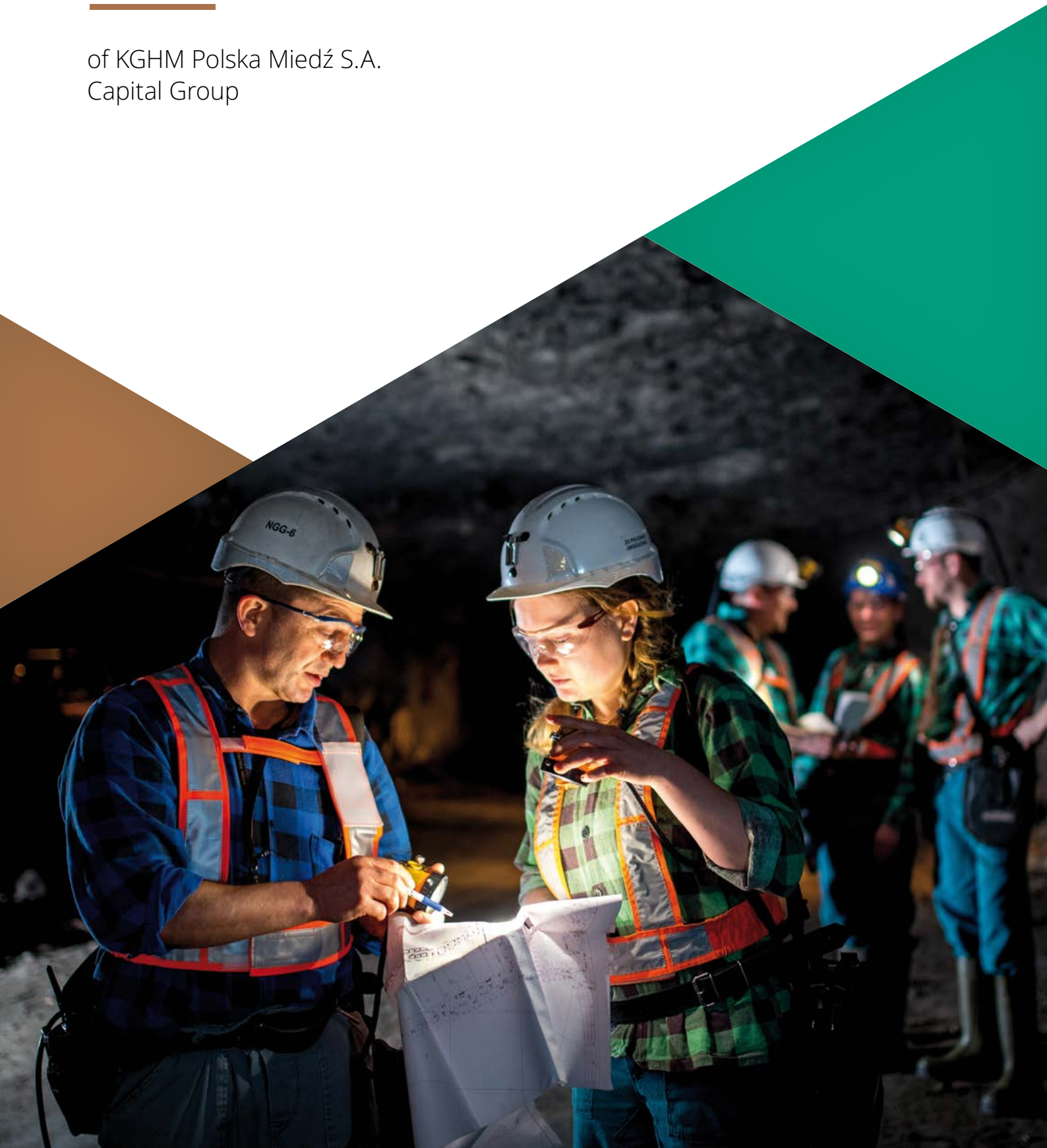

Code of Ethics

of KGHM Polska Miedź S.A.
Capital Group





List of contents

Foreword from the Management Board of KGHM Polska Miedź S.A.	05
Who are we?	06
KGHM Polska Miedź S.A. Capital Group	07
What values do we follow in our work	08
Our vision, mission and values	09
Our ethical standards	10
Our values	14
To whom is the Code addressed?	16
Target audience of this Code of Ethics	17
Ethical Standards of KGHM Polska Miedź S.A. – Company’s good	20
Ethical standards of KGHM Polska Miedź S.A. – Company’s good	21
Compliance with domestic and international law, business partners' requirements, industrial regulations, standards and good practices.	22

Zero tolerance for corruption	23
Conflict of interests	25
Security of information	26
Quality of products and services	27
Resource management	28
Environmental protection	29

Ethical Standards of KGHM Polska Miedź S.A. – Man’s good30

Ethical Standards of KGHM Polska Miedź S.A. – Man’s good	31
Safety	32
Equal treatment, human rights, diversity	33
Mobbing	35
Employer-employee relationship	36
Team work	37

Ethical Standards of KGHM Polska Miedź S.A. – Stakeholder’s good38

Ethical Standards of KGHM Polska Miedź S.A. – Stakeholder’s good	39
Shareholders and investors	40
External partners	41
CSR – corporate social responsibility	42
Participation in domestic and international organisations	44

Ethics and Anti-Corruption Procedures Section46

Ethics and Anti-Corruption Procedures Section	47
---	----

How to follow the Code?48

Report unethical practices	49
----------------------------	----

Do not be indifferent! Report misconduct.50

Confidential channels for reporting misconduct	50
--	----



Foreword from the Management Board of KGHM Polska Miedź S.A.

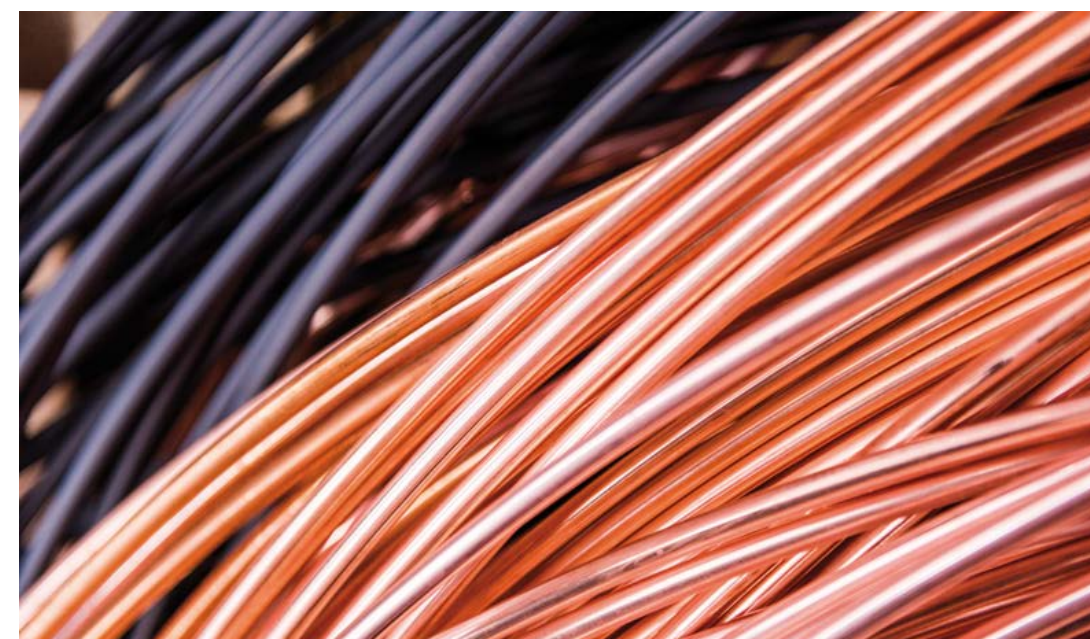
We have joined the global producers of copper and we want to build our future among them. We are developing very rapidly thanks to our highly qualified employees and our development projects. We are innovative and we look boldly into the future. We work in areas rich in deposits, in politically and economically stable countries. Our strength is tradition that is common for the miner and metallurgist ethos. It is tradition that builds our pride in being a part of KGHM Polska Miedź S. A., regardless of whether we act in different continents, countries or cultures.

Global organisations require a coherent approach to the functioning principles. KGHM's commitment to maintaining the highest standards of business ethics in such a varied environment is extremely important to us.

The goal of this Code of Ethics is to ensure our compliance with the highest standards based on the values that we follow at KGHM: safety, cooperation, focus on results, responsibility and courage. This Code of Ethics sets out guidelines for appropriate workplace conduct and helps us make daily decisions. It makes us stronger as a team. It builds our image of a stable, responsible and socially involved company.

This Code of Ethics applies to all of us. We believe that the principles set out here will help us in our daily work and that we will find complying with them to be natural and obvious.

