring succession and maintaining human potential in the organisation

- Continuous improvement of KGHM's position as an attractive employer on the market for both current and future employees of the KGHM Group
- Optimisation of the HR sphere – succession and replacement programmes for key positions, rotation programmes for branch staff, and development programmes designed to build new competencies required by the organisation
- Building teams capable of operating in an international environment with respect to the preparation and execution of large-scale projects and the implementation of new technologies





# KGHM Group's Strategic Directions 2055+

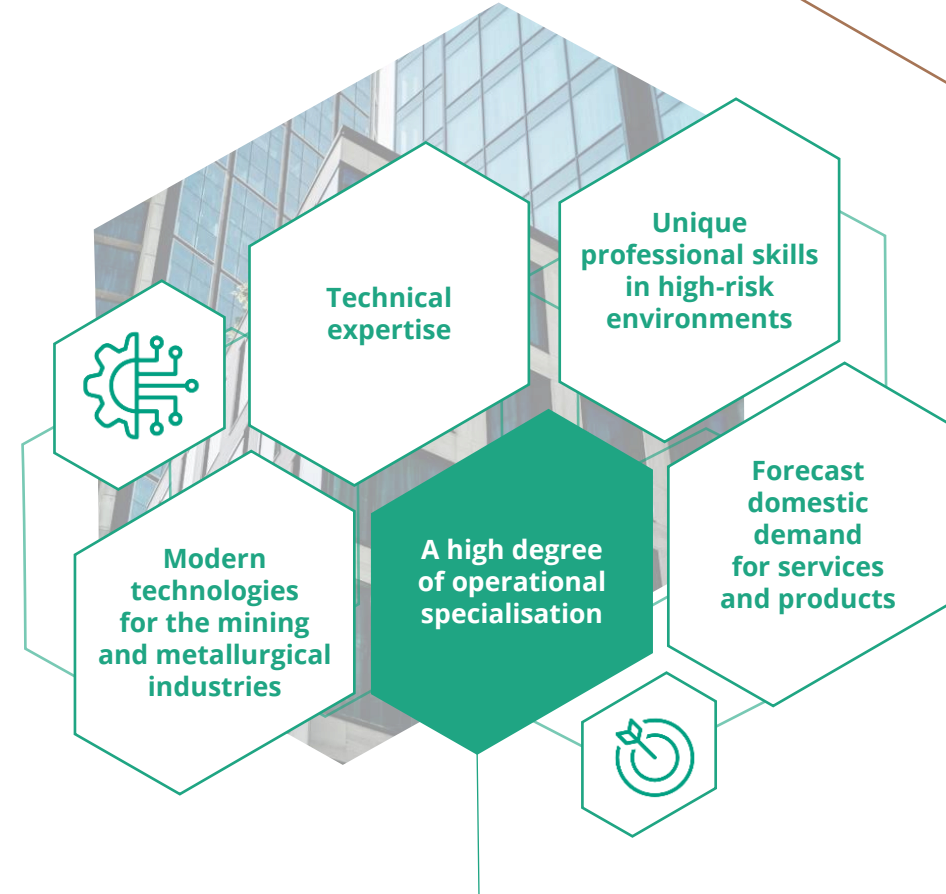


Strategic area  
Strengthening and developing skills and the business potential of the KGHM Group



## Optimising operations and developing the potential of the Group's domestic companies

- Increasing the efficiency of the Main Technological Line by identifying areas for optimisation and leveraging the competitive advantage derived from the unique mining and smelting expertise across the entire KGHM Group
- Support in improving KGHM's business areas, including production logistics, automation and global procurement, with a view to exploiting economies of scale across the entire KGHM Group, including its foreign assets
- Expanding the scope for using the companies' potential in external markets, for example by introducing new products and services to their range





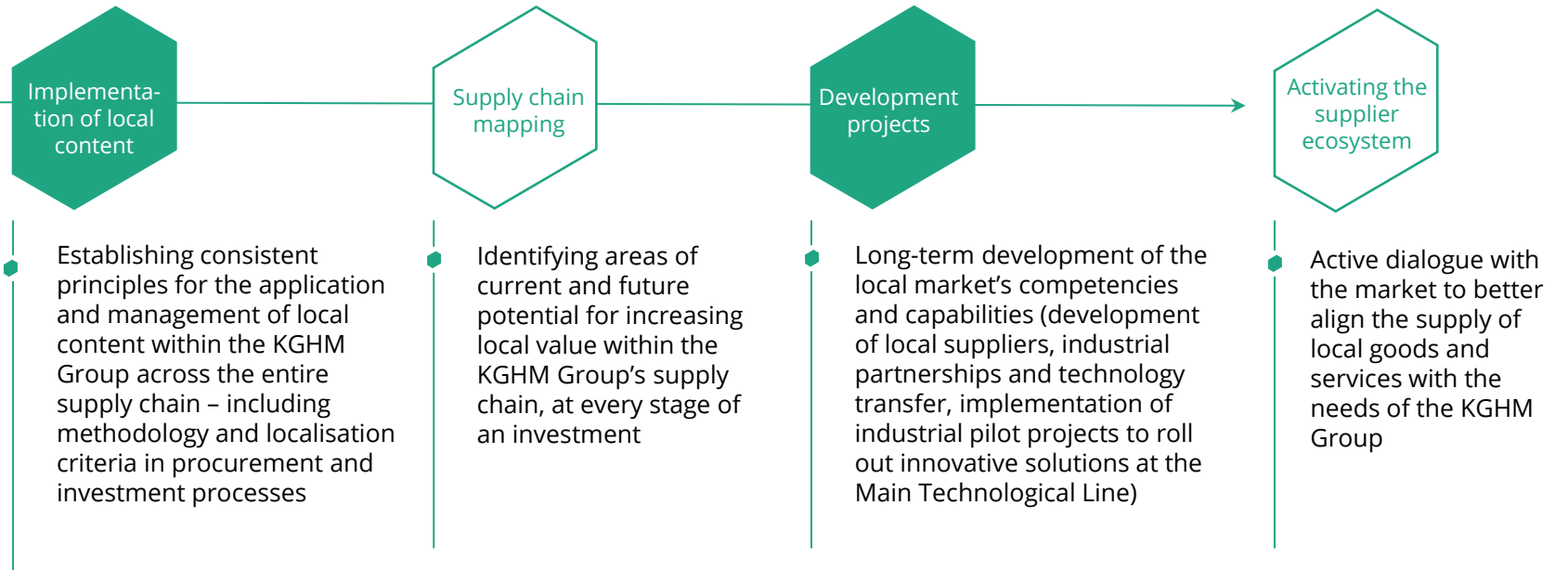
# Local content at KGHM

The strategic role of the KGHM Group companies and the development of an industrial base in the area surrounding the Group's operations



**Local Content**  
Z korzyścią dla Polski

- Ensuring, through the companies of the KGHM Group, that KGHM's mining and production processes are safe and stable.
- Optimising expertise and resources within individual companies and supplementing the Main Technological Line's expertise to improve the efficiency of resource utilisation within the KGHM Group.
- Increasing the share of local value within the supply chain, thereby strengthening its resilience and developing the capabilities of domestic suppliers, without restricting KGHM's access to the most competitive technologies and solutions available on the global market.



