

APPROVED
by Resolution of the Board of Directors
of PJSC PhosAgro dd. 22 November 2019
(Minutes of the Meeting of the Board of Directors
w/No, dd. 25 November 2019)

Modern Slavery Act Transparency Statement

This statement is made on behalf of PJSC PhosAgro (hereinafter – “PhosAgro”, “the Company”, “PhosAgro Group”) pursuant to section 54 of the UK Modern Slavery Act 2015. It sets out the steps taken by the Company during the year ended 31 December 2019 to prevent modern slavery and human trafficking in its business and supply chains.

Business, structure and supply chains

PhosAgro is a vertically integrated mineral fertilizer producer based in Russia. It is one of the world’s most efficient producers of phosphate-based fertilizers and one of the only companies to produce high-grade phosphate rock with a P2 O5 content of 39% or higher as well as minimum content of cadmium and other heavy metals.

As a vertically intergrated company, PhosAgro’s operations include upstream and downstream enterprises, as well as distribution and logistics, and R&D. PJSC PhosAgro is the parent company, with control over 100% of the shares of its main operating subsidiaries. PhosAgro Group includes JSC Apatit (Cherepovets, Vologda region), its branches in Kirovsk (Murmansk region), Balakovo (Saratov region) and Volkhov (Leningrad region), LLC PhosAgro-Region and the Y. Samoilov Research Institute of Fertilizers and Insectofungicides. Kirovsk branch of JSC Apatit mines and processes apatite-nepheline ore. Production assets are located in Volkhov, Cherepovets and Balakovo.

PhosAgro's operations are supported through procurement of materials, equipment, oil products, transportation and other services. PhosAgro applies the principles of supply chain management, enabling control over procurement procedures.

For more information on the Company's structure and operations, see the Integrated Report 2018 at <https://www.phosagro.ru/ori/>.

Policies

PhosAgro has a Code of Ethics (hereinafter – “the Code”), governing the Company's interaction with stakeholders, including employees, shareholders, public officials, non-governmental organizations, customers, suppliers and other business partners. The Code stipulates that the Company's relations with its stakeholders should be governed by equity and compliance with all relevant standards. The Company considers labour rights of its employees as an integral part of their human rights. The Company observes the statutory labour rights of its employees and respects their right to decent remuneration. PhosAgro declares in its Code of Ethics that neither the

Company, nor its subsidiaries accept and allow any forms of discrimination and forced or child labour. References to the Code of Ethics appear in agreements with contractors.

PhosAgro is committed to raising awareness of human rights among its employees, encouraging them to report any violations without any risk of discrimination. The Company has adopted the Hotline Regulations. PhosAgro hotline is intended to report potential violations, including violations of human rights or the Code of Ethics, instances of forced labor and discrimination at work, as well as child labor at the Company, its subsidiaries and controlled entities. The Hotline is available for any person, including shareholders, counterparties, partners, management and employees of the Company.

The Company has a Personnel Management Policy underlying PhosAgro corporate values, including respect for human rights. In accordance with the Personnel Management Policy PhosAgro follows the four key principles of the International Labour Organization Declaration. The Company does not tolerate discrimination based on gender, race, color, religion, sexual orientation, or disability. PhosAgro ensures that all employees are employed on a voluntary basis. All PhosAgro enterprises do not allow forced or child labor.

Due diligence and risk management

PhosAgro seeks to identify, assess and monitor on an ongoing basis any potential areas of risk related to the Company's operations and the supply chain. During the annual PhosAgro Group risk assessment 2018, the Company analyzed the risks related to slavery, forced labor and human trafficking, as well as other violations of fundamental human rights and freedoms in its operations and supply chain. Each subsidiary performed an assessment to identify potential risks related to human rights and child or forced labor in its own activities and those of its suppliers. The assessment findings were submitted to the parent company for further consideration. Communications sent via the Hotline were also analysed during the risk assessment. No such risks were identified in any of the PhosAgro Group companies following the assessment. In addition, in the course of risk assessment, PhosAgro uses information related to respect for human rights and compliance with labour laws which has been collected by the Internal Audit Service during annual audits of the Group's entities. The Company follows strict recruitment procedures and HR policy, and exercises other labour controls to reduce the risk of forced labour and human trafficking in its operations.

PhosAgro strives for long-term cooperation with suppliers and deals with only those organisations that fully comply with federal, regional and local regulations. The Company has amended its procurement procedures. PhosAgro assesses suppliers for compliance with the requirements of Russian legislation in the area of human rights, including those related to modern slavery. PhosAgro is strongly opposed to any forms of slavery and human trafficking and strives to ensure that suppliers share its values and respect human rights.

The Company's Code of Ethics stipulates that PhosAgro may refuse to cooperate with counterparties or business partners tolerating discrimination or forced labour internally and in relations with contractors.

Employee awareness-raising and training

PhosAgro employees are obliged to read and sign the Anti-Corruption Policy, the Code of Ethics, the Hotline Regulations and other internal regulations when being hired. Contractor employees read and sign the Anti-Corruption Policy, the Code of Ethics, the Hotline Regulations and other internal regulations during induction training prior to admission for work. The Company offers training and testing on human rights issues and arranges annual online employee training and testing on the principles of the Anti-Corruption Policy and the Code of Ethics.