



Assessment Summary Report

Participant Information

Name of the Site	KGHM Polska Miedz S.A. Oddzial Huta Miedzi "Cedynia"
Unique identifier provided by the Copper Mark	P0043
Address	Orsk, Rudna 59-305
Country of Operation	Poland
Principle covered products produced on site. (e.g., concentrate, anodes, cathodes, sulphuric acid, slag, etc.)	Copper wire rod, oxygen- free and low-alloy copper rod, copper nuggets
Metals produced on site. (e.g., copper, gold, nickel, silver, molybdenum)	Copper
Metals included in scope of Criterion 31 (this must be all, or a sub-set of the metals produced on site)	Coper
Metals covered by other independent assessments for Criterion 31 (e.g., RMAP, LBMA, RJC, etc.)	NA
Types of operations included in scope	
Mining	<input type="checkbox"/>
Concentrate blending	<input type="checkbox"/>
Solvent extraction and electrowinning	<input type="checkbox"/>
Smelting	<input type="checkbox"/>
Refining	<input type="checkbox"/>
Fabrication	<input checked="" type="checkbox"/>
Other (<i>please explain</i>)	
Infrastructure owned or controlled by the site and included in scope	

Roads	<input type="checkbox"/>
Rails	<input type="checkbox"/>
Ports	<input type="checkbox"/>
Other (<i>please explain</i>)	

Equivalent Systems

<p>The following equivalent systems were applied:</p> <p><i>Equivalent systems are determined by the Copper Mark to have standards and assurance requirements that are materially comparable in scope and intent to those of the Copper Mark, in accordance with the Copper Mark Recognition Process.</i></p>		
Equivalent System	Review Process	Criteria Covered by Equivalency
<p>ISO 45001</p> <p>Valid until 13 April 2026</p>	<p>The assurance / certification was confirmed to be:</p> <ul style="list-style-type: none"> Valid at the time of the review No more than 24 months old and / or plans for reassessment are underway. In effect for an additional 12 months and / or plans for reassessment are underway Covering the same scope as the Copper Mark Responsible Production Criteria, including operations, locations, and materials Accompanied by improvement plans where applicable 	<p>12. Occupational Health and Safety</p>
<p>ISO 14001:2015</p> <p>Valid until 13 April 2026</p>	<p>The assurance / certification was confirmed to be:</p> <ul style="list-style-type: none"> Valid at the time of the review No more than 24 months old and / or plans for reassessment are underway. 	<ul style="list-style-type: none"> 14. Environmental Risk Management 16. Energy Consumption

	<ul style="list-style-type: none"> • In effect for an additional 12 months and / or plans for reassessment are underway • Covering the same scope as the Copper Mark Responsible Production Criteria, including operations, locations, and materials • Accompanied by improvement plans where applicable 	
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Independent Site Assessment Information

Name of the Lead Assessor	Josue Ruiz
Name of the Assessment Firm (if applicable)	RCS Global Ltd.
Date(s) of Assessment Activities (dd/mm/yyyy – dd/mm/yyyy)	20-22 February 2023
Assessment Period	01 February 2022 – _31 January 2023
Summary of the Assessment Methodology	<p>As part of the risk-based approach, the following criteria were considered:</p> <ul style="list-style-type: none"> • Size and complexity of the audit • Adequacy of systems and processes to detect inconsistencies. • Understanding of the audit programme • Controls over compliance with legal requirements • Controls over relevance reliability of information • Controls over programme operations • General control of information systems • Second- or third-party audits relevant to the objectives of the audit <p>An assessment of the mentioned criteria conducted by the lead auditor during the pre-assessment process concluded that given the size and complexity of the auditee operations, the general risk of the audit is considered high.</p> <p>The conclusions of the audit are based on a sampling approach. Sampling was selected using representativeness criteria and</p>

	<p>selection was random and based on auditor’s professional experience.</p> <p>A total of 20 workers out of a population of 236 are selected for site interviews, and 5 out of 8 significant community stakeholder representatives are selected for remote interviews.</p> <p>Note: Because of logistical complexity (distance between auditee and stakeholders’ locations), interviews with stakeholders were performed remotely, however it did not affect the reliability and consistency of the interview process.</p> <p>Permanent workers: 236 Temporary workers: 4</p>
<p>Summary of the Assessment Activities</p>	<p>Assessment activities included:</p> <ul style="list-style-type: none"> • Opening meeting • Worker interviews • Stakeholder interviews • Management interviews • Walkthrough of the facilities • Policies, procedures, and records review • Closing meeting