**Improving the KGHM Group's operational efficiency in selected areas and strengthening relations with stakeholders, as well as ensuring compliance with the ownership policy guidelines**



## Vice-President of the Management Board for Foreign Assets

*Anna Sobieraj-Kozakiewicz*



*” Foreign assets make a significant contribution to the KGHM Group’s financial results and cash flows. Recently, the Group has recorded record cash flows from these assets, which confirms their current operational value and strategic importance to the Group.*

*Our aim is for our foreign assets to be in the first half of the global cost curve. We want to achieve this by continuing to optimise the assets currently held in KGHM’s portfolio and by acquiring new assets that are aligned with our long-term objectives.”*



# KGHM Group's Strategic Directions 2055+

## KGHM's priority areas of activity in relation to its assets



Strategic area  
Strengthening and developing skills and the business potential of the KGHM Group



### Growth in foreign assets



#### Operating asset potential

- Copper and molybdenum mine **Sierra Gorda** (Chile):
  - Increasing the resource potential in the Sierra Gorda mine area.
  - Projects aimed at increasing copper production from sulphide and oxide ores.
- **Robinson** Copper Mine (USA):
  - Optimisation of the mine's life cycle; resource potential in the region.



#### Development projects

- The **Victoria** copper and nickel mine development project (Ontario, Canada).
- **Early-stage exploration projects** conducted in:
  - Chile,
  - Canada (Quebec, Ontario),
  - USA.



### Growth of DMC Mining Services

- Expansion into foreign markets and the scaling up of DMC Mining Services operations. These include e.g., building a high-value portfolio of business projects and establishing new contracts in the mining sector.
- Improving the efficiency of contract delivery and streamlining financial operations by optimising cash flow and financing.



# Key foreign assets

## Production assets and development projects



Location	Chile, Region II
Type of mine	open pit
Ownership	55% KGHM INTERNATIONAL LTD., 45% South32 Limited
Products and semi-finished products	<ul style="list-style-type: none"> <li>• <b>Main mineral:</b> copper ore</li> <li>• Associated metals: molybdenum , gold.</li> <li>• End product: <b>copper concentrate, molybdenum concentrate</b></li> </ul>
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%
Life of mine	23 years for the current deposit (there is also the possibility of extending the operating life by taking new deposits into account)

- Project to build the Fourth Gridding Line.
- Exploration projects, including e.g., Catebela North-East.
- Sierra Gorda Oxide project.
- Other initiatives and strategic projects, including the Mine Development Plan.



Location	USA, Nevada, White Pine County, about 400 km north of Las Vegas
Type of mine	open pit
Ownership	100% KGHM INTERNATIONAL LTD.
Products and semi-finished products	<ul style="list-style-type: none"> <li>• <b>Main mineral:</b> copper ore</li> <li>• Associated metals: molybdenum , gold.</li> <li>• End product: <b>copper concentrate, molybdenum concentrate</b></li> </ul>
Production in 2025	49 kt of payable copper
Life of mine	11 years

- Exploration projects. Analysis of resource potential.

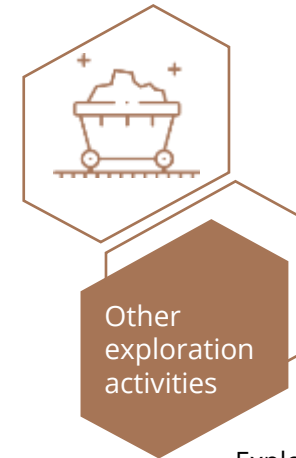
# Key foreign assets

## Development projects



Location	Canada, Ontario, the Sudbury Basin, approximately 35 km west of the city of Sudbury
Type of mine	underground
Ownership	100% KGHM INTERNATIONAL LTD.
Main product	<b>copper-nickel ore</b>
Annual production	~19 kt of copper / ~16 kt of nickel
Life of mine	~14 years

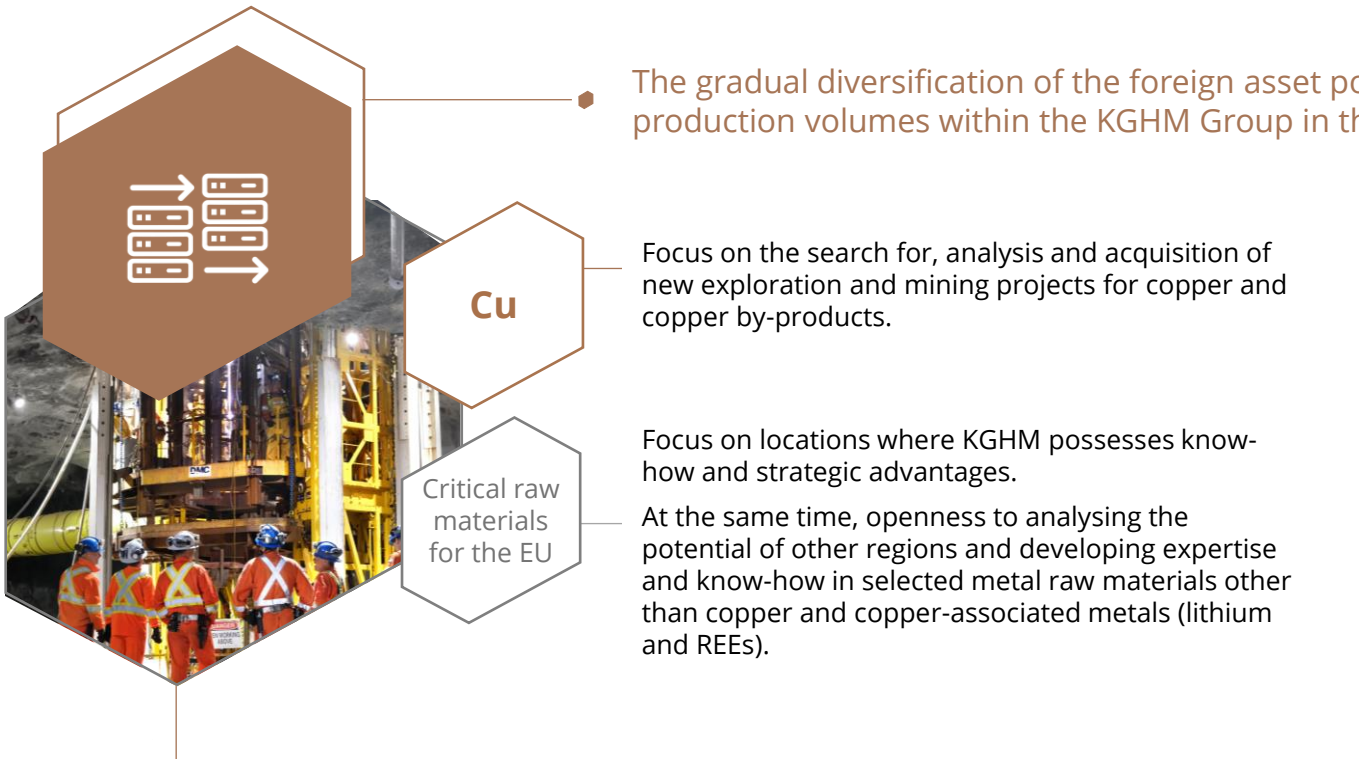
- Further technical and documentation work on the project.
- Securing funding for the project.
- Construction of underground infrastructure (2 shafts – one for ventilation and one for production).
- Cooperation with Indigenous Peoples and local communities.



