

APPROVED
By Resolution of the Board of
Directors
of PJSC PhosAgro dd. 21.12.2023
(minutes of the meeting
of the Board of Directors of PJSC
PhosAgro
dd. 22.12.2023 unnumb.)

Transparency statement regarding UK Modern Slavery Act *(restated)*

This statement is made on behalf of PhosAgro PJSC (“PhosAgro” or the “Company”) under section 54 of the UK Modern Slavery Act 2015. This statement outlines the Company's actions to prevent modern forms of slavery and human trafficking in the Company, its subsidiaries (collectively the “PhosAgro Group”) and its supply chain. This statement outlines the measures taken by PhosAgro Group during the fiscal year ending December 31, 2023.

Structure, operations and supply chain

PhosAgro Group is a vertically integrated mineral fertilizer company based in Russia. PhosAgro Group is one of the world's most efficient producers of phosphate fertilizers and one of the few companies producing high grade phosphate rock with P₂O₅ content of 39% or higher and a minimum content of cadmium and other heavy metals.

As a vertically integrated company, PhosAgro Group includes apatite-nepheline extraction and processing plants, facilities producing mineral fertilizers, supply and logistics assets, as well as its own research subdivision. PJSC PhosAgro is a holding company. PhosAgro Group includes, among others, JSC Apatit (Cherepovets, Vologda Region) with its branches in Kirovsk (Murmansk Region), Balakovo (Saratov Region) and Volkhov (Leningrad Region), LLC PhosAgro Region and JSC Y. Samoilov Research Institute of Fertilizers and Insectofungicides. Extraction and beneficiation of apatite-nepheline ore is carried out at Kirovsk branch of JSC Apatit. Mineral fertilizers are produced at facilities in Volkhov, Cherepovets and Balakovo.

Production processes at PhosAgro Group are supported through procurement of materials, equipment, energy, as well as transport and other services. The company uses SCM (Supply Chain Management) solutions to monitor the execution of procurement procedures.



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More on the Company's structure and activities: Integrated Report for 2022 at <https://www.phosagro.ru/sustainability/>

Polices

Interaction of the Company with various stakeholders, including employees, shareholders, government officials, non-governmental organizations, customers, suppliers and other business partners is governed by the Code of Ethics. In accordance with the provisions of the Code of Ethics, relations between the Company and stakeholders should be based on the principles of fairness and compliance with all accepted norms. The company recognizes labor rights of its employees as an integral part of human rights. In its activities, the Company complies with the labor rights of employees established by law and recognizes the employee's right to decent remuneration for work results. The Code of Ethics contains a statement that the Company and its controlled companies prevent any form of discrimination and forced labor, as well as the use of child labor. A reference to the Code of Ethics of PJSC PhosAgro is included in agreements concluded with counterparties.

PJSC PhosAgro is constantly working to raise human rights awareness among employees, encouraging them to report any violations of rights and freedoms without fear of discrimination. For these purposes, PhosAgro Group has a Regulation on the organization of PhosAgro's unified hotline (hereinafter referred to as the "Hotline"), designed to receive information about potential violations, including human rights violations, violations of the Code of Ethics, forced labor and discrimination in the workplace, as well as the use of child labor in organizations of PhosAgro Group. Anyone can contact the Hotline, including shareholders, counterparties, partners, members of management bodies, employees of organizations of PhosAgro Group, and employees of contractors.

The Company has a Personnel Management Policy, which is based on a system of corporate values, including human rights issues. In accordance with the Human Resources Policy, PJSC PhosAgro follows the four fundamental principles of the International Labour Organization Declaration (ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, adopted at the 86th Session of the International Labour Conference, June 18, 1998, Geneva).

The Company does not tolerate discrimination and behavior that violates the privacy of employees in any form, and does not allow discrimination based on gender, skin color, religion, sexual orientation and disability. The Company's goal is to maintain a working environment free from restrictions on national, gender, age, religious and other grounds protected by applicable laws. PJSC PhosAgro ensures that all employees are employed on a voluntary basis. The use of forced and child labor is prohibited at all organizations of PhosAgro Group.