Management Board of
KGHM Polska Miedź S.A.



Who are we?



KGHM Polska Miedź S.A. Capital Group

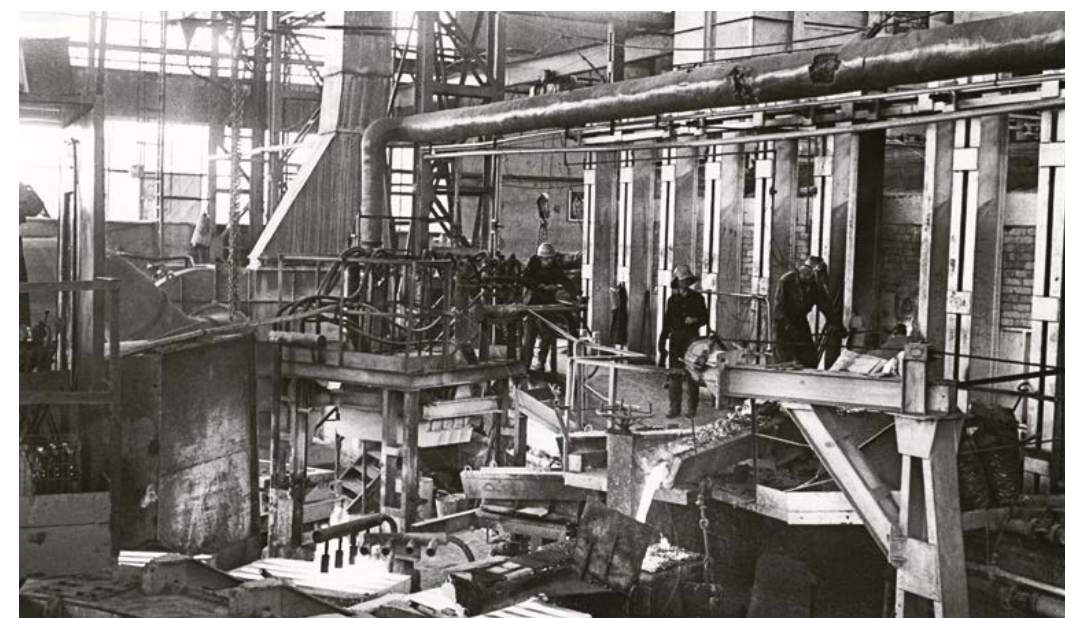
We are a global and innovative organisation that conducts technologically advanced activity in the area of exploration, extraction and metallurgy. For several decades, we have been extracting and processing valuable earth's resources, providing the world with raw materials that enable sustainable development.

Our history began in 1957, when one of the largest global deposits of copper ore were discovered in South-Western Poland. Today we have production plants in three continents – in Europe, South America and North America.

The KGHM Polska Miedź S.A. Capital Group (KGHM) is comprised of KGHM Polska Miedź S.A. and several dozen subsidiary entities. Globally, we employ almost 34,000 people who believe that what they do is important to the world. Thanks to our knowledge, courage and responsibility, we produce valuable metals.

Our core activity is the production of copper and related materials, as well as development of our resource base. We are among the world's top leading producers of silver and copper. We also produce gold, nickel, rhenium, lead and platinum group metals. We will soon become a leading producer of molybdenum. The high quality of our products, copper and silver is certified by international commodity exchanges.

Our responsible attitude sets an example for others, as we act in accordance with our values in a transparent and responsible manner.



Left:
Głogów Smelter
Production in progress
– present day.

Right:
Głogów Smelter
Construction works in
progress
– 1968-1971.

What values do we follow in our work?

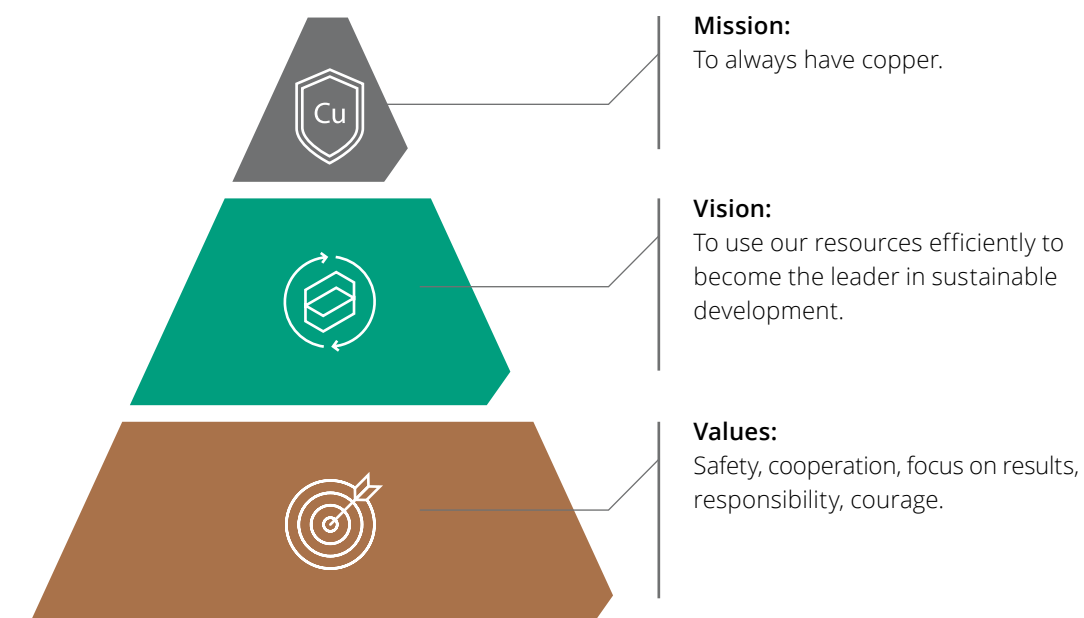


Our Vision, Mission and Values

The KGHM Code of Ethics is based on values that are common for the KGHM Polska Miedź S.A. Capital Group as a whole: safety, cooperation, focus on results, responsibility and courage.

Our values are shared by all KGHM employees, regardless of their positions in the organisation or nationality. They are the foundation for all our decisions and actions. We pay attention not only to what we do, but also how we achieve our objectives. We are fully aware that by acting in line with our values we directly contribute to the long-term success of KGHM.

"To always have copper"
– this idea determines all actions taken by KGHM Polska Miedź S.A.



Our ethical standards



Company's good



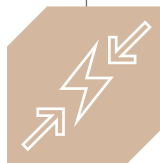
Compliance with law

We act in compliance with applicable regulations.



Zero tolerance for corruption

We follow the principle of "Zero tolerance for corruption".



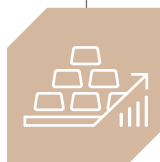
Conflict of interests

We avoid conflicts of interests.



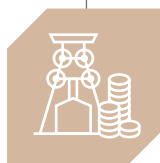
Security of information

We care about the security of information and personal data protection.



Product and service quality

We take responsibility for the quality of our products and services.



Resource management

We care about our Company's property and honestly manage the entrusted resources.



Environmental protection

We take responsibility for our impact on the environment.



Man's good



Safety

We are all responsible for both our own and our plant's safety.



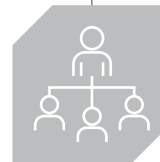
Equal treatment, human rights, diversity

At KGHM, we create environment and workplaces free of discrimination.



Mobbing

At KGHM Polska Miedź S.A. we do not tolerate mobbing.



Employer-employee relationship

We create high standards of employer-employee relationship.



Teamwork

We believe that cooperation is fundamental for achieving success.



Stakeholder's good



Shareholders and investors

In relations with Shareholders, we follow the good practices of the Warsaw Stock Exchange.



External partners

We build our relations with external partners on transparency, honesty, trust and professionalism.



CSR – corporate social responsibility

We are committed to sustainable global development.