Exploration projects – analysis of resource potential in North and South America.

# Growth in foreign assets

## Securing new mining projects at various stages of development



- Development priorities and project selection criteria in line with the Company's Resource Base Development Policy.
- Seeking development projects at various stages of progress, including the conceptual phase: Scoping Study / Preliminary Economic Analysis (PEA) / Preliminary Feasibility Study (PFS) / Feasibility Study (FS) with a view to expand the portfolio of development projects which will ultimately become KGHM's operating assets.
- Developing various forms of cooperation with business partners:
  - option contracts,
  - Mergers & Acquisitions transactions.



## Vice-President of the Management Board for Finance

*Piotr Krzyżewski*



*” KGHM's financial stability is the cornerstone of our operations. It enables us to carry out strategic investments and pursue long-term development. We are focused on achieving high profitability, maximising return on investment, maintaining a safe level of debt, and improving the energy efficiency of our technological processes and the consistent implementation of our Energy Strategy.*

*For years, KGHM has maintained a high level of economic efficiency in its operations, despite difficult geological and mining conditions, which naturally result in high production costs.*

*Our aim is to maintain cost discipline and secure funding for profitable investments.*

*Through effective financial risk management, consistent implementation of our sales policy and operational optimisation – particularly in global markets – we are strengthening our resilience to market volatility, enhancing our competitiveness and maintaining a sustainable position amongst the industry leaders.”*



# KGHM Group's Strategic Directions 2055+

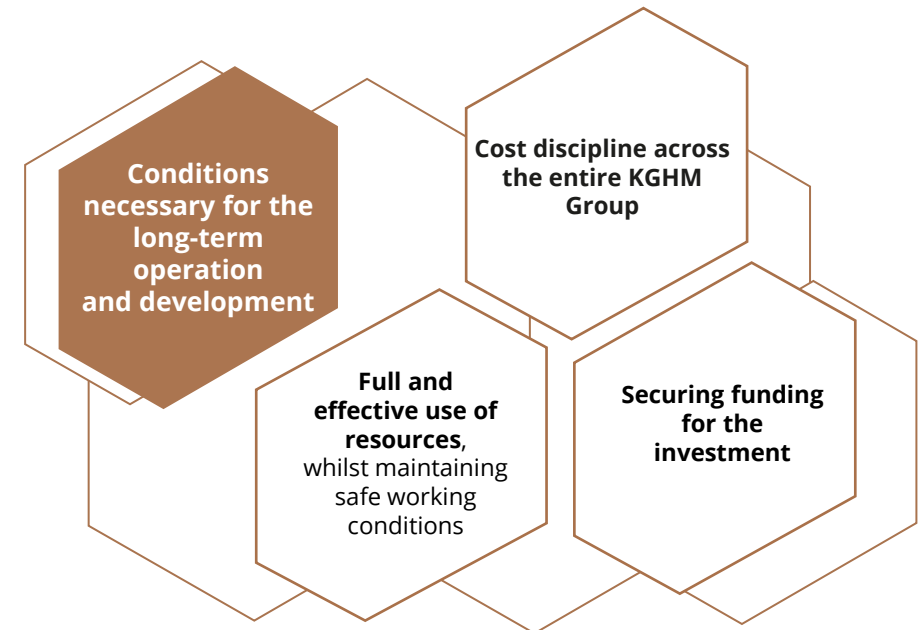


Strategic area  
Strengthening and developing skills  
and the business potential of the KGHM Group



## Ensuring financial stability

- Securing external sources of funding for investments
- Maintaining a reasonable level of replacement and maintenance expenditure, together with an appropriate level of expenditure allocated to development projects
- Optimisation measures designed to sustainably improve the cost-effectiveness and economic profitability of the KGHM Group's operations
- Mitigating financial risks (market and credit risks) and consistently implementing a sales policy based on building sustainable, long-term commercial relationships with stable and reliable partners, and on the principles of sales diversification



# KGHM's sales policy

A consistently implemented sales policy supports the achievement of key strategic objectives

*The Sales Policy is underpinned by long-term relationships with stable and reliable partners and a wide-ranging diversification of the product range, which systematically strengthen KGHM's financial security*



## Reliable partners – long-term business relationships

- Flexibility in responding to customers' needs
- On-time deliveries – always of the highest standard

## 360° customer view of products sold and new products as part of extending the value chain

**Copper**  
Cu concentrate, Cu cathodes, Cu wire rod, Cu-OFE wire, Cu-Ag OF wire, granulate

Main products made from copper

**Silver**  
bars, granulate

Precious metals as by-products

**Gold**  
bars

**Molybdenum**

**Rhenium**

**Lead**

**Sulphuric acid**

**Industrial selenium**

Nickel sulphate, Copper sulphate

Other accompanying products

## Maintaining commercial potential



- Safe sales of products thanks to the presence on global markets
- The offer increases along with its value – prioritising the sale of processed products
- Keeping a close eye on the market – capitalising on business opportunities as they arise whilst taking long-term objectives into account



# KGHM Group for ESG

The KGHM Group's sustainable development priorities



KGHM Group for the Environment



- KGHM strives to minimise the environmental impact of its operations, focusing on protecting ecosystems and reducing its carbon footprint.

E

KGHM Group for the Social



- KGHM sees itself as a community of diverse people united by a common goal – the pursuit of a better future for present and future generations.

S

Corporate governance in KGHM Group



- Management at KGHM is conducted in a way that ensures transparency, accountability and a balance between the interests of various stakeholders.