Due diligence procedures and risk management

PJSC PhosAgro is constantly working to identify, assess and monitor any potential risk areas related to PhosAgro Group's operations and supply chain. In 2023, during the annual risk assessment across the entire PhosAgro Group, an analysis of risks related to human rights violations in activities of organizations of the PhosAgro Group and in the supply chain was performed. During the process, each of the Company's controlled companies conducted an assessment aimed at identifying possible risks related to slavery, forced labor and human trafficking, as well as other risks associated with violations of fundamental human rights and freedoms in their own activities and the activities of suppliers. The risk assessment process also included an analysis of messages sent to the Hotline. Besides, the risk assessment used information related to human rights and labor law issues obtained by the internal audit service during annual inspections of the PhosAgro Group's organizations. Based on the results of the assessment, none of the PhosAgro Group organizations had any such risks at significant levels.

The company applies strict recruitment procedures, follows the principles of the Human Resources Management Policy and applies other employment controls to reduce the risk of forced labor and human trafficking in its activities.

PhosAgro Group aims at building long-term cooperation with suppliers and works only with organizations that fully comply with federal, regional and local regulatory requirements. PhosAgro Group has amended its procurement procedures and is assessing suppliers for compliance with the requirements of the laws of the Russian Federation in the area of human rights, including requirements related to issues of modern slavery. PJSC PhosAgro opposes all forms of slavery and human trafficking and strives for suppliers to share the Company's values and respect human rights.

The Code of Ethics contains a statement by the Company on possible refuse to cooperate with counterparties and business partners that allow discrimination and forced labor against its employees and employees of their contractors.

In 2020, the Company developed the Counterparty Code of Conduct, which addresses a variety of issues covering a wide range of social, environmental and corporate requirements, including those aimed at ensuring transparency regarding the management of such issues, for example, forced labor, child labor, human trafficking, slavery, violations of human rights and freedoms, wage requirements and working hours. The Counterparty Code of Conduct is mandatory for review by counterparty if such counterparty signs a supply agreement.

Also in 2020, the Company developed a comprehensive ESG supplier assessment, which is mandatory for all suppliers when registering on the PhosAgro electronic trading platform. The set of questions includes a section on social aspects, including questions about forced labor, child labor, wage requirements and working hours. In 2021, ESG supplier assessment was fully automated, which made it possible in 2022 to include even

more of the Company's suppliers within the evaluation perimeter. According to the results of an ESG assessment conducted in 2022, more than 55% of assessed suppliers have implemented policies to prevent child labor, forced labor, and to prevent discrimination. This information is disclosed in the integrated report for 2022. <https://cdn.phosagro.ru/upload/iblock/ccd/b4gz32krqzyscn5yofcakizdfglm4tto.pdf> By the end of 2023, PhosAgro Group will also conduct a comprehensive analysis of the results of the ESG assessment of suppliers in terms of social, environmental and management indicators, with attention to human rights issues.

In 2023, the Company, as part of the National ESG Alliance work group, began developing common approaches and criteria for evaluating suppliers. This process is aimed at creating more transparent supply chains and a common understanding of evaluation criteria and a set of requirements by both suppliers and consumer companies/customers of goods and services. This work will be continued in 2024.

To promote principles of openness, transparency and equal opportunities, the Company has prioritized 11 goals out of 17 UN SDGs. As part of these goals, PhosAgro Group continued to develop a range of social programs aimed at improving the quality of life of residents in the regions of its presence, increasing transparency and respecting human rights. These include, for example, the “Our Favorite Cities” program, which combines a set of projects for the development of cities and regions of PhosAgro Group’s presence, as well as the PhosAgro School program, which allows developing and improving the level of education in schools, secondary and higher educational institutions in various regions of the country, and the DROZD program, which aims to develop education, sports and spirituality. These programs also help reduce social risks in the regions of PhosAgro Group’s presence and beyond.

From 2022, all social programs include clear and measurable criteria for assessing their effectiveness, which will be reviewed and supplemented annually as programs develop.

In 2022, as part of the 27th Conference of the Parties to the UNFCCC (COP27), the Company joined the Declaration of the Business for Water, Sanitation and Hygiene Resilient to Climate Change (WASH). This initiative brings together companies that strive to take measures for ensuring universal access to water, sanitation and hygiene (WASH) both directly and in supply chains, which are consistent with important aspects of human rights.

Informing and training the Company's employees

The Company's employees are familiarized with the Anti-Corruption Policy, the Code of Ethics, the Regulations on the Organization of the PhosAgro Hotline and other internal documents upon employment. Contractor employees are familiarized with the Anti-Corruption Policy, the Code of Ethics, the Regulations on the Organization of the PhosAgro Hotline and other internal documents at the introductory briefing when admitted to work. The company provides training and testing on issues related to respect for and observance of human rights, and annually conducts online training and assessment of employees for their knowledge of the principles of the Anti-Corruption Policy and the Code of Ethics.