Summary of Findings

Criterion	Rating	Comments
<p>1. Legal Compliance</p>	<p>Fully meets</p>	<p>Cedynia has an adequate and effective legal compliance process to monitor, identify and ensure compliance with applicable national and international laws and regulations and customer requirements pertaining to the different aspects of the audit programme.</p> <p>There is a formalised process to identify, track, assess, integrate, implement, and maintain a current understanding of applicable legal and customer requirements.</p> <p>This is complemented by regular updates through an app, a legal register, and a compliance risk assessment.</p> <p>This was confirmed through interviews with management; and a review of documents including the legal register</p>

		and local requirements register, permits, and the procedure for compliance management.
2. Business Integrity	Fully meets	<p>Cedynia has an adequate and effective policy and procedures to uphold the highest standards of integrity in all business interactions with a zero tolerance to any and all forms of bribery, including facilitation of payments, corruption, extortion, and embezzlement.</p> <p>Cedynia has policies that state the commitment and process to uphold the highest standards of integrity in all business interactions with a zero tolerance to all forms of bribery, corruption, extortion, and embezzlement.</p> <p>This is supported by a corruption risk management process to manage any action, conduct, or practice that may constitute a violation or misconduct in view of any applicable regulations and investigate risks of corruption. A risk assessment is regularly carried out and includes risk factors, causes, exposition probability, consequence probability and mitigation measures.</p> <p>This is confirmed through interviews with management; interviews with workers who understood the policies and confirmed they received training; and a review of documents including the software to track bribery risks and gifts register, training, and communications records, and the KGHM financial report.</p>
3. Stakeholder Engagement	Fully meets	<p>Cedynia has an adequate and effective stakeholder engagement plan that includes stakeholders mapping and grievance mechanism. There are resources and accountabilities in place. International and external stakeholders are managed by the Corporate CSR Department and local stakeholders are managed at the site level.</p>

		<p>There is a process to identify and communicate with stakeholders, as well as the criteria and methodology to identify their needs. There are established communication, consultation, and engagement activities with relevant stakeholders. Cedyndia also tracks stakeholder feedback.</p> <p>This was confirmed through interviews with management; interviews with external stakeholders; interviews with union representatives; and a review of documents including the stakeholder map, notes from workshops and meetings, samples of correspondence, and the feedback tracker. More information is available here.</p>
<p>4. Business Relationships</p>	<p>Fully meets</p>	<p>Cedyndia has an adequate and effective system in place to promote responsible business practices with significant business partners, including suppliers. There is a contractual process with suppliers, labour agents and contractors to enforce the implementation of KGHM’s policies on human rights, health and safety, environment and ethics, and compliance with legal requirements.</p> <p>Cedyndia has established criteria to identify significant business partners and developed a grading chart to classify them as low, medium, or high-risk, using supplier surveys to gather relevant data. For significant suppliers that are high-risk, there is an established risk mitigation plan that is communicated and discussed with them.</p> <p>This was confirmed through interviews with management; interviews with indirect workers who state that operational controls are in place to protect working conditions; and a review of documents including sampled supplier files, sampled supplier contracts, and the “Rules for Selecting Work and Service Contractors, Suppliers of Goods in the KGHM.”</p>