G

Transparent and responsible management of sustainable development within the KGHM Group





# Strategic directions of KGHM Group 2055+

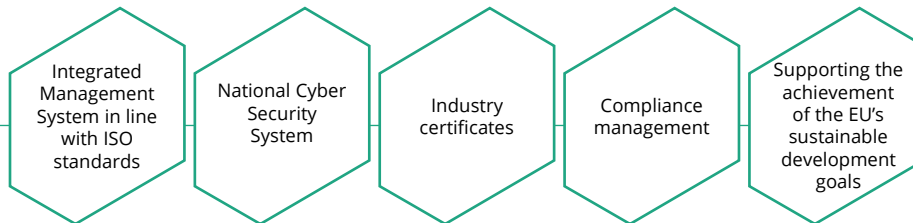


Strategic area  
Sustainable mining and smelting of copper  
and accompanying products



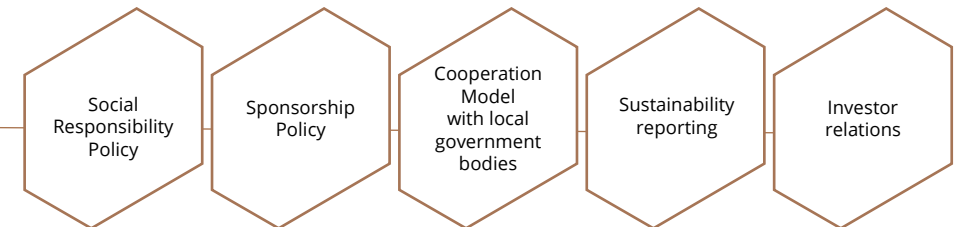
## Complying with the requirements of legislation and market standards

- Aligning production infrastructure and business processes with legislative requirements, industry standards and best practice
- Legislative cooperation in support of the raw materials industry; providing early-stage legal advice



## Coopering with local communities and other stakeholders

- Maintaining our status as a responsible employer and social partner within the framework of Corporate Social Responsibility policy
- Cooperation with local authorities in the region and other stakeholders – social dialogue and cooperation,
- Transparent communication, maintaining investor confidence and shareholder satisfaction





# Strategic directions of KGHM Group 2055+



Strategic area  
Sustainable mining and smelting of copper  
and accompanying products



## Energy transition

Climate Policy

Decarbonisation Plan

Energy Strategy

Energy Saving Programme

Main directions of decarbonisation

### Reduction of indirect Scope 2 emissions:

- Improving energy efficiency in production facilities and optimising technological processes
- Developing our own zero-emission and low-emission energy sources
- Purchase of zero-emission electricity under PPAs

### Total reduction of indirect Scope 2 emissions:

- Electricity and heat exclusively from zero-emission and low-emission sources

### Maximum reduction of direct Scope 1 emissions:

- Use of hydrogen, synthetic fuels and other zero-emission energy sources in the main technological line
- Implementation of advanced low- and zero-emission technologies in the main technological line
- Use of CCU and CCS technologies

### Potential offsetting of remaining emissions

2030 – medium-term target

Reduction in CO<sub>2</sub> emissions by 30%<sup>1</sup>

2050 – long-term goal

Climate neutrality



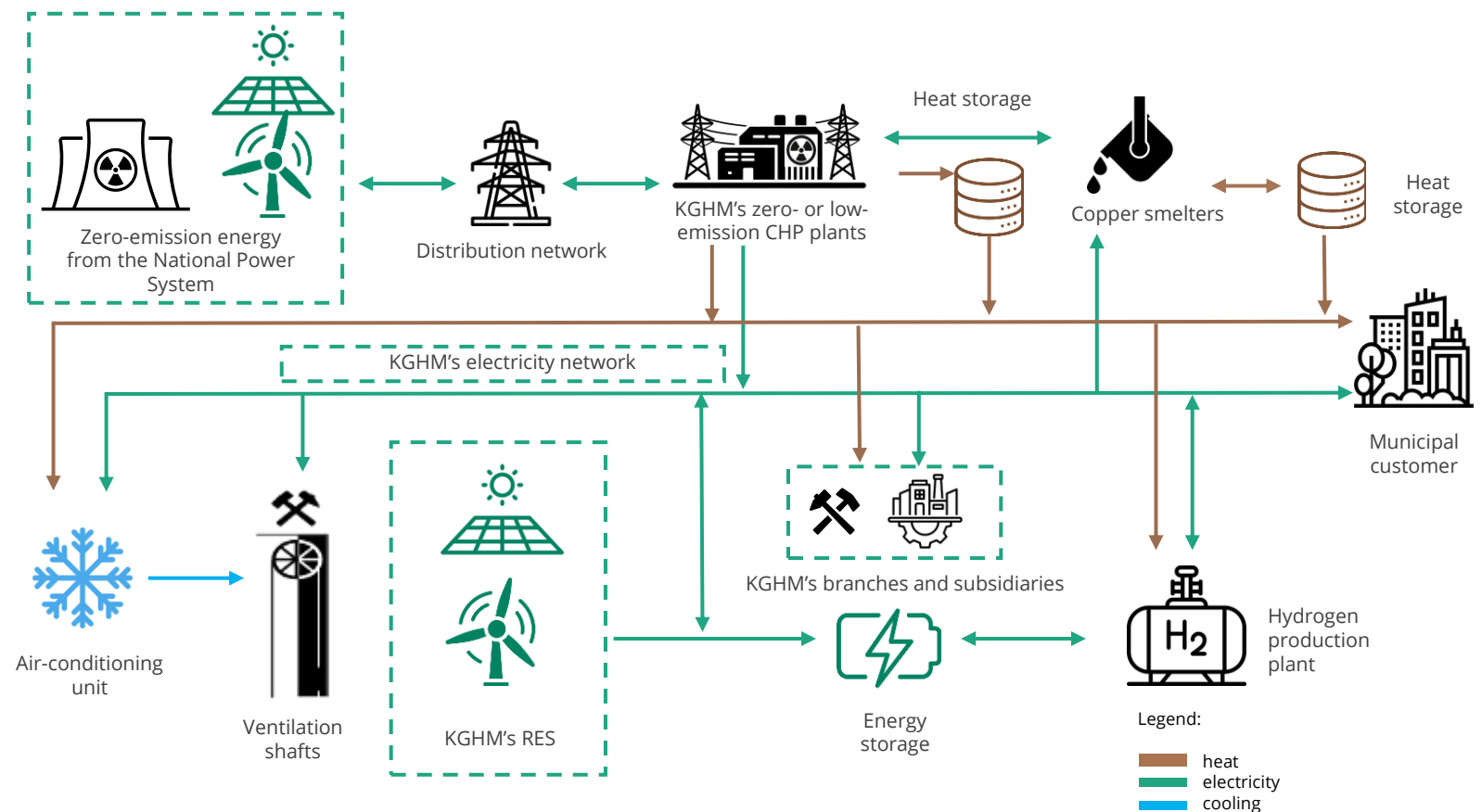
<sup>1</sup>) Related to the volume of greenhouse gases generated indirectly as part of KGHM Polska Miedź S.A.'s business activities in 2020.



