



Non-financial statement
of the Grupa Azoty Group
for the 12 months ended December 31st 2019

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Introduction

This non-financial statement for 2019 presents data and indicators for the Grupa Azoty Group. Under the Accounting Act, the related statutory reporting requirements apply to the Group at the level of the Grupa Azoty Group (the “Group” or “Grupa Azoty Group”), Grupa Azoty Zakłady Chemiczne Police S.A. Group (“Grupa Azoty POLICE Group”) and Grupa Azoty Zakłady Azotowe Puławy Group (“Grupa Azoty PUŁAWY Group”) as well as their respective parent companies, i.e. Grupa Azoty S.A., Grupa Azoty POLICE, and Grupa Azoty PUŁAWY. Qualitative and quantitative data is presented according to this breakdown. This non-financial statement has been prepared in accordance with the guidelines contained in Directives of the European Parliament and of the Council (2014/95/EU and 2013/34/EU) and in the Accounting Act, concerning disclosure of non-financial information.

1. Management area

The management process at the Grupa Azoty Group is carried out in a responsible manner with a view to achieving sustainable development, materialising in an integrated approach to social, economic and environmental aspects.

Mission:

Create value for Grupa Azoty and the national economy by delivering safe, useful and innovation-driven chemical products.

Vision:

Deploy state-of-the-art, comprehensive chemical industry solutions that meet stakeholder expectations Key products and services: The Grupa Azoty Group’s business is divided into the following five segments:

- Agro Fertilizers
- Plastics
- Chemicals
- Energy
- Other Activities segment, comprising other activities, including laboratory services and property rental.

Specialisation:

The Agro Fertilizers segment of the Grupa Azoty Group manufactures mineral nitrogen, nitrogen-sulfur, nitrogen-phosphorus, compound, and specialty fertilizers. This group also includes ammonia and other nitrogen-based intermediate products. The Plastics segment accounts for the second largest share in the Grupa Azoty Group’s overall sales. Its product portfolio includes: Tarnamid®, Alphalon® (trade names of polyamide 6), Tarnoform® (trade name of polyacetal (POM)), as well as polyamide 6- and polyacetal-based modified plastics.

The Chemicals segment comprises the following business segments: OXO products (OXO alcohols, plasticisers), pigments (titanium white), melamine, as well as smaller product groups, perceived by the market as a different group: technical grade urea, sulfur, catalysts and others. Grupa Azoty Group’s main production plants operate their own electricity and heat generating units. The Group companies also operate their own electricity and energy carrier distribution networks. Given the critical role

of industrial heat and power generation in the base chemicals business, the Grupa Azoty Group identifies Energy as an separate auxiliary segment (internal generation). The Other Activities segment comprises maintenance and other services (automation, design, repairs, etc.), logistics, infrastructure management, environmental protection, and research.

Relevant geographical markets:

Most of the Grupa Azoty Group's products are sold in Poland, with exports going mainly to EU member states, in particular Germany, the United Kingdom, the Czech Republic, Italy, France, and Belgium. Fertilizers and chemicals (urea and OXO alcohols) are the key product groups sold in the domestic market. Products exported to EU countries include mainly fertilizers (such as Saletrosan[®] 26, ammonium sulfate AS21, Salmag[®], Pulan[®], RSM[®], Polifoska[®]), plastics and OXO alcohols, whereas products exported to Asia - polyamide PA-6. Fertilizers manufactured by the Grupa Azoty Group are also sold in South American markets.

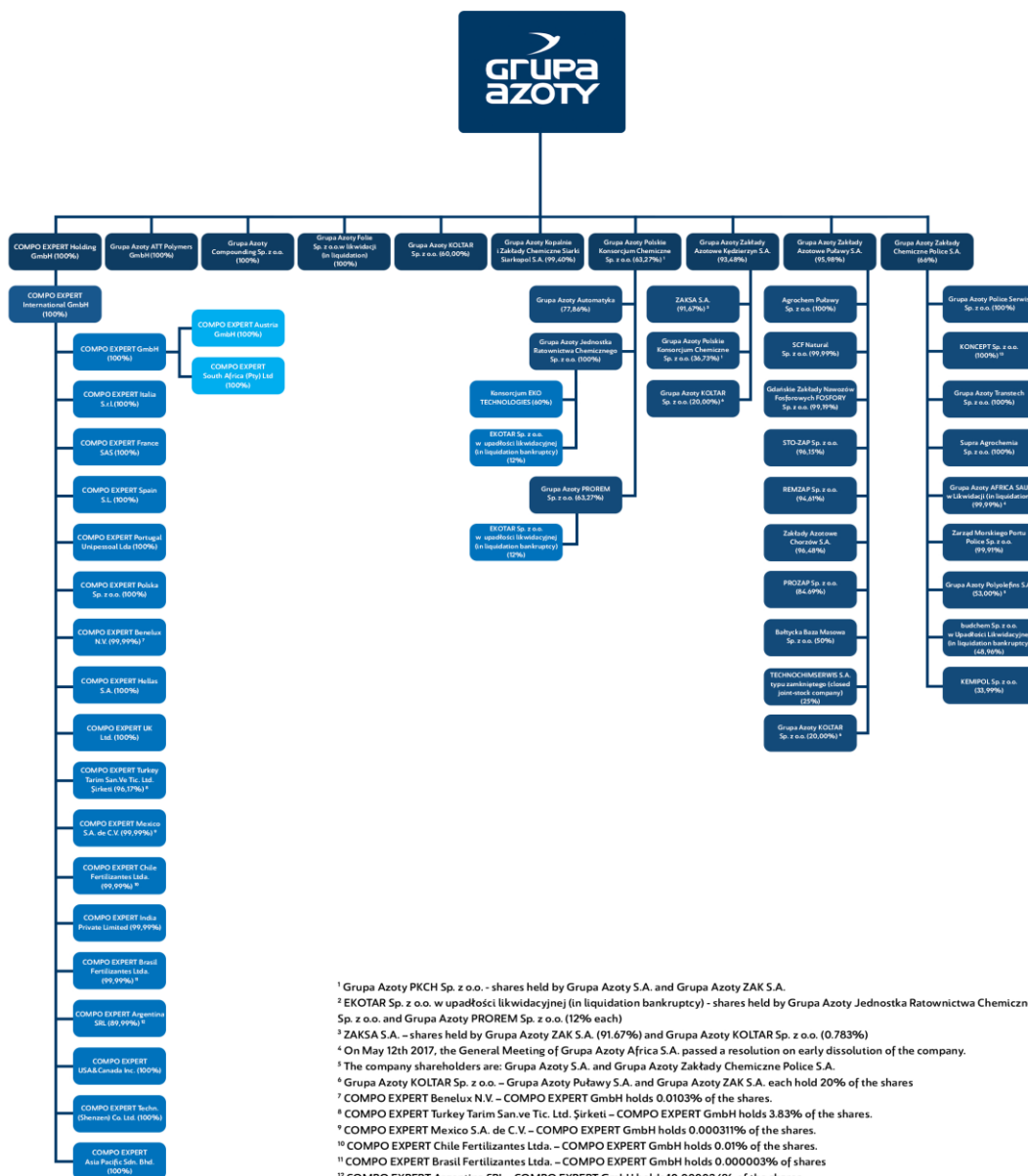
1.1. Structure of the Grupa Azoty Group

Over the last few years, Grupa Azoty successfully consolidated Poland's largest chemical plants with an aim of harnessing their combined potential to deliver a common strategy, and acquired COMPO EXPERT, a global manufacturer of speciality fertilizers which sells its products to nearly a hundred countries, thus strengthening the Group's position among Europe's largest chemical companies. The parent of the Grupa Azoty Group is Grupa Azoty S.A., whose business activities include manufacturing, trading and services related to engineering plastics and intermediates as well as nitrogen fertilizers. The Company operates its own research facilities. It concentrates both on research into new products and technologies, and on advancing existing products. Grupa Azoty S.A.'s registered office is located in Tarnów.

It has been listed on the Warsaw Stock Exchange since June 30th 2008 And is included in the WIG, WIG30, mWIG 40, WIG-Poland, WIG-CHEMIA and WIG.MS-PET indices. Its shares are also a constituent of foreign indices: MSCI, FTSE Russel, and FTSE4Good Index. Grupa Azoty Zakłady Chemiczne Police S.A. has been listed on the WSE since September 2005, and Grupa Azoty Zakłady Azotowe Puławy S.A since November 2005. As at December 31st 2019, the Grupa Azoty Group comprised Grupa Azoty S.A., the parent, and subsidiaries and associates:



Grupa Azoty S.A. chart



¹ Grupa Azoty PKCH Sp. z o.o. - shares held by Grupa Azoty S.A. and Grupa Azoty ZAK S.A.
² EKOTAR Sp. z o.o. w upadłości likwidacyjnej (in liquidation bankruptcy) - shares held by Grupa Azoty Jednostka Ratownictwa Chemicznego Sp. z o.o. and Grupa Azoty PROREM Sp. z o.o. (12% each)
³ ZAKSA S.A. - shares held by Grupa Azoty ZAK S.A. (91.67%) and Grupa Azoty KOLTAR Sp. z o.o. (0.783%)
⁴ On May 12th 2017, the General Meeting of Grupa Azoty Africa S.A. passed a resolution on early dissolution of the company.
⁵ The company shareholders are: Grupa Azoty S.A. and Grupa Azoty Zakłady Chemiczne Police S.A.
⁶ Grupa Azoty KOLTAR Sp. z o.o. - Grupa Azoty Puławy S.A. and Grupa Azoty Zak S.A. each hold 20% of the shares
⁷ COMPO EXPERT Benelux N.V. - COMPO EXPERT GmbH holds 0.0103% of the shares.
⁸ COMPO EXPERT Turkey Tarim San.ve Tic. Ltd. Sirketi - COMPO EXPERT GmbH holds 3.83% of the shares.
⁹ COMPO EXPERT Mexico S.A. de C.V. - COMPO EXPERT GmbH holds 0.000311% of the shares.
¹⁰ COMPO EXPERT Chile Fertilizantes Ltda. - COMPO EXPERT GmbH holds 0.01% of the shares.
¹¹ COMPO EXPERT Brasil Fertilizantes Ltda. - COMPO EXPERT GmbH holds 0.000039% of shares
¹² COMPO EXPERT Argentina SRL - COMPO EXPERT GmbH holds 0.000024% of the shares.
¹³ January 29th 2020 saw the merger of Koncept Sp. z o.o. of Police (the acquiree) and PROZAP Sp. z o.o. of Puławy (the acquirer).

Source: Company data.

Grupa Azoty S.A.'s direct subsidiaries:

Grupa Azoty Zakłady Azotowe Puławy Spółka Akcyjna

Grupa Azoty PUŁAWY specialises in the manufacturing of nitrogen fertilizers and is also a melamine manufacturer.

Grupa Azoty Zakłady Azotowe Puławy Spółka Akcyjna is subject to requirements regarding the disclosure of non-financial information, mandated by the Accounting Act of September 29th 1994, and presents such non-financial information in this statement.

Grupa Azoty Zakłady Chemiczne Police Spółka Akcyjna

Grupa Azoty Police is a major manufacturer of compound and nitrogen fertilizers, as well as pigments (titanium white).

Grupa Azoty Zakłady Chemiczne Police Spółka Akcyjna is subject to requirements regarding the disclosure of non-financial information, mandated by the Accounting Act of September 29th 1994, and presents such non-financial information in this statement.

Grupa Azoty Zakłady Azotowe Kędzierzyn Spółka Akcyjna

The company's two business pillars are nitrogen fertilizers and OXO products (OXO alcohols and plasticizers used in the production of plastics).

COMPO EXPERT Holding Gesellschaft mit beschränkter Haftung

COMPO EXPERT GmbH of Münster, Germany, is one of the largest global manufacturers of speciality fertilizers. On July 29th 2019, the Deed of Merger between COMPO EXPERT Holding GmbH (formerly Goat HoldCo GmbH) and Goat TopCo GmbH was signed, with COMPO EXPERT Holding GmbH as the acquirer. The acquiree (Goat TopCo GmbH) transferred all its assets, rights and obligations through dissolution without liquidation to the acquirer by way of a merger. The merger was carried out based on balance sheets prepared as at December 31st 2018 and became official upon its registration in the commercial register on August 6th 2019, with effect as of January 1st 2019.

Grupa Azoty ATT Polymers Gesellschaft mit beschränkter Haftung

The company's registered office is located in Guben, Germany. Since July 10th 2013, it has been trading under the name Grupa Azoty ATT Polymers GmbH. The company manufactures modified plastics based on polyamide 6 (PA6).

Grupa Azoty Polskie Konsorcjum Chemiczne Spółka z ograniczoną odpowiedzialnością

Grupa Azoty PKCh's services encompass comprehensive design support for investment projects in the chemical industry – from study and concept work to engineering design, building permit design and working plans, to services provided during the construction, commissioning and operation of process units.

Grupa Azoty Koltar Spółka z ograniczoną odpowiedzialnością

Grupa Azoty KOLTAR provides countrywide railway transport services. It is one of the few organisations in Poland to hold licences required to perform comprehensive repairs of rail car chassis and tank cars used in the transport of dangerous materials (according to RID).

Grupa Azoty Kopalnie i Zakłady Chemiczne Siarki Siarkopol Spółka Akcyjna

Grupa Azoty Kopalnie i Zakłady Chemiczne Siarki Siarkopol S.A. is Poland's largest producer of liquid sulfur and is engaged in mining operations in a native sulfur deposit.

Grupa Azoty Folie Spółka z ograniczoną odpowiedzialnością w likwidacji (in liquidation)

On December 31st 2019, the Extraordinary General Meeting passed resolutions to dissolve Grupa Azoty Folie Sp. z o.o. and to put the Company into liquidation, remove the Company's Management Board members and appoint a Liquidator.

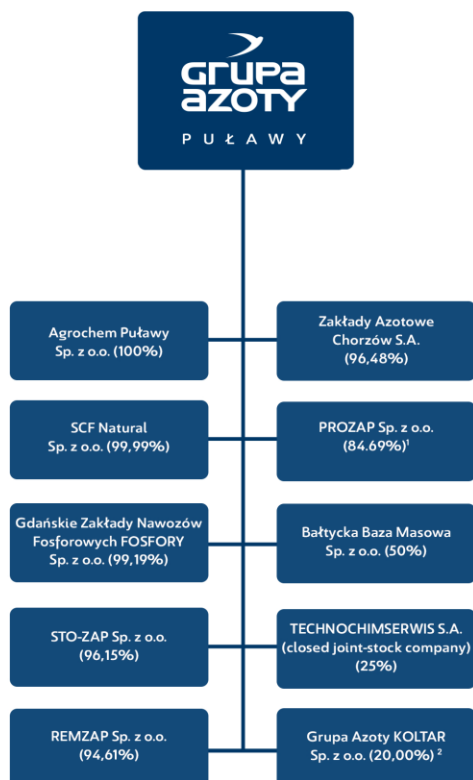
Grupa Azoty Compounding Spółka z ograniczoną odpowiedzialnością

The business model of Grupa Azoty Compounding Sp. z o.o. (an SPV) is based on a portfolio of specialised engineering plastics manufactured through the compounding of plastics, with the use of innovative technological solutions.

As at December 31st 2019, the Grupa Azoty PUŁAWY Group comprised Grupa Azoty PUŁAWY, the parent, and eight subsidiaries.



Grupa Azoty Group chart Zakłady Azotowe Puławy S.A.



¹ January 29th 2020 saw the merger of Koncept Sp. z o.o. of Police (the acquiree) and PROZAP Sp. z o.o. of Puławy (the acquirer).
² Grupa Azoty KOLTAR Sp. z o.o. – Grupa Azoty Puławy S.A. and Grupa Azoty ZAK S.A. each hold 20% of the shares.

Source: Company data.

The Grupa Azoty PUŁAWY Group's subsidiaries:

Gdańskie Zakłady Nawozów Fosforowych Fosfory Sp. z o.o.

Gdańsk-based manufacturer of compound fertilizers and nitrogen compounds.

Zakłady Azotowe Chorzów S.A.

Producer of inorganic and organic chemicals. The only Polish producer of fertilizer grade, technical grade and food grade potassium nitrate, also manufacturing calcium nitrate solution.

Agrochem Puławy Sp. z o.o.

AGROCHEM Sp. z o.o. is a trading partner of the agricultural sector, specialising in the supply of goods necessary for agricultural production, including in particular mineral fertilizers, crop protection chemicals and certified seed, as well as in the purchase of grain.

SCF Natural Sp. z o.o.

The company offers high quality granulated hops and plant extracts for the food and pharmaceutical industries. Its core business activities include execution of contracts for, purchasing, and processing of hops for domestic and foreign consumers. Given its specific business profile, the company does not apply all documents or policies which are in place at the Group level.

Prozap Sp. z o.o.

