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## Management board of Grupa Azoty Puławy signs agreement with trade unions to suspend cost-intensive provisions of the Collective Labor Agreement

**After negotiations that began in early July, the Management Board of Grupa Azoty Puławy has signed an agreement with workplace trade unions to suspend selected cost-intensive provisions of the Collective Labor Agreement (ZUZP). Similar agreements were concluded earlier this year with Grupa Azoty S.A., Grupa Azoty Police, and Grupa Azoty Kędzierzyn in late August. As a result, cost-intensive provisions of the ZUZP have now been suspended in the four key companies of the Grupa Azoty Capital Group, in line with the corrective measures outlined by the Management Board of Grupa Azoty.**

Negotiations are ongoing, and agreements to suspend similar ZUZP provisions are being concluded with smaller companies within the Group.

The talks between the Management Board of Grupa Azoty Puławy and the trade unions lasted several weeks. After two months of discussions on the possibility of suspending selected ZUZP provisions without reaching a consensus, the parties entered formal negotiations following the Board's intention to terminate the ZUZP. Despite this, the Management Board consistently emphasized the possibility of returning to a mutual agreement. Additional meetings in recent weeks eventually led to a resolution.

*"I would like to thank the trade unions for their constructive dialogue, which has resulted in joint solutions to reduce the costs of the Collective Labor Agreement. Suspending certain benefits that exceed the Labor Code is a testament to our determination to optimize costs. It's worth noting that these measures were first applied to the management board and executive-level staff. Across the Capital Group, including Puławy, we have reduced the number of organizational units, cut managerial positions, and decreased salary costs for executive roles,"* **said Hubert Kamola, President of the Management Board of Grupa Azoty Puławy and Vice President of the Management Board of Grupa Azoty S.A.**

Since the end of March, the Grupa Azoty Capital Group has been implementing corrective measures aimed at improving business efficiency. These efforts were reflected in the results for the first half of this year: EBITDA improved by nearly PLN 830 million compared to the previous year, and the net loss for the first half of the year was reduced by over PLN 300 million compared to the same period in 2023. Fixed costs for the first half of the year were cut by over PLN 200 million compared to the previous management's plan. Additionally, new projects have been launched to enhance business efficiency, resulting in higher production and sales volumes. The Management Board is currently working on a new business model for the Group. As part of the restructuring efforts, Grupa Azoty announced this week the initiation of an integration process for companies providing

business support services.

Under the negotiated agreement at Grupa Azoty Puławy, key ZUZP provisions, including the annual bonus, special occasion bonuses, and performance-related bonuses, have been suspended until the end of 2026. The agreement also marks the conclusion of proceedings related to the intention to terminate the ZUZP.

The agreements also include reductions in allocations to the Social Fund.