# Energy Policy of KGHM Polska Miedź S.A.

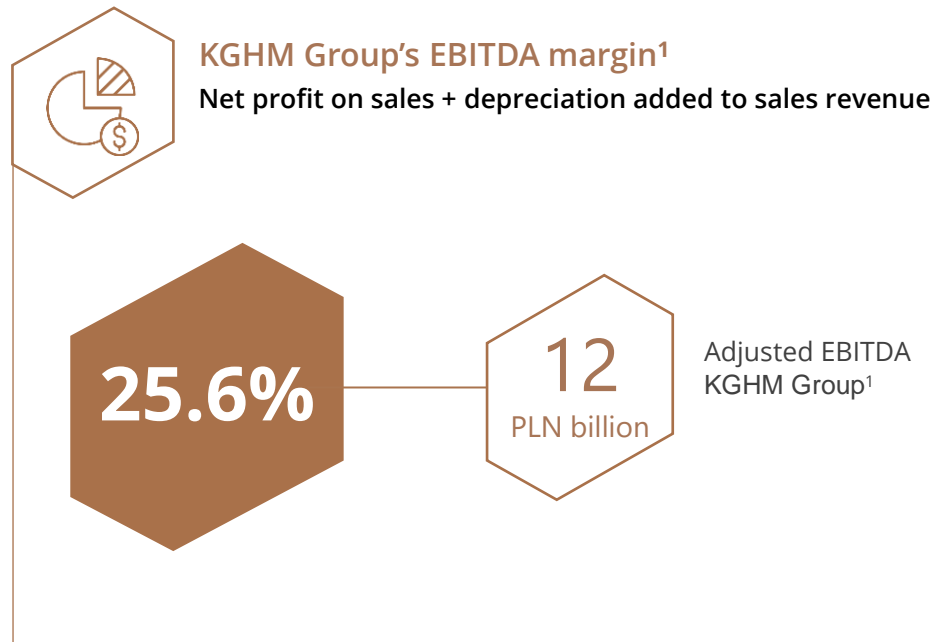
## Basic assumptions

- Electricity generation from our own low- and zero-emission generation assets.
- Zero-emission electricity in the Main Technological Line from external suppliers.
- Heat storage facilities, electricity storage facilities and the expansion of the power system to improve energy security and energy efficiency along KGHM's Main Technological Line.

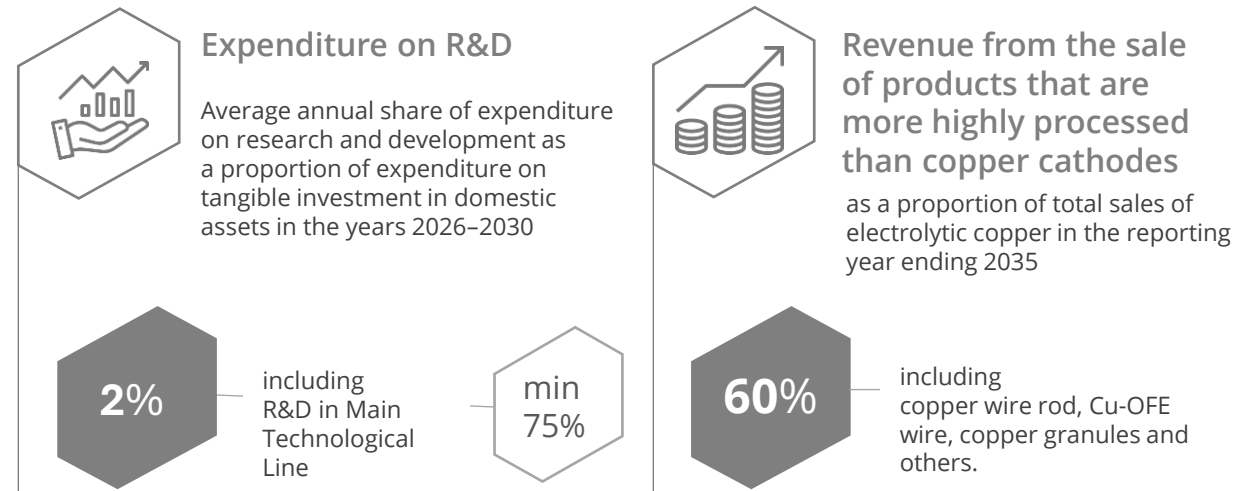
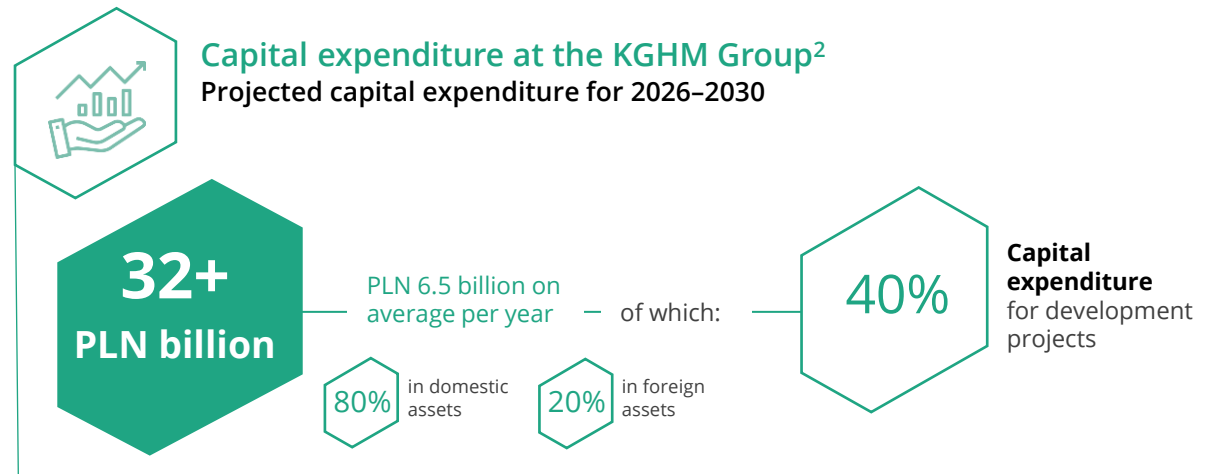


# Main strategic objectives

Overarching objective: profitable extraction of raw materials with a view to the period after 2055



