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Directors w/No, dd. 15 April 2021)*

**PERSONNEL MANAGEMENT POLICY
OF PJSC PHOSAGRO**
(revised)

Moscow
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1. INTRODUCTION

The Company aims to retain its leadership positions in the market of phosphate-based fertilizers as a long-term strategic goal.

Being one of the world's leaders in agricultural chemistry, the Company intends to keep up high growth in business development, increase production and management efficiency and introduce modern innovative technologies. The Company primarily needs talented, professional, motivated staff sharing its values to attain such goals.

The Company offers to its staff:

- career in one of the world's leading companies;
- competitive and fair remuneration;
- professional and creative development opportunities;
- numerous re-skilling and further training options;
- non-discriminatory work environment;
- wide range of social guarantees, employee support and health-care programs.

The Company seeks to meet the widely accepted ethical standards of business and assigns high priority to development, implementation and further control over programs designed to create social security of staff.

This Policy sets forth the Company's and its management's adherence to high ethical standards of transparent and fair business aimed at building the image of an employer attractive for the best professionals. In order to secure its stable growth and attain its goals, the Company focuses on creation of a system that will enable to manage effectively the performance at all levels: from individual employees to the Company as a whole.

2. DEFINITIONS

Business process – a specific sequence of actions involving several subdivisions of the Company, which is completed by creation of the end product of value for the consumer / the client.

Vision – an advanced approach to the development areas.

Company – Public Joint- Stock Company PhosAgro and its subsidiaries.

Corporate culture – a combination of provisions, values and ideas which determine the way a legal entity handles the issues of internal integration and external adaptation and which direct and motivate day-to-day behavior of the staff and are transformed under the influence of the latter.

Corporate values – the elements of the corporate culture of particular importance for the Company's staff and which as a result regulate the staff's behavior.

Mission – the reason for a legal entity's existence, its purpose which distinguishes it from other similar legal entities.

Motivation – means of influencing the performance and labor productivity growth, process of encouraging employees or a group of employees to perform activities aimed at achieving a legal entity's goals.

Remuneration – a fair system of decent salary accounting, in compliance with the labor legislation of the Russian Federation.

Legal entity – a corporate structure irrespective of its form of ownership, legal status and profile.

Staff – the Company's employees who perform their job functions under employment agreements made by them with the Company.

3. COMPANY`S VISION OF PERSONNEL MANAGEMENT

The Company`s vision in the area of personnel management is determined by its mission and business strategy focused on securing and developing its competitive strengths. The vision is as follows:

1. The Personnel Management Policy is the key document based on the integral system of corporate values and strong corporate culture. Adherence to the corporate values underlies all actions and decisions, determines the vector of development enabling to retain consistency and integrity under the external circumstances being altered.

2. The Personnel Management Policy is designed to sustain and increase the efficiency of the Company which has a stable system of corporate management complying with international standards. In personnel management the Company focuses on creating opportunities for professional growth and personal fulfillment of its staff, as well as employee welfare which results in increasing the quality and efficiency of business-processes.

3. The major requirement under the Policy is the quality understood as:

- the quality of the personnel involved in business;
- the quality of products and services;
- the quality and efficiency of business processes.

4. The Policy implementation is the task of all Company`s head officers, assisted by the human resources departments` professionals who are responsible for general control over personnel management.

5. All internal documents, rules and procedures used by the Company for implementing the Personnel Management Policy are developed and applied strictly in accordance with the legislation as well as with the principle of respect for human rights, equal opportunities and prohibition of any type of discrimination.

6. Implementation of the Personnel Management Policy involves exact and timely provision of information and data exchange under the current rules and procedures, among all parties involved in the personnel management processes.

7. The Company understands that attaining the goals and tasks in the area of personnel management will require considerable investments in human resources as well as in further development of human resources departments responsible for the adopted Policy implementation, raising their status and improving IT support.

4. PURPOSE, GOALS AND PRINCIPLES OF THE POLICY

The Policy`s purpose is to ensure the highest possible efficiency of investments in staff, basing on:

- ensuring the stable status of an “attractive employer”;
- creation of comprehensive incentives for each employee to attain the Company`s goals;
- the system of evaluating the individual contribution of each employee;
- development and improvement of an effective system of evaluating the Company`s personnel;
- fair remuneration and bonuses for the employees` achievements.

The Company seeks to see professionalism, persistently strong performance and adherence to the Company`s values as the condition that needs to be met and will be the only guarantee of career growth and promotion at work.

The main goal of the Policy is to arrange such a personnel management system, where the Company would have a stable status of a “preferable employer” for those who are ready and are capable of delivering maximum benefits to it.