<p>5. Child Labor</p>	<p>Fully meets</p>	<p>Cedynia has an adequate and effective system to ensure that workers below the legal minimum working age are not hired either directly or indirectly. The youngest worker in the facility is 20 years old, consequently, there are no juvenile workers performing hazardous work.</p> <p>The human rights policy and code of conduct include a child labour policy and commitment to the Declaration of Human Rights (UN), the European Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR), as well as the conventions and recommendations of the International Labour Organisation (ILO). This is implemented through recruitment procedures.</p> <p>This was confirmed through site observation; interviews with management; interviews with workers who understood the policies, confirmed they received training, and stated they were not aware of any workers under the minimum age; and a review of documents including the employee roster, onboarding records, the human rights policy, and the code of conduct.</p>
<p>6. Forced Labor</p>	<p>Fully meets</p>	<p>Cedynia has adequate and effective policy and procedures which ensure that any form of forced, bonded, involuntary, or exploitative prison, trafficked or slave labour is not used.</p> <p>There are no fees charged during the hiring process, overtime is not mandatory, there is no restriction of movement and leave records confirm leave is within the collective bargaining agreement (CBA) and legal provisions.</p> <p>The policy is included in the human rights policy and KGHM code of conduct and implemented through recruitment procedures. Workers are trained on these policies as part of the onboarding process.</p>

		<p>Interviews with workers confirmed they have valid copies of their employment contracts which they received on commencing employment; job adverts were posted on the internet; during hiring they are interviewed, and photocopies of personal documents are requested; no fees or deposits are required; they can resign after giving a notice with no specific period of time; they do not report loans; and they can terminate the employment contract voluntarily.</p> <p>This was confirmed through site observations; interviews with management; interviews with workers; and a review of documents including sampled employee records, onboarding records, recruitment procedure, the human rights policy, and the code of conduct.</p>
<p>7. Freedom of Association and Collective Bargaining</p>	<p>Fully meets</p>	<p>Cedynia respects the legal right of all workers to peacefully assemble as well as the legal rights to bargain collectively. The policy is enshrined in the human rights policy and the KGHM code of conduct.</p> <p>There are forty-three (43) unions in the KGHM Group that concentrate all workers included in the same Collective Bargaining Agreement, which ensures equal treatment between different unions. There are 4 unions at Cedynia Copper Rod Mill. There are two worker representatives per union.</p> <p>Interviewed workers stated they were free to associate, bargain collectively, and peacefully assemble. They reported equal treatment to union and non-union members.</p> <p>This was confirmed through interviews with management; interviews with workers; interviews with a union representative; and a review of documents including union meeting minutes, the collective bargaining</p>

		agreement, the human rights policy, and the code of conduct.
8. Discrimination	Fully meets	<p>There is no evidence of discrimination and there are adequate and effective policies and procedures that ban discrimination and harassment in the workplace. Interviews with workers and their representatives confirm Cedyňa identifies and prevents discrimination in all aspects of its employment practices.</p> <p>The policy is embedded within the human rights policy and KGHM code of conduct and prohibits discrimination against any employee based on the grounds of race, colour, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status.</p> <p>This is confirmed through site observation; interviews with management; interviews with workers; and a review of documents including sampled payroll records, recruitment records, termination records, promotion records, disciplinary actions records, onboarding materials, and the recruiting procedure.</p>
9. Gender Equality	Fully meets	<p>Cedyňa has a public commitment on the respect of diversity and equality that includes gender. There is evidence of initiatives that focus on gender improvement targeted at women. The company reports publicly on gender equality figures in the <u>annual report</u>.</p> <p>There are programmes and initiatives in place to promote gender equality in the workplace, for instance, support schooling in the technical professions desired at KGHM, all of which are aimed at both males and females.</p> <p>This was confirmed through interviews with management; interviews with workers; interviews with stakeholders that revealed the cultural challenges of gender equality; and a review of documents including the company</p>

		disclosures online, the employee roster, and the diversity policy.
10. Working Hours	Partially meets	<p>Cedynia has an established system to determine, communicate, record, manage and control working hours including overtime, including reliable and detailed records of workers' regular and overtime working hours.</p> <p>The following gaps were identified:</p> <ul style="list-style-type: none"> • There are cases of workers working more than 60 hours / week (up to 68 hours) mainly in peak season. • There are cases of workers working more than 6 consecutive days (up to 10 days) without rest, mainly in peak season. <p>This was confirmed through interviews with management; interviews with workers; and a review of documents including payroll records.</p>
11. Remuneration	Fully meets	<p>Cedynia has an established management system to pay employees wages that equal to or exceed the national minimum wage, ideally the living wage, and meet the average local industry wage.</p> <p>Deductions are for taxes and social security. Wages are paid directly to workers every month with no delays. Wages and benefits are paid in accordance with the Collective Bargaining Agreement</p> <p>Workers are trained on the policies and procedures, and there is evidence of regular communication.</p> <p>This was confirmed through interviews with management; interviews with workers; and a review of documents including sampled wages/payroll records, severance payment records, leave records, and training material.</p>
12. Occupational Health and Safety	Fully meets	The assessment confirmed Cedynia has a valid ISO 45001 certificate.
13. Grievance Mechanism	Fully meets	Cedynia has an adequate and effective grievance/complaint process where