A comprehensive engineering design office with a proven, more than 45 years' track record in designing new and upgrading existing fertilizer and other chemical production units.

Remzap Sp. z o.o.

The company carries out industrial construction, investment, and renovation projects, combining many years of knowledge and experience with a systematic approach to QHSE management.

Sto Zap Sp. z o.o.

The company's business activities include catering, trading, and provision of services. It provides cleaning services to Grupa Azoty PUŁAWY and produces water and carbonated beverages, but its principal business is in catering services. Given its specific business profile, the company does not apply all documents or policies which are in place at the Group level.

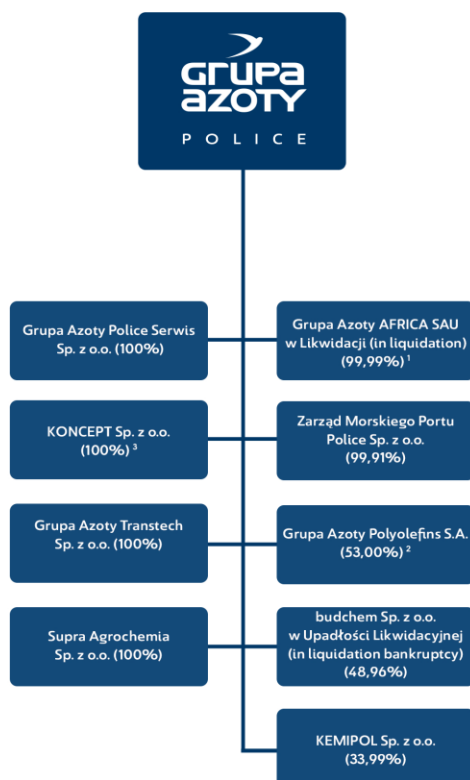
Elektrownia Puławy Sp. z o.o.

A special purpose vehicle which implemented the project to construct a power-generating unit. Elektrownia Puławy Sp. z o.o. merged with Grupa Azoty Zakłady Azotowe Puławy S.A. on January 2nd 2019 (date of registration of the merger in the National Court Register entry kept for the acquirer (Grupa Azoty Zakłady Azotowe Puławy S.A.) and deletion of Elektrownia Puławy Sp. z o.o. from the National Court Register).

As at December 31st 2019, the Grupa Azoty POLICE Group comprised Grupa Azoty S.A., the parent, and eight subsidiaries:



Grupa Azoty Group chart Zakłady Chemiczne Police S.A.



¹ On May 12th 2017, the General Meeting of Grupa Azoty Africa S.A. passed a resolution on early dissolution of the company.

² The company shareholders are: Grupa Azoty S.A. and Grupa Azoty Zakłady Chemiczne Police S.A.

³ January 29th 2020 saw the merger of Koncept Sp. z o.o. of Police (the acquiree) and PROZAP Sp. z o.o. of Puławy (the acquirer).

Source: Company data.

The Grupa Azoty POLICE Group's subsidiaries:

Grupa Azoty Police Serwis Sp. z o.o.

The company's business includes overhauls and project execution in the mechanical and construction industries (construction of systems and apparatuses, including those made of plastics, maintenance services, workshop services, treatment of metals, and technical supervision services), project execution and technical and engineering services in the areas of automation and power engineering, repairs of control and instrumentation equipment and power generation plant and equipment, plant engineering in automatics and power generation.

Koncept Sp. z o.o.

The company performed design work for the chemical industry (manufacture of ammonia, urea, compound fertilizers, phosphoric and sulfuric acid, and titanium pigment), as well as printing and binding services. January 29th 2020 saw the merger of Koncept Sp. z o.o. of Police (the acquiree) and PROZAP Sp. z o.o. of Puławy (the acquirer). As a result, as at the date of this statement, Koncept Sp. z o.o. was no longer part of the Group's structure.

Grupa Azoty Transtech Sp. z o.o.

On August 27th 2019, the District Court registered the change of the name of Transtech Usługi Sprzętowe i Transportowe Sp. z o.o. to Grupa Azoty Transtech Sp. z o.o. (pursuant to a resolution of the Extraordinary General Meeting). The company provides transport services, plant and equipment services, and workshop services (repair of battery-electric trucks, stackers, passenger cars, delivery vans, lorries, loaders, diggers, bulldozers and mobile cranes) as well as periodic inspection services.

Supra Agrochemia Sp. z o.o.

Its business comprises revitalising post-industrial sites owned by the company and preparing them for the purposes of redevelopment projects.

Zarząd Morskiego Portu Police Sp. z o.o.

The company's business comprises sea port operation, port construction, property management, research work, sea and inland shipping, and coastal water transportation services. The subsidiary is a port authority within the meaning of the Act on Sea Ports and Harbours.

Grupa Azoty Polyolefins S.A.

The company's purpose is to construct a propane dehydrogenation (PDH) unit and polypropylene production plant with related infrastructure, auxiliary systems and inter-unit connections, and extension of the Police sea port facilities to include a handling terminal for chemicals that would provide the required logistics infrastructure for receiving and storing the raw material.

Grupa Azoty POLICE is the majority shareholder in Grupa Azoty Polyolefins S.A., and 47% of Grupa Azoty Polyolefins S.A. shares are held directly by Grupa Azoty S.A.

Grupa Azoty Africa S.A. w likwidacji (in liquidation)

The company is in liquidation and is not conducting any business.

1.2. Business strategy and key financials

Changes in economic conditions and in the immediate environment of the Grupa Azoty Group necessitated a revision (carried out in 2017) to its previous strategic objectives to better align them with the current market landscape. In 2020, the Grupa Azoty Group will pursue growth in four areas representing the main challenges for Poland's top chemical producer. The challenges faced by the Grupa Azoty Group are as follows:

- **Completion of the Group consolidation process**
Launched in 2013, the Grupa Azoty Group consolidation process offers potential further gains. In order to more effectively manage the Group, a system of management by business segments is being implemented. In 2020, the Grupa Azoty Group will continue to integrate its processes and consolidate its procurement, logistics, finance, IT and other functions.
- **Reinforce leadership in agricultural solutions in Europe**
To preserve its strong position on the fertilizer markets at home and regionally, Grupa Azoty will seek to increase control over retail channels, looking for opportunities to grow and improve the efficiency of its production processes.
- **Strengthen the second operating pillar by expanding the non-fertilizer business**
In order to diversify its revenue sources and become less dependent on business cycles in agriculture, Grupa Azoty will step up its efforts to expand non-fertilizer business lines, with petrochemicals and plastics as the key areas for growth.
- **Develop and implement innovations to drive growth of the chemical industry**
With its own unique expertise in agro-products, Grupa Azoty will become an active participant in research, development and innovation projects in Poland, particularly those focused on developing and marketing advanced, profitable, speciality fine chemicals.

1.3. Key performance indicators

The Grupa Azoty Group is committed to delivering the key performance indicators set out in the Updated Strategy.

Consolidated financial results of the Grupa Azoty Group:

Item	2019	2018
Revenue	11,307,915	9,998,967
Gross profit	2,473,976	1,592,696
Operating profit	612,824	81144
Net finance costs	(66,858)	(53,683)
Net profit	407,673	7,760

Source: Company data.

1.4. Sustainable development strategy

Grupa Azoty was included in the elite group of companies comprised in the RESPECT Index from the launch of the index in 2009 until its expiry on December 31st 2019. Since 2016, its shares have been a constituent of the FTSE4Good index, which demonstrates its strong commitment to incorporating the principles of corporate social responsibility and sustainable development into its daily business practice and to meeting the highest ESG (Environmental, Social, Governance) standards in its operations.

Grupa Azoty has adopted a comprehensive approach to sustainable development. Oversight of the sustainable development management process rests with the President of the Management Board and with individual Management Board members within their respective areas of responsibility. As the pursuit of sustainable development spans all areas of Grupa Azoty's activities, representatives from various departments and levels of Grupa Azoty are also involved in the process.

We treat our strategic approach to sustainable development as a reflection of the integrated approach to measures taken in the area of economic efficiency, responsibility towards employees and the environment, as well as community relationships. Strategic priorities in sustainable development and corporate social responsibility are set out in the draft of the Grupa Azoty Group Sustainable Development Strategy for 2018-2022. The Strategy has not been formally adopted, but Grupa Azoty seeks to implement its principal objectives in its operations:

PILLAR 1: Product and production

Our ambition: We guarantee efficient, innovative and environmentally-friendly production by:

- Ensuring high product quality
- Investing in research and looking for innovative technology solutions, extending the product value chain (chemicals and plastics)
- Improving the environmental efficiency and cost efficiency of processes (reduction of energy use, emissions, water consumption)
- Ensuring safe production, transport and storage
- Protecting the safety of our employees
- Development of closed-loop economy

PILLAR 2: People and relationships

Our ambition: We enhance our positive impact on the social and economic environment by:

- Supporting the development of sustainable and precise agriculture and education of farmers
- Improving customer relations
- Supporting the social and economic development of towns, cities and regions in our main facility locations
- Sponsorship, community engagement and dialogue
- Growing the intellectual capital of current and future employees, who form our immediate social environment in our main facility locations

PILLAR 3: Good governance

Our ambition: We strive for operational excellence and manage risks by:

- Corporate governance and compliance
- Building a coherent organisational culture based on values and ethics
- Promoting employee engagement and innovation
- Managing supply chain responsibility
- Ensuring cybersecurity
- Participating in ESG (Environmental, Social, Governance) initiatives and reviews
- Monitoring of key indicators and integrated reporting in accordance with the world's most recognised standards and guidelines

In 2019, Grupa Azoty was a signatory of the partnership for the United Nations Sustainable Development Goals, which cover a wide range of challenges, their implementation being monitored worldwide through appropriate indicators. Our activities support the following goals:

Innovation, industry and infrastructure - with efforts to further this objective underpinned by technological progress. Without technology and innovation, industrialisation would not progress and we want to develop research and bring on technology advances in the industrial sector.

Zero hunger - we are aware that the agriculture and food sector is essential to combatting poverty. Our goal is to increase food production efficiency and volumes, sustain ecosystems, adapt to climate change, and - with our products - gradually improve soil and land quality.

Responsible consumption and production - balanced consumption and production require a systematic approach and cooperation between various actors along the supply chain, from manufacturers to consumers. Therefore, we run a number of training events at Grupa Azoty, e.g. for farmers.

Quality education - we aim to increase the number of young people and adults who have relevant skills (including technical and vocational skills) for employment, finding fair jobs, and entrepreneurship.

Climate change measures - climate change is felt across all continents. Excessive greenhouse gas emissions require a coordinated effort and solutions developed at international levels. We want to take joint action to combat these adverse changes, reducing our environmental footprint.

Clean water and sanitation - in our operations we seek to significantly increase water-use efficiency to help solve the problem of insufficient water supply.

In the pursuit of these goals, the Grupa Azoty Group is guided by the following documents: the Grupa Azoty Group Corporate Management Policy and the Integrated Management System Policy.

Grupa Azoty POLICE pursues a Management Policy which guarantees that strategic goals are achieved as part of an Integrated Management System consistent with international standards. The Integrated Management System is structured around the principles assuming giving priority to customers, reducing environmental losses and mitigating the risk of hazards, and continuous improvement. The Management Policy implemented by the company sets out plans and principles for its operations

at large, providing a framework for setting and reviewing strategic goals in quality, environmental protection, workplace safety, and food safety.

Grupa Azoty Zakłady Chemiczne Police S.A. has in place the following systems:

- Quality Management System conforming to the ISO 9001 standard
- Environmental Management System conforming to the ISO 14001 standard
- Energy Management System conforming to the ISO 50001 standard
- Occupational Health and Safety Management System conforming to the BS OHSAS 18001 standard
- Food Safety Management System conforming to the ISO 22000 standard

In 2004, Grupa Azoty PUŁAWY implemented and obtained certification for its Integrated Quality, Environment and Safety Management System comprising:

- Quality Management System conforming to the ISO 9001 standard
- Environmental Management System conforming to the ISO 14001 standard
- Occupational Health and Safety Management System conforming to the PN-N 18001 standard

The key document of the Integrated Quality, Environment and Safety Management System is the Quality, Environmental and Safety Policy, defining Grupa Azoty Zakłady Azotowe Puławy S.A.'s goals and ways to achieve them.

Quality, Environmental and Safety Policy

A key objective related to the implementation of the Integrated Quality, Environment and Safety Management System that is set in the Policy is to cater to the changing customer needs by ensuring compliance with the legal regulations on environmental protection, employee and contractor safety and environmental footprint reduction.

Enterprise Management Policy

The mission of the policy is to build the value of the Grupa Azoty Group and Poland's economy by delivering safe, useful and innovation-driven chemical products.

Energy Management System

In order to improve energy efficiency at Grupa Azoty Zakłady Azotowe Puławy S.A., an Energy Management System compliant with the requirements of ISO 50001 'Energy management systems - Requirements with guidance for use' has been implemented. In accordance with the adopted Energy Policy, Grupa Azoty PUŁAWY has established and implemented energy objectives and programmes and pledged to comply with all the legal requirements and other commitments it has made in the area of generation and rational consumption of energy necessary in its production processes, recognising energy consumption as an important factor having an impact on the natural environment and costs of business operations. Grupa Azoty Zakłady Azotowe Puławy S.A. takes care to ensure that all foodstuffs made with the use of its products are safe to human health. Therefore, in 2008 it implemented the Food Safety Management System compliant with the ISO 22000 standard. The system is certified and covers the production and sale of industrial gases (carbon dioxide and hydrogen) used by the food industry.

Since September 2014, Grupa Azoty Zakłady Azotowe Puławy S.A. has had in place a certified FSSC 22000 system.

Grupa Azoty Zakłady Azotowe Puławy S.A. upholds its guarantee to ensure the required product quality, with particular focus on safety to health and due consideration of such priorities as safety and legality of production.

Our objective is to meet the needs and expectations of our existing and future Customers.

1.5. List of certified management systems

	Grupa Azoty S.A.	Grupa Azoty Puławy	Grupa Azoty Police
Quality management system conforming to the ISO 9001 standard	✓	✓	✓
Environmental management system conforming to the ISO 14001 standard	✓	✓	✓
Occupational health and safety management system conforming to the PN-N-18001 / BS OHSAS 18001 standard	✓	✓	✓
Food safety management system conforming to the ISO 22000 standard	✓	✓	✓
PN-EN ISO/IEC 17025 Management System (general requirements for the competence of testing and calibration laboratories)	✓	✓	✓
Management standard meeting the requirements of the Fertilizers Europe Product Stewardship Standard	✓	✓	✓
Enterprise risk management system based on ISO 31000:2012 Risk management	✓	✓	✓
Energy management system conforming to the ISO 50001 standard	✓	✓	✓

Source: Company data.

Grupa Azoty S.A., Grupa Azoty PUŁAWY and Grupa Azoty POLICE apply the corporate governance rules described in the “Code of Best Practice for WSE Listed Companies 2016.” The Code defines in particular the rules of pursuing an investor information and communication policy, internal systems and functions, and relations with shareholders.

1.6. Risk management

Risk management is part of a corporate management process geared towards reducing uncertainty and building lasting protections for the Group’s value.

The enterprise risk management system in place at the Grupa Azoty Group was implemented based on ISO 31000:2018 “Risk management - guidelines”. The system framework for the process is defined in the corporate procedure “Enterprise Risk Management at the Grupa Azoty Group”.

Enterprise risk management consists of the following stages:

1. Development of an enterprise risk management framework
2. Analysis of the organisational context
3. Risk identification and assessment
 - Identification and classification of risks
 - Quantitative and qualitative analysis of risks
 - Analysis of control mechanisms
 - Mapping and prioritization of key risks
4. Risk management
 - Selection of a risk management strategy
 - Development of KRIs and procedures in case a risk threshold is exceeded
 - Planning of risk mitigation measures
 - Verification of effectiveness of risk measures taken
5. Monitoring and reporting
6. Refining the enterprise risk management process

At the Grupa Azoty Group, enterprise risk management is designed to ensure continuous control of the risk level and its maintenance within the risk tolerance range in the ever changing macroeconomic and legal environment, as adopted by the Management Board of Grupa Azoty S.A. As risk level is an important factor in the planning and decision-making process, the operation of the risk management process is subject to ongoing monitoring and reporting. The persons responsible for managing identified risks are risk owners, who are tasked with managing their respective risks effectively, including by taking action to improve the understanding of the causes and implications of the risks, and implementing appropriate control and mitigation measures.

I. Environmental risks identified at the Grupa Azoty Group

The Group's core business creates environmental burdens. The Group companies are subject to various environmental regulations, which may entail the need to incur costs to ensure compliance with regulations and regulatory changes or to obtain new environmental permits.

Polish environmental regulations are subject to frequent changes. There can be no assurance that the environmental protection requirements stipulated under Polish and EU regulations will not be further tightened in the future. Given the uncertainty regarding future regulations, the Group may have to incur significant costs or capital expenditures to ensure its plants' compliance with environmental regulations.