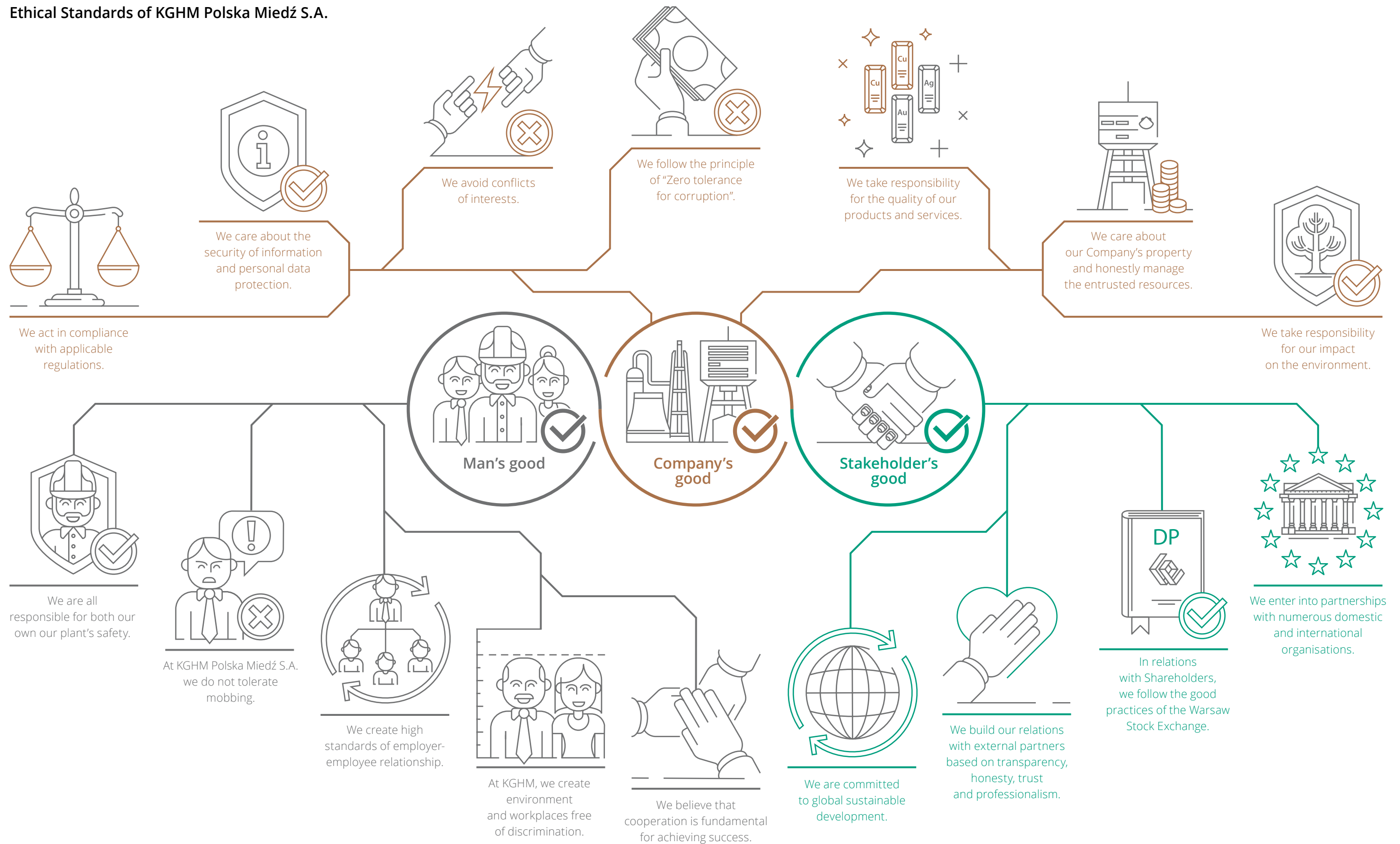
Participation in domestic and international organisations

We enter into partnerships with numerous domestic and international organisations.

*Code of Ethics refers to the three fundamental Ethical Standards:
Company's good, Man's good, Stakeholder's good.*



Ethical Standards of KGHM Polska Miedź S.A.



Our values



Focus on results

We achieve results bearing in mind KGHM's long-term success:

1. We set ambitious goals and we keep developing;
2. We take initiatives and strive to do more for KGHM;
3. We work reliably and diligently, using proper tools and state-of-the-art solutions.



Responsibility

We are co-responsible for actions taken for our shareholders:

1. We give good examples by working in a transparent and honest manner and complying with the standards set out in the Code of Ethics;
2. We take responsibility for our decisions, obligations and continuous stable development;
3. We build long-term relations with our business and social partners.



Safety

We are all responsible for the safety of our Company, our own safety and our environmental footprint.

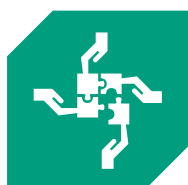
1. Life and health of our employees is our priority;
2. We respect the natural environment, particularly its resources, which we exploit in a responsible manner;
3. We have regard to the local communities where we operate, and we are engaged in dialogue with them;
4. We focus on continuity and stability of KGHM operations.



Courage

We take new challenges in a thoughtful manner:

1. We are brave, we keep taking new challenges;
2. We are open and honest in mutual interactions, we are not afraid of speaking out and we accept constructive criticism in a considerate and respectful manner;
3. We make brave decisions and search for new and innovative solutions.



Cooperation

We believe that cooperation is fundamental for achieving success

1. We work in teams, sharing our knowledge and experience;
2. In discussions, we respect other people's opinions and we are open to new perspectives;
3. We use our employees' talents and experience;
4. Diversity and multiculturalism are valuable to us;
5. We choose constructive cooperation between entities within the KGHM Group over unnecessary competition, thus building our success on the effect of synergy.



*The KGHM Code of Ethics
is based on values shared
by the entire Capital Group
of KGHM Polska Miedź S.A.*

To whom is the Code addressed?



Target audience of this Code of Ethics

This Code of Ethics applies across the entire KGHM Polska Miedź S.A. Capital Group

The standards of behaviour established in this Code are applicable to all employees of KGHM Polska Miedź S.A., regardless of their positions or countries they work in. This Code is applicable to Management Board members, directors, managers, leaders and employees of all entities that comprise the organisation, as well as people who work for and on behalf of them.

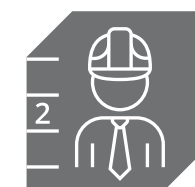
We also expect that our Code of Ethics will be respected by all people and entities that cooperate with KGHM Polska Miedź S.A. – our contractors, clients and beneficiaries.



KGHM employees

If you are an employee of KGHM, we expect that you:

1. know, understand and comply with the provisions of this Code of Ethics and related regulations while performing professional tasks;
2. immediately report all issues or doubts regarding compliance with this Code of Ethics, including all irregularities that you notice;
3. disapprove of all deviations from the approved ethical standards;
4. cooperate with your superiors in the scope of compliance with this Code of Ethics in all work processes and build organisational culture based on the accepted values.



KGHM Management

If you are a manager at KGHM, we expect that you:

1. comply with the standards established in this Code of Ethics while working to achieve business objectives;
2. lead your team by example;
3. build social relations in your team based on respect for dignity of other people;
4. communicate the ethical values in your team based on this Code of Ethics;
5. react to irregularities that you notice or are made aware of;
6. build the atmosphere of mutual trust and security in the team, create space for reporting issues and problems of ethical nature.



KGHM Directors

If you are a director at KGHM, we expect that you:

1. manage through values;
2. take responsibility for the tone from the top;
3. implement the adopted ethical values and standards in your company's strategy;
4. ensure compliance with ethical standards among employees on all tiers as well as contractors and clients;
5. communicate all adopted values outside the organisation.



External entities

If you are a representative of an external entity (contractor, client, supplier etc.), we expect that you:

1. are familiar with the KGHM Code of Ethics and respect all of its ethical standards;
2. comply with the provisions established in this Code of Ethics in all your actions that arise from your cooperation with KGHM;
3. immediately inform us about any observed irregularities related to the violation of the ethical standards established in this Code;
4. strictly adhere to the principle of "Zero tolerance for corruption";
5. respect the provisions of your agreement regarding ethical issues, including anti-bribery requirements.

Left:
Transport of a works
teams by mine carts
– 1966-1968.

Right:
Polkowice-Sieroszowice Mining Plant
A work team transported in an SWT TEAM vehicle
– present day.



*The standards in this Code
of Ethics apply to all of us
– employees of KGHM Polska
Miedź S.A. Capital Group*



Ethical Standards of KGHM Polska Miedź S.A. – Company's good



Ethical Standards of KGHM Polska Miedź S.A. – Company's good

We care about the interest of the KGHM Polska Miedź S.A. Capital Group by striving to ensure stable development of each of its entities and continuity of processes, and preventing the risk of losses.



Company's good



Compliance with law

We act in compliance with applicable regulations.



Zero tolerance for corruption

We follow the principle of "Zero tolerance for corruption".



Conflict of interests

We avoid conflicts of interests.



Security of information

We care about the security of information and personal data protection.



Product and service quality

We take responsibility for the quality of our products and services.



Resource management

We care about our company's property and honestly manage the entrusted resources.



Environmental protection

We take responsibility for our impact on the environment.



Compliance with domestic and international law, business partners' requirements, industrial regulations, standards and good practices.

We act in compliance with applicable regulations.

At KGHM, we adhere to the provisions of applicable law and internal regulations. We care about the compliance of processes with the applicable regulations. We constantly update our knowledge in the scope of legal regulations applicable to our activity. In relations with customers, employees and external partners, we abide by the legal regulations that are in force in the countries where we conduct our activities. We respect obligations arising from ISO standards and the membership in international organisations. We do not participate in ventures that violate law and threaten KGHM reputation. We are aware that all actions against the law entail relevant sanctions and expose KGHM to financial and image losses and the loss of trust of key business partners.

