



Luxembourg, 14 December 2023

Environmental and Social Completion Sheet (ESCS)

Overview

Project Name:	KGHM MODERNISATION PROGRAMME II
Project Number:	2017-0461
Country:	Poland
Project Description:	The project included the company's investment programme implemented over the period 2017 up to 2022 to adjust the existing processes to the changing mining and copper ore conditions and to guarantee an environmentally friendly, safe, and stable copper production.

Summary of Environmental and Social Assessment at Completion

EIB notes the following Environmental and Social performance and key outcomes at Project Completion.

The project supported KGHM's CAPEX program to address i) the changing and more challenging mining conditions and characteristics of the extracted copper ore, as well as ii) achieving upcoming environmental standards. As indicated in the published ESDS, these investments were done across different divisions, from mining to smelting and refining.

The promoter informed the EIB services on the outcomes of the EIA procedures, shared the required EIA decisions and reports, and implemented the project accordingly as per finance contract conditions.

Since 2017, KGHM has been evolving in terms of environmental management and improvement through various initiatives and projects. The company is committed to applying environmentally friendly technologies and business solutions, following international environmental standards and cooperating with government authorities^{1,2}.

Some of the key aspects of KGHM's environmental management and improvement include e.g.^{1,2}:

- Reducing waste and promoting biodiversity in mining areas;
- Implementing environmental innovations to maintain safe working conditions and further reduce emissions (part of the EIB project);
- Investing in innovative and renewable sources of energy;
- Actively adapting to changes in the regulatory environment and the associated obligations derived from the company's impact on the climate and the impact of the climate on the company;
- Identifying key sources of greenhouse gas emissions and planning changes to key business and management processes related to GHG emissions;
- Participating in the Carbon Disclosure Project (CDP), demonstrating transparency and commitment to environmental disclosure.

¹ Environmental impact | KGHM Corporate Website

² KGHM's commitments to environment and climate - Integrated Report of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group for 2021



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The company aims to achieve climate neutrality by 2050, with a focus on reducing both direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions. The company has set an intermediate target to reduce its combined Scope 1 and Scope 2 emissions by 30% by 2030. KGHM's climate policy also involves conducting a full inventory of its emissions and publishing data on Scope 3 emissions³.

These efforts have been recognized by international institutions such as FTSE Russell, MSCI, and the Polish stock exchange, with KGHM's shares included in the FTSE4Good Index⁴.

Summary opinion of Environmental and Social aspects at completion:

EIB is of the opinion, based on reports from the promoter, that the project has been implemented in line with EIB Environmental and Social Standards, applicable at the time of appraisal.

³ Climate policy of KGHM Polska Miedź S.A. | KGHM Corporate Website

⁴ ESG | KGHM Corporate Website