Responsibility related to environmental risks lies with the Head of the Environmental Protection Office, risks related to health and safety, property or other damage - with the Head of the Process Safety and Labour Protection Office, and fire safety falls within the remit of the Commander in Chief of the Company Fire Brigade.

1. Risk related to the production and storage of hazardous materials

The Group's core business consists in the processing, manufacture, storage and transport of chemical substances, including dangerous substances with flammable, explosive and toxic properties, which, by their nature, may pose a risk to the environment and the life or health of employees and the local communities living near the Group's plants and storage facilities.

Mitigation measures:

Detailed process risk analyses are carried out at the Grupa Azoty Group on a regular basis under the Emergency Prevention Programme. A Safety Report is prepared for each chemical plant at least once every five years. The Grupa Azoty Group monitors and responds to changes in laws governing the production and storage of hazardous materials on an ongoing basis.

2. Regulations on emissions of CO₂, NO₂, SO₂ and other substances

Given the technologies used, the Group's operations release CO₂, NO₂, SO₂, NH₃, F, particulate matter and other substances to the environment. The direction taken by the EU and Polish law-makers is to tighten environmental regulations for businesses, including to lower pollutant emission limits. Any future reduction of emission limits may cause the Group to incur significant costs related to plant upgrades, replacement of non-compliant equipment with new equipment meeting applicable legal requirements, new technology implementations, and penalties which may be imposed on the Group companies for exceeding emission limits. The Environmental Protection Law requires that BAT conclusions be adopted as a benchmark for defining the technical conditions of the integrated permit and for setting emission limits.

Any regulations aimed at reducing CO₂ emissions, including the EU climate and energy package, may have a material impact on the Group's business. Consequently, the Group may face the risk of a negative effect of CO₂ emissions prices on its financial performance. The strong upward trend and prevailing market trends, that is the extent and rate of the increase in the prices of CO₂ emission allowances, have surpassed all earlier forecasts. The CO₂ emission trading market is highly unpredictable. The price hikes seen in 2019 coupled with significant volatility of the market hamper optimal management of the risk related to the prices of the allowances. The need to purchase additional CO₂ emission allowances at the high market prices prevailing in 2019 raises the variable production costs for the Group companies.

Mitigation measures:

The Grupa Azoty Group holds all necessary environmental permits for its operations. Its environmental protection activities are undertaken in compliance with the integrated and sector permits held. The Group monitors its air emissions on an ongoing basis. Measurements are made at the intervals specified in the relevant integrated permits, which are also reflected in the annual pollutant emission measurement schedules.

The Grupa Azoty Group regularly monitors and responds to changes in legislation applicable to environmental emissions.

3. Risk of non-compliance with waste management requirements

Manufacturing processes also generate waste which is classified in accordance with environmental legislation as hazardous, non-hazardous and inert waste. The changing legal requirements make it necessary to adjust and pay the costs of exceeding the waste limits. Failure to comply with the legal requirements may result in fines imposed on Grupa Azoty by way of administrative decisions. Storage of waste at a place other than that specified in the decision - in accordance with the terms

of the integrated permit, there is a risk of penalties for storage of waste in a place not intended for that purpose.

Mitigation measures:

When designing a unit and in applications for integrated permits, the unit's effect on the volume of generated waste is taken into account. The Grupa Azoty Group holds all legal permits related to waste management. The Grupa Azoty Group monitors and responds to legal changes in waste management on an ongoing basis.

4. Risk of non-compliance with water and wastewater management requirements

Risk of a situation where regulations governing conduct with respect to water and wastewater are violated.

Efforts undertaken in this area include carrying out new investments and increasing the capacity of existing units/equipment, mitigating the adverse effect of substances acting as inhibitors, present in effluents from the caprolactam polymerisation unit, on the biological treatment of effluents from the caprolactam polymerisation unit, on nitrification and denitrification processes occurring during the process, technical degradation of existing units/equipment.

Mitigation measures:

Amendments to the Water Law are monitored on an ongoing basis to identify any tightening of applicable norms and limits as well as any new requirements applicable to the Company regarding water abstraction and wastewater discharge. The Grupa Azoty Group holds all legal permits related to water and wastewater management. When designing a unit and in applications for permits, the effect of the unit/equipment on the volume of pollutants emitted into the environment is estimated and taken into account. The volumes and quality of wastewater discharged and water abstracted are analysed. The Grupa Azoty Group monitors and responds to legal changes in water and wastewater management on an ongoing basis.

5. Risk of land pollution and related costs

The risk that the Company's operations will lead to land pollution requiring land reclamation, remediation and rehabilitation. An accident at the Company's premises gives rise to a risk of causing land pollution and incurring significant costs related to remediation/reclamation of contaminated land, as well as a risk of administrative decisions being issued against the Company, obliging it to remove historical environmental pollution.

As a result of such circumstances, Grupa Azoty may be required to carry out reclamation work on a contaminated site and restore it to its condition from before pollution. In the case of historical pollution, the Company may be required, by way of an administrative decision, to draw up and deliver a site reclamation plan.

Mitigation measures:

The Grupa Azoty Group holds all legal permits regarding land pollution.

To minimise land pollution, groundwater on the site of historical pollution is monitored and places at the Divisions where hazardous substances are loaded, unloaded and stored are inspected.

This risk is subject to a detailed assessment based on the type and quantity of substances in the unit and the measures taken to prevent the substances from polluting the land.

The Grupa Azoty Group monitors and responds to legal changes in land pollution requirements on an ongoing basis.

6. Risk of non-compliance with environmental noise requirements Risk of exceeding environmental noise limits. If the noise emission limits applicable to the areas adjacent to Grupa Azoty S.A. are tightened, the Company may be subject to penalties by way of administrative decisions and may be required to present a plan of measures designed to ensure compliance with the limits set out in the relevant regulation. The location of a new investment project is always selected taking into account the project's potential impact on protected areas. During the unit design phase equipment with appropriate parameters is selected, and the location of the unit takes into account the environmental impact of noise emissions.

Mitigation measures:

The Group holds all legal permits regarding environmental noise. In the existing units, soundproofing cabins and acoustic silencers have been installed. In accordance with the integrated permits, the Grupa Azoty Group companies monitor environmental noise.

The Grupa Azoty Group regularly monitors and responds to changes in legislation applicable to environmental noise.

7. Risk related to the use of radioactive substances

The risk that radioactive substances used may adversely affect the health or life of employees or persons in the area of their potential impact or that the legal conditions for their use are not met. There is a risk of leakage from storage containers for radioactive substances, a risk of using defective equipment/apparatus that operates using radioactive substances, or a risk of inappropriate protection of such equipment/apparatus against access by third parties. There is also a potential threat of losing a radioactive source (theft, misplacement) as well as of radioactive material dispersal out of its container. Such events are extremely unlikely to occur during normal operation of the apparatus with a source.

Mitigation measures:

In order to eliminate the risks, all radioactive sources in the operating apparatus are placed in transport and work containers with built-in locks preventing easy removal of the source without using special keys; the containers are screwed to the supporting structure. Radioactive sources used in units operating in open space are additionally secured using padlocks with patented lock systems. All apparatus with radioactive sources have output signals incorporated in the units' computer systems.

During unit shutdowns or overhaul work in the immediate vicinity of radioactive sources, these sources are placed in transport and work containers in the isotope storage room.

Once a year drills are carried out at the Grupa Azoty Group to review and update the contingency plan in the event of a radiological emergency. Sealed radioactive sources are used during such drills.

8. Risk related to fire safety

The risk of damage to or destruction of the Company's property or of reduction or suspension of the Company's operations as a result of fire. The risk involves injury or death of employees, potential contamination of the environment, and significant

material losses due to explosion or fire at a production plant as well as loss of quality or usefulness of products or raw materials due to explosion or fire at a storage facility, fire during transport, and related financial or other consequences.

Mitigation measures:

The Company Fire Brigade units responsible for the oversight of fire-fighting activities at the Grupa Azoty Group companies have fire-fighting and rescue equipment used to extinguish fires and remove other local hazards and effects of natural disasters. The Group operates an automated hazard reporting system, and its fire prevention system provides ongoing fire safety oversight.

II. Social risks identified at the Grupa Azoty Group

As regards social matters, risks associated with investor relations and performance of disclosure obligations rest within the remit of the Head of the Investor Relations Office, whereas the Head of the Communication Office is responsible for risks related to corporate social responsibility.

1. Risks related to investor relations and performance of disclosure obligations

There is a risk that the Company will not perform its obligations related to stock-exchange trading of its shares. This involves potential non-compliance with good corporate governance practices and capital market regulations. Potential unintentional release of incorrect information by the Company in its current and periodic reports, as well as significant differences between announced plans and actual activities and performance. Changes may also result from legal regulations, and the released information may be classified differently by Grupa Azoty Group issuers in the absence of consistent advice. The risk may undermine investor confidence, harm the Company's image of a reliable and transparent partner, or lead to imposition of administrative penalties.

Mitigation measures:

The Grupa Azoty Group has assembled a team responsible for the implementation of EU capital market regulations, which comprises representatives of all Group issuers. Grupa Azoty oversees information flows and communication processes at the Group. The Company also provides training in disclosure requirements and policies.

2. Risk related to corporate social responsibility

Risk related to the negative public perception of the Company as a result of its failure to properly care for the interests of the public and society. One source of this risk is unintentional cooperation with trading partners that have a poor reputation, insufficient involvement of the Grupa Azoty Group in CSR activities and inappropriate communication of CSR projects.

Mitigation measures:

This risk is mitigated by applying internal rules and regulations governing the Group's CSR and sponsorship policies as well as a communication policy incorporating the Group's rules on image building.

Risk management at Grupa Azoty Police and Grupa Azoty Puławy is integrated with the Group-wide risk management process. It is a continuous process consisting in ongoing risk identification, review and response to changes in risk, application of analytical risk mitigation and constant improvement in risk controls.

2. Environmental area

The Grupa Azoty Group's activities in the field of environmental protection are strictly regulated and subject to a number of requirements which follow from the Environmental Protection Law, the Waste Act, the Water Law and other regulations, as well as permits issued by governors and marshals of the provinces where the Group operates. In accordance with the Environmental Protection Law, all companies of the Grupa Azoty Group are required to adapt their permits to the requirements laid down in applicable regulations.

Furthermore, environmental protection rules that apply to the Grupa Azoty PUŁAWY Group are also provided for in the integrated permit for the operation of process units issued by the Governor of the Province of Lublin and subsequently extended under a decision by the Marshal of the Province of Lublin. Grupa Azoty POLICE operates based on an integrated permit for the operation of process units granted by the Marshal of the Province of Szczecin.

At the Grupa Azoty Group, the parent Grupa Azoty S.A. and the companies Grupa Azoty PKCh Sp. z o.o. and Grupa Azoty JRCh Sp. z o.o. have developed and implemented the Grupa Azoty Group Enterprise Management Policy and the Integrated Management System Policy, under which the companies define their own general and specific objectives in the area of QHSE management. Such objectives are defined to match the needs that follow from the implemented ISO standards. In addition to the objectives, the companies develop and define their individual short-term and long-term programmes along with the related metrics and responsibilities for their implementation. Similar policies have also been implemented by the Grupa Azoty PUŁAWY Group companies, including the parent Grupa Azoty PUŁAWY, Prozap Sp. z o.o. and Remzap Sp. z o.o., and the Grupa Azoty POLICE Group companies, including the parent Grupa Azoty POLICE and Grupa Azoty Police Serwis sp. z o.o. The Grupa Azoty Group seeks to integrate its environmental protection management systems.

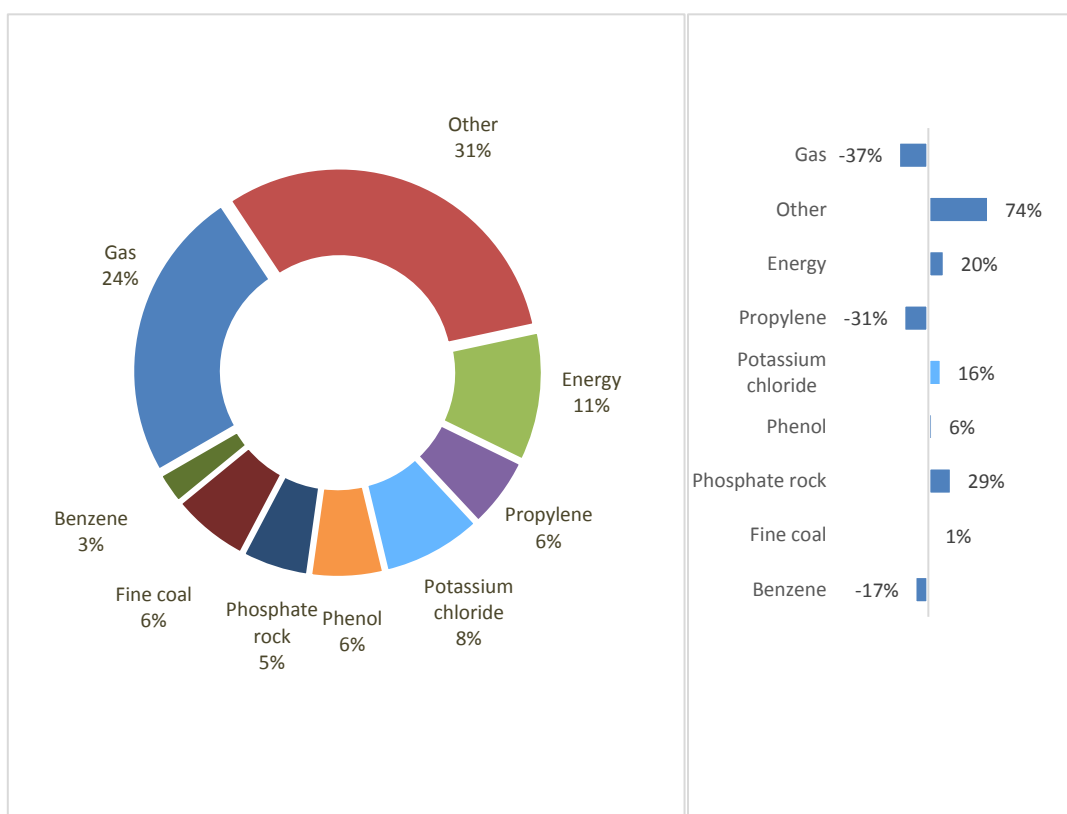
An Environmental Management System consistent with the ISO 14001 standard, which supports the activities related to environmental protection and prevention of contamination, has been implemented at all companies of the Grupa Azoty Group, excluding Grupa Azoty KOLTAR Sp. z o.o., and at Grupa Azoty PUŁAWY and Grupa Azoty POLICE. The system also requires the companies to assess the compliance of any activities they undertake with applicable laws and other standards, and to pursue continuous improvement in environmental protection management. In order to improve the energy efficiency at the Grupa Azoty PUŁAWY Group, an Energy Management System compliant with the requirements of the ISO 50001 standard has been implemented.

In accordance with the adopted Energy Policy, Grupa Azoty PUŁAWY has established and implemented energy objectives and programmes and pledged to comply with all the legal requirements and other commitments it has made in the area of generation and rational consumption of energy necessary in its production processes, recognising energy consumption as an important factor having an impact on the natural environment and costs of business operations.

2.1. Direct and indirect impact: feedstock and materials

The chart presents total costs of main feedstocks in 2019. The chart is provided along with information on changes in costs relative to the previous year (2018) and a description of the manner of using the feedstocks and the products manufactured from them.

Feedstock consumption by Grupa Azoty Group



Source: Company data.

Grupa Azoty POLICE uses potassium chloride, phosphates, sulphur and sulfuric acid procured from its suppliers in the production of compound fertilizers. Sulfuric acid, ilmenite, titanium slag and natural gas are key raw materials used in the production of titanium white. Natural gas in Grupa Azoty POLICE is used, among other things, in the production of ammonia intended for sale and ammonia used as a semi-finished product to make urea and compound fertilizers. Variations in consumption of individual raw materials are due to changes in production volumes of particular products.

At Grupa Azoty PUŁAWY, high-methane natural gas is the main production input used in the production of ammonia. High-methane natural gas is also used for heating purposes in the production of caprolactam and melamine and as an auxiliary fuel at the CHP plant.

Coal is the primary source of energy at Grupa Azoty PUŁAWY. Benzene is used to produce cyclohexanone, a semi-finished product used in caprolactam production.

Sulfur is used to make sulfuric acid, which in turn is used in the production of caprolactam. Polyethylene is used to manufacture foil and bags.

2.2. Direct and indirect energy consumption within the organisation

Direct energy consumption is the consumption of energy by the organisation and by its products and services. Direct energy is used to generate final energy (e.g. for heating, transport) or transitional forms of energy such as electricity or heat. Among the primary sources of energy used by the Grupa Azoty Group there are non-renewable energy sources, such as coal or natural gas.

