

APPROVED

By Resolution of the Board of Directors  
of PJSC PhosAgro dd. 21.12.2023  
unnumb.

*(minutes of the meeting of the board of  
directors dd. 22.12.2023, unnumb.)*

## **Charity and Sponsorship Policy**

**PJSC PhosAgro**

**Moscow, 2023**



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## TERMS AND DEFINITIONS

**Charity activities** are PJSC PhosAgro's activities carried out on a voluntary basis, consisting in the transfer of gratuitous assistance or assistance on preferential terms to individuals and non-profit organisations, including in the form of the allocation of funds and/or tangible assets, the performance of work, the provision of services, and the provision of other support.

**Sponsorship (activities)** means a contribution made by PJSC PhosAgro in the form of the provision of property (including monetary funds), results of intellectual activity, performance of work, provision of services in favour of the sponsored on the terms of distribution by the sponsored of advertising materials about PJSC PhosAgro and companies belonging to the same group of entities and their activities.

**Donation** is the transfer of ownership of property, including monetary funds and (or) intellectual property, granting the rights to own, use and dispose of any objects of ownership, performing work, providing services on a disinterested (gratuitous or on preferential terms) basis.

**Corporate social responsibility** is the contribution of PJSC PhosAgro and its controlled companies to the sustainable development of company and the environment through cooperation with government institutions, non-profit organisations and other interested parties to make social investments.

**Corruption offense or corrupt activity<sup>1</sup>** is an unlawful culpable act (action or omission) that has signs of corruption, for which administrative or criminal liability is established by law.

**Chief Anti-Corruption Policy Specialist** is a responsible employee charged by order of the CEO with implementing the anti-corruption procedures in accordance with the requirements of applicable anti-corruption laws and internal regulatory documents of PJSC PhosAgro.

### **Representative of the State:**

- a person who permanently, temporarily or by special authority performs the functions of a representative of state or municipal authority; and/or
- a person who permanently, temporarily or by special authority performs organizational, managerial or administrative and economic functions in a state body, local self-government body, in a state or municipal institution or in the Armed Forces of the Russian Federation or another military formation of the Russian Federation; and/or
- an official or employee of a commercial organization that is wholly or partially owned by the state or municipality; and/or
- a candidate/applicant for a state or municipal position, a position in the state or municipal service, including a position in the government.

### **Politically Exposed Person:**

- any person who holds any office in the legislative, executive, administrative or judicial organ of the State, whether permanent or temporary, with or without pay, regardless of the level of office of that person;

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<sup>1</sup> *Corruption means abuse of office, giving a bribe, receiving a bribe, commercial bribery, making or demanding incentive payments, as well as any proposal to commit unscrupulous actions or act in a certain way in the performance of one's duties, as well as other illegal use by an individual of his/her official position contrary to the legitimate interests of company and the state in order to obtain benefits in the form of money, valuables, other property or services of a proprietary nature for themselves or third parties.*

- any other person performing a public function, including for a public agency or organization with state participation, or providing any public service, as defined in the domestic law of the State and as applied in the relevant area of law of that participant State;
- any other person defined as a "Politically Exposed Person:" in the domestic law of the State.

## **I. General provisions.**

1. PJSC PhosAgro (the Company) values its reputation and adheres to the values, as well as ethical principles and standards set out in the Code of Ethics and other internal regulations. The Company takes an active position in the field of charity and considers charity as an important component of corporate social responsibility, as well as an important component of the Company's sustainable development goals.
2. The Company's Charity and Sponsorship Policy (hereinafter referred to as the "Policy") defines the basic principles and directions for the provision of charitable assistance and sponsorship activities.
3. The Policy has been developed in accordance with the applicable laws and regulations of the Russian Federation and complies with the Charter and the provisions of the Code of Ethics and other internal regulations of the Company.
4. This Policy applies to the Company's employees responsible for charitable and sponsorship activities. In case of doubts about the legality of specific actions, the Company's employees responsible for charitable and sponsorship activities are obliged to seek clarification and instructions from the Chief Anti-Corruption Policy Specialist.
5. If an employee of the Company is forced to violate the provisions of this Policy due to a threat to his life, health or safety, the fact and circumstances of such a violation must be immediately reported to the Chief Anti-Corruption Policy Specialist and his immediate supervisor.
6. The Company's charitable and sponsorship activities are carried out only in strict accordance with the requirements of anti-corruption laws and this Policy, as well as subject to minimization of corruption risks.  
The Company shall take all reasonable and necessary actions to ensure that its charitable and sponsorship activities are not used as a cover for corrupt activities or for other illegal purposes (for example, to influence the adoption of unlawful decisions related to the Company's activities by authorities, public officials and other persons, or as a reward for the actions (inaction) of these persons).
7. Issues related to the procedure for the formation and use of the budget for charitable and sponsorship activities, the procedure for making decisions on the implementation of charitable and sponsorship activities, as well as issues related to the governing bodies in these activities are regulated by the Company's local regulations.

## **II. Goals of Charity and Sponsorship**

2.1. The main goal of the Company's charitable and social activities is to ensure the sustainable development of the regions where the Company and its controlled companies operate and to support members of society in need of social protection, taking into account the National Goals of Russia and international standards.