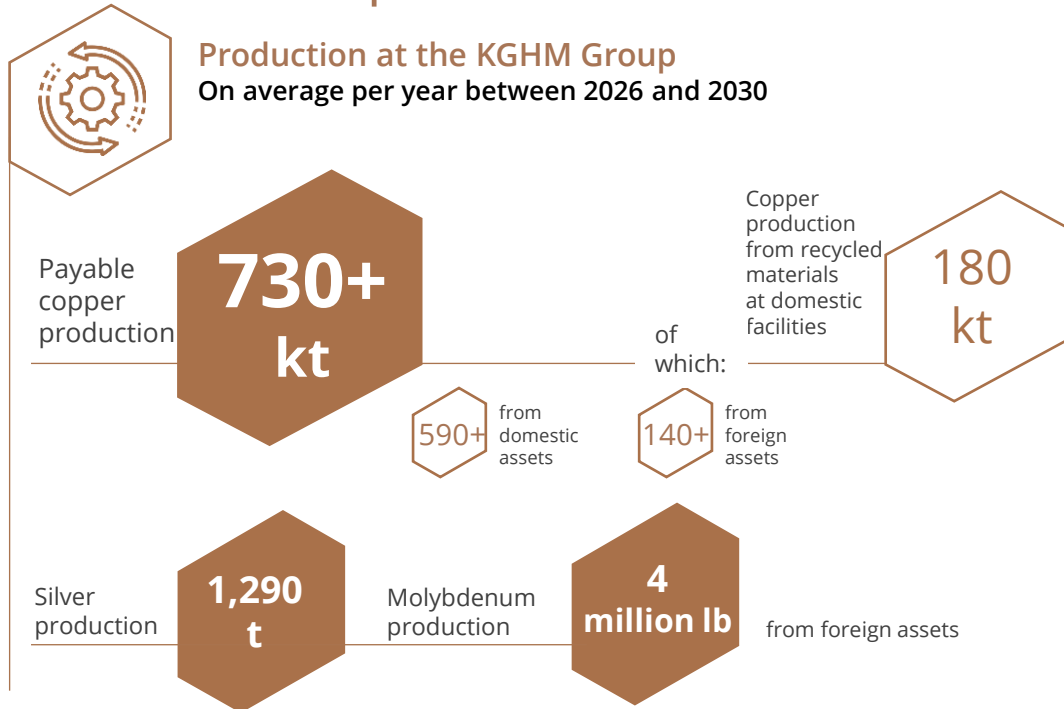
<sup>1)</sup> On an average annual basis for the period 2026–2030, in real terms, assuming an average annual copper price of 11,454 USD/t, a silver price of 58.1 USD/oz and a USD/PLN exchange rate of 3.56 based on the median of market forecasts as of June 2026. The financial parameters incorporate KGHM's 55% stake in Sierra Gorda SCM.



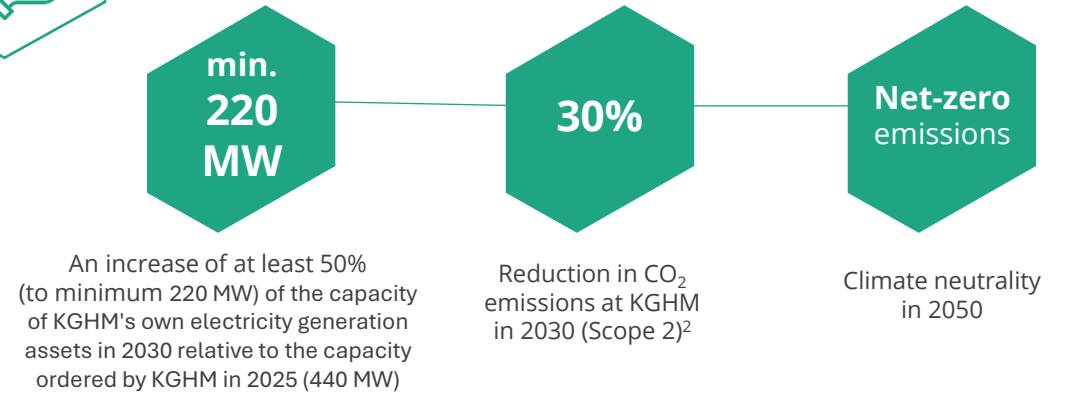
<sup>2)</sup> Including capital expenditure within Sierra Gorda SCM (55%)

# Main strategic objectives

Overarching objective: profitable extraction of raw materials with a view to the period after 2055



## Energy transition and climate protection



## Occupational safety



<sup>1)</sup> Own generation sources include: Combined cycle gas turbine units, gas engines, steam recovered from heat recovery boilers at the Głogów Copper Smelter and used to generate electricity in a steam turbine-powered generator, photovoltaic farms and wind farms (completed and planned by KGHM and the KGHM Group).

<sup>2)</sup> Reduction in CO<sub>2</sub> emissions, i.e. the quantity of greenhouse gases generated indirectly (Scope 2) as part of the business activities of KGHM Polska Miedź S.A., compared with 2020.

<sup>3)</sup> LTIFR (Lost Time Injury Frequency Rate) – the total number of workplace accidents standardised to 1 million hours worked. TRIR (Total Recordable Incident Rate) – an indicator of workplace accidents meeting the criteria for recording as defined by the ICMM (International Council on Mining & Metals) standard.