The Personnel Management Policy provides for a consistent approach to human resources, with due account for a region`s features. Such approach is based on several principles:

- the Company`s maximum flexibility in personnel management;

- continual improvement of HR management schemes basing on implementation of modern HR techniques and management information systems;
- ability to adjust in a prompt and effective manner to social, political and external economic factors;
- professionalism of the staff;
- efficiency of HR management;
- consistency of planning the HR management procedures basing on systematic assessment of human resources;
- transparency of personnel management;
- continuity – conservation of positive traditions in the Company`s Personnel Management Policy;
- strict adherence to the federal and local labor legislation, standards and procedures, as well as international principles and innovative practices;
- observance of the four fundamental principles of the International Labor Organization declaration¹ (the Company prohibits discrimination on the grounds of gender, race, religion, sexual orientation and disability; the Company guarantees that all its staff is employed on a voluntary basis; co labor and child labor are prohibited at all enterprises of the Company);
- investments in education for training next generations of employees with necessary skills;
- fair and transparent remuneration and bonuses system, motivating the staff to attain strategic goals;
- career development basing only on the employee`s professional qualities.

5. MAIN AREAS OF THE PERSONNEL MANAGEMENT POLICY

The main elements of the Policy are the seven interrelated areas by means of which the Company`s business goals are attained and the Company`s vision of the Personnel Management Policy is brought into being:

- organizational changes management system;
- system of personnel recruitment and selection;
- staff training and development system;
- motivation and remuneration system;
- system of social guarantees;
- corporate awareness raising system;
- respect for human rights and non-discrimination.

The Company`s Personnel Management Policy applies an integrated approach to improvement of the abovementioned areas.

5.1. ORGANIZATIONAL CHANGES MANAGEMENT SYSTEM

The purpose of organizational changes is to increase labor productivity through efficient human resources management and wise arrangement of business processes.

The key strategic areas are the following:

- restructuring (changes to the company`s structure designed to improve its efficiency in compliance with its strategy being implemented);
- process optimization (increasing managerial efficiency through regulation, consistent arrangement and development of procedures);

¹ ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up were adopted at the 86th Session of the International Labour Organization in Geneva on 18 June 1998. Source: Your voice at work. Global report under the follow-up to the ILO Declaration on fundamental principles and rights at work. ILO, Geneva, 2000.

- standardization (drafting documents regulating procedures for their simplification, clarity and transparency of implementation).

5.2. SYSTEM OF PERSONNEL RECRUITMENT AND SELECTION

The purpose is to engage highly experienced staff and efficient head officers for their maximum professional development.

The Company's innovative approach to personnel selection is based on permanent monitoring of the labor market of Russia, near and far-abroad countries, for engagement of highly skilled staff and efficient head officers with work experience in the world's leading companies, who are always ready to stay ahead of the curve and make with confidence plans for the future.

The Company focuses on long-term relations with its employees and encourages long record of work within the Company. Special attention is paid to recruitment and selection of young staff.

The following areas of personnel recruitment and selection are of high priority:

1. The Company cooperates with educational institutions in the regions where it operates. Such cooperation is designed to give career guidance to students in the final years through creating conditions for upgrading secondary education quality.

2. The Company cooperates with secondary vocational education institutions in the regions where it operates. The purpose of such cooperation is to train and further give employment within the Company to skilled professionals of the respective level and specialization, who will have extensive expertise, will be able to meet competition on the labor market and work in related areas and will be ready for professional development.

3. The Company cooperates with universities and colleges in order to recruit and retain within the Company talented graduates in the areas of the Company's high priority.

In recruitment, with all other conditions being equal, the Company gives preference to:

- young talented specialists (employment of high-potential university graduates and their further professional development);

- employees included in the Talent pool (capability implementation program for career development of employees through professional and managerial skills improvement).

5.3. STAFF TRAINING AND DEVELOPMENT SYSTEM

The purpose is to ensure long-term HR safety at all levels of the Company by attaining and maintaining the requisite level of staff competence, according to the Company's requirements and development prospects.

Training and professional and personal development of the staff are intended to maintain and improve the professional level of the Company's employees.

Staff training and development are effected through a system of ongoing corporate training which is applied and is being improved.

The key elements of the corporate training system are the following:

- compliance of training with the Company's general development strategy;
- priority ranking of identified needs and the relevance of training the respective personnel groups;
- planning and coordination of training, review of quality and of the training system efficiency;
- application of modern and effective teaching methods, basing on economic and methodological rational for their application;
- development of new training forms;
- development of the corporate network of training units;
- individual approach to training and development of young employees;

- active policy of ensuring continuity of the top management, stable training of the head officers` talent pool.

5.4. MOTIVATION AND REMUNERATION SYSTEM

The purpose is creation of incentives for the staff to be more interested in performance and improvement of work quality in order to attain business goals by developing a comprehensive and effective remuneration system.

The effective remuneration system ensures:

- maintenance of decent salary level;
- implementation of incentive programs – application of a transparent system of key performance indicators for determining the amount of the head officers` remuneration; incentive programs for employees at production facilities, designed to reach the key indicators;
- financial and non-financial incentives for employees – improving the quality of life of the Company`s employees, development of cities where the Company operates, raising employees` creativity;
- application of allowances and benefits scheme for certain categories of employees – a package of allowances and benefits in accordance with the world`s best practices.

5.5. SYSTEM OF SOCIAL GUARANTEES

The purpose is to ensure effective business performance by maintaining the high level of staff motivation and retention of highly experienced employees with professions which are hard to find.