2.2. This Policy is aimed at achieving the following **objectives**:

- ✓ Determination of the principal approaches and main directions of the Company's charitable and sponsorship activities in the strategic perspective;
- ✓ Ensuring the objectivity and openness of the process of choosing the recipient of charitable and sponsorship activities and the distribution of allocated funds;
- ✓ Improving the efficiency of the Company's charity and sponsorship management system;
- ✓ Enhancing, strengthening and protecting the Company's business reputation as an honest, open and conscientious partner, thereby ensuring the formation of a positive image of the Company in the eyes of shareholders, potential investors, partners, employees and counterparties.

2.3. Within the limits of its competence, the Company encourages the implementation of its own policies for the provision of charitable and sponsorship assistance, the implementation of external social projects and other gratuitous financing similar to this Policy in controlled companies

#### 2.4. **Objectives** of the Policy:

2.4.1. The Company is interested in maintaining social stability, improving the quality of life and improving the living conditions of the population in the regions where the Company and its controlled companies operate in Russia.

The Company considers the resources allocated free of charge for the support and development of local communities in the form of funds, property and/or services, as well as the provision of other assistance in order to increase the level and improve the quality of life of people by satisfying their material, spiritual and/or social needs. The investment of these resources not only provides a social effect, but also contributes to the implementation of the Company's strategy, ensuring the long-term sustainability of the business.

2.4.2. This Policy forms uniform approaches and requirements in the field of charitable and sponsorship activities.

2.4.3. The Policy is aimed at promoting the social and economic development of society and the territories where the Company and its controlled companies operate by participating in the implementation of socially significant events.

2.4.4. Establishment of partnership cooperation with federal, regional and municipal authorities on the basis of open mechanisms of interaction.

### **III. Basic principles:**

3.1. The Company has defined the following basic principles for the provision of charitable assistance and sponsorship activities:

- **Targeting and targeted use:** all of the Company's charitable activities are aimed at solving specific tasks that correspond to the main areas of charitable activities and sponsorship activities determined by the Company's internal regulations;
- **Expenditure control:** The Company establishes the principle of control over the expenditure of charitable assistance and sponsorship activities, including for the intended use of allocated funds;
- **Transparency and disclosure of information:** charitable assistance and sponsorship activities provided by the Company are subject to mandatory disclosure in open sources and the media.

3.2. In order to implement charitable assistance and sponsorship activities, the Company interacts with:

- individuals;
- non-profit organizations;
- public authorities (in some cases).

3.3. The Company does not provide charitable assistance to:

- politically exposed persons;
- representatives of the state;
- political parties and movements;
- commercial organizations.

3.4. Charitable and other financial assistance shall meet the following criteria:

- not contradict the principles and requirements of this Policy and other internal documents of the Company, as well as the norms of applicable law;
- not to constitute a hidden remuneration for a service, action, inaction, connivance, patronage, as well as the provision of other illegal advantages to the Company and/or its partners and controlled companies;
- aim to provide support to certain groups of the population, public organisations, charitable foundations, including for the purpose of creating a positive image of the Company.

#### **IV. Main Areas of Charity and Sponsorship**

4.1. In order to ensure maximum efficiency of spending funds allocated for charitable assistance and sponsorship activities, the Company has identified a number of strategic areas within which charitable assistance can be provided:

- social infrastructure and urban environment;
- education, including as a basis for the development and growth of young people;
- sports and healthy lifestyle;
- assistance to socially vulnerable groups of the population;
- assistance in obtaining quality medical care;
- spiritual and creative development.

#### **V. Disclosure**

5.1. One of the principles of charitable assistance and sponsorship is transparency and disclosure of information. In order to implement this principle, the Company periodically informs all interested parties about the progress and results of the implementation of programs carried out as part of the Company's charitable assistance and sponsorship activities in the following ways:

- Publication of information in the media and corporate publications of the Company – as necessary;
- Placement of information in the news section of the Company's corporate website on the Internet – as necessary;
- Disclosure of information in the Sustainability Report, including the Integrated Report – annually;
- Publication of consolidated report on the Company's charitable assistance and sponsorship activities on the Company's corporate website – once a year.

## **VI. Whistleblowing**

If employees of the Company, controlled companies and counterparties of the Company have doubts about the legality or ethics of their actions, the actions of other employees or other third parties associated with the Company under contractual obligations that potentially violate this Policy, they may inform their Chief Anti-Corruption Policy Specialist and their immediate supervisor, or report to the Company's hotline: E-mail: [help@phosagro.ru](mailto:help@phosagro.ru) Tel.: 8 (820) 259-32-32

## **VII. Liability for non-fulfillment/improper fulfillment of this Policy**

7.1. The provisions of this Policy shall apply to persons responsible for the implementation of charitable and sponsorship activities, determined in accordance with the procedure established by internal regulatory documents.

7.2. Failure to comply with the provisions of this Policy may result in liability in accordance with the current laws of the Russian Federation, internal regulatory documents of the Company and other applicable laws.

## **VIII. Procedure for reviewing and amending this Policy**

8.1. This Policy shall become effective upon approval by the Board of Directors of the Company.

8.2. In the event of changes to the Company's internal regulatory documents and/or Russian or other applicable laws that may directly or indirectly affect the provisions of this Policy, a legal examination shall be carried out for compliance of the provisions of the Policy with the amended laws and, if necessary, appropriate changes shall be made.