

Chairman's statement



2022 saw unprecedented challenges in the production and economic activities, which could not but have an immediate effect on the Company's corporate governance practices.

In early March, Andrey A. Guryev resolved to step down as the CEO of PhosAgro and to resign from the Company's Board of Directors. Furthermore, the Board of Directors lost Xavier Rolet, its Chairman and independent director, Andrey G. Guryev, Deputy Chairman, and Irina Bokova, Chair of the Sustainable Development Committee under the Board of Directors. 70% of directors elected to the Board in June 2022 were newcomers.

In spring 2022, the London Stock Exchange suspended trading in global depositary receipts issued by Russian companies, including PhosAgro. The introduced restrictions affected the shareholders' rights to manage PhosAgro, receive dividends, and dispose of securities issued by PJSC PhosAgro. As a result of disruptions in the settlement infrastructure, PhosAgro also could not pay interest on the previously issued Eurobonds.

In this challenging environment, we demonstrated utmost commitment to our obligations. For example, in May 2022 the Company obtained a permit to proceed with its GDR programme. In 4Q 2022, PhosAgro held a vote among its Eurobond holders to amend the issuance documentation in such a way as to continue honouring its public

debt commitments to the holders of bonds recorded both in Russia and abroad.

The newly elected Board of Directors continues to work actively. We have streamlined the structure of committees by reducing their number from six to three and reviewing the scope of their responsibilities. We have also shifted the focus of the Board of Directors and its committees by placing a particular emphasis on anti-crisis management efforts.

The Board of Directors continues to be actively engaged in embedding best practices into all aspects of PhosAgro's operations, including its corporate governance. In 2022, the Board of Directors took note that the practices applied by PhosAgro are strongly aligned

with the Corporate Governance Code recommended by the Bank of Russia. The directors also assessed progress made in the reporting year against previously approved corporate governance improvement initiatives and reviewed a similar action plan for 2023.

We paid particular attention to the recommendations published by the Bank of Russia in December 2021 to encourage boards of directors of public joint-stock companies to consider ESG factors and sustainable development in their activities¹. Among other things, in the reporting year the Strategy and Sustainable Development Committee of the Board of Directors reviewed results of the self-assessment conducted by the Board of Directors

for 2021 in line with the regulator's recommendations and examined the action plan developed based on the self-assessment findings.

The 2023 external assessment of the Board's performance in 2022 confirmed that activities of the Board of Directors and its committees comply with the Corporate Governance Code recommended by the Bank of Russia and the Listing Rules of the Moscow Exchange.

The Board of Directors reaffirms the Company's commitment to the highest standards of corporate governance and will continue to focus closely on health and safety, sustainable development, climate change and the global challenges facing the agricultural industry. PhosAgro's directors commend the performance

of the management team and its contribution to the strong results delivered by the Company in 2022, while also continuing to support the management in implementing the Strategy to 2025.

Victor Cherepov,
Chairman of the Board of Directors of PJSC PhosAgro

¹ Bank of Russia's Information Letter No. IN-06-28/96 dated 16 December 2021 On Recommendations for Boards of Directors of Public Joint-Stock Companies to Consider ESG Factors and Sustainable Development Issues.