

Responsible Gold Guidance and Responsible Silver Guidance were set up by LBMA in order to combat systematic and widespread abuses of human rights and terrorist financing to avoid contributing to conflict, to comply with highest possible standards of anti-money laundering. This Guidance follows the five steps framework for risk-based due diligence based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

This report aims at documenting KGHM Polska Miedź S.A. compliance with the LBMA guidelines for silver and gold responsible sourcing.

Table 1. Refiner’s details

Refiners name	KGHM Polska Miedź S.A. (later as KGHM)
Location	KGHM Głogów Smelter and Refinery is located in Głogów, Poland
Reporting period	from 2022-01-01 till 2022-12-31
Date of report	2023-03-31
Senior Management responsible for this report	Mirosław Kidoń, Executive Vice President for International Assets

KGHM Głogów Smelter description

KGHM’s main activity is copper mining, smelting & refining. Nevertheless, KGHM produces annually approximately 2,7 tonnes of 99,99 gold and 1300 tonnes of 99,99 silver at Precious Metals Department of KGHM Głogów Smelter and Refinery. The source of gold and silver are copper concentrates originating from mined ore with gold and silver content of grams per ton. Concentrate is treated in the copper smelter and the precious metals (as anode slime, by-product of copper cathodes production) are transported to the Precious Metals Plant at KGHM Głogów Smelter and Refinery, where silver is produced at first and gold is a by-product of its production.

KGHM sources copper ore from its own mines, which are then enriched at our own processing plants. All our mines and processing plants are located in Poland. Otherwise we source copper bearings materials (i.e. copper concentrates, copper scraps) from external sources.

At present, neither gold nor silver sourcing from nor gold or silver transporting via conflict affected or high risk areas has been identified. KGHM does not have external suppliers of gold and silver and the entire production of KGHM’s precious metals is based on the

copper-bearing materials following which both KGHM's gold and silver is produced at KGHM Głogów Smelter and Refinery as a by-product of KGHM's main product, i.e. copper cathodes. Annex I of this report contains the list of countries of origin of mined gold and silver produced by KGHM during the period from 1st January until 31st December 2022. The annex is not publicly disclosed.

Table 2. Summary of efforts to ensure compliance

STEP 1 – ESTABLISH STRONG COMPANY MANAGEMENT SYSTEMS

KGHM has **partially** complied with Step 1: Establish strong management system.

I. Adopting and committing to a policy for due diligence of gold and silver.

Comments and Demonstration of Compliance:

In December 2015 we formally adopted our *"KGHM Group Responsible Supply Chain Policy"* and *"KGHM Gold Supply Chain Due Diligence Procedure"*. Those have been updated by the KGHM's Management Board's Resolution no. 38/IX/2018 of 22nd February 2018 and new *"KGHM Group Responsible Supply Chain Policy"* and *"KGHM Gold and Silver Supply Chain Due Diligence Procedure"* were introduced. The Procedure has been updated again by the KGHM's Management Board Resolution no. 325/X/2019 of 27th November 2019. Next update of the Procedure has been made by KGHM's Management Board Resolution no. 124/X/2020 of 27th April 2020. In 2021 a new *"KGHM Group Responsible Supply Chain Policy"* was implemented by the Management Board Resolution no. 59/XI/2021 of 2nd June 2021. In 2022 a new *"KGHM Group Responsible Supply Chain Policy"* was implemented by the Management Board Resolution no. 185/XI/2022 of 1st June 2022. A newest version of the *"KGHM Gold and Silver Supply Chain Due Diligence Procedure"* has been implemented by the KGHM's Management Board no. 4/XI/2023 of 4th January 2023. Both KGHM's Policy and Procedure are based on KGHM Group Code of Ethics and are consistent with LBMA Responsible Gold Guidance, LBMA Responsible Silver Guidance and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. This policy is available in Polish and English version on the KGHM website www.kghm.com. According to our Policy, KGHM declares that we do not tolerate, support, contribute to or benefit from:

- any forms of torture, cruel, inhuman and degrading treatment,
- any forms of child labour or of forced or compulsory labour,
- minorities discrimination,
- violations of international humanitarian law,
- war crimes, genocide or any crimes against humanity,
- violating the rights of indigenous peoples,
- money- laundering and financing of terrorism,

- all forms of corruption and other activities related to economic crime, including financial fraud,
- degradation of cultural and natural heritage sites,
- violating health and safety rules,
- violating the right of association,
- other serious human rights abuses.

