

Marcin Chludziński, CEO of KGHM

TITLE: Independence is good for the economy

LEAD: It is economy that is one of the foundations of sovereignty. There are some areas of the economy where Polish companies already rank among global champions – writes Marcin CHLUDZIŃSKI

The Polish constitution adopted on the 3rd of May 1791 was not only a sign of the country's political rebirth and an attempt to defend its independence, but it also created good conditions for the development of Poland's economy. Indeed, it was the economy that was to be one of the pillars of sovereignty in the First Republic. Along debates about political reforms, work was underway to modernize the economic situation of the state. The Old Polish Industrial Region was built and hundreds of manufactures, steel works and mines prospered. Channels were dug to connect the basins of the Baltic and Black Sea, which enabled fast transport of goods. Thanks to profits from foreign trade, it was possible to implement more investments and reform the political system. However, the loss of independence that took place a few years after the adoption of the constitution put a stop to economic development as it became more difficult to be economically successful without political freedom.

For Poles, freedom comes first. We fought for it for over 120 years of partitions, during the Second World War and under communism. Over the last two centuries, Poland was fully independent only in the interwar period (1918-1939) and after 1989 when it regained freedom. For the most part of this two-hundred-year-long interval, Poles lived under foreign rule which prevented the country and the society from developing freely and building prosperity. We have a lot to catch up on compared to the countries of western Europe, but we are quickly bridging the gap. In fact, the case of KGHM Polska Miedź shows that there are some areas of the economy where Polish companies already rank among global champions.

Stability in unstable times

General Charles de Gaulle, one of the most eminent Frenchmen in history, who fought for Polish independence in the 1920 war with Bolshevik Russia, had a vision of France that embodied values such as freedom, independence and greatness. The same values are also close to the Polish nation and Polish entrepreneurs. We certainly notice this at KGHM, a company that builds its position of a global leader in the raw materials sector, exporting copper and precious metals to several dozen countries in the world.

Thanks to our efficient policies based on a long-term strategy, we have become one of the three leading copper companies in the world that have made progress in 2020, so that we are happy to report an increase in copper production to 709,000 tons at the time when global markets fell by an average of 2.6%.

We have achieved these results during the COVID-19 pandemic when many sectors of the economy were hit by lockdowns. KGHM is a huge organism where over 30,000 people work with great commitment to build our position of a global champion and, consequently, contribute to the strength of the Polish economy. Because our mines, steelworks and other plants cannot be closed or stopped for even a short time, we had to quickly implement new policies during the pandemic to ensure, first and foremost, the highest levels of health and safety of our employees.

These actions have not stopped at our doorstep, though. As a responsible company we have supported the state in its fight against the pandemic since the very beginning. We have engaged the virus on many fronts, from financing and organizing deliveries of personal protection equipment for healthcare workers and citizens to the large-scale production of disinfectants at our plants to building makeshift hospitals for COVID-19 patients.

60 years of development

We are proud of the results of our work, especially now when we celebrate the 60th anniversary of KGHM's founding. During communist times, a lot of mistakes were made in the management of natural resources and copper production. Following 1989, we have corrected these mistakes so that we can now proudly say that our operations are based on the idea of sustainable development where economic goals are as important as social and environmental ones. Hence, KGHM's strategy is focused on effectiveness, flexibility and implementing innovations in every area of our activities. Today, given the environmental transition of the global economies and societies, some of the most important challenges we all face have to do with achieving climate neutrality and circular economy.

Tomorrow is green

We are well-aware that the EU's Green Deal has already made a significant impact on the Polish industry and will continue to do so even more in the future. KGHM treats this as a challenge we need to take on. By 2030 at the latest, we want half of the energy used in our companies to come from our own sources that are as renewable as possible. To this end, we are actively investing in wind and solar energy. Last year, in Legnica, we built the first Polish photovoltaic power plant using the 4.0 technology, but we do not rest on laurels. Energy investments will put us in a position to contribute to Poland's climate neutrality accompanied by an increase in energy and cost efficiency.

KGHM is also active in the area of social responsibility which is as important to us as the economy. This is why we take care of Polish history, tradition and culture. One example of such actions is our patronage of the Royal Castle in Warsaw.

Future is made of copper and silver

The strategic importance of copper as a raw material in areas such as electromobility, renewable energy, electronics or medicine opens up long-term prospects for our company. Poland has large deposits of copper, silver and other valuable metals that will keep us operating for dozens of years to come, especially that we are more and more effective at using these resources.

Marcin Chludziński

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