



16.03.2023

KGHM and Azoty Group hold talks on expanding cooperation

During discussions between the management boards of KGHM Polska Miedź and Grupa Azoty Group, the former's involvement in the expansion of the Police Sea Port and ongoing cooperation in sulphuric acid production were addressed. KGHM has shown interest in investment plots that are strategically located and expected to benefit from the planned expansion of port infrastructure. The plots offer an attractive investment opportunity.

Ranked fourth in Poland, behind Gdańsk, the Szczecin-Świnoujście complex and Gdynia, the Police Port boasts significant transshipment capacity. The Sea Port area serves as the Grupa Azoty Group's transportation base, facilitating maritime export and import, and partially storing raw materials needed for production in Police through a tank farm. With the launch of the new Azoty Group Polymers Police complex, the port's transshipment capacity is set to increase by over 400 thousand tonnes per year. This will represent a significant expansion and will be a major quantitative and qualitative transformation for the Police Sea Port Authority.

The Authority is currently undertaking a project called "Strengthening the Sustainability of the Comprehensive Network by Increasing the Accessibility and Efficiency of the Port of Police." The project aims to produce necessary documentation that will allow for the construction of a railway junction, technical infrastructure for railway line 437 to the Sea Port, and a heavy (universal) quay. The total cost of the project is estimated to be EUR 3,477,582, with almost EUR 1.74 million to be financed by EU funds. The project was selected under the Connecting Europe Facility (CEF) for the 2021-2027 financial perspective.

KGHM has established itself as a world leader in copper and silver production through knowledge and collaboration. As a modern, global organization, it plays a significant role in promoting sustainable development worldwide. KGHM is now expanding into new markets and pursuing ambitious investment projects, including those related to energy transition. The company handles all tasks, from exploration, prospecting, and raw materials acquisition, to extraction, production, transport, relations with customers and stakeholders, and responsible waste management, with the goal of minimizing its environmental impact.

KGHM upholds the principles of sustainable development and consistently works towards optimizing the entire process chain for safety, innovation and adherence to the concept of a Closed Circuit Economy. The company's Environmental Policy and Climate Policy outline its activities and commitments in these areas, with the ultimate goal of achieving climate neutrality by 2050.

KGHM places great importance on investments that support the energy transition. The company is committed to diversifying its energy sources, with an active focus on renewables. By 2030, KGHM aims to generate 50% of its electricity from its own sources, including renewable energy. The Sierra Gorda mine is already fully powered by renewable energy. Additionally, KGHM is actively involved in the development of nuclear power in Poland, specifically in the construction of small modular nuclear reactors (SMRs).

In 2022, KGHM signed a preliminary work agreement with NuScale Power, LLC, a nuclear technology provider, marking the initial phase of SMR technology implementation within the KGHM Group's operations. Recently, the US Nuclear Regulatory Commission certified the technology offered by NuScale Power, making it the first authorized SMR design in the United States and the seventh among all nuclear technologies. KGHM was the first in Poland to apply for an evaluation of the small modular reactor technology with the National Atomic Energy Agency.

The Grupa Azoty Group is the leader of the Polish fertilizer market and a key player on the European market of fertilizers and chemicals. It is the second largest EU-based manufacturer of nitrogen and compound fertilizers, also enjoying a strong position on the markets of melamine, polyamide, oxo alcohols, plasticizers and titanium white. Investment projects are an important pillar of the Grupa Azoty Group's strategy, with Polimery Police, implemented by the special purpose vehicle Grupa Azoty Polyolefins, being the Group's largest project. Ranking among the largest chemical industry projects in Poland and Europe, Polimery Police will help diversify the Grupa Azoty Group's business, while improving Poland's position on the plastics market and strengthening its independence in terms of energy and raw material supplies.

In 2021, the Grupa Azoty Group announced its business strategy until 2030, a specific action plan driven by the Group's climate neutrality and energy transition goals. The strategy is the Group's response to the requirements of the European Union's climate policy. Specific initiatives, including those focused on environmentally friendly captive energy generation, the need to reduce emissions and decarbonise the business, have been presented in 'Green Azoty', the Group's strategic corporate project.