		<p>work-related grievances or complaints without fear of reprisal or intimidation can be confidentially communicated.</p> <p>Policy documents state that any action, conduct or practice that may constitute a violation or misconduct in view of any applicable regulations, including but not limited to the Code of Conduct and Ethics and those related to the working conditions (mobbing), or that are likely to constitute an actual risk of a violation or misconduct if they are not ceased or stopped must be reported. Any reported grievance is investigated anonymously and includes interviewing of all involved parties. Communication channels are department meetings, roundtables, kick-off meetings, employee events, and through the Ethics Hotline that is publicly available at https://liniaetyki.kghm.com/en.</p> <p>Workers receive training and are aware of the channels to report any grievances.</p> <p>In the assessment period, there were 12 grievances received and undergoing the investigative process.</p> <p>This is confirmed through interviews with management; interviews with workers; and a review of documents including the hotline software, grievance records, and whistle-blower process documents.</p>
<p>14. Environmental Risk Management</p>	<p>Fully meets</p>	<p>The assessment confirmed Cedynia has a valid ISO 14001 certificate.</p>
<p>15. Greenhouse Gas (GHG) Emissions</p>	<p>Partially meets</p>	<p>Cedynia has an established policy and system to quantify and disclose CO2 equivalent emissions in line with established international reporting protocols.</p> <p>Cedynia has a climate policy aligned to the EU Regulations and publicly available on the company website. The main GHG emissions target is to achieve carbon neutrality by 2050 and a 30% reduction in scope 1 and 2 emissions by 2030. Another established</p>

		<p>target is to incorporate scope 3 emissions by 2023 – 2024.</p> <p>GHG emissions inventory report for 2022 confirms there is an established system to identify organisational and operational boundaries as well as a system to track, calculate, report, and manage GHG emissions. The methodology of the inventory report is aligned to the GHG Protocol. The baseline year is set for 2020.</p> <p>There are reports that demonstrate the calculation and measuring of GHG emissions.</p> <p>The following gap was identified:</p> <ul style="list-style-type: none"> • There is not a GHG emissions reduction programme that meets the established reduction objectives/targets, including regular tracking, progress monitoring and adjustments made if off track. • There is an absence of a robust verification mechanism to ensure the data integrity, such as, for example, a third-party audit. <p>This was confirmed through interviews with management; and a review of documents including the climate policy, reports on monitoring, reports on calculating, and the publicly available reporting available here.</p>
16. Energy Consumption	Fully meets	The assessment confirmed Cedynia has a valid ISO 14001 certificate covering this criterion.
17. Freshwater Management and Conservation	Fully meets	<p>Cedynia has adequate and effective procedures in place to document, characterise, and monitor water sources, water discharge and control channels of contamination.</p> <p>Water management is done in accordance with the permit, which states the source of water as well as maximum amount of water usage and required chemical and physical discharge parameters. Water channels are free of contamination and protected</p>

		<p>from contamination. There is appropriate emergency response equipment and materials in place to respond to a possible water channel contamination.</p> <p>In order to receive the permit, Cedyndia conducted an environmental and social impact assessment (EIA), which requires engagement with stakeholders within the area of influence. Based on the EIA, there is no significant negative impact on the availability / access to water for people / nature in the catchment area of the facility.</p> <p>Wastewater and water use and quality are monitored.</p> <p>This was confirmed through interviews with management; and a review of documents such as the IT system dedicated to collecting environmental information, quality and quantity monitoring records, and the EIA.</p>
18. Waste Management	Fully meets	<p>Cedyndia operates a risk-based waste management system that includes a commitment to waste hierarchy and is applicable to all waste types (hazardous and non-hazardous). This standard includes requirements to manage waste following the mitigation hierarchy.</p> <p>There is an established management system to manage waste and that the system is regularly assessed as part of internal and external audits and a corrective action process is defined to manage non-compliances.</p> <p>This was confirmed through interviews with management; and a review of documents including the ISO 14001 certificate, legal register, waste characterization, and the waste management procedure.</p>
19. Tailings Management	Not applicable	This criterion is not applicable to non-mining operations.
20. Pollution	Fully meets	Cedyndia has a process to avoid, minimise, reduce, and compensate for