Health and leisure, living conditions, affordable housing and social guarantees are programs of high priority.

The key targets of the social guarantees system are improvement of incentive schemes, ensuring the competitive level of employment benefits, employee support programs implementation and promotion of a healthy lifestyle, designed to increase labor efficiency, collective and individual performance results.

5.6. CORPORATE AWARENESS RAISING SYSTEM

The purpose of the corporate awareness raising system is to create corporate spirit and to share the Company`s philosophy and ideology with its employees.

The corporate awareness raising system includes:

- the corporate newspaper (with popular topics such as legal regulations, information on the working hours, decisions made by the Company`s management, labor protection and occupational safety issues, public life, employees` portraits, Company`s social development, its performance results, etc.);
- meetings with the management (face-to-face meetings with head officers enable to make a compromise when handling work issues);
- Hotline (the telephone hotline makes possible the dialog between an employee and the employer. Any employee may ask his question on the hotline and receive a comprehensive answer according to the Regulations on the Hotline).
- PhosAgro`s web site (it offers to users planning tools, information materials and advertising opportunities).

5.7. HOURS OF WORK AND REST

Working time at the Company complies with Russian legislation and international regulations. The Company keeps records of the actual working hours for each employee in order to comply with the legislation of the Russian Federation and other jurisdictions where the Company operates. Working time records are kept by an automated access control system, which enables correct recording of employees' working hours.

The following guidelines provide for working time and rest periods for the Company's employees:

- the working week shall not exceed 40 hours (except for cases of summarized recording of working hours, irregular working hours and other cases stipulated by the labor legislation of the Russian Federation, where employees may be involved in labor beyond normal working hours);
- employees are offered at least 42 hours of uninterrupted weekly rest;
- working hours of employees involved in production shall not exceed eight hours per day (except for cases of summarized recording of working hours, irregular working hours and other cases stipulated by the labor legislation of the Russian Federation, where employees may be involved in labor beyond normal working hours);
- employees are offered meal and rest breaks of at least 30 minutes each working day. This time is not included in calculation of working hours. For certain types of work, employees are given special breaks due to the process and arrangement of production and work;
- employees may be involved in overtime work (such involvement is subject to the employee's written consent, except for cases established by the labor legislation of the Russian Federation where employees may be involved in overtime work without their consent);
- overtime work shall not exceed 4 hours in two consecutive days and 120 hours per year;
- employees are offered annual basic and additional leaves with preservation of their employment and average earnings;
- employees may work part-time outside their main job. Part-time work may be performed by employees both at their main place of work and with other employers, but the duration of such work shall not exceed 4 hours per day. During days when an employee is free from his/her main job, he/she can work as a part-time employee during a full working day (shift). Within one month (or another record period), working time for part-time job shall not exceed half of the monthly working time standard (working time standard for another record period) established for the relevant category of employees.

5.8. RESPECT FOR HUMAN RIGHTS AND NON-DISCRIMINATION

The Company is committed to respecting employee human rights according to the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work, including non-discrimination, ban on child or forced labor, right to form and join trade union associations and participate in collective bargaining, as well as safe and comfortable workplace environment for employees and contractors' personnel.

The Company respects and supports diversity among its employees. The Company acknowledges its commitment to equal opportunities and does not tolerate discrimination or practices violating employee privacy. The Company's goal is to ensure a workplace environment free of any constraints or limitations on the grounds of nationality, gender, age, religion and other criteria protected by the relevant laws. Recruitment, promotion, salary, benefits and allowances depend on the employee's professional qualifications, efficiency, skills and experience.

The Company expects its employees to demonstrate professional behavior and show respect for colleagues and other persons, including clients, suppliers and other stakeholders.

Any restrictions of employee work-related rights are unacceptable.

The Company's employees and other stakeholders may contact PhosAgro Hotline for queries regarding human rights or any form of discrimination.

In addition, many of the Company's enterprises have created Labor Dispute Commissions, which accept applications with complaints from former and current employees and are authorized to resolve labor disputes involving individuals. The commissions include an equal number of employee (trade union) and employer representatives. Upon receipt of an application (complaint), the work of the commissions is strictly regulated by labor legislation, which defines the time limits for filing an application by an employee, requirements to the package of documents, the rules for the commission meetings and decision-making, as well as the procedure and timing of appealing against the commission decisions.

6. LEGAL FRAMEWORK

In this Personnel Management Policy the following regulations shall be deemed as applicable legislation:

- labor legislation of the Russian Federation (including legislation on labor protection) and other legal acts containing labor law provisions;
- generally accepted principles and provisions of international law as well as international treaties signed by Russia.

7. TERM AND AMENDMENTS TO THE PERSONNEL MANAGEMENT POLICY

The Personnel Management Policy is the Company's internal regulation with no expiration date. The Policy is approved by resolution of the Board of Directors of PJSC PhosAgro.

Amendments to the Policy are made in case of changes to the applicable legislation, detection of insufficient efficiency of the current procedures aimed at securing employment and social safety of the Company's employees as well as in case of improving the legal framework of business, etc.