



26.08.2024

## **Agreements Signed on Suspension of Collective Bargaining Agreements in Three Grupa Azoty Companies. Negotiations continue at Grupa Azoty's Puławy plant.**

**The management boards of Grupa Azoty S.A., Grupa Azoty Police, and Grupa Azoty Kędzierzyn have signed agreements with Trade Union Organizations to suspend selected cost-intensive provisions of their Collective Bargaining Agreements (ZUZP). This marks another step in the cost restructuring process that has been underway since spring this year, in response to the financial difficulties Grupa Azoty has faced since the second half of 2022.**

**Currently, talks are ongoing with the Trade Union Organizations at Grupa Azoty Puławy. If no agreement is reached, the management board of Grupa Azoty Puławy will be forced to make the difficult decision to initiate the procedure to terminate the ZUZP.**

**Simultaneously, a team across the Group is working on a project to develop a single overarching collective bargaining agreement.**

As part of the negotiated agreements, the most significant provisions of the ZUZP have been suspended for 27 months. This includes, among others, the motivational quarterly bonus, the annual bonus, and various allowances.

Additionally, contributions to the Social Fund have been reduced to the statutory level.

*"I would like to express my gratitude to the Trade Union Organizations for their commitment to the idea of saving Grupa Azoty and protecting jobs, as well as for engaging in constructive dialogue. The signing of agreements in three of the Group's companies demonstrates a strong understanding of the financial situation the entire Group found itself in during 2023. From the outset, it was important to all parties that the proposed savings measures equally impact board members, managers, and employees of individual companies. This is a goal we have achieved through the signed agreements. However, a common position with the Trade Union Organizations at Grupa Azoty Puławy has not yet been reached. If no agreement is reached in the coming days, the management board of Grupa Azoty Puławy will be forced to make the difficult decision to initiate the procedure to terminate the ZUZP. Throughout our cost optimization projects, we have emphasized the importance of ensuring equal involvement in stabilizing the financial situation. We cannot allow a situation where the suspension of ZUZP provisions only applies to those plants where the Trade Union Organizations have fully understood the financial situation the current management board inherited in March this year. Negotiations regarding ZUZP provisions will also be conducted in the smaller companies within the Group. We recognize that*

in the current situation, the Group must give its utmost effort and implement all possible cost optimization measures in all areas of its operations before seeking a final agreement with banks. The management board is also firmly determined to minimize unnecessary costs. We are making ongoing decisions in this regard," **said Adam Leszkiewicz, CEO of Grupa Azoty S.A.** "At the same time, we are working to reduce costs in areas such as sponsorship, PR, and representation. We will inform you of the specific outcomes of these efforts during the publication of the Group's results for the first half of this year. We face a series of actions and decisions aimed at returning Grupa Azoty to a path of stable development, ultimately restoring its reputation as an attractive employer. Employees remain, and will continue to be, the most important asset of the Group, and together we will weather this challenging period of transformation," **added the CEO.**

The suspension of the agreements is intended to stabilize and eventually improve the Group's financial liquidity. The solutions developed allow for a return to discussions with the Trade Union Organizations if the financial situation improves, while linking the decision to suspend the agreements to the achievement of specific financial indicators. As part of the Strategic Business Review project, recommendations are being developed for changes in the system and organization of work at Grupa Azoty's plants.

Grupa Azoty emphasizes that cost optimization efforts initially targeted the management board and senior management. The number of organizational units, director positions, and management-level salaries has been reduced. The number of members in supervisory and management bodies within the Group's companies has also been significantly reduced, resulting in concrete financial benefits.