		<p>the adverse impacts of pollution on human health and the environment. No negative effects are noted in the pollution management procedure.</p> <p>Cedynia has an integrated permit issued by the local authorities, which confirms tolerable limits on water, air, and waste. These limits are part of ongoing monitoring.</p> <p>This was confirmed through interviews with management; and a review of documents including the integrated permit, ISO 14001 report, and pollution management process.</p>
<p>21. Biodiversity and Protected Areas</p>	<p>Partially meets</p>	<p>Cedynia operates under an integrated permit granted by the local government, which includes the environmental conditions required within a protected area. According to the integrated permit, there are no negative impacts on protected areas.</p> <p>Cedynia operates within a natural protected area called Skarpa Storzyców. The expansion EIA of 2020 outlines the actions required to avoid impacts on protected areas.</p> <p>The following gaps were identified:</p> <ul style="list-style-type: none"> • Outside of the permit and EIA, there is no additional screening / monitoring to establish a preliminary understanding of the impacts on or risks to biodiversity, ecosystem services and protected areas. • There is not a formalised plan to ensure that activities will not permanently and materially damage the integrity of the special values for which the area was designated or recognised. • There is no monitoring on biodiversity impacts. • There are no mitigation plans in place. <p>This was confirmed through interviews with management; and a review of</p>

		documents including the integrated permit, EIA, and independent research of the assessor.
22. Mine Closure and Reclamation	Not applicable	This criterion is not applicable to non-mining operations.
23. Community Health and Safety	Fully meets	<p>Cedynia has an established system in place to monitor, avoid, minimise, reduce, and compensate for adverse impacts on community health and safety.</p> <p>The greatest potential risks identified through the EIA are gas emissions and fire emergencies.</p> <p>There is a process to identify and communicate with stakeholders; it states the criteria and methodology to identify stakeholder needs, including health and safety needs. An emergency response plan involving the community is in place. Stakeholders are aware of the grievance mechanism.</p> <p>This is confirmed through interviews with management; interviews with external stakeholders who confirm consultation and the effectiveness of the process; and a review of documents including records of consultation and communication.</p>
24. Community Development	Fully meets	<p>Cedynia has completed a community needs assessment, and developed and implemented a plan to make contributions to or support community development.</p> <p>There is a process to identify and communicate with stakeholders which states the criteria and methodology to identify stakeholder needs. The KGHM Polska Miedz SA Foundation manages community support categorised as donations for institutions, health and safety, science and education, sports and recreation, culture and tradition, donations for individuals, health care, social assistance and health promotion and environmental hazards prevention programs.</p>

		This was confirmed through interviews with management; interviews with stakeholders who confirm engagement with and support from Cedyndia, and a review of documents including records of consultation and communication.
25. Artisanal and Small-Scale Mining	Not applicable	The assessment confirmed there is no ASM in the area of influence.
26. Human Rights	Fully meets	<p>Cedyndia has adequate and effective policies, systems, and procedures to implement the UN Guiding Principles on Business and Human Right including human rights due diligence.</p> <p>There is a policy on human rights referencing key international human rights conventions. Human rights are understood in two perspectives – _within the organisation, as employee rights, and outside, as general human rights.</p> <p>In 2022, Cedyndia carried out a human rights risk assessment, which identifies, evaluates, and assesses 31 human rights risks throughout the organisation. The assessment concludes that the impact of the organisation on human rights is low. The identified human rights risks have been incorporated into the headquarter corporate management system software and management reviews are done quarterly.</p> <p>This is confirmed through interviews with management; interviews with stakeholders; and a review of documents including contractor records, the human rights policy, and the human rights impact assessment report.</p>
27. Security and Human Rights	Not applicable	This criterion is not applicable to non-mining operations.
28. Indigenous Peoples' Rights	Not applicable	The assessment confirmed there are no indigenous peoples in the area of influence.
29. Land Acquisition and Resettlement	Fully meets	Cedyndia has an established system in case of land acquisition and resettlement in compliance with