Further, according to the Policy, KGHM's approach is based on risk analysis. This enables risk and high-risk business relations identification on the basis of OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, LBMA Responsible Gold Guidance and LBMA Responsible Silver Guidance as well as Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc Standard implemented for KGHM Refineries due to responsible copper and lead supply chains.

KGHM expects all its suppliers to abide by these rules and stipulates that it does not enter into business relations with entities that act in a manner inconsistent with them. The "KGHM Group Responsible Supply Chain Policy" is made available to all employees of KGHM in the internal system of normative acts.

KGHM declares partial compliance with Step 1 due to the fact, that despite including a declaration about risk assessment approach based on Annex II The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and LBMA Responsible Gold and LBMA Responsible Silver Guidance in the Policy, we did not include an exhaustive list of all threat financing risks and ESG factors. Therefore KGHM declares taking immediate actions to ensure being fully compliant in this area.

II. Setting up an internal management structure to support supply chain due diligence.

Comments and Demonstration of Compliance:

A strong management system was established with a dedicated Compliance Officer, who is also a Director of Enterprise Risk Management and Compliance Department, responsible for maintenance, development and supervision of the responsible gold and silver supply chain. Compliance Officer has documented professional qualifications e.g. compliance and risk management area.

Additionally, according to KGHM's Organizational Rules, the Executive Vice President for International Assets has been appointed as the Member of the Management Board with overall responsibility for shaping of the trade policy, including the supervision of the trade and logistics departments responsible for examining the supply chain for gold and silver and cooperation in this area with certification organisations. The Executive Vice President has many years of professional experience in production.

management and planning as well as in the area of mining technology. He perfected his skills in companies of the KGHM Polska Miedź S.A. Group in Poland and abroad. The scope of responsibility of the Management Board applies to all aspects of the Company's operations.

Taking into account the character of our gold and silver supply chain, KGHM provides appropriate funding of the supply chain due diligence process.

KGHM has implemented the obligation that all payments with gold and silver suppliers have to be settled only in the non-cash form. The storage time of any gold and silver supply chain documentation was set at 5 years, counted from the end of the current calendar year.

In 2022, a training was conducted for all of KGHM's employees of competent units potentially eligible for buying external material from external suppliers. The subject of training were LBMA guidelines and the content of KGHM's Procedure and Policy.

III. Establishing a strong internal system of due diligence, controls and transparency over gold and silver supply chains, including traceability and identification of other supply chain actors.

Comments and Demonstration of Compliance:

KGHM has established a process of potential gold and silver supplier evaluation that must be carried out before the start of any relationship or periodically in case of long-term contracts with potential gold and silver supplying counterparty. That is consistent with LBMA Responsible Sourcing Guidelines for silver and gold and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The analysis of the supply chain includes the determination of the material's country of origin, providing the supplier's risk analysis and risk assessment on the basis of KGHM's AML procedure and Contractor's Charter verification. In addition, suppliers are expected to provide additional documents, depending on the type of material:

- ❖ For recycled material:
 - a copy of supplier's AML procedure;
- ❖ for mined material:
 - based on public sources all the necessary information about supplier's mining activity;
 - a copy of supplier's AML procedure;
- ❖ for mined material from high - risk and conflict - affected areas:
 - a copy of mining concession/licence or other document confirming the legal right to extract material from its country of origin;

- a copy of supplier's import/export licence from its country of origin.

To ensure the highest standards regarding sourcing of gold and silver from conflict and high - risk areas, KGHM has established a risk-based approach analysis. Sourcing of gold and silver from the above-mentioned areas requires a more robust control of adherence to the rules set by the LBMA Guidance. KGHM's Compliance Officer has completed an internal self-assessment of the Management System for compliance with the LBMA Guidance regarding the change concerning a World Heritage Site (WHS) during the period from January 1st until December 31st 2022 and in no cases were the ores found to originate from a WHS.

KGHM's Procedure requires mandatory monitoring of all transactions with gold and silver supplying counterparties. In addition every gold and silver supplying counterparty will have to go through the AML risk assessment which is performed by a department dedicated to that task.

Moreover, KGHM Głogów Smelter and Refinery implemented ISO 9001 quality management system as well as ISO 14001 environmental management system, ISO 45001 occupational health and safety management system and ISO 50001 energy management system.