Fuels used to generate electricity within the organisation	Grupa Azoty S.A.		Grupa Azoty Police		Grupa Azoty Puławy	
	Quantity (in GJ)		Quantity (in GJ)		Quantity (in GJ)	
	Group	Company	Group	Company	Group	Company
Thermal coal	27,520,253	5,040,600	1,727,370	1,727,370	14,549,494	14,549,494
Natural gas	33,238	1,425	0	0	19,836	19,836
Fuel-grade MEK	490,908	0	0	0	490,908	490,908
Process gas	0	0	0	0	0	0
Mazut	76,375	35,485	3,804	3,804	0	0

Source: Company data.

Indirect energy consumption is the volume of consumption of primary energy sources used by the Group indirectly through the purchase of electricity, heat or steam. For the purposes of this Report, data has been classified into three groups:

- Electricity, heat, cooling and steam purchased for consumption
- Electricity, heat, cooling and steam generated by the organisation
- Electricity, heat, cooling and steam sold by the organisation

	Grupa Azoty S.A.		Grupa Azoty Police		Grupa Azoty Puławy	
	Quantity (in GJ)		Quantity (in GJ)		Quantity (in GJ)	
	Group	Company	Group	Company	Group	Company
Electricity, heat, cooling and steam purchased for consumption	10,656,453	793,497	1,458,950	1,420,619	4,004,153	3,902,500
Electricity, heat, cooling and steam generated by the organisation	38,033,350	2,513,438	8,611,677	8,611,677	18,016,744	17,477,677
Electricity, heat, cooling and steam sold by the organisation	3,118,222	341,582	614,380	614,380	1,351,134	1,336,318
Total energy consumption within the organisation	43,620,251	2,965,353	9,456,247	9,417,916	20,787,732	20,043,859

Source: Company data.

Heat comes entirely from the ECII CHP plant, while the electricity consumed by the Company is both in-house generated and purchased. The volumes of electricity purchased from third parties increased in 2019 as the main in-house source of electricity was one steam generator adapted to environmental recommendations. Heat requirement fell year on year in 2019.

Grupa Azoty POLICE uses heat generated from its own coal-fired sources, with fuel oil used as a light-up fuel, heat purchased from a local supplier, heat recovered from production units, and electricity purchased from third parties or generated in its own sources.

2.3. Total water abstraction and information on recycled or reused water

The operations conducted by the Grupa Azoty Group involve significant water consumption. The following table shows total volumes of abstracted water (irrespective of the course) both directly by the organisation and by intermediaries, such as municipal utility companies.

No.	Source	Grupa Azoty S.A.		Grupa Azoty POLICE		Grupa Azoty Puławy	
		Total volume [m ³]		Total volume [m ³]		Total volume [m ³]	
		Group	Parent	Group	Parent	Group	Parent
1	surface water	118,536,960	12,706,670	2,053,900.00	2,053,900.00	86,736,655	76,995,976
2	ground water	9,459,698	461,444	3.00	3.00	5,693,538	5,294,268
3	municipal water supply	627,559		335,400.00	335,043.00	163,847	0
4	Other	128,640,247		125,142,963.00	125,127,118.00	5	0
5	TOTAL	257,264,464	13168114	127,532,266.00	127,516,064.00	92,594,045	82,290,244

Source: Company data.

Grupa Azoty S.A. is committed to sustainable water and wastewater management. The Company uses water resources responsibly and takes care to ensure that its wastewater is properly treated.

Grupa Azoty S.A. draws water from two sources: from the Dunajec River (surface water) and from Quaternary formations (underground water). At Grupa Azoty S.A., water is used primarily for cooling purposes and in technological processes, for drinking, as a raw material for production of special waters, and for fire protection purposes. The reduction in groundwater abstraction followed from a change in the proportion of volumes of surface water and groundwater used to produce drinking water. In 2018 and 2019, due to economic reasons relating to collective water demand and collective wastewater discharge, drinking water losses were compensated with treated surface water. Drinking water intake fell in 2019 as the water network integrity improved after a partial replacement of water pipelines. An increase in industrial water consumption is an effect of new units having come onstream.

In recent years, Grupa Azoty S.A. has completed a number of investment projects supporting more efficient use of water and improving the safety of water and sewerage systems.

Liquidation of unprofitable units, modernisation of production and adaptation of production processes to higher environmental protection standards, as well as measures taken at individual units with a view to reducing water consumption in

technological processes, have all directly translated into a significant reduction in wastewater output.

The Company recycles water so that it can be recovered and reused.

Grupa Azoty S.A. supplies drinking water to third parties, both businesses and households. The Drinking Water Treatment Station has a HACCP system in place, under which the drinking water production process is monitored along the entire chain, from water intake, through treatment, to distribution. With an ISO 22000:2005-compliant food safety management system in place, the drinking water is of high quality. The water supplied to consumers must meet relevant quality standards. Therefore, analytical monitoring is performed along two lines: continuous quality testing (operational analysis) performed by the Laboratory of the Utilities Production and Distribution Department, and analytical oversight provided by the County Sanitary and Epidemiological Station in Tarnów as part of its monitoring activities. Given the analytical scope of the monitoring, analytical tests are contracted out to the municipal water supply and sewerage company (MPWiK) in Kraków.

Grupa Azoty ZAK S.A., a subsidiary of Grupa Azoty S.A., has in place a system for recirculation of treated industrial wastewater, water from ash and slag hydrotransport, cooling water and stormwater - all this water is used to produce industrial water. The amount of wastewater reused to produce industrial water in 2019 was 2,064,400 cubic metres, which accounted for 25.8% of the total water abstracted by the company.

Grupa Azoty S.A.'s subsidiary Grupa Azoty SIARKOPOL uses such methods as closed reservoir water circuits, sealing of process units, elimination of process water release through continuous monitoring of pipelines and prompt failure removal, and immediate removal of uncontrolled flows of reservoir water (blowouts). As a result, in 2019 the volume of recycled water was 2,016,210 cubic metres, representing 89% of the company's total water abstraction.

Most of the surface (river) water abstracted by COMPO EXPERT at the Krenfeld plant in Germany is reused for industrial processes up to three times before being discharged to the public sewage network.

Grupa Azoty POLICE abstracts water from two surface water intake points, located on the Oder and Gunica rivers. The water is used for industrial purposes, as a cooling agent, and for fire-fighting applications. The company monitors the quantity and quality of abstracted water. The volume of water drawn from the Gunica and Oder rivers is measured by means of flow meters located at measurement points. The amount of underground water drawn from the S-1 well is measured using a water meter.

In 2019, Grupa Azoty POLICE increased water abstraction from the Gunica River by 691,010.0 cubic metres. Water from the Gunica river is drawn periodically. The volume of inland water drawn from this river depends on the salinity of water in the Oder river (internal sea waters). The amount of water abstracted from the Oder fell by 23,537,177.0 cubic metres (due to changes in production volumes and high chloride and salt concentrations). Underground water is abstracted seasonally (from May to September) for the purpose of irrigation of the former iron sulfate (II) landfill site which underwent reclamation in 2015. In 2018 and 2019, the underground water intake point was used as part of maintenance work. Spent cooling water is partly reused in production of softened water and then demineralised water. Some volumes of spent cooling water are returned to the water intake point and then reused. Condensates are recycled and reused at the plant for various purposes, depending

on the degree of purity. The amount of wastewater reused to produce industrial water in 2019 was 14,911,060 cubic metres, which accounted for 11.5% of the total water abstracted by the Company.

Grupa Azoty PUŁAWY draws surface water from the Vistula river through a system of four pipelines (R1-R4), on which flow meters measuring the amount of abstracted water are installed. The company's second source of water is surface water from the Kurówka river (a flow meter is installed on the pipeline supplying water to the plant). Water is also supplied to Grupa Azoty PUŁAWY from groundwater intake points via two pipelines on which flow meters are installed. STO ZAP, a Grupa Azoty PUŁAWY Group company, reported abstraction of domestic hot water, production water and drinking water for sale as total water abstraction presented in "other".

2.4. Reduction of energy consumption

In 2019, Grupa Azoty took a number of measures to improve the energy efficiency of its technological processes. Thanks to technical improvements in processes and other energy saving initiatives, a clear reduction in energy consumption was achieved in 2019. The measures taken included:

- process redesigning and streamlining,
- replacement of equipment with more energy-efficient one,
- operational changes.

The figures given below do not take into account reductions in energy consumption due to capacity reductions and outsourcing.

	Total energy savings [GJ]	Description of initiatives reducing energy consumption (with the level of reduction achieved)
Grupa Azoty S.A.	approximately 243,250	<ul style="list-style-type: none"> • Comprehensive utilisation of heat generated in selective phenol hydrogenation: 100,777 GJ • Reduction of steam consumption in caprolactam production: approximately 136,000 GJ • Optimisation of CHP plant operation: 6,289 GJ
Grupa Azoty POLICE	11,982*	<ul style="list-style-type: none"> • Change of the method of regulating the rotation speed of air blower fans for two OP-230 boilers in the EC-2 CHP plant by installing frequency converters: 3,298 [GJ]. • Modernisation of the feed water pump system at the EC-1 CHP plant and installation of frequency converters (one frequency converter of the planned four has been installed to date): 2,786 [GJ]. • Overhauls of coal mills increasing their efficiency and reducing their electricity consumption (three out of the six mills undergo an overhaul during the year): [-]. • Comprehensive overhaul of fans of the OP-230 boiler system at the EC-2 CHP plant and installation of frequency converters (the overhaul has been completed, installation of inverters will be possible during the scheduled shutdown): 2,340 [GJ]. • Replacement of low-performance electric motors supplying power to raw water pumps (to date, electric motors have been replaced for two out of the seven pumps); assessment of the effect will be possible after completion of the entire project [-]. • Regeneration of plates in 16 cooling water heat exchangers in the CCW system (to date, plate regeneration has been completed in 13 exchangers): 3,404 [GJ]. • Improvement of the schedule of operation of internal combustion engines vehicles in terms of logistics, 2% reduction in diesel oil consumption: 154 [GJ]. • Regeneration of plates in four exchangers.
Grupa Azoty PUŁAWY	approximately 147,000.00	<ul style="list-style-type: none"> • Increasing energy recovery in tail gas expansion turbines in nitric acid lines 1 and 2 - 69,000 GJ • Increasing energy recovery in tail gas expansion turbines in nitric acid lines 3 and 4 - 75,000 GJ • Intensification of cooling of potassium carbonate solution fed at absorber top - syngas pretreatment lines 1 and 3 - 3,000 GJ

* This amount is based on direct measurements (where possible) and on approximate estimates of initiatives completed or in progress.

Source: Company data.

Some of the initiatives require detailed calculations or studies to determine their precise contribution to reducing energy consumption.

In 2019, Grupa Azoty ATT Polymers GmbH renovated the insulation of the production unit and replaced standard lighting with LED lighting in some parts of the production plant. No data has been collected making it possible to estimate the effects, including energy savings, of this investment.

In 2019, Supra Sp. z o.o., a subsidiary Grupa Azoty Police, performed an overhaul of an electrical substation. No data has been collected making it possible to estimate the effects, including energy savings, of this investment.

In 2019, the subsidiaries of Grupa Azoty Puławy Group took the following measures to cut energy consumption:

- In the last quarter of 2019, REMZAP Sp. z o.o. modernised the D-45 building, which should bring about significant savings in electricity and heat consumption.
- In 2019, Gdańskie Zakłady Nawozów Fosforowych Fosfory Sp. z o.o. generated total energy savings of 5,854 GJ thanks to the following initiatives:
 1. Reduction of compressed air consumption,
 2. Replacement of the oil pump drive gear,
 3. Replacement of fertilizer storage yard lighting.

2.5. Biodiversity

Grupa Azoty S.A. manages environmental issues in a strategic and comprehensive manner. This is possible primarily due to the existing Environmental Management System, which complies with the ISO 14001 standard. This system ensures balance between environmental protection and pollution prevention on the one hand and socioeconomic needs on the other. At Grupa Azoty S.A., environmental impacts have been identified, and those that proved significant are subject to supervision. The adopted supervision criteria allow for transparent monitoring and assessment of the effectiveness of individual processes affecting the environment. Assessment of compliance with applicable requirements is carried out on an ongoing basis.

Grupa Azoty S.A.'s premises are located in Mościce, the industrial district of Tarnów, located in the western part of the city. None of the Company's products or services affect biodiversity. No effect of the Company's operations on biodiversity has been recorded either. The Company has registered its products in accordance with the REACH Regulation. Chemical Safety Reports have been prepared. Appropriate instruction manuals and data sheets describing their possible effects on living organisms have been prepared for each product. Periodic inspections by administrative authorities have revealed no irregularities.

Grupa Azoty POLICE attaches great importance to the environment as a whole, with particular emphasis on the effect of its operations on changes taking place in the environment, and undertakes various preventive and compensatory measures.

The company is located within the Police city limits, about 3.5 km north of the city centre, on the left bank of the Oder River. It occupies an area of about 1,300 ha, covered by a valid local zoning plan. The area is classified as an industrial and warehouse area.

In accordance with the local zoning plan for the town and municipality of Police, in the vicinity of the plant, in the protection zone and in the 200 metre belt around the zone, there are mainly areas designated as industrial and warehouse areas, screening greenery, meadows, farmland and, locally, farm buildings in the village of Tatynia. The area owned by the Company has no significant natural value and is not subject to any national or EU nature protection measures. However, areas subject to various forms of such protection are located in the vicinity of the Company's sites:

Nature reserves

- Białokrzew Kopicki

- Olszanka
- Uroczysko Święta
- Świdwie.

Natura 2000 sites:

- Police - Kanały (Police Canals) (PLH320015) - about 0.4 km to the south of the plant site,
- Zalew Szczeciński (Szczecin Lagoon) (PLB320009) - about 2 km to the north of the plant site,
- Ostoja Wkrzańska (Wkra Refuge; formerly Puszcza Wkrzańska) (PLB320014) - about 2 km to the west of the plant site,
- Oder Estuary and Szczecin Lagoon (PLH320018) - about 2.5 km to the east of the plant site.

There are two landfills on the Company's premises: an iron sulfate landfill and a phosphogypsum landfill. The company has implemented and observes a strict process regime that minimises the landfills' impact on the environment. Since 1994, efforts have been made to introduce high growing vegetation at the landfill site.

The landfill site is covered with trees. The condition of the grass sod, the extent to which it covers the site, the visual appearance of the plants and their ability to go through all development phases, including growth of fertile shoots, demonstrate the ability of many plant species to develop normally in this environment.

For a number of years, the landfill site has been a habitat for many plant species and animals, such as beech martens, otters, stoats, foxes, roe deer, boars and about 100 species of birds.

Based on field observations, ornithologists from Szczecin University found that the area adjacent to the landfill site (storage reservoirs of the wastewater treatment plant) can be compared to the Świdwie reserve in terms of the number and diversity of bird species.

Grupa Azoty Police places great importance on compliance with broadly defined environmental protection regulations, including animal protection, as evidenced by the environmental decisions held by the Company.

Grupa Azoty POLICE supports efforts to promote biodiversity also by placing a peregrine falcon nesting box on one of the Company's CHP Plant flue gas stacks. Azoty Police Group covers the costs of online broadcast from the nest and from the front of the nesting box. The project has been run in cooperation with the 'Sokół' ('Falcon') Wildlife Protection Association of Włocławek since 2016.

The Grupa Azoty PUŁAWY facilities are located within a forest complex on the right bank of the Vistula river, some three kilometres north of the town of Puławy. They cover an area of approximately 299.4 ha. The area adjacent to Grupa Azoty Zakłady Azotowe Puławy S.A. is located on the border of two physico-geographic subprovinces: the Central Polish Lowlands and the Lublin-Lviv Upland and their geographical mesoregions:

- the Middle Vistula River Valley (north-west),
- the Radom Plain (south-west).

Grupa Azoty Zakłady Azotowe Puławy S.A. does not impact people, plants, animals, fungi, natural habitats, water or air. Calculations of air pollution dispersion made for the purposes of the documentation prepared to obtain the Integrated Permit

show that the Plant does not exceed the permitted emission levels outside the area it owns.

Grupa Azoty Zakłady Azotowe Puławy S.A. is located in an industrial area and has no negative impact on the landscape. The area on which Zakłady Azotowe Puławy S.A. is located is not one with a high natural and landscape value.

In the vicinity of the plant, ambient concentration in the air is much lower than the TLV (immission). For over 50 years of the plant's operation, no hard evidence has been found that the health of the Puławy region's population deteriorated due to ambient concentration.

The amount of noise from noise emitters located on the premises of Grupa Azoty Zakłady Azotowe Puławy S.A. does not exceed the permitted night- and day-time noise levels in the acoustically protected areas.

