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Grupa Azoty ZAK S.A. focused on non-phthalate plasticizers

Grupa Azoty ZAK S.A. ceases ortho-phthalate plasticizers production. The Company's long term strategy will be based on non-orthophthalate DEHT/DOTP (Oxoviflex®) and specialty plasticizers. Grupa Azoty ZAK S.A. is the largest producer of DEHT/DOTP in Europe.

- Grupa Azoty ZAK S.A. will increase its Oxoviflex® capacity with additional 15 kt/year (up to 65 kt/year), and in 2019th a new plant for specialty plasticizers will be launched - said Sławomir Brzeziński, Vice President of the Board during The OXO Conference. As a result of this policy DEHP/DOP - standard and medical grade, as well as DPHP will be withdrawn from OXO Segment product portfolio. These product will be available till the end of inventory. Grupa Azoty ZAK S.A. has been producing plasticizers for 64 years. - We started DEHP/DOP production in 1963, in its peak moment our production volume was 70 kt/year. During this time we have gained experience and knowledge to decide on future development of our business – says Aleksander Grymel, OXO Segment Director. One of these decisions was to build a new plant for non-orthophthalate DEHT/DOTP -Oxoviflex® plasticizer. Currently the Company is the largest European producer of DEHT/DOTP. - We feel responsible for setting new trends, and growing demand for Oxoviflex® proves that we have taken the right decision – sums up OXO Segment Director. The future of OXO Segment is in non-phthalate plasticizers and specialty esters. Increasing capacity of Oxoviflex® (DEHT/DOTP) is a result of the new product policy directed at market and customer requirements. The special focus on specialty plasticizers is also a part of adding value to plasticizer portfolio and extending Oxo alcohols chain. - We want to focus on environmentally, consumer friendly and safe products - says Agnieszka Kurpińska, OXO Segment Commercial Director. - This is the path we will follow in coming years. We believe that in cooperation with our business partners we will develop new products dedicated to special applications - she adds. New requirements demand new plasticizers - specialty plasticizers. Grupa Azoty ZAK S.A. has recently started a pilot plant which is dedicated to producing test batches of new specialty plasticizers which in future could be introduced to OXO Segment product portfolio. - The work that we do is not only for product development but also to develop our competence and knowledge as professional specialty plasticizers supplier – notes Barbara Siwik, OXO Segment Technology Office Manager. – Creating a range of new plasticizers is a huge challenge, but with our qualified team we will make sure that our

plasticizers guarantee harmony with nature and extra performance to wide range of products used in everyday *life by millions of people* - states Barbara Siwik. Produced for more than 60 years Grupa Azoty ZAK S.A. plasticizers are key elements of Company business operations and financial results and its position on European and Polish chemical sector. The market sees a growing demand for non-phthalate plasticizers and their share in European plasticizer portfolio increases dynamically. The new range of specialty plasticizers will find its use in many segments, not only in PVC processing, as they will possess unique features to develop innovative solutions in other application fields.