Taking into consideration that KGHM does not have any external gold and silver supplying counterparties, in 2022 none of the actions described above were undertaken such as external material's country of origin identification, collecting the supplier's documentation or risk assessment.. Such actions were performed for suppliers of blisters and copper concentrates containing gold and / or silver.

IV. Strengthening company engagement with gold-supplying and silver-supplying counterparties and, where possible, assist gold-supplying and silver-supplying counterparties in building due diligence capacities.

Comments and Demonstration of Compliance:

KGHM has set up a process, where all our suppliers are obliged to sign the Contractor's Charter or have responsible sourcing and ethics provisions equivalent to those required by the Contractor's Charter. The verification of the contractor's documentation in this respect is performed by the Compliance Officer. This Charter is a declaration confirming supplier's compliance with principles stated in KGHM Group Code of Ethics, which is based on UN Global Compact. Signing the contract obliges the supplier to take actions to avoid sourcing minerals in illegal and unethical way from conflict areas. KGHM stipulates its right to suspend or terminate the contract, if it reasonably suspects that a counterparty does not comply with the above rules.

Taking into consideration, that KGHM does not have any external gold and silver supplying counterparties, in 2022 there were no cases where the KGHM's cooperation with gold and silver supplying counterparties in building their due diligence capacities was necessary.

V. Establishing a company-wide grievance mechanism to promote broad employee participation in risk identification..

Comments and Demonstration of Compliance:

KGHM has introduced the KGHM Group Code of Ethics that promotes employee participation and communicates company values and principles. KGHM has set up the KGHM Whistleblower Platform/Ethics Hotline which is a confidential tool to anonymously or non-anonymously report any violations taking place at Companies from the KGHM Group. It supports the combating of fraud, embezzlement and other violations of applicable workplace standards of ethics. The information about KGHM Ethics Hotline and details about its communication channels are available on KGHM's corporate website at: <https://liniaetyki.kghm.com/web/liniaetyki>. This tool is available for any internal or external stakeholders of KGHM. Participants of the investigation procedure are informed about its result through the previously chosen communication channel.

Additionally KGHM has set up a dedicated mailbox for gold and silver supply chain concerns at: conflict.minerals@kghm.com, where stakeholders can ask questions, voice their concerns and raise new aspects relating to risks in the gold and silver supply chain . The information is received directly by the Compliance Officer who is also responsible for taking appropriate actions.

In 2022 there were no notifications recorded regarding the KGHM's responsible gold and silver supply chain, both when it comes to KGHM Ethics Hotline and the dedicated mailbox, except for one inquiry from an external stakeholder regarding the character of KGHM's gold production and its country of origin.

STEP 2 – IDENTIFY AND ASSESS SUPPLY CHAIN RISKS

KGHM has **fully** complied with the Step 2: Identify and assess risks in the supply chain.

I. Identifying risks in the gold and silver supply chain.

Comments and Demonstration of Compliance:

KGHM's Procedure establishes the requirement of identifying and assessing the risk in the gold and silver supply chain. Every gold and silver supplier must be recorded in a dedicated database and allocated a risk profile according to our risk profile criteria

based on applicable LBMA Guidelines on responsible gold and silver sourcing and OECD guidelines for responsible supply chains. This process is a formal requirement before entering any business relationship with any gold or silver supplying counterparty. In case of long-term contracts such assessment is performed periodically. The initial risk assessment is conducted by KGHM's organisational unit eligible for buying external material followed by the Compliance Officer verification of the assessment. Employees of the mentioned unit have appropriate experience and competence due to their day-to-day duties and their knowledge about the world's metal market. Compliance Officer is a Director of KGHM's Enterprise Risk Management and Compliance Department and has many years of experience and competence in the risk management and compliance area. In the event of discrepancies between the initial risk assessment and Compliance Officer's assessment, the final and conclusive decision on the assessment in a given case is made by the designated Member of the Board.

Taking into consideration the fact that KGHM does not have any external gold and silver supplying counterparties, in 2022 there were no cases of risk identification regarding a gold and silver supplying counterparty.

Such actions were performed for suppliers of blisters and copper concentrates containing gold and / or silver.