In particular:

1. We follow the principles of fair competition. We counteract price fixing, market sharing and taking advantage of dominant positions. We do not allow disclosure of sensitive data to our competitors or conducting unofficial negotiations, making agreements etc. that could violate applicable regulations on combating unfair competition.
2. We counteract money laundering and financing criminal activity, particularly terrorism. We do business only with reliable partners whose reputation is impeccable. We take financial security measures with respect to our customers. We monitor, analyse and register transactions in terms of the risk of money laundering. We adhere to the regulation applied at KGHM with regard to counteracting money laundering and financing of terrorism.
3. We apply the Good Practices of Companies Listed on the Warsaw Stock Exchange. We care about proper communication with investors and analysts by pursuing a transparent and effective information policy. We treat our Shareholders equally and respect their rights and legitimate interests. We maintain efficient systems of internal control, risk management, audit and compliance. We prevent conflicts of interests.
4. We ensure transparency of processes, transactions and investments, in particular through the reliability of documentation and defined flow of information. All data created in the form of reports etc. must be true, accurate, complete, coherent, timely and clear. Deliberate data manipulation, particularly falsifying, hiding, modifying, destroying or creating false data is prohibited and may entail disciplinary and criminal procedure.



Did you know?

The ignorance of a legal standard does not release you from the obligation to abide by it and the related liability.

All KGHM employees have access to internal normative acts and are obliged to know their content and abide by them while fulfilling their professional duties.

KGHM employees are obliged to constantly update their knowledge in the scope of external and internal regulations regarding their activity.



Zero tolerance for corruption

We follow the principle of "Zero tolerance for corruption".

At KGHM, we use the principle of "Zero tolerance for corruption". We do not tolerate any forms of corruption – neither in actions taken by our employees, nor in business transactions. Counteracting threats of corrupt nature is a strategic element of our company's security. We take organisational, HR and technical measures to counteract the creation of environment that enables corruption offences and that effectively prevent or hinder such offences.

We require that our employees strictly observe, and our internal partners respect, the Anti-Corruption Policy and the Procedure for Countering the Risks of Corruption in force in our Capital Group.

In business relations, we respect local and international customs of hospitality and accepting and giving presents, but compliance with our internal practices is our priority.

Signs of hospitality along with the exchange of gifts and their acceptable value are defined in KGHM's Instruction on handling Business Gifts which is attached to the Procedure for Countering the Risks of Corruption.

In the KGHM Group, we make all necessary efforts to meet the requirements and standards of international anti-corruption regulations, e.g. FCPA – the US Foreign Corrupt Practices Act UKBA – United Kingdom Bribery Act); SAPIN II – the French Anti-Corruption Act; the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

We provide regular anti-corruption training for employees on each tier.



Did you know?

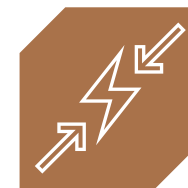
At KGHM, we apply internal anti-corruption regulations: Anti-Corruption Policy, Procedure for Countering the Risks of Corruption, Instruction on handling Business Gifts.

Corruption is an offence prosecuted ex officio and it is subject to penalty. The penalty applies to both the person who offers and the person who accepts material or personal gains. Depending on the severity of the offence, the penalty may involve a fine, restriction of freedom or even imprisonment for up to 12 years.

Corruption is considered to be the main factor that stimulates the deepening of poverty and unlawfulness around the world.

Use of company equipment for personal purposes is also an action of corrupt nature.

NOTE! If you have any doubts whether regulations in place in a specific local market on which we intend to do business are compliant with the anti-corruption law in force, contact directly the Ethics and Anti-Corruption Procedures Section.



Conflict of interests

We avoid conflicts of interests.

At KGHM, we consider it to be unacceptable to use one's professional position for personal benefits or to benefit relatives or loved ones. To protect against negative results of conflicts of interests, we apply the principle of transparency and avoidance. Every employee is under obligation to report any and all potential, actual or alleged conflicts of interests and to avoid situations that may lead to a conflict of interests (entering into relations of dependence, gratitude or other that make unbiased decisions impossible).

No employee is allowed to conduct activities that cause conflicts of interests and liabilities.

We do not tolerate any forms of nepotism or cronyism. We pursue a transparent human resources policy and recruit new employees based entirely on job-related criteria. As kinship or affinity may influence objectivity and impartiality of employee decisions and actions, we avoid employing people in such family relationships when it might result in creating a relation of dependence or subordination at work.

The issue of conflict of interests is described in detail in the Capital Group's Procedure for Countering the Risks of Corruption.

When in doubt whether a given situation is a conflict of interests, refer directly to the Ethics and Anti-Corruption Procedures Section.



Did you know?

By making decisions when in a conflict of interests you jeopardise your employer's interest and therefore you fail to meet your fundamental employee obligation, which may entail a disciplinary procedure, including termination of your employment relationship.

An alleged conflict of interests is as destructive as an actual one, and it exposes the employer to the loss of reputation and has a negative effect on other employees' morale.

It is inherently natural for a person to favour family members. Thus, the only efficient method of preventing conflicts of interests is to avoid them.

Although a conflict of interests is not a crime prosecuted under law, it is generally considered a corruption-generating situation.



Information security

We care for information security and protect personal data.

Information security is particularly important to us. Our strategic security standards are based on compliance with domestic and international infosec laws.

We are particularly rigorous in applying legal regulations that govern the flow of confidential and sensitive information and trade secrets.

We protect personal data of our employees and partners by handling it in a reliable and confidential manner and preventing its unauthorised use.

We treat information about our business processes with due diligence. We do not process such data in public spaces like planes, trains or restaurants.

We develop systems for protection against cyber attacks and information theft in the Internet.

Each of us is personally responsible for complying with regulations applicable to legally protected information and with KGHM's Instruction on handling classified information and trade secrets in KGHM Polska Miedź S.A. operations and the Instruction on handling confidential information. This applies not only to your conduct at work, but also to your use of social media sites (Facebook, Twitter).



Did you know?

Information that you create or have access to as part of your work is property of your employer and subject to applicable protection depending on its nature.

Every KGHM employee must know and comply with the Information Security Policy (ISP).

As a KGHM employee, you may be watched by our competitors who may view information that you publish on social media forums in order to win a position of competitive advantage.

How you respond to a cyber-attack is critical to the Company's security. Keep calm and follow our internal regulations

For work processes that require processing personal data, you should follow the guidelines set forth in regulations in force at KGHM Polska Miedź S.A., i.e. the Personal Data Security Policy and the Personal Data Processing Policy.



Quality of products and services

We take responsibility for the quality of our products and services.

We are a leading global producer of metals. We conduct technologically advanced prospecting, mining and smelting activities. For many years, we have been providing the world with products of the highest quality. Being responsible for the continuous development of the technology, we are committed to research and development projects on an on-going basis.

We hold globally recognised certificates that confirm the highest quality of our processes and products. We have a long record of meeting customer expectations in terms of quality and safety, which helps us build stable and long-term business relations.

