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Adam Matthews

Representative of the Principles for Responsible Investment (PRI) to the formation of an independent Global Tailings Management Institute & GISTM Chair of the Investor Mining and Tailings Safety Initiative
Chief Responsible Investment Officer for the Church of England Pensions Board

Dear Adam,

Thank you for your letter of 18th August regarding the establishment of a Global Tailings Management Institute & commitment to the Global Industry Standard. As a company which is intently focused on the safety of its employees and of the people in the communities where we operate, we support any initiative aimed at improving safety on a global scale.

However, it should be noted that at the present time, the level of regulatory management of the issue of tailings dam safety is treated with a large degree of variation, from countries where regulation is exceptionally poor, to areas, such as the United States, the European Union and Chile, where regulation is extremely strict and of high quality. Furthermore, the current Global Industry Standard on Tailings Management is at present only required of members of the ICMM; of which KGHM is not currently a member.

In light of this, we hereby wish to provide the following information.

In terms of the largest TSF in the KGHM Group, i.e. Żelazny Most in Poland, we wish to point out that the rules and regulations in force in Europe and in Poland (as an EU member state) regarding the management of TSFs are already exceptionally strict and demanding, such as the Act on mine tailings (unified text, Journal of Laws from 2022, item 2336) together with executory acts to this law, which in turn serves as an implementation of Directive 2006/21/EC of the European Parliament and Council of 15 March 2006 on the management of waste from extractive industries.

The TSF Żelazny Most operates in full compliance with all EU and Polish standards in this regard.

*Członkowie Zarządu
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Zarejestrowana pod nr
KRS 000023302
w Sądzie Rejonowym
dla Wrocławia Fabrycznej,
IX Wydział Gospodarczy
Krajowego Rejestru Sądowego,
gdzie przechowywana jest
dokumentacja spółki

Kapitał zakładowy:

2.000.000.000 zł
(z czego wpłacono 2.000.000.000 zł)

At the same time, the Żelazny Most TSF applies solutions and techniques considered as BAT (Best Available Techniques) in accordance with MWEI BREF (management of waste from the extractive industry, BAT reference document) and is consequently operated in accordance with the highest global standards. Its operations and development are frequently presented and singled out as an example of exemplary TSF management at major global geotechnical conferences.

The Żelazny Most TSF also operates in accordance with ISO certification:

1. Environmental management system (compliant with ISO 14001),
2. Occupational Health and Safety Management System (compliant with ISO 45001),
3. Energy management system (compliant with ISO 50001)

Moreover, the Żelazny Most TSF is regularly supervised by an international team of renowned, independent experts, with many years of academic and professional experience, possessing references regarding the advancement of complex engineering projects, the management of academic institutions in the fields of geotechnics, hydrotechnics, hydrogeology, hydraulics, water and terrestrial construction and environmental protection.

Most of the principles set forth in the GTS are applied on a daily basis in managing the Żelazny Most TSF.

We would also like to draw your attention to our corporate website, where we list the ISO norms which apply for each of our Divisions in the Parent Company in Poland. Here, the Żelazny Most TSF is called Tailings Division: [Management System | KGHM Corporate Website](#).

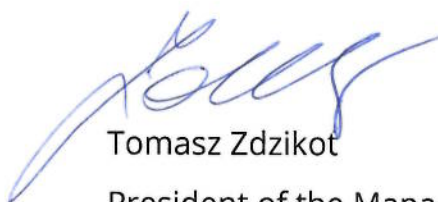
In terms of the other two TSFs in the KGHM Group, Robinson in the USA and Sierra Gorda in Chile, the situation is similar. In terms of the regulatory environments, both countries apply exceptionally strict rules and regulations, which for the most part are in compliance with GISTM.

In particular:

1. **Sierra Gorda mine:** Currently, Sierra Gorda operates in compliance with local laws in Chile. At the same time, work is currently underway in Chile to amend the laws and regulations regarding the management and disposal of mine tailings in terms of their adaptation to GISTM.
2. **Robinson mine:** The TSF of the Robinson mine (USA, Nevada) is managed in accordance with the international sustainable mining standard Towards Sustainable Mining (TSM), developed by the Mining Association of Canada (MAC). The new rules instituted by TSM/MAC are for the most part are in compliance with GISTM.

Furthermore, since the initial request of the Church of England in 2019 for detailed information on the management of the TSFs operated by the KGHM Group, we have regularly updated the data provided in 2019 in a spreadsheet available on the company's website, at [ESG | KGHM Corporate Website](#). This spreadsheet provides comparable data on the three facilities operated by the KGHM Group: Żelazny Most (Poland), Robinson (USA) and Sierra Gorda (Chile).

Based on the above, KGHM does not foresee a need to become a signatory to the proposed independent Global Tailings Management Institute. Nonetheless, should adherence to the new GISTM become in fact a regulatory requirement for companies with TSFs located in Poland, the USA and Chile, KGHM will of course adhere to any such new regulatory governmental requirements, just as it is in compliance with current requirements.



Tomasz Zdzikot

President of the Management Board

KGHM Polska Miedź S.A.