II. Assessing risks of the supply chain due diligence in light of accepted standards.

Comments and Demonstration of Compliance:

Supply chain due diligence comprising all measures required by the LBMA must be performed before entering into a business relationship with any gold or silver supplying counterparty.

If a high risk is identified for a given business relationship the decision can be made to either not proceed with it or perform enhanced due diligence. The due diligence process includes all categories of precious metals; deliveries where gold and silver potentially originate from or transits *via* conflict - affected areas, areas with human rights abuse or child labour or where other high - risk factors are identified.

Every transaction of purchasing precious metal material has to be assessed in accordance with following criteria:

- Supplier or other known upstream companies of the mined or recycled precious metal material are located in a country representing high-risk for money laundering, according to AML procedure;

- Supplier or other known upstream companies or their beneficial owners are PEPs;
- Supplier or other known upstream companies are active in a higher-risk business activity (such as arms, gaming and casino industry, antiques and art, sects and their leaders, consulting activities);
- Counterparty's risk assessment result conducted under KGHM's AML procedure is "higher risk" or "non-acceptable risk";
- Supplier is not compliant with taxes, fees and royalties due to Governments related to mineral extraction, trade and export from conflict affected and high-risk areas;
- mined material comes from countries that have little known ore reserves or little documented production;
- mined material or recycled material originates from, has transited or has been transported via a conflict-affected or human rights abuse high-risk area;
- Supplier has ordered a precious metal processing service;
- material is originated from areas containing World Heritage Sites;
- mined material is originated from the artisanal mining;
- mined material is produced with the use of mercury.

After the due diligence is completed, it is a decision of the designated Member of Management Board, whether KGHM will pursue the higher-risk business relationship or transaction further or not.

Taking into consideration, that KGHM does not have any external gold and silver supplying counterparties, no actions mentioned in this section were undertaken in 2022. There were neither high-risk business relations nor the so called zero-tolerance relations identified.

III. Enhanced due diligence

Comments and Demonstration of Compliance:

In case of recognizing a business relation associated with any type of precious metal as a high-risk relation, KGHM is obliged to cancel the transaction or to initiate the enhanced process of supplier's documentation verification at an angle of its integrity, authenticity and completeness, which may be performed by a specialized internal KGHM's unit or external entity such as business intelligence companies or appropriate consulate. According to the results above, Compliance Officer issues a

recommendation for further actions, i.e. audit carried out by external entity or KGHM's Internal audit function. Audit procedure might be performed in direct supplier's mines or intermediate supplier's offices and warehouses and its purpose is to analyse counterparty's due diligence performance related to its supply chain and its respect for human rights; the detailed scope of the possible audit is specified by the Compliance Officer; the decision to commission audit procedures is approved by the Member of the Management Board with respect of KGHM's internal regulations related to the audit function. On the basis of above mentioned activities, the Compliance Officer provides a recommendation on the possibility of contract conclusion with verified counterparty which is followed by the Management Board Member's approval.

Taking into consideration that KGHM does not have any external gold and silver supplying counterparties, no actions mentioned in this section were taken in 2022.

STEP 3 – DESIGN AND IMPLEMENT A MANAGEMENT STRATEGY TO RESPOND TO IDENTIFIED RISKS

KGHM has **fully** complied with the Step 3: Design and implement a management system to respond to identified risks.

- I. Devising a strategy for risk management of an identified risk by either (i) mitigation of the risk while continuing trade, (ii) mitigation of the risk while suspending trade or (iii) disengagement from a high risk business relation.**

Comments and Demonstration of Compliance:

KGHM has set up a system of regular risk assessment of gold and silver supplying business partners. In every case when a business relation is recognised as high risk, KGHM's strategy for dealing with identified risks in the gold and silver supply chain is of either transaction disengagement or its suspension followed by enhanced due diligence activities.

In addition, all ad-hoc identified risks brought up by any stakeholder must be carefully assessed by the Compliance Officer in order to decide on any necessary actions/measures.

Taking into consideration that KGHM does not have any external gold and silver supplying counterparties, actions such as mitigation measures, transaction disengagement or suspension cases, cooperation with government authorities etc. were not undertaken in 2022.

- II. Including measurable steps to be taken and achieved, monitoring of performance, periodic reassessment of risk and regular reporting to**

designated member of the Management Board, where a risk mitigation actions are undertaken.