# Prospects for the implementation of the 2055+ Strategy of KGHM Polska Miedź S.A. Group

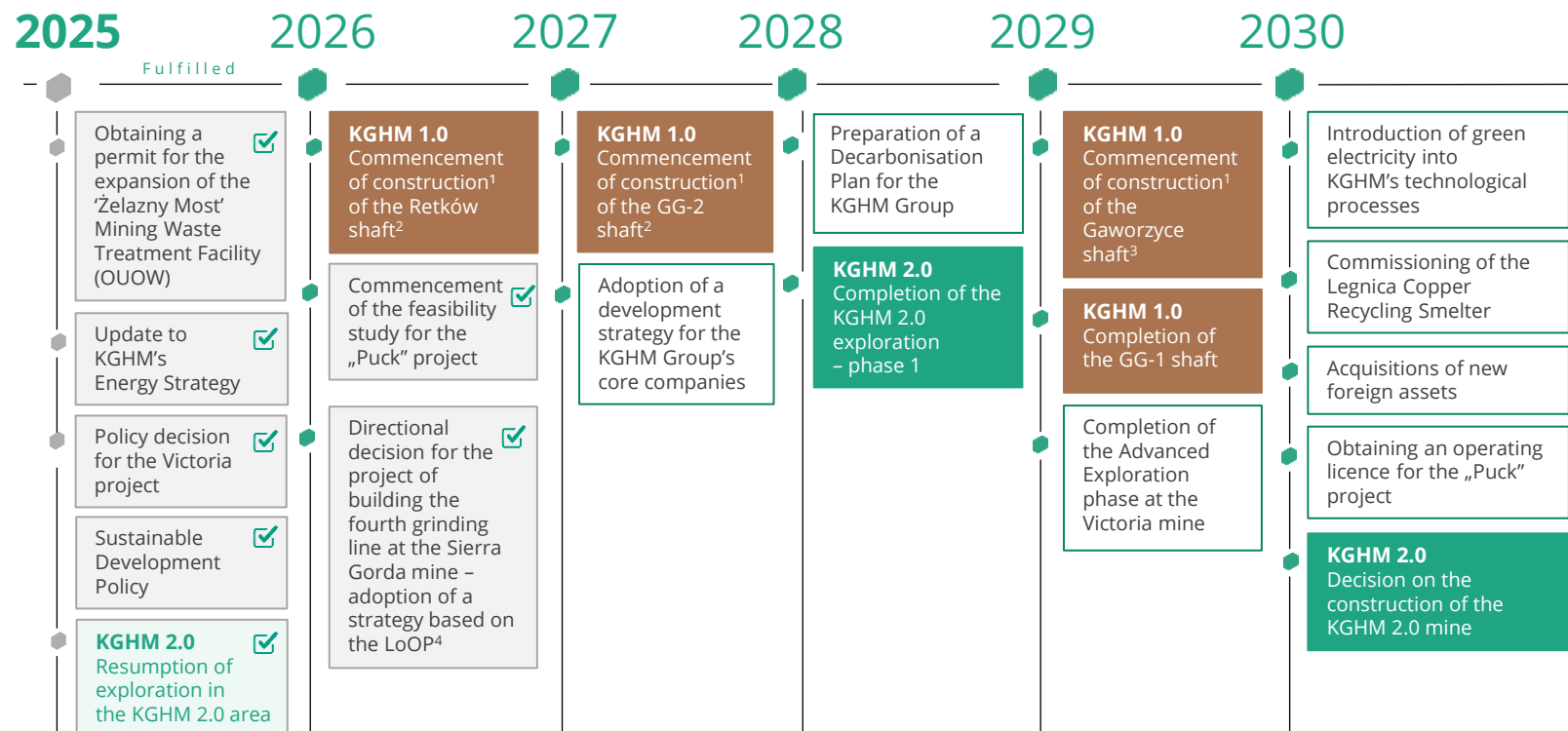
**up to 2030:**  
strengthening the core business

## Short term: 3–5 years

- Improving the profitability of copper, silver and molybdenum mining
- Exploration of copper deposits and other raw materials
- Optimisation and transformation of smelting infrastructure
- Circular economy, water and waste management
- Climate Policy for the KGHM Group
- Optimisation of foreign assets
- Energy efficiency and the development of RES

Strengthening  
the core business

Cu, Ag,  
Au, Mo



Legend:  
 ● Key achievements  
 ● Milestones to be achieved

- 1) Commencement of work to prepare the facilities for the shaft sinking period and commencement of the Artificial Ground Freezing (AGF)
- 2) Down-haul and material shaft, intake ventilation shaft
- 3) Exhaust ventilation shaft
- 4) LoOP - (Life of Operation Plan).



# Prospects for the implementation of the 2055+ Strategy of KGHM Polska Miedź S.A. Group



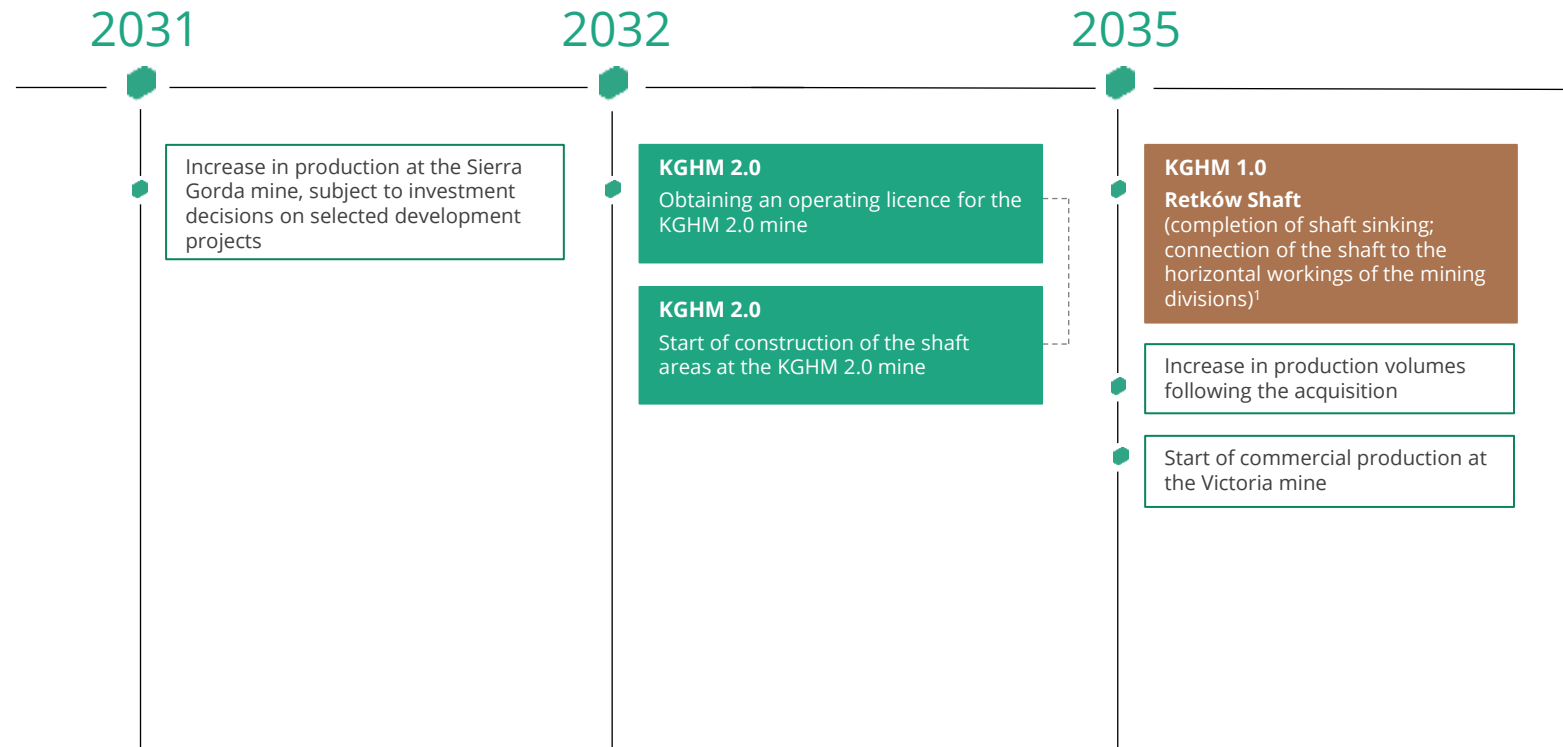
**up to 2035:**  
**extending the value chain and decarbonisation**

## Medium-term (5 to 10 years)

- Circular Economy, Recycling and Urban Mining
- Raw material diversification
- Building expertise in the processing sector
- Continuing the energy transition
- Commencement of commercial production at the Victoria mine; increase in production at the Sierra Gorda mine

**Extending the value chain, decarbonisation**

**Cu, Ag, Au, Mo, Ni, Co, platinum group metals, other raw materials from the CRM list**



Legend:  
● Milestones to be achieved

1) Connecting the shaft to the mine's horizontal workings and to the workings of other mining operations – establishing a limited ventilation link between the shafts – fresh air is supplied to the mine's workings.