With environmental protection in mind, in 2005 Grupa Azoty PUŁAWY placed a peregrine falcon nesting box on the Company's CHP Plant flue gas stack. Peregrine falcon chicks successfully hatched in the Lublin Province in 2013, which was the first such case to have been documented. The programme was also continued in 2019.

2.6. Substances emitted to the atmosphere

The Grupa Azoty Group is strongly committed to ensuring compliance with the legal standards applicable to air protection and constantly adapts its units to meet emission standards.

The table below presents the volumes of selected compounds emitted into the air in 2019 by the main companies of the Group.

No.	Compound emitted into the air	Grupa Azoty S.A.		Grupa Azoty Police		Grupa Azoty Puławy	
		Emissions (in Mg)		Emissions (in Mg)		Emissions (in Mg)	
		Group	Parent	Group	Parent	Group	Parent
1	nitrogen oxides	13,368.35	5,192.00	599.58	599.43	2,239.71	2,155.89
2	sulfur dioxide	5,227.67	517.00	2,210.70	2,210.70	1,175.65	1,029.06
3	carbon dioxide	5,744,557.61	990,429.00	995,803.34	995,803.34	1,859,599.88	1,847,877.88
4	Ammonia	2,187.08	223.00	396.65	396.65	1,000.63	1,000.63
5	Methane	269.69	15.00			5.00	5.00
6	carbon monoxide	666.01	45.00	108.34	108.31	211.62	180.29
7	sulfuric acid	213.93	53.00	55.26	55.26	52.65	-
8	total dust	1,602.32	186.00	431.82	425.00	775.52	543.71
9	PM 10	674.04	127.00			306.04	283.63
10	PM 2.5	164.50	71.00			21.52	0.01

Source: Company data.

Emissions at the Grupa Azoty Group are measured in keeping with generally applicable laws, including with the Minister of Environment's Regulation on the requirements with respect to measurement of emissions and water abstraction volumes, dated October 30th 2014.

Grupa Azoty S.A. measures, on a continuous basis, its emissions from the CHP Plant and the Dual-Pressure Nitric Acid Unit. Fertilizer units are subject to, among others, periodic measurements of total dust emissions (in accordance with the PN-Z-04030-7:1994 standard) and periodic measurement of ammonia emissions and concentration (in accordance with the WT-07/ZA-123 standard).

Grupa Azoty S.A. constantly monitors air quality at five sites across Tarnów. The locations of the measurement sites have been selected so as to cover the wide area that may be affected by particulate matter and gas emissions from the plant.

Emissions from Grupa Azoty POLICE's EC II CHP plant facilities are monitored on a continuous basis, while emissions from the titanium white unit are measured both on a continuous and periodic basis.

In line with the Integrated Permit, emissions from the other Grupa Azoty POLICE's process units are measured on a periodic basis. EC II CHP Plant as well as the titanium white, sulfuric acid, fertilizer and urea production units, which are the main emission sources, account for 65% and 35% of emissions of gaseous pollutants and particulate matter, respectively. Changes in air emission volumes depend on the output from the Company's main units and the results of periodic measurements. Changes in air emission volumes also depend on the output from the Company's main units and the results of periodic measurements.

The emissions are monitored by Grupa Azoty POLICE on a 24/7 basis at three measurement points whose location allows the company to assess the impact of pollutants generated during everyday operation of its units.

In the case of process pollutants emitted from the potassium nitrate and calcium nitrate production unit, Grupa Azoty PUŁAWY used emission factors and actual production volumes in the years: 2018-2019; for all fuel combustion sources located on the premises of the plant, emissions were calculated based on literature data and actual fuel consumption; Grupa Azoty Puławy's main emission sources are its boiler houses and the nitrate production unit.

2.7. Waste and waste management methods

An organisation's environmental impact can be analysed on the basis of data on types of generated waste and waste management methods. Below are presented the amounts of waste generated by the Grupa Azoty Group in 2019, broken down into two categories:

- hazardous waste, as defined by the national legislation in force at the point of generation,
- non-hazardous waste including all other forms of waste, excluding used water.

The information on the total volume of waste by type has been supplemented with information on waste disposal methods, which include:

- landfilling,
- on-site recovery,
- transfer to third-party contractors,
- on-site disposal,
- storage.

		Grupa Azoty S.A.		Grupa Azoty Police		Grupa Azoty Puławy	
No.	Waste type	Amount (Mg)		Waste weight [Mg]		Amount (Mg)	
		Group	Company	Group	Company	Group	Company
1	hazardous waste	12,281.22	504.15	5,152.84	5,028.14	633.23	451.38
2	non-hazardous waste	4,642,385.78	53,761.23	4,426,914.81	4,397,417.98	85,910.22	75,660.60
	TOTAL	4,654,667.00	54,265.38	4,432,067.66	4,402,446.12	86,543.45	76,111.98
		Amount (Mg)		Amount (Mg)		Amount (Mg)	
No.	Waste disposal method	Group	Company	Group	Company	Group	Company
1	Storage	2,087,166.36	6,804.00	2,065,907.84	2,065,907.84	6,637.51	6,636.72
2	on-site recovery	442,295.04	19.00	414,610.52	414,610.52	8,933.46	30.54
3	transfer to third-party contractors	389,274.42	47,670.99	107,151.02	77,529.09	84,500.41	82,800.27
4	on-site disposal	1,844,579.19	0.00	1,844,460.44	1,844,460.44	118.75	118.749
5	storage	1,385.84	1,267.01	102.22	102.22	0.10	0.097
	TOTAL	4,764,700.85	55,761.00	4,432,232.05	4,402,610.11	100,190.23	89,586.38

Source: Company data.

The above table shows the quantity of waste generated as a result of the organisation's operations in 2019 and presents the methods of its disposal. The difference between the amount of waste generated and the amount of waste disposed of is attributable to the storage volumes of waste generated in the previous year. Hazardous waste represents as little as 0.26% of total waste generated by the organisation. Almost 39% of waste generated by the organisation in 2019 was disposed of within the organisation, while about 44% was landfilled. Over 9% was recovered by the organisation on site. Only 8.1% was transferred to third-party contractors.

2.8. Monetary value of fines and other sanctions

In 2019, by decision of the Provincial Inspectorate for Environmental Protection of Lublin (ref. No. WI.7061.9.2019.SB of March 28th 2019), a total fine of PLN 4,852,103.00 was imposed on Grupa Azoty PUŁAWY for excessive emissions of sulfur dioxide, nitrogen oxides and particulate matter from the CHP plant. On the basis of art. 317.1 of the Environmental Protection Law, the Company requested that the fine be postponed in connection with the execution of projects which, once completed, will ensure compliance with emission limits (upgrade of the FGD unit and upgrade of boiler no. 2). The fine of PLN 3,330,998 for sulphur dioxide and particulate matter was postponed until June 30th 2021. The fine of PLN 1,521,105 for excessive emissions of nitrogen oxides was postponed until December 31st 2021. In 2019, by decision No. 31/2019 of July 26th 2019 of the Szczecin Provincial Inspector for Environmental Protection, a fine of PLN 46,215.0 was imposed on Grupa Azoty Police for exceeding in 2016 the permitted levels of particulate matter emissions from spray dryer emitters in the titanium white production unit, as defined in the integrated permit. In a letter of August 13th 2019, the Company requested the

Szczecin Provincial Inspector for Environmental Protection to postpone and cancel (in full) the fine imposed by the aforementioned decision in view of the costs incurred to remove the cause of the fine. In a letter of September 10th 2019 and subsequently in a letter of December 17th 2019, in view of the need to carry out inspections and measurements and to analyse the material collected in the case, the Szczecin Provincial Inspector for Environmental Protection specified March 27th 2020 as the expected date of resolving the case.

2.9. Mitigation of environmental impacts of products and services

Major environmental projects carried out in 2019 by Grupa Azoty S.A. included the collection of slag from the ECII CHP plant boilers. The project will create the possibility of using slag to produce building materials, helping to reduce the amount of stored furnace waste.

In 2019, a number of projects were pursued by Grupa Azoty S.A. to reduce the consumption of energy carriers in production processes and make more efficient use of available resources. The main projects in this area included projects to make comprehensive use of reaction heat from selective phenol hydrogenation, construct a turbine generator using steam from the Sulfuric Acid Unit and the Dual-Pressure Nitric Acid Unit and a 4 MPa steam pipeline from the Sulfuric Acid Unit to the Dual-Pressure Nitric Acid Unit, as well as to alter the pumping system of the first heating segment.

Among other important environmental projects were those related to the adaptation of the company's heat and power generation activities to the tighter environmental requirements resulting from BAT conclusions.

Grupa Azoty Zakłady Azotowe Kędzierzyn Spółka Akcyjna In March 2019, a new set of catalytic gauzes was installed on the TKV nitric acid production plant and the old catalyst was replaced with a new one, with a smaller diameter, which increased the reduction of N₂O emissions. In December 2019, the catalyst bed was re-filled, lowering nitrogen oxide emissions from the plant. The above efforts helped reduce the nitric acid production plant's environmental impact. Greenhouse gas (N₂O) emissions were thus reduced. In addition, a sound-absorbing casing of the K200 compressor was installed at the synthesis gas production unit, which reduced noise emissions from the Synthesis Gas Unit. In 2019, on-schedule completion of projects relating to Grupa Azoty ZAK S.A.'s 'steam policy': replacement of a boiler system in the ammonia synthesis loop and start of the construction of a standby and peak-load boiler house with a gas-fired boiler with steam capacity of 100 Mg/h reducing the demand for steam used in technological processes at the Ammonia Department and enabling partial replacement of coal used in steam **production with gas**.

Grupa Azoty Kopalnie i Zakłady Chemiczne Siarki Siarkopol S.A., a Grupa Azoty Group company, implemented three energy efficiency improvement projects that deliver 483.829 toe of primary energy per year.

Grupa Azoty Polskie Konsorcjum Chemiczne Spółka z o.o., as part of the operations of its subsidiary Grupa Azoty Ratownictwa Chemicznego sp. z o.o., took steps to reduce atmospheric emissions of landfill gas pollutants (mainly methane, carbon dioxide) by building a gas extraction system in the AB-2 sector of the 'Za Rzeką Białą' landfill site, with the gas sent to the collecting well and burnt on the flare stacks.

In 2019, Grupa Azoty POLICE pursued its environmental project, worth more than PLN 250m, to construct an exhaust gas treatment unit at the EC II CHP plant. As part

of the project, OP-230 boilers no. 1 and 2 were upgraded. A deNox system on both boilers was put in operation, with NOx emissions now below 200 mg/m³ over the entire boiler load range.

The company completed the project to change its phosphoric acid production method from the DH dihydrate method to the dihydrate hemihydrate DA-HF process. Capital expenditure on this project amounts to PLN 83m. The main objective of the proposed technology change is to improve the efficiency of phosphoric acid production, bring the Phosphoric Acid Division's units into compliance with the BAT requirements (current phosphate efficiency: 89%-93%, required by BAT: 94%-98.5%), improve the quality of phosphoric acid (by reducing the content of cadmium and other pollutants), reduce the consumption of thermal energy during acid concentration, lower the volumes of waste phosphogypsum generated in the process and phosphorous consumed as a process input.

In 2019, the company was carrying out projects designed to replace 1WP1,2 blower fan motors with motors with a frequency converter. The use of motors with optimum current/voltage settings will generate tangible benefits in the form of electricity savings of 1,028 MWh per year. Modernisation of equipment to reduce energy consumption and improve process regulation largely contributes to achieving the Company's environmental protection objectives. The capital expenditure on this project is PLN 1.9m.

Grupa Azoty PUŁAWY expanded its network of tanks equipped with telemetry systems for the sale of UAN.

In addition, upgrade of the unit for CO₂ absorption in potassium carbonate solutions for line 4 of the gas pretreatment unit at the Ammonia Department helped reduce the overall energy intensity of the process and reduce the volume of wastewater discharged. Waste gas emissions from the Ammonium Nitrate and UAN Division's ammonium nitrate solution production unit were also reduced as a result of re-using the gases at the unit.

The continued upgrade of the closed circuit water system at the Ammonia Department helped improve the quality and pressure parameters of cooling water. The upgrade of pump drives and installation of new pipelines, performed as part of the same task, reduced electricity consumption associated with the transmission of cooling water.

The continued modernisation of lighting systems, cable ducts and switchgears also indirectly improves energy and environmental efficiency.

In 2019, REMZAP Sp. z o.o. (a Grupa Azoty Puławy Group company) started preparing the documentation for the construction of a Paint Shop in one of its production halls. Launching the Paint Shop will reduce third parties' exposure to harmful effects of substances used for painting. A separated and closed space with a separate air feeding system as well as the use of extract ventilation will significantly improve work comfort and eliminate the risk of employees inhaling harmful vapours and dust. The use of filters will reduce emissions of harmful substances during painting. To date, such substances have been directly emitted to the environment.

3. Human resources

The basic principles of HR management and respect for human rights are defined across the Grupa Azoty Group and at the parent companies in the Collective Bargaining Agreements, which have been developed individually and implemented by each Group company. The matters regulated under the Agreements include rules of remuneration for employees, working hours, rules governing allowances and other remuneration components, as well as rules governing benefits other than remuneration for work (pension and death benefits). At Grupa Azoty S.A. and Grupa Azoty POLICE, the approach to workforce management also follows from the HR policy. Grupa Azoty S.A., Grupa Azoty PUŁAWY and most of the PUŁAWY Group companies have implemented appropriate work rules.

3.1. Diversity

The Group has not formally introduced any diversity policy, but in its operations it follows clear rules of employment and promotion. It also seeks to achieve diversity in terms of gender, education, age and professional experience of its entire workforce, including in particular members of the governing bodies and key management personnel. It is the Grupa Azoty Group's intention to apply transparent criteria in relations with its employees, depending on their experience, performance, potential, and values defined by the Group.

One of the key principles applied at every stage of cooperation with employees is the guarantee of fair and equal treatment, as defined in the 'Grupa Azoty S.A. Code of Ethical Conduct' and the Codes of Ethical Conduct adopted by Grupa Azoty PUŁAWY and Grupa Azoty POLICE Groups. The Codes lay down the principles that should be applied by all employees and managerial staff at the workplace. This applies both to the principles of day-to-day cooperation in performing professional duties and the recruitment processes conducted by the Grupa Azoty Group companies. Some of the main principles defined in the Code require that:

- All current and prospective employees are guaranteed a fair and objective assessment.
- The scope of responsibilities and expected performance for all jobs are communicated in a transparent and clear manner.
- Development and in-service training opportunities are offered to all employees.
- All decisions relating to employee promotion are made carefully and clearly justified.
- Everyone is treated with respect, regardless of their position, length of service, or experience.

3.2. Employment

At the end of 2019, the Grupa Azoty Group had 15,609 employees, the Grupa Azoty POLICE Group - 3,512 employees, and the Grupa Azoty PUŁAWY Group - 4,852 employees. At the parent companies, the workforce numbers were as follows: 2,192 at Grupa Azoty S.A., 2,535 at Grupa Azoty POLICE, and 3,586 at Grupa Azoty PUŁAWY.

In 2019, Grupa Azoty employed 3,649 women, representing nearly 24% of the total number of employees, and 11,960 men (over 76% of the total workforce).

Workforce at the Grupa Azoty Group as at December 31st 2019

Employee group	As at Dec 31 2019	
	Women	Men
blue collar employees	1,307	8,554
white collar employees	2,342	3,406
Total	3,649	11,960

Source: Company data.

3.3. Remuneration

Each of the key Group companies is a significant and valued employer in the region in which it operates. The table below shows the remuneration of the lowest-level employees in relation to the minimum pay in Poland in 2019 at the Grupa Azoty Group, Grupa Azoty POLICE Group, Grupa Azoty PUŁAWY Group and at the Groups' parents.

Remuneration of the lowest-level employees in relation to the minimum pay in Poland in 2019.

Amount (provide in PLN)	Grupa Azoty Group	Grupa Azoty S.A.	Grupa Azoty Police Group	Grupa Azoty Police	Grupa Azoty Puławy Group	Grupa Azoty Puławy
Minimum pay at the company in 2019	PLN 2,250.00	PLN 3,055.00	PLN 2,560.00	PLN 2,560.00	PLN 2,250.00	PLN 2,958.00
Minimum pay in Poland in 2019	PLN 2,250.00					
Ratio of the minimum pay at the company to the minimum pay in Poland in 2019	100.00%	135.78%	113.78%	113.78%	100.00%	131.47%

Source: Company data.

3.4. Additional benefits

The Grupa Azoty Group provides its employees with a number of additional benefits. The Group does not have a uniform policy in this respect. Each Group company defines it taking into consideration the employees' expectations and its own resources.