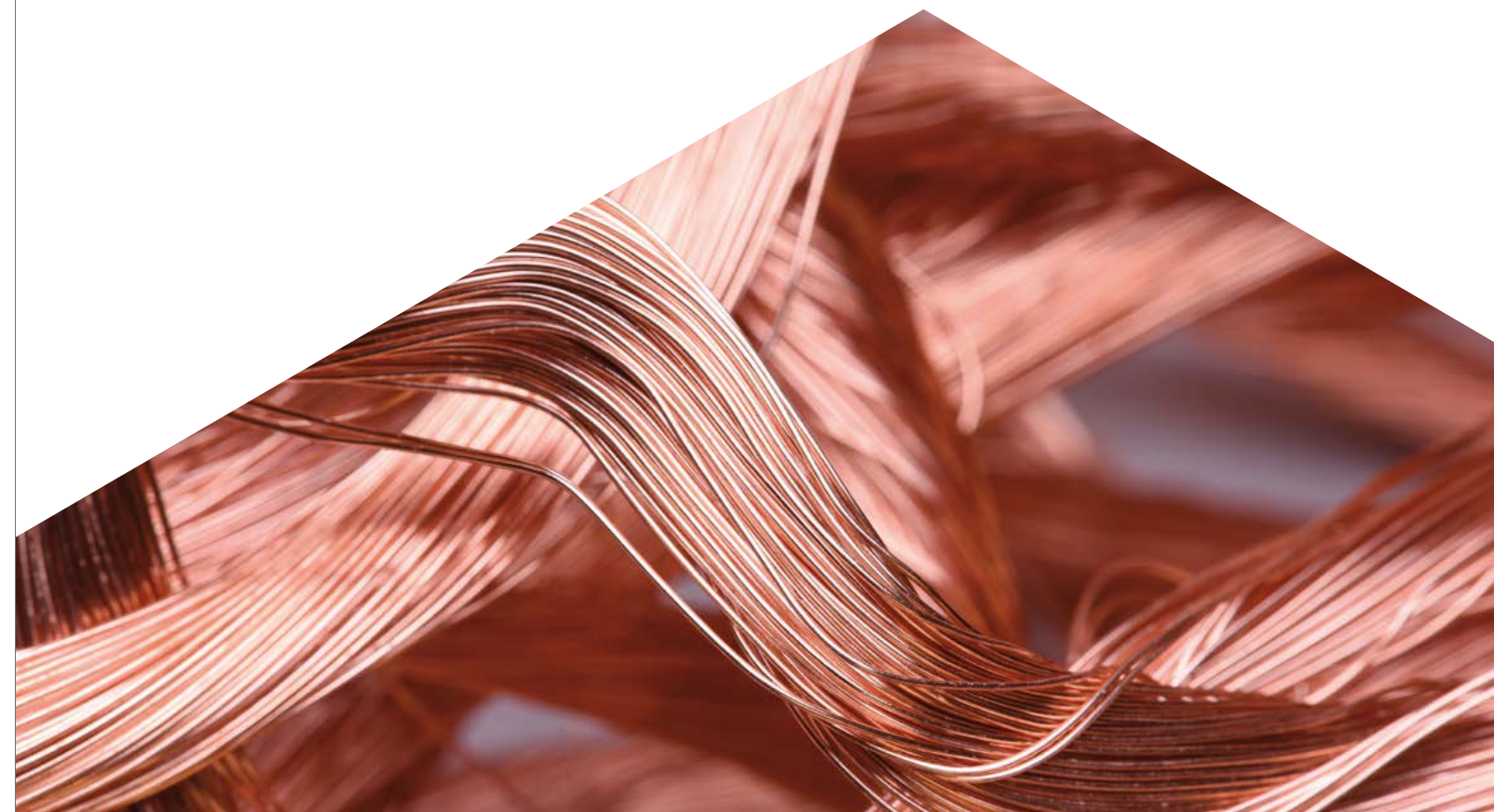


Did you know?

Regardless of the type of actions and position in the organisational structure, the quality of work performed by each employee directly translates into the quality of products and services offered by KGHM.

By performing your work in a reliable manner, you contribute to the prosperity of the Company and, as a result, improvement in your working conditions and increase in your salary.

Execution of each work process is determined by certain qualitative requirements, therefore, it is subject to supervision and control. Every employee must follow the instructions and procedures that regulate the course of each process.





Resource Management

We care for the Company's assets and manage the entrusted property in an honest manner.

In our management of resources, we are guided by the Company's economic interest and always strive to optimise profits and minimise costs. We treat the Company's assets with due care and we do not expose the employer to losses. We pursue a transparent purchase policy. We monitor our spendings and ensure they are reasonable and justified.

At KGHM, we apply specific principles for using entrusted Company's assets and they are communicated to all employees. Generally, the use of company equipment for private purposes is limited to sporadic situations where life circumstances require it.

When using materials necessary for work (office materials, consumables, tools etc.), we apply the principles of economy, honesty, optimisation and diligence. We are responsible for equipment entrusted to us and methods of its use. We use tools and devices only in accordance with their intended purpose, manuals and the OHS instruction. We are obliged to secure property entrusted to us against unauthorised access and theft.

We organise our business trips in accordance with applicable internal regulations and take care to settle and reconcile the related costs in a fair manner.

In case of a loss, theft or destruction of equipment, you should immediately inform your superior and appropriate services and make every effort to minimise the negative results of the incident.



Did you know?

In accordance with Article 124 of the Labour Code, an employee to whom the employer entrusted his or her property subject to the obligation to return or account for it, is liable up to the full amount of any damage to that property, unless the employee proves that the damage has occurred due to reasons not attributable to him or her.

Seemingly tedious daily routine related to keeping your workstation tidy and clean, like inspecting your workstation and devices used, conducting basic/everyday servicing, controlling and replenishing/replacing consumables, are critical not only to serviceability and durability of those devices but, first and foremost, to the safety and protection of employees' lives.



Environmental Protection

We take responsibility for our impact on the environment.

We are aware that our global prospecting, mining and smelting operations have a direct impact on the natural environment. KGHM's environmental policy is a proof that we care for the area in which we operate. Pursuant to the guidelines in KGHM's CSR Strategy and the Business Strategy, the Company takes a number of measures to reduce its environmental footprint.

We reduce or make up for our impact on the natural environment by, among others, conducting retrofit projects to reduce emissions, investing in innovative and renewable energy sources, implementing effective waste management programmes, conducting environmental remediation and restoring biodiversity at post-production sites, afforesting protection zones around our smelting plants, investing in environmental protection projects in areas where we operate and participating in local, national, industry and international environmental initiatives. We constantly monitor data related to our environmental footprint. We meet the requirements established in environment protection regulations, standards and good practices.

Environmental protection and minimisation of adverse effects of our industrial activity is our Company's priority. KGHM sets the highest ecological standards with its environmental policy.



Did you know?

Environmental protection is an important element of KGHM's Corporate Social Responsibility Strategy.

In selected, particularly valuable areas around its plants, KGHM implements protection programs for endangered animal species.

We apply standards that ensure safe and environmentally-friendly decommissioning of mines, sand quarries and other industrial sites. If it becomes necessary to decommission a plant, we behave in an environmentally responsible manner and strive to restore the site to its original condition in terms of water management, wildlife and vegetation.

Ethical Standards of KGHM Polska Miedź S.A. – Man's Good



Ethical Standards of KGHM Polska Miedź S.A. – Man's Good

People, as the key and crucial capital, are subject to special protection and remain in the centre of attention of the Company's bodies. KGHM Polska Miedź S.A. aims to build organisation culture whose foundation is to create relations based on absolute respect for dignity and personal welfare of employees, regardless of the place of their employment or professional relationship.



Man's Good



Safety

We are all responsible for our own and our plant's safety.



Equal treatment, human rights, diversity

At KGHM, we create environment and workplaces free of discrimination.



Mobbing

At KGHM Polska Miedź S.A. we do not tolerate mobbing.



Employer-employee relationship

We create high standards of employer-employee relationship.



Teamwork

We believe that cooperation is fundamental to achieving success.



Safety

We are all responsible for our own and the plant's safety.

Safety is the key value of KGHM Polska Miedź S.A. Exposure of employee health and life to risks is an inherent feature of our operations. We believe that we can prevent all occupational accidents and diseases. We require our employees to strictly adhere to our internal safety regulations as well as safety requirements in force in countries where we conduct our activities.

We offer our employees safe and hygienic work conditions and organise their workplaces in accordance with applicable requirements and state-of-the-art technical solutions. We monitor work environment parameters. Our employees are covered by preventive health care and have direct access to health services. We estimate, eliminate or minimise occupational risks. We supervise the way work is performed, paying particular attention to safety-related issues. Our production lines meet the required quality and safety standards.

We also raise the awareness of our employees regarding health protection and safety at work by offering dedicated training, tutorials and educational materials. We never drink alcohol or take drugs or other intoxicants at work, nor do we arrive at work under their influence. The employer has the right to conduct appropriate checks in case of justified suspicion that an employee is under the influence of the aforementioned substances. Addiction is considered an illness that should be treated.

On Company premises, smoking is allowed only in specially designated "smoking areas".



Did you know?

At KGHM, we apply a uniform Occupational Health and Safety Policy under which every KGHM Polska Miedź S.A. employee has the right to work in safe environment and return home!

Every employee must immediately report all noticed threats to life and health.

At work, every employee must comply with the Golden OHS Principles in force at KGHM Polska Miedź S.A.

According to data provided by the Central Statistical Office, the mining and extraction industry has sadly ranked as second in Poland in terms of accident rates for several years now.

Most accidents at work are caused by the human factor (improper organisation, improper use of materials, failure to use protective equipment, disregard of applicable procedures, improper mental condition), and inappropriate employee behaviour is the most common root cause.



Equal treatment, human rights and diversity

At KGHM Polska Miedź S.A., we create an environment and workplace free of any discrimination.

At KGHM Polska Miedź S.A, we recognise, respect and observe human rights, including the employee rights. We undertake to conduct our operations in compliance with the UN's Universal Declaration of Human Rights. Our approach to the protection of human rights is defined in the "KGHM Declaration on Human Rights Protection". Dignity and personal welfare of the employee are subject to constant control, and mutual relations are based on respecting them. As a global market player, we apply labour and employee relations standards that are compliant with applicable local laws and established by such international institutions as International Labour Organisation (ILO) and UN Global Compact. We establish our regulations and policies taking into account the good of our employees and mutual relations, in keeping with the best practices, regardless of jurisdictions where we operate.

We apply objective and fair employee assessment criteria based on the primacy of knowledge, professional competencies, social skills and the quality of work provided. Our remuneration and incentive criteria are clear.