# Prospects for the implementation of the 2055+ Strategy of KGHM Polska Miedź S.A. Group

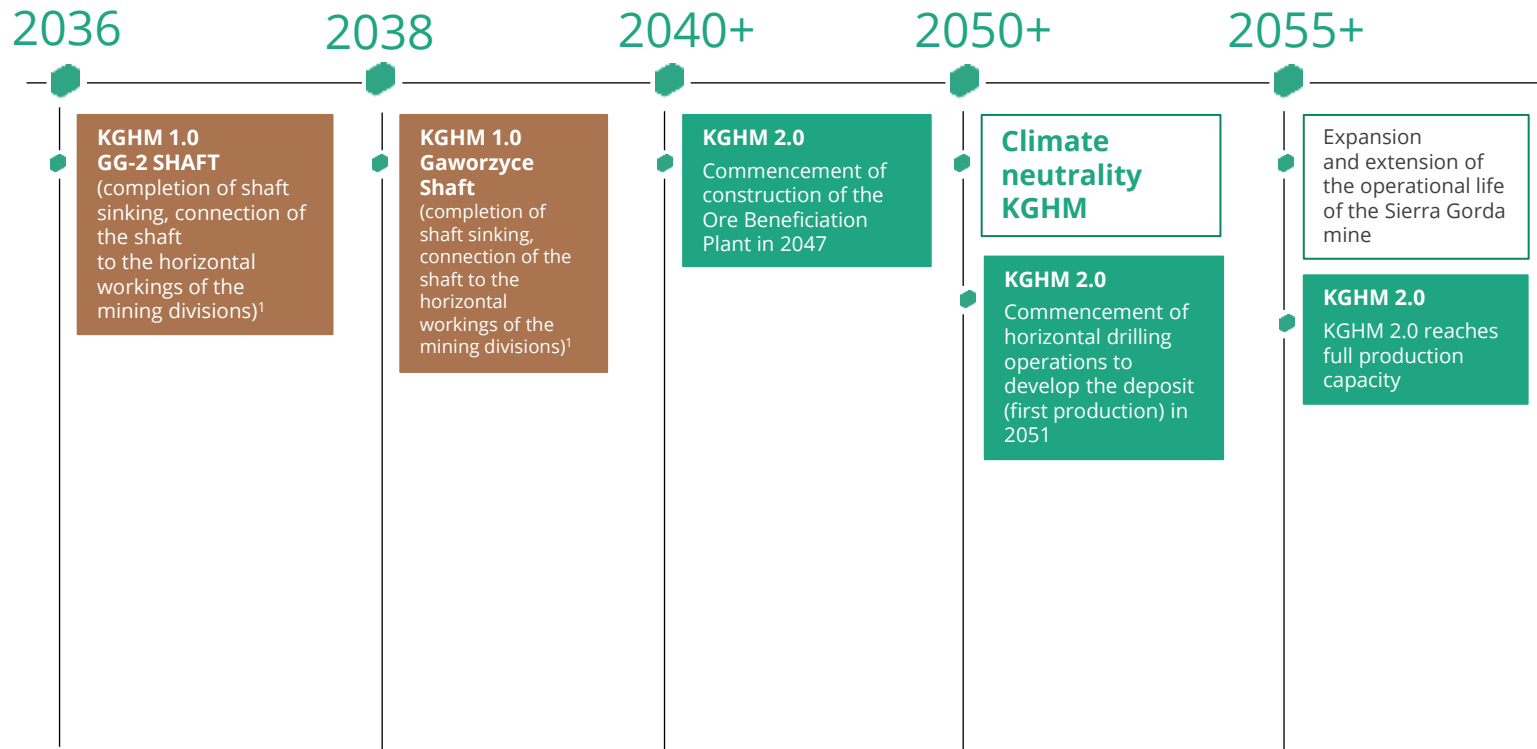
**up to 2055 and beyond:**  
**development of a multi-commodity portfolio, including critical raw materials (CRMs)**

## Long term: 10+ years

- A strong and balanced multi-commodity portfolio ensuring long-term stability
- KGHM 2.0 Production
- Expansion and extension of the Sierra Gorda mine's life
- Climate neutrality (2050)

Development of a multi-commodity portfolio

Cu, Ag, Au, Mo, Ni, Co, platinum group metals, lithium, rare earth elements (REE), other raw materials from the CRM list



Legend:  
 ● Milestones to be achieved

1) Connecting the shaft to the mine's horizontal workings and to the workings of other mining operations – establishing a limited ventilation link between the shafts – fresh air is supplied to the mine's workings.



# KGHM 2055+

## Key areas of focus in the KGHM Group's Strategy



### Development of the Main Technological Line

The KGHM Group focuses on its core business, with an emphasis on developing the Main Technological Line and optimising technological processes.

The strategy involves improving technology, modernising infrastructure, replacing machinery and optimising work organisation to achieve the highest possible cost-effectiveness.

The priority is the responsible extraction and processing of resources, and maximising the potential of all projects and assets.

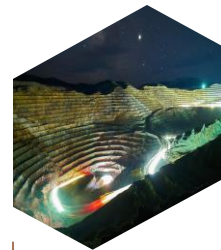


### Financial stability and increased profitability

Maximising operational efficiency and developing profit centres within the KGHM Group support higher margins and financial stability.

Measures aimed at improving profitability and return on investment enhance shareholder value, laying the foundations for sustainable profitability.

At the same time, the optimisation of technological processes increases the yield improving the profitability of their extraction.



### Expansion and development of the resource base

Replenishment of the resource base in new mining areas, within the current exploration licences (KGHM 1.1 and KGHM 2.0), ensures uninterrupted access to raw materials for decades to come.

Key priorities include measures to improve production efficiency and optimise processes, as well as increasing the contribution of foreign assets to the Group's value creation through a selective approach to exploration and investment projects (including the acquisition of new projects).

The development of a multi-commodity portfolio, including critical raw materials (CRMs), enables KGHM to respond to changing market needs.



### Social responsibility and transparent management

KGHM's activities focus on responsible partnership, care for the environment, high business standards and the well-being of its employees.

Today's decisions form part of a plan to ensure a secure future for generations to come.

Our ambition is to pass on to future generations a thriving, profitable company that cares for local communities and the environment.



EACH GRAM  
OF COPPER  
CARRIES  
INNOVATION