Comments and Demonstration of Compliance:

According to the Procedure identified risk must be monitored and reassessed periodically. Low risk suppliers are reassessed annually and high risk suppliers are reassessed at every transaction.

In addition, every gold and silver supplying counterparty will have to undergo periodic AML (Anti-Money-Laundering) risk assessment.

Moreover, Enterprise Risk Management System is established, where all risks identified in KGHM are monitored, periodically reassessed and reported to the Management Board.

Taking into consideration that KGHM does not have any external gold and silver supplying counterparties, no actions mentioned in this section were undertaken in 2022. Such actions were performed for suppliers of blisters and copper concentrates containing gold and / or silver.

STEP 4 – OBTAIN INDEPENDENT THIRD-PARTY ASSURANCE ON SUPPLY CHAIN DUE DILIGENCE PRACTICES

We have **fully** complied with Step 4: Arrange for an independent third-party audit of the supply chain due diligence.

Comments and Demonstration of Compliance:

KGHM engaged PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością sp.k ("PwC") to perform an assurance engagement providing limited assurance on compliance of the KGHM's Compliance Report with LBMA Responsible Gold Guidance v.9 and LBMA Responsible Silver Guidance v.1 for the year ended December 31, 2022. The company's selection was preceded by the market analysis performed both from geographical and financial points of view which led to the conclusion that PwC's offer was most favourable. Furthermore, PwC's engagement was preceded by Compliance Officer's formal request addressed to the Management Board for a further acceptance of the KGHM's Audit Committee of a Supervisory Board for PwC's independent assurance services for the management of the responsible gold and silver supply chain. The acceptance was preceded by the independence analysis. PwC's independent limited assurance report is attached to this Compliance Report.

STEP 5 – REPORT ANNUALLY ON GOLD AND SILVER SUPPLY CHAIN DUE DILIGENCE

We have **fully** complied with Step 5: Report on supply chain due diligence.

Comments and Demonstration of Compliance:

Publication of this Compliance Report for the reporting period from January 1st until December 31st 2022 provides compliance with the Step 5.

Table 3. Conclusion

In conclusion, KGHM implemented a management system, procedures, processes and practices to conform to the requirements of the LBMA Responsible Gold Guidance v.8 and the LBMA Responsible Silver Guidance v.1. The "Responsible Supply Chain Policy" and the procedure relating to the due diligence process in the gold and silver supply chain was not adapted to the requirements of Responsible Gold Guidance v. 9 by December 31, 2022. The procedure was adopted in January 2023 r.

Taking into account the KGHM's precious metals production and its country of origin, as well as having no external suppliers of gold or silver, it should be noted that changes introduced by LBMA Responsible Gold Guidance v.9 did not affect actions undertaken by KGHM in 2022 concerning the production of gold and silver as by-products.

KGHM declares partial compliance with the Step 1 according to the fact the threat financing risks and ESG factors have not been exhaustively enumerated in the Policy.. Therefore KGHM declares taking immediate actions to ensure being fully compliant in this area. KGHM is committed to continuous improvement in the scope covered by the report.

Table 4. Other report comments

If readers of this report wish to provide any feedback to KGHM Polska Miedź S.A. with respect to this report, they are encouraged to do so by sending an e-mail tot the following address: conflict.minerals@kghm.com.

Monika Wolniewicz DYREKTOR DEPARTAMENTU
Compliance Officer Zarządzania Ryzykiem
Korporacyjnym i Zgodnością

Monika Wolniewicz



Mirosław Kidoń

Executive Vice President for International Assets

Wiceprezes Zarządu
ds. Aktywów Zagranicznych
Kidoń
Mirosław Kidoń



Responsibility of the Management Board

KGHM's Management is responsible for the preparation of the Compliance Report, which fairly describes Activities relating to responsible gold and silver sourcing in order to demonstrate their compliance with the LBMA Guidance.

The responsibility of KGHM's Management also includes establishing an appropriate risk management process and internal control system, which KGHM's Management considers to be necessary for the preparation of a Compliance Report free of any significant misstatement due to fraud or errors.