We create a workplace environment that is free of any discrimination. We do not tolerate any forms of discrimination, particularly due to gender, race, age, ethnicity, religion, disability, beliefs, sexual orientation, social status, marital status, impairment, membership in political parties and trade unions, or employment status.

As a global company with plants in 3 continents and 34,000 employees, we are open to diversity. We appreciate diversity and are aware that it contributes to the success of KGHM worldwide. We create a culture based on trust and openness that ensures respect for diversity. Our employees are not afraid of presenting various points of view. We accomplish tasks assigned to us in multi-generational teams and we share our knowledge with others. We respect employees with longer work experience and make efforts to support new employees.

At KGHM, we manage diversity to create an organisational culture based on mutual respect, equal treatment, access to development opportunities and use of employee potential. Our approach to managing diversity is defined in the "KGHM Declaration of Diversity".



Did you know?

Enjoying acceptance at the workplace translates into stronger involvement of employees, which in turn brings specific advantages to the company.

Discrimination may affect an individual as well as a group of employees. At KGHM, no form of discrimination is acceptable, and all discriminative actions and conduct entail disciplinary consequences.

Left:
Operator of a LKP 0900 B self-propelled mining machine.
– present day.

Right:
A crusher operator
– 2 April 1972.



Mobbing

At KGHM Polska Miedź S.A., we do not tolerate mobbing.

Mobbing manifests itself through actions and behaviour that affect an employee or are directed against him or her in the form of persistent and long-term harassment and intimidation that lead to a lower self-assessment of the employee's occupational suitability, and are aimed at insulting or ridiculing that employee, or isolating or eliminating him or her from the team. At KGHM, we do not tolerate mobbing. We take preventive measures to avoid situations in which employees could experience any form of physical, mental, sexual, verbal or other abuse.

We have the Anti-Mobbing Procedure and the Ethics Commission which are tools to effectively prevent mobbing. Each employee who is either a victim or witness of mobbing may use whistleblowing channels in place at respective entities of the KGHM Polska Miedź S.A. Capital Group. Our Anti-Mobbing Procedure applies to all employees, regardless of their positions. Managers are obliged to prevent mobbing through supervising their personnel and managing their employees based on respect to their dignity.



Did you know?

The detailed procedure for handling cases of mobbing is defined in the Anti-Mobbing Procedure.

If you have experienced mobbing behaviour, or witnessed it, report the fact immediately through discrete channels of communication available in respective Entities.

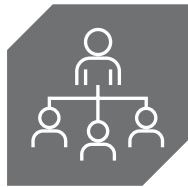
The mobber may be either a superior, colleague or even a subordinate, however, the law provides that the party responsible for the situation is the employer.

Mobbing is legally prohibited and the victim has the right to take the matter to the Labour Court.

Mobbing should not be mistaken for constructive criticism or actions acceptable within business standards (issuing orders, enforcing execution of assigned tasks, conducting periodic employee assessments etc.).

Mobbing behaviour entails disciplinary measures. Likewise, a person who wrongfully accuses another person of mobbing is subject to disciplinary consequences.





Employer-employee relationship

We create high standards of the employer-employee relationship.

We are aware of the role of social capital and its impact on the stable functioning and development of the Company. We want to be an attractive employer on the labour market chosen by high-ranking specialists. We constantly build our brand as an employer through actions aimed at creating attractive workplaces and high organisational culture. We pursue a transparent human resources and payroll policy, support the development of our employees' competences and satisfy their social and cultural needs as far as possible.

We emphasise the balance between work and private life of our employees. We guarantee and respect our employees' time for relax and non-occupational activities. We support our employees' families and introduce flexible working hours whenever possible.

We care for internal communication. The dialogue with employees is an important element of the company management process. We believe that employees have the right of access to information, consultation, freedom of association and the right to establish employee organisations.

We protect personal data and privacy of our employees. To ensure protection of personal data, we implement relevant organisational and technical solutions compliant with applicable regulations. Employee control and monitoring are limited to necessary and justified actions, dictated by the good and security of the Company. Employees are informed that the employer has the right to monitor equipment entrusted to them (PCs, phone sets) as well as work rooms and documentation.



Did you know?

At KGHM Polska Miedź S.A., there are over a dozen trade unions that comprise more than 40 workplace trade union organisations. Nearly 90% of our employees are trade union members. Mutual rights and obligations of our employees and the Group, including first and foremost the work and remuneration conditions and other in-work benefits, are regulated under the KGHM Polska Miedź S.A. collective agreement.

KGHM employees are free to form communities related to various subjects, interests and hobbies like sailing, jogging, health, LEAN etc. At present, there are 33 such communities.



Teamwork

Cooperation is fundamental for achieving success.

At KGHM, we promote teamwork and sharing of knowledge and experience. Each of our employees is a link in the Capital Group's value chain.

We support employee mentoring as part of which induction of new employees is carried out by their colleagues with a long experience record.

We build mutual trust and good working atmosphere. When engaged in a dialogue, we respect other people's views and we are open to new perspectives.

While assessing employees, we take into account their ability to work in a team and build relations based on mutual respect, clear communication and mutual support.

We use our employees' talents and respect diversity.



Did you know?

Under the Labour Code, every employee is particularly obliged to comply with the rules of social coexistence at work.

At KGHM, we promote synergies because we know that results of organised team work are better than the sum of individual actions.



Ethical Standards of KGHM Polska Miedź S.A. – Stakeholder's Good



Ethical Standards of KGHM Polska Miedź S.A. – Stakeholder's Good

Good relations with stakeholders based on trust and mutual understanding are of key importance to KGHM Polska Miedź S.A. as an organisation that has significant impact on its economic, social and environmental surrounding. KGHM Polska Miedź S.A. builds its relations with stakeholders in a responsible manner, as it is aware of their importance to the Company's long-term strategy and sustainable approach to business.



**Stakeholder's
Good**



Shareholders and investors

In relations with Shareholders, we follow the good practices of the Warsaw Stock Exchange.



External partners

We build our relations with external partners on transparency, honesty, trust and professionalism.



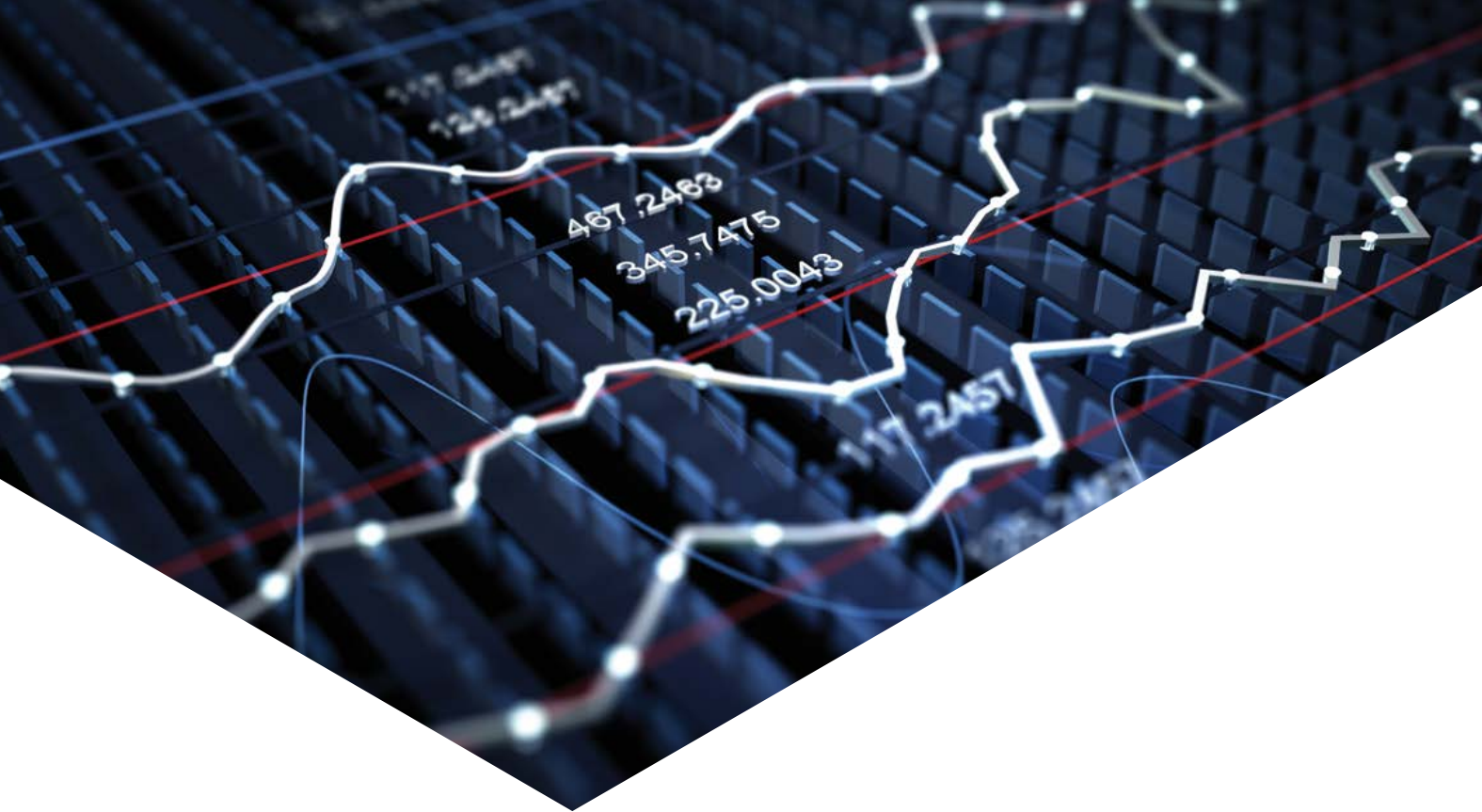
CSR – corporate social responsibility

We are committed to sustainable global development.