		<p>international and local laws and regulations.</p> <p>Cedynia has a department of real estate that maintains a register of real estate for areas located in commercially designated zones. All notary deeds are available for the sampled properties on the register.</p> <p>There is a process to identify and communicate with stakeholders, including those located within the area of influence of the auditee's operations, such as communities. No resettled stakeholders are identified.</p> <p>This was confirmed through interviews with management; and a review of documents including the register of deeds, and records of communication with local authorities.</p>
30. Cultural Heritage	Fully meets	<p>Cedynia has a process to identify cultural and natural heritage areas, but no such areas have been confirmed within the area of influence of the operations.</p> <p>There is a process to identify and communicate with stakeholders, including those located within the area of influence of the auditee's operations, such as communities. No cultural heritage sites are identified in the sphere of influence of Cedynia's operations.</p> <p>This was confirmed through interviews with management and a review of documents.</p>
31. Due Diligence in Mineral Supply Chains	Partially meets	<p>Cedynia has a simple supply chain, sourcing cathodes internally from other KGHM sister facilities.</p>
31.a. Management System	Partially meets	<p>The company has a due diligence management system in place, including a policy that covers copper and other metals, and commits to implementing the OECD five-step framework (available here).</p> <p>There are roles and responsibilities assigned. The system includes</p>

			<p>processes to gather information from suppliers and a digital material control system (SAP).</p> <p>There is an established process to receive, review, and respond to grievances.</p> <p>The following gaps were identified:</p> <ul style="list-style-type: none"> • There is no regular training to relevant employees. • There is no evidence of a regular management review the system.
	31.b. Red Flag Identification Process	Fully meets	<p>The due diligence procedure for copper and lead supply chains states the process, resources, and criteria to identify, evaluate and assess red-flags and OECD Due Diligence Guidance Annex II risks in the supply chain.</p> <p>Cedynia's only two suppliers are from the KGHM family, and both have received The Copper Mark and have been assessed against the Joint Due Diligence Standard for Copper, Lead, Nickel, and Zinc.</p> <p>No red flags were identified.</p>
	31.c. Risk Assessment Process	NA	No red flags were identified.
	31.d. Risk Management Process	NA	No red flags were identified.
	31.e. Public Reporting	Fully meets	There is a management Board's report that meets the requirements of the standard and is publicly available here .
	32. Transparency and Disclosure	Fully meets	<p>The company publicly reports on an annual basis on environmental, social and governance performance in line with the Global Reporting Initiative (GRI).</p> <p>The report is available here.</p>

Conclusions

Statement of conformance	
The site is found to fully meet all applicable criteria of the Risk Readiness Assessment.	<input type="checkbox"/>

The site is found to fully meet or partially meet all applicable criteria of the Risk Readiness Assessment. The site has committed to continuous improvement to fully meet all applicable Copper Mark Criteria by 5 April 2024.	<input checked="" type="checkbox"/>
The site is found to miss some or all of the applicable criteria of the Risk Readiness Assessment. The site has committed to continuous improvement to fully meet all applicable Copper Mark Criteria by 5 April 2024.	<input type="checkbox"/>
The site misses some or all of the applicable requirements of the Risk Readiness Assessment. The Site has not committed to continuous improvement.	<input type="checkbox"/>
Limitations:	
Additional comments:	

Award

The Copper Mark	<input checked="" type="checkbox"/>
The Molybdenum Mark	<input type="checkbox"/>
The Nickel Mark	<input type="checkbox"/>
The Zinc Mark	<input type="checkbox"/>

This Summary Report is prepared using data from the independent accountant's assurance report and the independent assessor report. The Copper Mark confirms the assessors' opinion and awards the relevant metal Mark(s) as follows.

Date the Copper Mark is awarded	14 July 2023
Expiry Date of the Copper Mark	13 July 2026