Grupa Azoty S.A. has established an Employee Pension Plan, which was registered with the Polish Financial Supervision Authority on July 26th 2012. The Company established the plan in the form of an agreement on the employer's payment of employee contributions to an investment fund. The fund manager is Towarzystwo Funduszy Inwestycyjnych PZU S.A. In 2019, 1,883 employees were registered. Medical care has been provided since October 1st 2008, first in cooperation with PZU S.A. and now in cooperation with Luxmed Sp. z o.o. Employees receiving medical care have access to health services, i.e. primary and specialist care physicians, specialist examinations and diagnostic tests. Medical care is subsidised by the employer. In 2019, 1,768 employees and 709 employee family members were covered by the medical care, making up a total of 2,477 people. Life insurance with PZU - voluntary insurance for employees and their families. This insurance is not subsidised by the employer. In 2019, a total of 2,847 employees, including family members, were covered by the insurance.

Grupa Azoty POLICE offers its employees with a length of service of at least three months the opportunity to join the Employee Pension Plan. The fund manager is Towarzystwo Funduszy Inwestycyjnych PZU S.A. In addition, all employees of the company may take out Luxmed sp. z o.o.'s health insurance. The employer subsidises the premium for each employee who takes out the insurance. The company includes all staff employed under employment contracts in the Dental Package. The company employees may take out group life insurance with PZU Życie.

Grupa Azoty Puławy provides all staff employed under employment contracts with medical care under health insurance enabling unlimited access to medical consultations, diagnostic tests, outpatient treatments and rehabilitation. In addition, Grupa Azoty PUŁAWY fully finances the premium for employees who have taken out a unit-linked group life insurance offered by PZU Życie S.A. (life insurance and investment fund). At the same time, the employees may take out group employee insurance with PZU Życie S.A. All employees are covered by the Employee Capital Plan, under which savings are accumulated to be later paid out for the purposes stipulated in the Employee Capital Plan Act.

Moreover, all the companies offer their employees social benefits under the Rules of Procedure of the Company Social Benefits Fund, including co-financing of employees' holidays, co-financing of employee children's summer camps/winter camps/holidays, subsidies, and housing loans.

3.5. Occupational health and safety

The Group's business requires compliance with the most exacting safety standards. Therefore, training in occupational health and safety and prevention of accidents and injuries at work is very important for the entire Group. OHS issues are globally regulated across the Group as part of formal agreements with trade unions.

Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by gender in 2019.

	Grupa Azoty Group		Grupa Azoty S.A.		Grupa Azoty POLICE Group		Grupa Azoty POLICE		Grupa Azoty PUŁAWY Group		Grupa Azoty PUŁAWY	
	♀	♂	♀	♂	♀	♂	♀	♂	♀	♂	♀	♂
Total workplace accidents	18	229	3	12	5	32	3	24	7	52	6	30
Fatalities	0	0	0	0	0	0	0	0	0	0	0	0
Severe injuries	0	14	0	0	0	0	0	0	0	1	0	1
Minor injuries	16	213	3	12	3	30	3	24	7	51	6	29
Total days lost due to workplace accidents	558	6,379	190	521	38	1,234	33	724	137	1,782	114	679
Incidence rate (total number of accidents/headcount × 1,000)	4.22	16.83	4.55	7.82	7.51	11.24	5.35	14.00	6.04	14.08	7.44	10.90
Severity rate (days lost/number of accidents)	31.00	27.86	63.33	43.41	7.60	38.56	11.00	30.16	19.57	34.27	19.00	22.63

Source: Company data.

Detailed rules, internal policies and management systems regarding OHS vary across the Group companies. At Grupa Azoty S.A., the OHS matters are regulated by the Work Rules. The Company has also implemented the Occupational Health and Safety Management System compliant with the BS OHSAS 18001 and PN-N-18001 standards. At two Grupa Azoty PUŁAWY Group companies OHS matters are covered by the Integrated Management System, while at the other entities of the Grupa Azoty PUŁAWY Group the 'Safety Policy' has been implemented. At the Grupa Azoty POLICE Group OHS rules are included in the Collective Bargaining Agreements, while internal regulations contain more detailed provisions. In addition, Grupa Azoty POLICE has implemented a management system compliant with the BE OHSAS 18001 standard, together with the Safety Book and numerous procedures for OHS monitoring, hazard identification and occupational risk assessment, testing and measurements of work environment, etc. In accordance with the framework agreement concluded with

their parent (Grupa Azoty POLICE), the Grupa Azoty POLICE Group companies are not obliged to implement a management system compliant with the BE OHSAS 18001 standard. However, certain components of this system are implemented on the basis of generally applicable legal regulations and in accordance with internally developed procedures.

Following the announcement of the epidemic emergency at the beginning of 2020, the Grupa Azoty Group implemented various information and preventive measures to ensure the safety of its employees and trading partners, including:

1. Appointment of special teams to minimise the public health threat posed by the coronavirus - the teams are tasked with developing and implementing special internal procedures to curb the risks posed by the spread of the virus.
2. Meetings, consultations and training courses have been reduced, suspended or replaced with teleconferences.
3. Business trips have been limited to the necessary minimum.
4. Remote work procedures have been designed and implemented. The computer equipment of the employees has been appropriately prepared for this purpose by the IT services.
5. The flow of paper documents has been restricted in favour of electronic documents (scans).
6. Information campaigns about new rules of operation of the companies and their employees, as well as the coronavirus itself, are being conducted using internal communication channels (intranet, company radio, email, etc.). Materials about the current situation, recommendations of provincial and other authorities, announcements by local healthcare facilities, and talks with specialists (doctors, nurses) are being presented. Employees are kept informed about actions being undertaken. Special sections have been created on the intranet pages, where all current and organisational information on the public health threat is being published.
7. Company employees taking care of children from 8 to 12 years of age have been given exemption from the obligation to work for the period from March 16th to March 25th 2020, with the proviso that one used day of the leave will entitle the employee to use one day of the exemption period. For the duration of the exemption, an employee will be entitled to benefits calculated in accordance with the rules applicable to calculating the care allowance. Such benefits will be financed from the company resources.
8. Employees have been asked to inform their superiors about the places where they spent their leave during the last two weeks, to the extent the places where located in the regions with increased risk of coronavirus infection, and to refrain from such trips.
9. Direct contact between company staff and customers has been limited to the minimum. Receiving visitors and visiting any other parties has been limited to the minimum, and employees have been advised to leave their office rooms only if absolutely necessary. Special communications have been also developed to address this issue.
10. Access to buildings with office rooms has been restricted. Measurement of the body temperature of any persons entering the company's premises has been enabled. To reduce traffic, access to certain units, such as cash desks, has been restricted or closed.
11. Office and other premises are being disinfected regularly. Additional hygiene supplies and dispensers have been purchased.

12. Employee attendance is monitored on an ongoing basis and projections of absence from work are being prepared.

13. A decision to cancel the Chemist's Days has been made.

14. The periodic OHS training for the Group's employees will take the form of guided self-study courses. All instructional material will be available on the intranet pages. Obligatory examinations will be conducted after the public health threat is officially lifted.

15. Based on the opinion of the Chief Labour Inspector, employees have been exempted from the obligation to undergo periodic medical checks until the public health threat has been lifted.

3.6. Staff training

The rate shows the scale of Grupa Azoty Group's investment in employee training in 2019 and the extent of this investment across the workforce.

The table below presents data for 2019, separately for the Grupa Azoty Group, Grupa Azoty POLICE Group, Grupa Azoty PUŁAWY Group and the Groups' parents in the following two categories:

- Total number of hours devoted to the training of employees in each category of employees and by gender.
- Average hours of training per year per person by employee category and by gender.

	Grupa Azoty Group		Grupa Azoty S.A.		Grupa Azoty POLICE Group		Grupa Azoty POLICE		Grupa Azoty PUŁAWY Group		Grupa Azoty PUŁAWY	
	♀	♂	♀	♂	♀	♂	♀	♂	♀	♂	♀	♂
Total number of training hours by gender	29,519	116,144.5	5,434	13,586	4,995.5	37,357	4,036	28,021	8,424.5	23,107.5	6,624.5	19,266.5
Average number of training hours by gender	6.93	8.66	8.26	8.86	7.50	13.13	7.36	14.10	7.28	6.26	11.94	7.31

Source: Company data.

The data presented includes external and internal training, excluding OHS training and job training.

3.7. State Fund for Rehabilitation of the Disabled

Contributions to the State Fund for Rehabilitation of the Disabled are paid by all employers who have at least 25 employees (measured in FTEs), with less than 6% of them being disabled.

Contributions paid to the State Fund for Rehabilitation of the Disabled in 2019	
Grupa Azoty Group	Grupa Azoty S.A.
PLN 15,624,664.00	PLN 2,618,870.00
Grupa Azoty POLICE Group	Grupa Azoty POLICE
PLN 3,920,862.00	PLN 2,916,429.00
Grupa Azoty PUŁAWY Group	Grupa Azoty PUŁAWY
PLN 4,476,906.00	PLN 3,618,423.00

Source: Company data.

The largest portion of the money is transferred by the Fund directly to employers as wage subsidies. The Fund also supports disabled individuals, non-governmental organisations working for people with disabilities and specialist institutions, such as occupational therapy workshops, or social economy projects, such as occupational activity centres. A part of the Fund's financial resources, mainly those for disabled individuals, is distributed by county self-government units, which - through their subordinate structures - collect and consider applications for financial support and then transfer the money.

3.8. Employee relations and freedom of association

The table below shows the total number of (representative and other) trade unions active at the Group, the percentage of employees who are members of the trade unions and information whether a Works Council has been established at the parent companies of the Grupa Azoty Group, Grupa Azoty POLICE Group and Grupa Azoty PUŁAWY Group.

	Grupa Azoty S.A.	Grupa Azoty POLICE	Grupa Azoty PUŁAWY
Total number of trade unions	5	6	9
Representative	3	3	4
Other	2	3	5
Percentage (%) of employees who are members of trade unions	63%	76%	66%

Source: Company data.

4. Social and sponsorship policy

4.1. Community engagement of the Grupa Azoty Group

The Grupa Azoty Group treats cooperation with its social environment and local communities as a strategic and long-term matter.

SCR and sponsorship initiatives contribute to the implementation of the long-term growth strategy of the Grupa Azoty Group. The Grupa Azoty Group and its Parent undertake initiatives in this area based on the 'Group Policy and Rules of Social and Sponsorship Activities', formulated and implemented in 2013, which defines the directions of social and sponsorship activities, including:

- Investments benefiting the local community, solving social issues, charitable assistance in the form of cash and non-cash donations and services, addressed directly to the communities or to charitable organisations, NGOs and non-profit organisations,
- Social and sponsorship projects relating to local initiatives, often with a supraregional, or even international, media coverage,
- Nationwide and international social and sponsorship projects, going beyond the framework of local initiatives.

Objectives of the social and sponsorship activities:

- Building a positive image of the Group as a people- and environmentally-friendly business,
- Building the Group's and its companies' image as socially responsible businesses supporting local initiatives,
- Promoting the Grupa Azoty brand by increasing its recognition outside the group of its customers and buyers of its products,
- Communicating Grupa Azoty's message to circles which are important for the Company, with focus on the importance of high standards of projects and initiatives implemented by the Group,
- Building the Group's and its companies' reputation, and gaining recognition and favourable perception among the public, particularly for the positive role the Group plays in solving social and environmental issues of today's world,
- Enhancing attractiveness of the regions in which the Group operates as places to live, work, pursue passions and fulfil ambitions; while offering young people the best possible education, health and wellbeing opportunities,
- Supporting promotional and commercial activities.

National and international community engagement initiatives, including social and sponsorship projects, are coordinated by Grupa Azoty S.A. on behalf of the entire Grupa Azoty Group. At the same time, each of the Grupa Azoty Group companies implements projects and social activities of a local nature and reach. Decisions to undertake individual initiatives are made by the Management Board of a given company, based on the 'Plan of social and sponsorship activities' approved by the relevant Supervisory Board.

The principles of engaging with local communities are also incorporated into the codes of ethical conduct of Grupa Azoty S.A., Grupa Azoty PUŁAWY and Grupa Azoty POLICE, which stipulate that the companies should:

- Have an open approach and be ready to engage in dialogue with the local community;
- In contacts with representatives of local communities - respect their dignity and reputation;
- In a situation of conflict - always look for ways to protect the legitimate interests of each party;
- Be sensitive to the needs of the environment;
- Not let themselves be guided by political views.

Detailed rules governing charitable donations are laid down in the Group-wide 'Grupa Azoty Group's Donation Policy' and in Donation Rules in place at individual Group companies. The Policy and the Rules set out the principles to be followed when making charitable donations.

Through its social and sponsorship projects, the Grupa Azoty Group builds its reputation of not only a financially successful, but also socially responsible business. As an entity using natural resources, the Group undertakes social and sponsorship activities dedicated primarily to local projects and the needs of local communities. The Grupa Azoty Group cares in particular about the development of the regions in which its companies operate. At the same time, it seeks to ensure that the reach and character of the projects it chooses to sponsor is supra-regional. With this goal in mind, it undertakes activities extending beyond its local borders, thus becoming a global brand. Its social and sponsorship policy may therefore also cover international entities and projects.

The Group addresses its social and sponsorship efforts to organisations and institutions working for the following causes in a given region:

- education of children and the youth;
- culture;
- economic development and promotion of the region;
- the founding fathers and traditions of the Polish chemical industry;
- protection of life and health;
- amateur sports.

In connection with the public health threat announced early in 2020, the Grupa Azoty Group has joined the efforts to help healthcare facilities. The key Group companies donated PLN 3m to the institutions and facilities fighting the spread of the coronavirus.

Grupa Azoty Zakłady Chemiczne Police

At the request of the Szczecin Provincial Governor, the company donated PLN 430,000 to the Provincial Sanitary and Epidemiological Station of Szczecin for the purchase of NIMBUS 4-probe IVD equipment. This specialised analytical equipment allows for as many as 70 samples to be tested within 4.5 hours.

Additionally, the company transferred more than PLN 250,000 to the Provincial Sanitary and Epidemiological Station of Szczecin for the purchase of consumables and other materials necessary to carry out tests using that equipment.

In addition, it will provide 500 protective face masks to the Provincial Emergency Medical Service of Szczecin, and more than ten litres of disinfectant, protective face masks and safety glasses to the County Fire Brigade of Police. Disposable and reusable overalls have been donated to the Rehabilitation Hospital of Szczecin.

Grupa Azoty S.A. of Tarnów

On March 20th 2020, the company provided to the hospital in Dąbrowa Tarnowska:

- 300 disposable face masks,
- 20 packages (100 pieces per package) of protective latex gloves,
- 100 gloves to be used in ambulances.

Support in the form of a PLN 250,000 donation has also been provided to the Edward Szczeklik Specialty Hospital of Tarnów.

Grupa Azoty ZAK

On March 20th 2020, the company provided PLN 750,000 to the Independent Public Healthcare Complex of Kędzierzyn-Koźle, which has been designated within the network of isolation hospitals for treatment of patients diagnosed with or suspected of having coronavirus. The funds will be used to purchase of coronavirus diagnostic equipment, cardiac monitors and ventilators.

Grupa Azoty PUŁAWY

PLN 750,000.00 has been transferred for the purchase of a modern ambulance for the Specialty Hospital of Puławy as well as specialist diagnostic equipment and accessories for the Puławy-based Biological Threats Identification and Countermeasure Centre of the General Karol Kaczkowski Military Institute of Hygiene and Epidemiology .

Grupa Azoty JRCH

It has supported medical facilities (the hospital and outpatient clinics in the region) by providing them with personal protective equipment, such as face masks and protective clothing (overalls), and disinfectants.

Grupa Azoty Siarkopol

The company has rented its ambulance to the Independent Public Healthcare Complex of Staszów, and made a donation of PLN 15,000 to finance the supplies and equipment for the hospital and the intensified measures taken in connection with the present public health threat situation.

Grupa Azoty Polyolefins S.A.

The company will provide 500 protective face masks to the Provincial Emergency Medical Service of Szczecin.

4.2. Community engagement of the Grupa Azoty Group

Grupa Azoty S.A. undertakes central-level activities aimed at promoting and advertising the entire Group (financed by companies using the Grupa Azoty brand) and also pursues local projects promoting Grupa Azoty S.A., the parent of the Group. All such activities are carried out based on the Grupa Azoty Social and Sponsorship Policy, Grupa Azoty Donation Rules and additional internal documents adopted in 2013.