Our Responsibility

Our task was to verify whether the Compliance Report fairly describes, in all material respects, Activities relating to responsible sourcing of gold and silver in order to demonstrate their compliance with the LBMA Guidelines and to express, based on the evidence obtained, an independent conclusion from the limited assurance engagement performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 (R)") issued by the International Auditing and Assurance Standards Board and the guidance set out in the LBMA Responsible Sourcing Programme – Third Party Audit Guidance. ISAE 3000 (R) requires that we comply with ethical requirements and plan and perform this engagement to obtain limited assurance whether the Compliance Report fairly describes, in all material respects, Activities relating to responsible sourcing of gold and silver in order to demonstrate their compliance with the LBMA Guidelines.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Quality management requirements and professional ethics

We apply the provisions of the National Standard on Quality Control 1 in the wording of the International Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the International Auditing and Assurance Standards Board and adopted by the resolution of the Board of the Polish Audit Oversight Agency. This standard requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Inherent limitations

Non-financial information, such as that included in the Compliance Report, due to the qualitative nature of the subject and the method of determining and gathering information, may be subject to more inherent



limitations than financial information. The methods used by the Management Board of KGHM to comply with the LBMA Guidance may differ. It is important to read the KGHM Policy available on KGHM's website:

<https://kg hm.com/en/our-business/products/responsible-supply-chain>

Summary of the work performed and the limitations of our procedures

The procedures planned and performed by us were aimed at obtaining limited assurance that the Compliance Report fairly describes, in all material respects, Activities relating to responsible sourcing of gold and silver in order to demonstrate their compliance with the LBMA Guidelines. The assurance procedures conducted by us included:

- interviews with KGHM's Enterprise Risk Management and Compliance Department employees responsible for preparing the Compliance Report;
- interviews with management and employees responsible for the Integrated Management System, Precious Metals Department, Sales Logistics Department, Precious Metals Warehouse, Security and Loss Prevention Department and Production Planning and Settlement Department;
- interviews with management and employees of the Headquarters responsible for Department of Metals and Enterprise Risk Management and Compliance Department;
- review of the key corporate documents describing management processes and the risk management process relating to the responsible supply chain in order to assess conformance with the criteria described in Steps 1, 2, 3 of the Compliance Report;
- inspection of documentation for selected gold and silver purchase transactions for the year ended December 31, 2022 presented to us by KGHM's Management and assessment of their compliance with the Procedure for Investigating the Supply Chain of Gold and Silver at KGHM Polska Miedz S.A.;
- verification of completeness of gold and silver purchase transactions for the year ended December 31, 2022 contained in the documentation presented by the Management;
- inspection of whether the Activities relating to responsible sourcing of gold and silver as described in the Compliance Report were actually performed during the year ended December 31, 2022;
- assessment of the conformity of the information presented in the Compliance Report with the results obtained during the procedures conducted by us;
- assessment of the information included in the Compliance Report for its completeness and compliance with the LBMA Guidance.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

On the basis of the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Compliance Report does not fairly describe, in all material respects, the Activities relating to responsible sourcing of gold and silver in order to demonstrate their compliance with the LBMA Responsible Sourcing Guidance.



Emphasis of matter

We draw attention to the fact that according to the information disclosed in Table 3. in the Compliance Report, KGHM has not aligned the Responsible Supply Chain Policy and internal procedure relating to the due diligence process in the gold and silver supply chain with the requirements of the Responsible Gold Guidance v. 9 by December 31, 2022. According to the Third Party Audit Guidance such matter is classified as "Medium Risk non-conformance" and as such does not constitute a reason for a qualified conclusion. Our conclusion is not qualified with respect to this matter.

Restriction of use

This report was prepared by PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością sp.k. for KGHM's Management Board and is intended solely for the purpose described in the section "Description of the subject matter and applicable criteria". It should not be used for any other purpose.

The Management Board of KGHM is responsible for publishing the Compliance Report on the KGHM's website and for ensuring the fair presentation of information on the KGHM's website. The scope of our work does not include the assessment of these matters. Therefore, we accept no liability for any changes that may have been made to the information subject to our assessment or for any differences, if any, between the information covered by our report and the information presented on KGHM's website.

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością s.k. does not accept any liability resulting from contractual and non-contractual relationships (including for negligence) with entities other than KGHM. The above does not relieve us of liability, where such release is excluded by law.

Acting on behalf of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością s.k.:

Podpis jest prawidłowy

Dokument podpisany przez Krzysztof Szuldrzyński
Data: 2023.03.31 16:23:54 CEST

Krzysztof Szuldrzyński,
Partner, Proxy
PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością s.k.

Warsaw, 31 March 2023