Participation in domestic and international organisations

We enter into partnerships with numerous domestic and international organisations.



Shareholders and investors

In relations with Shareholders, we follow good practices established by the Warsaw Stock Exchange.

We set ourselves ambitious goals and constantly develop to ensure a continuous growth in value for our shareholders.

KGHM encourages shareholders to actively participate in the Company's corporate governance processes, which ensures transparency and stability of relations with them.

We ensure that our shareholders have the right to receive necessary and important information about the entities in the Capital Group in accordance with applicable regulations.

We apply good practices established for companies listed on the Warsaw Stock Exchange. As a public company, KGHM Polska Miedź S.A. develops additional forms of dialogue with capital market players. We pursue an open and effective information policy based on electronic media. We organise meetings and study visits for analysts and investment fund managers.

We are aware that responding to the needs of shareholders and investors has an impact on KGHM Polska Miedź S.A. reputation as a reliable and well-managed company.



Did you know?

KGHM Polska Miedź S.A. follows ethical principles, good practices, applicable laws and internal regulations in a fair manner. This is application of the highest standards has been recognised by the inclusion on the Company in the RESPECT Index that distinguishes companies managed in a sustainable and responsible manner, and shows that they provide attractive investment opportunities.



External partners

We build our relations with external partners on transparency, integrity, trust and professionalism.

In relations with our external partners, we follow the principles of ethical conduct.

We require high standards of business ethics not only from our employees, but also from partners whom we provide with the Code of Ethics, Anti-Corruption Policy and rules of accepting/giving gifts, gratuities and business invitations so that they can read and comply with them.

In mutual relations, we require compliance with the “zero tolerance for corruption” principle. We emphasise the transparency of transactions. We monitor our delivery chain and follow the life cycle of our products. Our business partners are subject to verification in terms of corruption risks. We do business only with entities of proven reputation. By employing applicable procedural solutions, we prevent money laundering and financing criminal activities, including terrorism.

We particularly protect personal data of our partners as well as commercial, technical and organisational information provided to us.

We follow the principles of fair competition.

Cooperation with customers

1. We build relations with our customers on mutual trust and pursuit of bilateral benefits.
2. We respect the rights of each party, act loyally and quickly respond to expectations brought to our attention.
3. We do not approve meeting customer expectations for the price of deviating from the accepted standards.
4. We provide access to reliable information on our products and services.

Cooperation with suppliers

1. When selecting suppliers, in addition to price, quality and timeliness aspects, we also examine whether candidates run their businesses in accordance with the principles of business ethics.
2. We pursue a transparent purchasing policy.
3. When selecting suppliers, we follow the principles of equal treatment of bidders.

Cooperation with public entities

1. In relations with public officials, we act in accordance with applicable regulations and pay special attention to the transparency of actions taken.
2. Any offers of favours made to public officials in relation with establishing business relationships may be regarded as attempted corruption.

Cooperation with foreign entities

1. Our cooperation with foreign entities is based on compliance with local laws;
2. When local regulations are less restrictive than internal regulations in place at KGHM Polska Miedź S.A., we make all efforts to operate as closely to the standards adopted at KGHM Polska Miedź S.A. as possible.

Political parties

1. At KGHM Polska Miedź S.A., we do not finance or engage in activities of political parties or party members, neither in Poland nor abroad.
2. We treat political representatives on an equal basis, and our relations with them are compliant with law and the Code of Ethics.



CSR – Corporate Social Responsibility

We are committed to sustainable global development.

The CSR strategy implemented by KGHM Polska Miedź S.A. encompasses social, ethical and environmental aspects of business as a whole as well as full responsibility and transparency in managing relations with stakeholders, including employees, customers, shareholders, suppliers and local communities. The strategy is based on the best market practices and standards, e.g. the ISO 26000 guidance standard on social and environmental responsibility, guidelines of the International Council on Mining and Metals (ICMM) and the UN Global Compact Initiative.

Since its inception, KGHM Polska Miedź S.A. has been contributing to the creation of the future of generations to come. Broadly understood regional growth and formation of an attractive labour market accompanied by the commitment to the natural environment are a clear testament to the Company's social responsibility. The Company is already strongly rooted in the awareness of several generations and has become an integral part of their lives.

We have resources, exploit and process them, and minimise our impact on the natural environment as well as health and safety of our employees and everything that surrounds us.

KGHM Polska Miedź S.A. is a member of the Partnership for Implementation of Sustainable Development Objectives. In November 2017, the Management Board of KGHM Polska Miedź S.A. adopted the "Concept and model for management of sustainable development at KGHM Polska Miedź S.A."; recognising the mining-critical areas sustainable development on which it will concentrate, i.e. environment, economy, society, safety and resource efficiency.

The Management Board of the Company intends to get all KGHM Polska Miedź S.A. subsidiary companies in the aforementioned subject range, which is why it has appointed the Council for Sustainable Development.

The Council is a platform for representatives of the Company's subsidiaries that unites them around the common goal of connecting business activity with following the path of sustainability.

As a proof of the highest CSR standards applied at KGHM Polska Miedź S.A. on a daily basis, the Company has been included in the group of selected companies listed on the Warsaw Stock Exchange that comprise the ERSPECT Index.



Did you know?

At KGHM Polska Miedź S.A., we promote and support our employees' involvement in charitable initiatives, both globally and locally.

"The Copper Heart" is our voluntary employee service programme in which our employees engage in projects that supporting local communities, people who need help and pro-ecological ventures.

The KGHM Polska Miedź S.A. Foundation takes an active part in our CSR strategy by getting involved in the following areas:

1. Science and education,
2. Health and safety,
3. Sport and recreation,
4. Culture and tradition.

KGHM's CSR programme – EKO-Zdrowie (EKO-Health) – promotes preventive health-care and active lifestyle among the population of the Copper Belt. The programme has brought a number of projects, including Nordic walking classes for people at the age of 40+, swimming lessons for children, fitness for overweight people, preventive swimming classes for children and youth, football practice activities for boys run by coaches of the KGHM Football Academy and various sports events.





Membership in domestic and international organisations

We enter into partnership with numerous domestic and foreign organisations.

KGHM Polska Miedź S.A. is a member of several domestic and international organisations with a very wide scope of operations, ranging from employer organisations to international industry organisations.

On the country level, these organisations include employer associations, economic societies, industry associations and foundations. KGHM is an active member of 6 chambers of commerce, including: the Chamber of Commerce of Non-Ferrous Metals and Recycling, Polish Chamber of Industrial Energetics and Energy Customers, Polish Chamber of Ecology. The company supports three foundations: the Safe Mining Foundation, KGHM Polska Miedź S.A. Foundation and the Revimine Foundation for Innovation and Cultural Heritage.

On the international level, KGHM is a member of global and European organisations that represent interests of companies from specific sectors, such as non-ferrous and precious metals, including Eurometaux, European Precious Metals Federation and London Bullion Market Association. The company is also active in organisations representing the European extraction industry, such as Euro-mines and the European Technology Platform on Sustainable Mineral Resources. KGHM has a strong representation in global organisations that act for the development of the copper market, including the International Wrought Copper Council and the International Copper Association (ICA). The membership in the ICA allows the Company to effectively promote applications of copper and copper alloys, and the demand for copper on the global scale together with the world's largest copper mining companies. The Association's mission is to protect copper and copper alloy products and to increase their market share building on the extraordinary technical properties of this material and its importance to improving the quality of people's lives around the globe. The company participates in the implementation of the idea of sustainable development in the area of raw materials by, among others, shaping and supporting actions of the European Innovation Partnership (EIP).



In 2014, KGHM joined the Global Compact. It is the world's largest UN initiative for corporate social responsibility and support for sustainable development.

KGHM Polska Miedź S.A. is a member of over a dozen domestic and international organisations.