CENTRAL-LEVEL PROJECTS

The central-level activities included:

1. Cooperation with the Polish Skiing Association, guaranteeing Grupa Azoty advertising using the ski jumping, cross-country skiing, Nordic combined and snowboard national teams.
2. Cooperation with individual ski jumpers:
 - Piotr Żyła, ski jumper from National Team A;
 - Jakub Wolny, ski jumper with National Team A, one of the most promising young jumpers;
 - Aleksander Zniszczoł, ski jumper who has had several good performances in National Team A.
3. Cooperation with Marek Cieślak, the coach of the Poland national speedway team and the speedway club of Częstochowa. For his contribution to the development of Polish sport, he has been awarded the Order of Polonia Restituta twice. He is one of the most successful Polish coaches.
4. Support for sports events - the Grupa Azoty logotype was displayed at numerous sporting events, including the World Ski Jumping World Cup in Wisła and Zakopane and the Grupa Azoty Triathlon Radłów competition.
5. Support for CSR initiatives in sports - the Grupa Azoty Group is the Main Partner of the National Cross-Country Skiing Development Programme.
6. Initiatives related to environmental protection and safety, including the “Environmental Sustainability Trends in the Chemical Industry” conference and the “Polish Chemical Industry” congress. In addition, the Grupa Azoty Group was a partner of the Safe Chemicals Programme, run by the Polish Chamber of Chemical Industry.

LOCAL ACTIVITIES

Grupa Azoty S.A. carries out numerous projects, especially local ones, to engage its stakeholders in a joint effort. The main projects of this type carried out in 2019 included:

Community Development

In 2019, Grupa Azoty S.A. carried out various educational, cultural and sport initiatives for the benefit of the local community and its region. Such initiatives allow Grupa Azoty S.A. to build and reinforce its reputation as a valued and respected partner and neighbour. These activities also contribute to a significant tightening and strengthening of positive relations between the company and its immediate environment.

Development of the region

In 2019, Grupa Azoty S.A. participated in numerous initiatives for regional and community development, supporting the operations of such institutions as:

- PTTK (Polish Tourist Association) Branch at Grupa Azoty S.A. in Tarnów-Mościce,
- Naczelna Organizacja Techniczna Federacja Stowarzyszeń Naukowych-Technicznych (Polish Federation of Science and Engineering Associations NOT), Tarnów Council,
- Stowarzyszenie Inżynierów i Techników Przemysłu Chemicznego (Polish Association of Chemical Engineers),
- KANON Association,
- Towarzystwo Przyjaciół Mościc (Society of the Friends of Mościce),
- The Municipal Cultural Centre of Wojnicz,
- Friends of Tarnów Municipality Association.

Development of education

Grupa Azoty S.A. has a long-standing commitment to promoting the local community development, which is delivered through various educational activities, campaigns and programmes designed to support children and young people in pursuing their interests, improving their skills and acquiring new knowledge in such fields as environmental protection. In 2018, Grupa Azoty S.A. worked in partnership with schools from the Tarnów region, including

- Technical School Complex in Tarnów,
- Sports School Complex in Tarnów.

Grupa Azoty S.A. seeks to give this collaboration a long-term dimension. For instance, under an agreement with the Ignacy Mościcki Technical School Complex the Company plans to employ up to ten students each year, provide apprenticeship opportunities, help prepare classes and organise educational field trips, and offer support in applying for EU funds.

Development of sports

The sports development initiatives cover popular sports, such as ski jumping, volleyball, speedway, football, as well as field and track sports. Supporting the best Polish athletes is one of the key elements in building the awareness of the Grupa Azoty brand. In its activities, the company attaches great importance to supporting

local sports, including both professional sports and children's and teenagers' sport activities as part of CSR activities.

In 2019, we supported many sport disciplines, including:

- Unia Tarnów (speedway),
 - Grupa Azoty PWSZ Tarnów Club (volleyball)
- Stowarzyszenie Piłki Ręcznej Tarnów (handball)
- Interschool Students' Sports Club 1811 (basketball)
- Miejsko-Ludowy Klub Sportowy Dąbrowia sports club (archery)

Sport events

Grupa Azoty S.A. supported numerous sport events with a nationwide and local reach, including the Triathlon Radłów competition.

Development of culture

Believing that culture is an invaluable social phenomenon and an integral system within the process of education, which stimulates imagination, sensitivity and creativity of successive generations and plays a significant role in shaping both individual and national identity, Grupa Azoty undertook the following initiatives:

- organisation of cultural events and workshops promoting respect for the national and cultural identity,
- support of cultural projects and programmes promoting the region,
- support for projects promoting national culture.

As part of local art and culture initiatives, Grupa Azoty supported:

- Mościce Arts Centre,
- ArtContest Artistic Association of Tarnów (Grupa Azoty International Jazz Contest),
- BWA City Art Gallery of Tarnów,
- Tarnów Regional Museum,
- Ignacy Jan Paderewski Centre in Kańska Dolna.

Protection of life and health

Aware of the need to engage in initiatives for the protection of human health and life, help the suffering, sick and terminally ill, as well as those deprived of opportunities for development and unable to function on their own in society, last year the Company extended particular support to the institutions which help those in need. Some of the organisations that received support in 2019 were:

- 'Ich Lepsze Jutro' Association,
- Centre for Children with Special Educational Needs of Dwudniaki,
- KANA Catholic Youth Education Centre,
- START Sporting Association for People with Disabilities of Tarnów,
- Tytus Chałubiński PCK Blood Donors Club at Grupa Azoty S.A.

Grupa Azoty S.A. also made numerous donations. In 2019, the beneficiaries included:

- The Ignacy Mościcki Foundation - support for the 2018/2019 and 2019/2020 school years;
- The *Ad Salutem* Foundation - for the Kraków Province Burn Treatment and Plastic Surgery and Replantation of Extremities Centre with the Hyperbaric Therapy Centre at the Ludwik Rydygier Speciality Hospital of Kraków;

- PTTK (Polish Tourist Association) Branch at Grupa Azoty S.A. in Tarnów-Mościce - donation intended to co-finance tourist events;
- The Inspector Marek Woźniczka Crime Prevention Association.

4.3. Community engagement of the Grupa Azoty POLICE Group

The Grupa Azoty POLICE Group's main sponsorship activities are carried out at the parent, Grupa Azoty Zakłady Chemiczne Police S.A. Support for community development is one of the elements of Grupa Azoty Group's strategy. For many years, the parent has cooperated with local clubs, associations and foundations. It also supports individuals and co-organises local events. These initiatives are implemented in accordance with the social and sponsorship policy and include promotional and advertising agreements or donations.

The parent, as an entity of particular economic importance for Western Pomerania and at the same time an entity that extensively uses natural resources, supports mainly regional projects.

Grupa Azoty POLICE builds its socially friendly image by supporting various initiatives, including:

- professional and amateur sports,
- cultural initiatives, including mass cultural events,
- educational institutions for children and youth,
- healthcare institutions providing services to employees and their families,
- research programmes,
- regional environmental initiatives,
- social campaigns.

Cultural initiatives

The Company became the Main Partner of Maggie Piu's painting exhibition. The opening of the exhibition took place at the Mieczysław Karłowicz Philharmonic in Szczecin. The event was enlivened by a performance given by the Philharmonic's musicians.

As part of cooperation with the Szczecin Radio station, the Company became a Partner of two concerts organised as part of the Blackout series and the audiobook "Na przedpolu Jalty. Wspomnienia z tajnej służby w dyplomacji" ("In the forefield of Jalta. Memories from diplomatic secret service"), based on a book by Jerzy Kurcysz, which was broadcast on the radio.

Support of sports

The professional sports teams with whom the Company continued cooperation in 2019 included Pogoń Szczecin, a premiership football team, and the Chemik Police female volleyball team, whose players won the Polish Cup in 2019 and played in the CEV European Champions League Women. The Company also continued its cooperation with Marcin Lewandowski, a multiple European indoor champion and the 2019 World Championship bronze medal winner in the 1,500-metre run.

Grupa Azoty Police became the Main Partner of the West Pomeranian Fencing Association, which in 2019 organised the Polish Senior Cup in épée fencing, the Northern Poland Cup for children and youth in foil and épée fencing.

To meet the local community's expectations, the Company also supported amateur clubs whose members are local residents. The cooperation covered:

- agreement with the Chemik Police Football Club, which plays in the third league.

The club also runs the Police Youth Football Academy, where it trains the youngest residents of Police, often children of Grupa Azoty Police employees. In 2019, the Academy joined the elite football academies certified by the Polish Football Association and received the brown certificate;

- ‘Champion’ Students’ Sports Club for table tennis players of various ages;
- Sport events, including the ‘Wild Weekend’, an extreme running event, the Santa Run, and the Janusz Korczak Run.

Activities promoting national traditions and patriotic attitudes

An important component of social and sponsorship activities is the support of initiatives cultivating and fostering Polish traditions and national identity and strengthening national, civic and cultural awareness. Therefore, for another year in a row the Company continued its partnership with the Foundation for Polish Values, which supports compatriots living in the Eastern Borderlands.

Health promotion initiatives

The Polish Association of Voluntary Blood Donors - the Henri Dunant Voluntary Blood Donors Club of Police, supported by Grupa Azoty Police, is active in the County of Police, promoting the idea of voluntary blood donation. Several blood donation sessions were carried out on the company’s premises. In 2019, the Association, operating under the patronage of Grupa Azoty POLICE, celebrated its 45th anniversary.

Initiatives for education of children and the youth

Once again, the Company awarded scholarships to the most talented students of the Chemical Technology Secondary School at the Ignacy Łukasiewicz School Complex in Police - the class which Grupa Azoty Police has under its auspices.

In December 2019, the Company signed a patronage agreement and a deed of understanding with the Electricity and Electronics School Complex of Szczecin. As part of this cooperation, Grupa Azoty Police will award grants for the best students as well as provide internships and organise industry training for teachers. The company also took patronage of classes for future mechatronics and automation technicians.

The Company also sponsored awards in the ‘Passion - Profession - Vocation’ Talents 2019 competition held as part of the European Vocational Skills Week: ‘Discover your Talent!’.

Donation policy

Giving donations is part of the adopted social and sponsorship activities plan. The purposes for which donations may be given are defined in detail in the Donation Rules. Initiatives in this area are usually connected with the promotion of sports and healthy lifestyle, social welfare, holidays for children and youths, arts and culture, as well as religious cult. The initiatives undertaken by the Company in 2019 include the following:

- covering the cost of travel of Brownies, Cub Scouts, Guides and Scouts of the 28th ‘Fire’ Group to summer camps;
- support for ‘Łarpia Sail Festival’;
- financing the awards in a chemical competition for students of elementary and junior high schools in the Szczecin Province;
- support for the Passion of Christ Mystery play;
- support for a Company employee, a successful weightlifter;

- support for the 10th Procession of the Magi in Szczecin.
- Donations are granted mainly to applicants from the Province of Szczecin and, in justified cases, also from other regions. Each application is examined on a case-by-case basis.

Corporate social responsibility

The Management Board once again organised an official meeting for the employees who retired in 2019. The initiative was an opportunity to thank long-standing employees for their commitment and dedication to achieving goals.

In December 2019, Grupa Azoty Police signed agreements with the West Pomeranian Business School and the WSB University in Poznań - the Faculty of Economics in Szczecin. The cooperation with the universities allows Company employees to take up studies on favourable financial terms.

The Company organised workshops on job interviews, writing CVs and self-presentation before the camera for students of the West Pomeranian University of Technology.

The Company positively responded to students' needs by providing them with selected information which was used in a number of dissertations. More students were given the opportunity to visit the plant. The Company arranged internships and work placements which attracted students from the region.

As part of its CSR activities, the company bought educational materials for three elementary schools.

Grupa Azoty Police now has 17 practical vocational training instructors. Experts from various departments of the company, who will be supervising student internships, have completed teacher training courses.

The Company became involved in the organisation of the Children's Day family event. The event, whose main organiser is the Board of Housing Estate No. 6 in Police, was dedicated to the residents of Police. It was attended by the company employees and their families.

The Company became Partner of the 'Radio Szczecin on holidays in Rewal' event. The promotional event was addressed to all those taking holidays at the seaside.

In 2019, Grupa Azoty Police took patronage of the 11th Conference 'Wasteless Technologies and Waste Management in Industry and Agriculture' organised by the West Pomeranian University of Technology. The company also supported the 'Every bird has its own birdhouse' environmental initiative, organized by the local Environmental Association 'Łarpia'.

Financial support was again granted also to the 'Ostoja' Teetotal Association.

4.4. Community engagement of the Grupa Azoty PUŁAWY Group

The sponsorship activities of the Grupa Azoty Puławy Group are handled mainly by Grupa Azoty Zakłady Azotowe Puławy S.A.

Social and sponsorship projects are implemented in compliance with the Social and Sponsorship Policy of Grupa Azoty Zakłady Azotowe Puławy S.A., adopted in 2014, and the Grupa Azoty Zakłady Azotowe Puławy S.A. Donation Rules.

The social and sponsorship activities of Grupa Azoty Zakłady Azotowe Puławy S.A. in 2019 were conducted in accordance with a plan adopted by the Company's Management Board and approved by the Supervisory Board.

Grupa Azoty Zakłady Azotowe Puławy S.A. views social and sponsorship activities as a tool for the implementation of its long-term development strategy aimed at strengthening its production and business potential. Through its engagement in such

initiatives, the Company seeks to promote its image of not only a manufacturer of fertilizers and chemical components, but also of a friendly and socially responsible business. As a company using natural resources, it undertakes activities dedicated primarily to supporting local initiatives and needs. At the same time, Grupa Azoty Zakłady Azotowe Puławy S.A. wants the initiatives it sponsors to have a supra-regional reach and character.

The main areas of social and sponsorship activities of Grupa Azoty Zakłady Azotowe Puławy S.A. are as follows:

- sport and healthy lifestyle - sponsoring those activities and initiatives which are source of sports emotions and offer an opportunity to actively participate in sports and recreational activities in free time;
- science, schooling and education - education, professional training, developing customer service skills and knowledge of the Company's employees and the companies cooperating with the Company, providing schools with modern teaching aids, supporting environmental programmes and supporting educational and preventive initiatives to combat social pathologies;
- culture - sponsoring artistic events, supporting cultural projects and programmes promoting our region and integrating the local community;
- tourism - supporting initiatives that increase the attractiveness of the region to people who look for interesting ways to spend their free time;
- cultural heritage - supporting the restoration of objects of historical interest in the region;
- charity and volunteering - supporting local initiatives designed to overcome social barriers, involving Company employees in charitable activities.

In 2019, the largest amount of funds was allocated to sponsoring professional sports. Grupa Azoty Zakłady Azotowe Puławy S.A. continued its cooperation with: the Azoty-Puławy men's handball team, which in 2019 fought for top positions in the best league at the national level and represented Poland in European cups. In the 2018/2019 season, KS Azoty-Puławy S.A., for the second time in a row, advanced to the EHF Cup group stage and participated in the competition for the PGNiG Polish Cup, winning the silver medal.

Wisła Puławy Sports Club - it is a multi-sports club. The seniors' team currently competes in the third macro-regional league. In 2019, the most talented young players from the Puławy county joined the team. All youth teams play the highest provincial leagues, and more than 90% of their players come from the Puławy county. Malwina Koprón from Puławy, an athlete specialising in hammer throw, who in 2019 won the Polish Championship, the silver medal at the Summer Universiade in Naples, and the bronze medal at the Military World Games. Malwina has been included in the team preparing for the 2020 Tokyo Olympic Games.

Motor Lublin speedway club - the club strengthened its team after advancing to Poland's top speedway league and, following a fierce competition, remained in Speedway Ekstraliga, considered the best speedway league in the world. It is worth noting that during the season, Motor Lublin's Mikkel Michelsen won the title of the Individual European Champion, beating its team colleague Grigorij Laguta in a direct competition.

MKS Padwa Zamość - the club competes in the first handball league and after a successful season will continue in the league. In the current season, it has proved a sensation and ranks second in the league table, with good prospects for advancement to SuperLiga.

In its initiatives promoting sports and healthy lifestyles, Grupa Azoty Zakłady Azotowe Puławy S.A. supported not only professionals, but also associations of sports enthusiasts and amateur athletes.

In 2019, it sponsored the Azoty Yacht Club of Puławy, which organises sailing courses and camps on lakes and the Vistula River, the company's PTTK (Polish Tourist Association) Branch, which organises and promotes tourist activities among company employees, and the 'Chemik' Puławy Society for the Promotion of Physical Culture. In 2019, the Company also supported running events: the 30th Jubilee Countrywide Independence Run - Puławy 2019 organised by the Puławy Society for the Promotion of Physical Culture, and the Santa Claus Run (a charitable event, whose beneficiaries are homeless persons) organised by the BezMiar Foundation.

Education

Believing that intellectual capital is the key to business success and aiming to build a workforce with strong competencies and a stable HR base, Grupa Azoty Zakłady Azotowe Puławy S.A. continued its cooperation with Maria Curie-Skłodowska University of Lublin (branch campus in Puławy). The Technical Chemistry major curriculum has been adapted to match the competencies needed in the chemical industry. The cooperation with Maria Curie-Skłodowska University will allow the graduates of the Technical School Complex of Puławy to continue their education studying relevant courses at the University, and the Company employees will have an opportunity to supplement their education in the course of extramural studies.

