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Grupa Azoty Puławy Files Criminal Complaint Over Suspected Misconduct

Grupa Azoty Puławy has filed a complaint with the prosecutor's office concerning suspected criminal actions involving sponsorship and advertising agreements, as well as donation agreements, which reportedly caused financial damages exceeding PLN 5.2 million. The agreements in question were signed starting in Q4 2022, during a period when Grupa Azoty Puławy began experiencing record losses.

Earlier in September, Grupa Azoty S.A. filed a similar complaint regarding sponsorship and advertising agreements. According to the complaint, these agreements were executed despite restrictions on non-critical expenditures due to the company's challenging financial situation, violating internal procedures and legal regulations, which led to financial damages exceeding PLN 7.5 million in 2023.

The complaint filed by Grupa Azoty Zakłady Azotowe "Puławy" S.A. indicates possible misconduct involving the abuse of authority in handling sponsorship, advertising, and donation agreements. These agreements were executed despite restrictions on non-essential spending, and in some cases, a complete halt on such expenditures due to the company's financial difficulties, violating internal procedures and legal regulations.

The complaint has been filed with the District Prosecutor's Office in Lublin.

Sponsorship and donation spending by previous management were questionable from the start. Despite suspending a significant part of production in Q3 2022 and reporting a net loss of nearly half a billion PLN in Q4, the company continued its approach to sponsorship expenses even as it urgently needed a recovery plan and an immediate spending freeze.

Following recommendations from the Grupa Azoty S.A. Management Board, audits are currently underway within the Capital Group, examining the operations of its companies over recent years. These audits address record losses reported since Q4 2022, ineffective corrective measures, ongoing investments, and contractual agreements. As a result, Grupa Azoty has filed initial complaints with the prosecutor's office, which include agreements with the Polish National Foundation, non-compete agreements, and sponsorship and advertising agreements executed by Grupa Azoty S.A.