Ethics and Anti-Corruption Procedures Section



Ethics and Anti-Corruption Procedures Section

The Ethics and Anti-Corruption Procedures Section is a part of the Security Department of KGHM Polska Miedź S.A. Subject to applicable internal regulations, responsibilities of the Section include:

1. Ensuring that the KGHM Polska Miedź S.A. Code of Ethics is consistently complied with in all KGHM Group entities in Poland and abroad;
2. Assistance in interpreting the provisions of the Code of Ethics and cooperation with the Ethics Commission in resolving issues related to non-compliance with ethical standards;
3. Acting as the contact unit for issues related to applicability of and compliance with the Code of Ethics on the part of shareholders, employees, partners, suppliers and customers, both in Poland and abroad;
4. Controlling compliance with the Code of Ethics, receiving report of violations, conducting checks and investigations, recommending corrective actions and applying for disciplinary measures with regard to people who violate the Code of Ethics.

At the level of KGHM Group entities, the above responsibilities rest on Corporate Representatives for Ethics and Anti-Corruption in close cooperation with the Ethics and Anti-Corruption Procedures Section.

Violations of the Code of Ethics are resolved by the Ethics Commission in cooperation with the Ethics and Anti-Corruption Procedures Section and Ethics and Corporate Representatives for Ethics and Anti-Corruption in respective Group entities.



Did you know?

When in doubt, employees have the right to consult their Corporate Representatives for Ethics and Anti-Corruption or, in justified cases, contact directly the Ethics and Anti-Corruption Procedures Section with a request for intervention or advice.

When asking a question or making a request, you do not need to worry about your safety, comfort of work or confidentiality of the information you are providing, as they are properly protected under applicable information protection regulations.

Ethics and Anti-Corruption Procedures Section of KGHM Polska Miedź S.A. takes complex measures to ensure that the provisions of the Code of Ethics are applied across the entire organisation.



How to follow the Code?

Every employee of KGHM Polska Miedź S.A. must be familiar with the principles described in this Code. Failure to comply with them is in conflict with the fundamental operating principles and interests of the organisation.

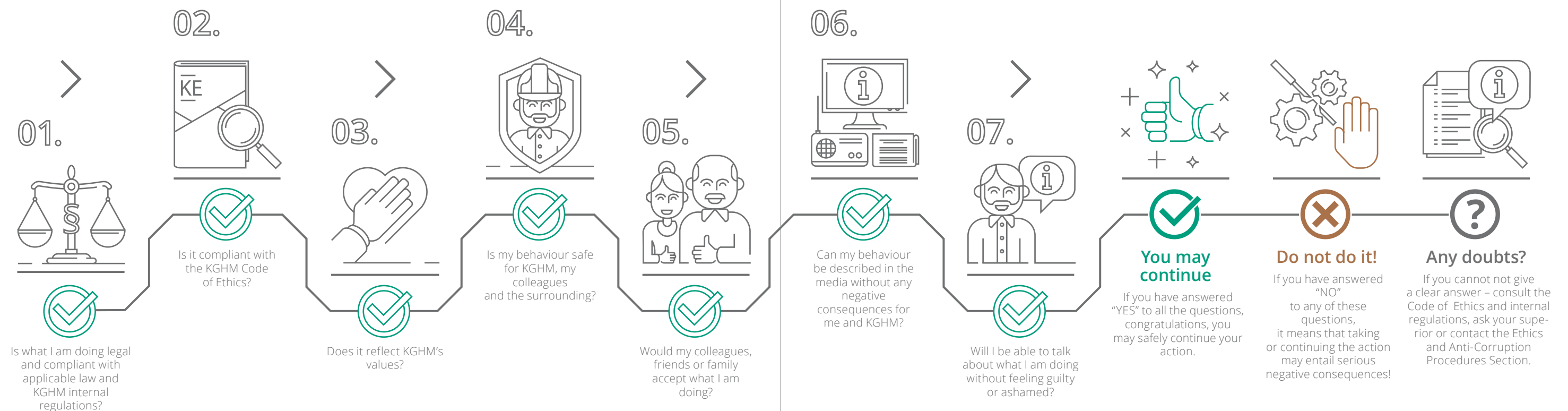
Failure to comply with the Code puts us at risk (Safety), negatively impacts the atmosphere at work (Teamwork) and performance (Focus on Results) and threatens our reputation (Responsibility). We are proud to adhere to our values and the principles of the Code – even if it requires facing new and difficult challenges (Courage).

The Code does not replace other more detailed policies, regulations or procedures in place at KGHM Polska Miedź S.A. We are always obliged to perform our job in accordance with law and

Company policies, as required by the nature of our work and its location.

Employees who do not comply with the provisions established in the Code will face consequences set forth in applicable labour regulations.

The principles described in the Code are related to KGHM's industry and work environment. However, since it is not possible to describe every situation you might face, the questions below should help you clarify any doubts and make proper decisions in tough situations.



Report unethical practices

If you have any questions or comments about the Code of Ethics, please contact immediate superior or the Corporate Representative for Ethics and Anti-Corruption in your entity, or report directly to the Department of Ethics and Anti-Corruption at KGHM Head Office.

If you believe that someone around you acts in a manner that is not compliant with law (external and/or internal) or the Code of Ethics, contact your immediate superior or use one of the channels provided for reporting misconduct.

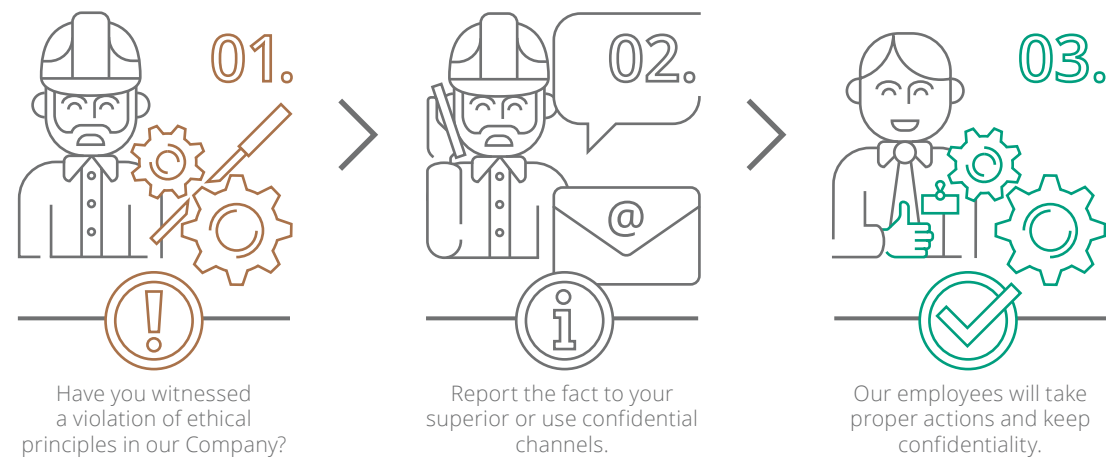
Do not be indifferent! Report misconduct.

Through proper conduct, we are all building the value of the Company. We must be sure that our conduct is compliant with applicable provisions of law, regulations and Standards of Ethics. All violations that may negatively influence operations of the KGHM Polska Miedź S.A. Capital Group must be reported directly to the Ethics and Anti-Corruption Procedures Section or through confidential channels for reporting misconduct.

We treat every report with due diligence, ensure confidentiality and protection of the reporting person and, if required, anonymised his or her data. We treat anonymous reports as seriously as reports signed with names. The reporting

person (whistleblower) is protected. Detailed regulations related to reporting irregularities and protection of whistleblowers are defined in the Procedure for revealing irregularities and protecting whistleblowers.

Confidential channels for reporting misconduct



Contact

Poland

+48 76 747 8282
antykorpacja@kghm.com

+48 767 480 777
(anonymous recording)
liniaetyki@kghm.com

USA

+1 866 921 6714
kghm@integritycounts.ca

China

+86 186 1639 3022
antykorpacja@kghm.com
liniaetyki@kghm.com

Chile

+56 123 0020 3914
kghm@integritycounts.ca

Russia

+ 48 76 747 8282
antykorpacja@kghm.com
liniaetyki@kghm.com



If you have witnessed a violation of the KGHM Polska Miedź S.A. Code of Ethics, report the fact to protect your rights and good and the rights and good of your colleagues!

Contact

Security Department
KGHM Polska Miedź S.A.
Ethics and Anti-Corruption
Procedures Section

ul. M. Skłodowskiej-Curie 48
59-301 Lubin, Poland
Tel.: +48 76 747 82 82

www.kghm.com

Photographs in the publication come from
the resources of KGHM Polska Miedź S.A.

Graphic design:
Grzegorz Lorek – grafikainaczej.pl
Commissioned by:
Security Department
KGHM Polska Miedź S.A.
Ethics and Anti-Corruption Procedures Section