The initiatives of Grupa Azoty Zakłady Azotowe Puławy S.A. also extended to the youngest residents of the Puławy county. In partnership with the Puławy Science and Technology Park, it organised events promoting science among children and youth as part of the Young Chemist's Day and Lublin Science Festival.

Culture

As part of its community engagement, Grupa Azoty Zakłady Azotowe Puławy S.A. helps organise cultural events and supports cultural initiatives. In 2019, the Company continued its partnership with the 'Dom Chemika' Puławy Cultural Centre and the Lublin Music Theatre. The Company renewed cooperation with the Vistula Museum in Kazimierz Dolny. The Company's financial support for this initiative helps build its socially friendly image by supporting local cultural, educational and environmental activities.

In 2019, the Company was also a patron of the year for the Henryk Sienkiewicz Museum in Wola Okrzejska. Thanks to the support provided by the Company, the Museum obtained valuable manuscripts and numerous personal belongings of Henryk Sienkiewicz.

In 2019, Grupa Azoty Zakłady Azotowe Puławy S.A. focused on cultural events addressed directly to farmers. The Company promoted itself as a brand committed to the development of Polish rural areas. It cooperated with the Provincial Cultural Centre during the Provincial Harvest Festival 2019, Lublin Agriculture Advice Centre in Końskowola, Wąwolnica Community Cultural Centre, and Wojciechów Community Cultural Centre.

Volunteering

The Employee Volunteering Programme at Grupa Azoty PUŁAWY is a grant competition for Company employees. The judging panel of the competition selects ten winning projects. The principal criterion in assessing applications is the

employees' own work contribution. Winning volunteer teams (composed of at least three employees) are given five months to implement their projects.

In 2019, the third edition of the Employee Volunteering Programme was carried out. It involved more than 80 volunteers who carried out 10 projects in such areas as social, environmental, educational, health and life protection matters.

Among these projects, there are a few maintenance and construction projects. Children of Preschool No. 7 of Puławy and the children under the care of the 'Step by Step' Foundation for Developmental Support can already benefit from the thoroughly redecorated and improved speech therapy and psychology rooms.

After work, employees of the Ammonium Nitrate and UAN Division are volunteer firefighters in Rogów. In the first edition of the Employee Volunteering Programme, they laid a new roof on the Volunteer Fire Brigade's garage. In 2019, it was time to refurbish the premises to adapt them to the needs of a modern fire protection unit. Residents of the village of Parchatka could see their environment change over a couple of months. One volunteer team built a beach volleyball court on the premises of a former primary school, another one restored the monument commemorating Parchatka residents murdered by German occupants in 1942 (Monument to the Victims of the Bloody Wednesday).

In the most recent edition of the competition, the local anglers embarked on revitalising the Kurówka river, flowing in the immediate vicinity of Grupa Azoty PUŁAWY plants. Volunteers cleaned the river and improved natural spawning sites to restore the population of fish and other aquatic organisms. A similar project was carried out in the first edition of the competition and helped restore the population of brown trout in the Chodelka river.

The winners of the 2019 edition also include 'Little Actors with Big Hearts' from Preschool No. 18 of Puławy. The volunteers prepared the scenography and sewed curtains and costumes for the preschoolers. A mobile theatre was created to enable the little actors to give charitable off-site performances.

For the first time, volunteers established cooperation with the Youth Fostering Centre of Puławy. They organised the Barbell Bench Press Championship for the charges of the Youth Fostering Centres all over Poland. The 'Angry Young Athletes' is an ambitious and responsible project aimed at developing personality, overcoming weaknesses, relaxing tension and building self-esteem in contestants.

Among Grupa Azoty PUŁAWY volunteers, there are also running, jogging or walking amateurs, who invited the residents of Puławy to join them in sports and environmental activities. From spring to autumn in Puławy, volunteers in yellow T-shirts could be seen running and walking around the surrounding forests and putting garbage into bags.

Thanks to the Volunteers' work, amateurs of walking and cycling excursions along the 'Rosy Tourist Route' can take a rest at the resting place in the Stocki Forest within the Kazimierz Landscape Park. Grupa Azoty PUŁAWY employees built there a gazebo, fireplace and a bicycle stand.

In December 2019, Grupa Azoty PUŁAWY received the award and statuette for the Puławy County Volunteer of the Year for special volunteering achievements, awarded for the first time by the Puławy County Governor Office.

Social and sponsorship activities at the Group's subsidiaries

In 2019, as part of social and sponsorship activities:

AGROCHEM PUŁAWY Sp. z o.o. provided support to local organisations active in sport, education and culture;

PROZAP Sp. z o.o. made donations for scientific, educational and cultural purposes;

REMZAP Sp. z o.o. supported the activities of local cultural and educational centres, associations, foundations and sports clubs;
SCF Natural z o.o. supported the football club LKS Wilki of Wilków.

In 2019, donations made by the Company totalled PLN 1m. Considering the needs of the local community, Grupa Azoty Zakłady Azotowe Puławy S.A. decided to support the organisations within the Company and numerous local associations.

Environment protection

Grupa Azoty Zakłady Azotowe Puławy S.A. also participated in the activities of the Secretariat of the Responsible Care Programme. For the fifteenth time, the company participated in the countrywide campaign 'Tree for a Bottle' organised on the initiative of chemical companies. The campaign is designed as a competition in which school children try to collect as many empty plastic bottles as possible. Bottles collected by the children are recycled, and trees received in return for the bottles are planted on the premises of the participating schools as permanent reminders of the campaign. 3,029 students from 35 schools in our county signed in for this year's edition of the campaign. The participants collected a record number of 1,401 thousand plastic bottles.

The nationwide photo contest 'Catch the Hare' was held for the thirteenth time. 136 and 41 photographs taken, respectively, as part of the CATCH THE HARE and CATCH THE HARE - JUNIOR contests qualified for the national stage of the competition in the 'Nature' category. The winners of both photo contests were our employee and daughter of our employees.

Safety of the local community

Grupa Azoty Zakłady Azotowe Puławy S.A. signed a letter of intent whereby it launched another edition of the 'Safety is Our Common Goal' programme. In 2019, 28 Voluntary Fire Brigades from the Puławy County were equipped with integrated emergency notification and civil protection systems. The system, designed to remotely sound alarm sirens, enables instant notification of emergencies to members of Volunteer Fire Brigades.

Supporting and promoting physical education

In 2019, the Grupa Azoty PUŁAWY Sports Academy, a social and sports programme for children playing football, continued its activities. The Academy's initiatives included several local football tournaments organised by individual teams. The group of 12 teams, members of the Sports Academy, was joined by 'Izabella' Puławy, the only girl's football team in the local community.

Sustainable Development Policy

We treat our strategic approach to sustainable development as a reflection of the integrated approach to measures taken in the area of economic efficiency, responsibility towards employees and the environment, as well as community relationships. Grupa Azoty Puławy follows the approach of its parent company, i.e. Grupa Azoty S.A.

Since 2017, as a signatory of the declaration of 'Partnership for the United Nations' Sustainable Development Goals - the 2030 Agenda', initiated by the Ministry of Development, Grupa Azoty PUŁAWY has been actively involved in the pursuit of the UN Sustainable Development Goals.

In 2019, Grupa Azoty PUŁAWY underwent two external evaluations in the area of sustainable development and corporate social responsibility, i.e. the 13th Responsible Companies Ranking and the 'CSR Leaves' ranking organised by the *Polityka* weekly:

In the 13th edition of the Responsible Companies Ranking, Grupa Azoty PUŁAWY was for the first time among the top ten leaders, ranking sixth. In the Industrial Production category, the Company secured the second place. The survey questions covered corporate social responsibility, sustainable development policy and positive impact management. The answers given in the survey were reviewed by an external auditor.

For the first time, the Company took part in the 'CSR Leaves' ranking of the *Polityka* weekly and received the highest award - 'CSR Golden Leaf'. The questions answered by the Company in the survey concerned its approach to human resources development, customer-oriented initiatives, data security and protection, initiatives fostering relations with external stakeholders, as well as ethics management and compliance.

5. Ethics management (counteracting corruption and bribery, respect for human rights)

At the Grupa Azoty Group, the principles, desirable attitudes and conduct relating to ethics and respect for human rights are defined in the 'Grupa Azoty Group's Code of Ethical Conduct.' The Code describes the measures to be taken by the Group to foster responsible employee behaviour and build relations with its environment. The Code defines the values applicable to all Grupa Azoty S.A. Group companies, namely:

- Economy - understood as responsible management of the Group's tangible and intangible assets based on a cost-benefit analysis so as to maximise benefits to the Group's shareholders and other stakeholders.
- Professionalism - making every effort to ensure that its management, operational and control system standards are effective and conducive to the achievement of its business strategy. To be professional is to apply the highest standards of care and make proper use of expertise, skills and business competence.
- Cooperation - good cooperation means arranging mutual relations in a way that maximises benefits to the Grupa Azoty Group while respecting the interests of the other party. This requires communication aimed at achieving a win-win situation, based on implementing common goals in an atmosphere of trust and understanding.
- Respect - respect is understood as full recognition of another person's dignity, irrespective of their nationality, race, gender, age, physical ability, religion, political views or sexual orientation.
- Transparency - transparency means openly communicating our decisions and the reasons behind them, as well as our expectations and requirements. We practice transparency in all aspects of our activity except for those which must remain confidential for business or legal reasons.

A number of regulations were implemented at the Grupa Azoty Group companies to govern the following issues: the Anti-Corruption Code, Grupa Azoty Group Code of Ethical Conduct, Conflicts of Interest Policy, Whistleblowing Policy, Code of Conduct for Business Partners, and the Grupa Azoty Group Gift Policy.

In total, 12 breaches of ethical standards were reported at the Grupa Azoty Group in 2019, including 9 breaches of ethical standards at Grupa Azoty S.A., 1 breach at Grupa Azoty PUŁAWY and 2 breaches at Grupa Azoty PUŁAWY Group companies. No breaches of ethical standards were reported at the Grupa Azoty POLICE Group in 2019.

6. Product quality, production, storage and transport safety, and safety related to the impact of chemical substances and mixtures on humans

Ensuring product safety and quality throughout a product life cycle is our main priority and one of the adopted strategic goals. We strive to minimise the risk inherent in our operations, related to, inter alia, the use of potentially hazardous chemicals, environmental footprint and impact on the local community, by applying the highest global standards and stringent regulations implemented across the entire Grupa Azoty Group. The legal framework for our production and investment activities, as well as the reclamation of contaminated land and the provision of appropriate conditions for production, storage and transport of our products, is set out in the following laws:

- The Environmental Protection Law,
- The Water Law,
- The Waste Act, and

other regulations applying to environmental protection, occupational health and safety and fire protection.

One of the basic principles underlying the operations of the Grupa Azoty Group is responsibility for all activities related to the manufacture of products across the entire supply chain. As a member of Fertilizers Europe, the Group has implemented the Product Stewardship programme, drawing on international quality standards and regulations. Under the programme, all companies of the Grupa Azoty Group are obliged to ensure that their fertilizer products, as well as all raw materials and intermediates used in their production, are processed, transported, stored, distributed and used in a responsible manner causing no harm to human health and safety or to the natural environment. In 2019, 100% of key product categories across the Grupa Azoty Group were assessed for their potential impact on consumer health and safety and on the natural environment.

The products and materials produced by the Group are sold, inter alia, to food producers and farmers. Ensuring their highest quality and safety is therefore of utmost importance as it has a direct impact on the safety and health of people - the consumers of food products made of crops grown by Grupa Azoty's customers. Bearing in mind the need to ensure food security, Grupa Azoty has adopted and achieved the following objectives:

1. To offer mineral fertilizers supporting efficient and environmentally-friendly crop production to make agriculture profitable and guarantee the supply of affordable food;
2. To contribute to the security of food supply, thereby reducing poverty and supporting human development;
3. To prevent degradation of soil and restore it to original condition with a view to achieving wider environmental goals, such as prevention of desertification;
4. To eliminate (wherever possible) or mitigate the negative environmental impacts of our fertilizers and agricultural production.

The key document in that area is the Grupa Azoty Group's Food Safety Policy adopted across the entire Grupa Azoty Group, including subordinate groups and parent companies. The Policy is implemented through:

- ongoing monitoring of the parameters affecting the quality and safety of products
- compliance with high standards of hygiene at the stage of production, storage and distribution
- consistent upgrades and improvement of production infrastructure and technology
- improving health and safety awareness among the staff
- managing internal and external communication so as to exchange information about hazards to product safety in the food chain.

In 2019, no penalties were imposed on any of the Grupa Azoty Group companies for non-compliance with the laws and regulations regarding the supply and use of products at any stage of their life cycle.

In the European Union, pursuant to Regulation (EC) No 1907/2006 of the European Parliament and of the Council concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), there is an obligation to register manufactured or imported chemical substances and conduct the chemical safety assessment in terms of the risks they pose to human health and the environment. The regulation requires manufacturers and importers to communicate information down the supply chain to downstream users regarding the safe use of substances on their own or in mixtures (as part of other products) by means of a mandatory document form (material safety data sheet). All Grupa Azoty Group companies complied with the duty to register all manufactured substances, and prepared and published appropriate material safety data sheets (or equivalent documents) in accordance with the REACH Regulation for all products placed on the market. In 2019, those documents were updated on an ongoing basis, and the process of consolidation of all REACH measures and closer cooperation across the Grupa Azoty Group was continued.

The Grupa Azoty Group also pays particular attention to ensuring the safe transport of manufactured intermediates and products. In transporting particularly dangerous goods, we apply the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR, L'Accord européen relatif au transport international des marchandises Dangereuses par Route). With the safety of local communities and the environment in mind, the Grupa Azoty Group companies provides support for other entities and business partners in the event of accidents in transport of hazardous materials. Grupa Azoty S.A., the POLICE Group and the PUŁAWY Group are part of the SPOT System of Assistance in Transport of Hazardous Materials, which was established to improve the safety of hazardous materials transport in Poland, and in case of any incidents - to facilitate effective elimination of accident consequences by joint efforts and measures of the national rescue and fire services and the SPOT members.

All companies of the Grupa Azoty Group have the necessary monitoring systems, safeguards and procedures in place to prevent accidents and to contain their consequences, and report their safety issues on a regular basis. The main procedures implemented across the Grupa Azoty Group include preventive plans, production

process controls, particularly hazardous work procedures, emergency/accident response, monitoring of health and safety at work, operational controls, assessment of compliance of the adopted safety objectives with applicable standards, and storage procedures. The procedures implemented by the Grupa Azoty Group are also related to product labelling, transport vehicles and packaging, in accordance with the REACH Regulation and Regulation (EC) No. 1272/2008 on classification, labelling and packaging of substances and mixtures (CLP).

In 2019, three incidents of non-compliance with regulations and/or voluntary codes concerning product labelling were identified at COMPO EXPERT GmbH, a subsidiary of Grupa Azoty S.A.

The systems implemented by the Grupa Azoty Group companies include, inter alia:

- Industrial Accident Prevention Programme and High Risk Establishment Notification;
- PN-EN ISO/IEC 17025 Management System (general requirements for the competence of testing and calibration laboratories);
- Automotive Industry Quality Management Standard implemented in accordance with the ISO/TS 16949 standard;
- Management Standard compliant with the Fertilizers Europe Product Stewardship Standard.

In order to comply with highest product safety standards and requirements, a system compliant with the requirements of the Codex Alimentarius standard, ISO 22000 and the applicable legal provisions is implemented and maintained in all Group companies whose products are sold to the food industry.

In addition, the FSSC (Food Safety System Certification) system was implemented at Grupa Azoty PUŁAWY in September 2014.

In 2019, the Grupa Azoty Group companies improved, maintained and sought to integrate the common elements of the management systems in place. The integration process across the Grupa Azoty Group is carried out by a dedicated team, which is responsible for monitoring all amendments to standards and for initiating necessary adaptation measures for the certification of management systems according to the requirements of ISO 9001 and ISO 14001.

The relevance of adopted safety measures is also assessed by external inspection authorities and accreditation/certification bodies. Audit recommendations are implemented within prescribed time limits, and the certificates obtained confirm our due care and concern for safety.

The non-financial statement of the Grupa Azoty Group for the 12 months ended December 31st 2019 contains 62 pages.

Signatures of members of the Management Board

Signed with qualified electronic signature

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Wojciech Wardacki, PhD
President of the Management Board

Signed with qualified electronic signature

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Witold Szczypiński
Vice President of the Management Board
Director General

Signed with qualified electronic signature

.....

Paweł Łapiński
Vice President of the Management Board

Signed with qualified electronic signature

.....

Grzegorz Kądziałowski, PhD
Vice President of the Management Board

Signed with qualified electronic signature

.....

Mariusz Grab
Vice President of the Management Board

Signed with qualified electronic signature

.....

Tomasz Hryniewicz
Vice President of the Management Board

Signed with qualified electronic signature

.....

Artur Kopec
Member of the Management Board

Tarnów, April 7th 2020