

The Policy states high priority of information security activities and sets up its key principles. They cover the target setting and planning of information security activities, as well as their implementation, quality management and process improvement. The above principles define the contents of the lower-level documents such as the Information Security Framework and other internal documents covering respective issues. This set of documents reflects modern solutions and best practices in information security. Ensuring information security is the responsibility of each employee. To this end, the Group regularly holds events to raise employees' awareness of information security issues and develop practical skills to deal with modern threats. This, together with the use of modern information security tools and well-coordinated work

of the department, helped avoid information security incidents in 2022 and in previous periods that could have caused tangible material or reputational damage. Based on the results of the 2021 assessment, a description of the target state and a respective roadmap were also prepared by one of the world's leading expert companies. The proposed measures were included in the 2022–2023 action plans; information security issues are submitted for consideration by the Board of Directors every six months. In 2022, the Company did the following to implement the roadmap:

- raised awareness: over 11,000 employees completed information security courses on the corporate Kaspersky Automated Security Awareness Platform (ASAP); the training continues to cover 100% of users who have accounts

- in the Company's information systems);
- ensured compliance with statutory requirements by adopting 55 internal regulations;
- enhanced SCADA information security;
- improved access control processes;
- improved information security monitoring processes;
- improved vulnerability management processes.



In 2022,

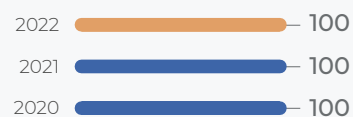
the Group received the national Silver Dagger Award having won in the Digital Transformation and Information Security category.

The Company outperformed the competition with its unique solution offering a comprehensive approach to cybersecurity based on Kaspersky Unified Monitoring and Analysis Platform (KUMA).

All employees of the Economic Security Department receive training in terrorism prevention and the main goals and principles of PhosAgro Group Code of Ethics.

Security personnel who completed human rights training, %

GRI 410-1



Ethical practices

GRI 2-23, 2-24

Values, principles, standards and norms of behaviour

PhosAgro Group has a well-deserved reputation of a reliable business partner, attractive employer, responsible taxpayer, and partner to the Russian government and regions where the Company operates. The trust that our investors, employees, customers, contractors and authorities place in the Company is underpinned by the high ethical standards that we have adhered to since PhosAgro's inception.

We take an integrated approach to business ethics; in other words, we believe that ethical considerations are intrinsic to all aspects of our operations, from procurement and teamwork to safety and trade. We systematically analyse risks in this area and develop and implement measures to manage them.

To achieve the above, we need to ensure that our ethical principles and standards are clearly defined and communicated to employees and counterparties. We also need to have relevant legal, organisational and informational mechanisms in place to support and, more importantly, monitor compliance with these principles and standards, which should also be overseen at the highest corporate governance level.

By consistently implementing this approach for years, PhosAgro was able to become a company operating to the highest global standards in human rights, industrial safety, environmental protection, anti-corruption, etc. We recognise that it is hardly possible to fully eliminate ethical risks in a large and diverse organisation that has an almost global presence. We believe that by adhering to our ethical principles and standards we minimise unnecessary risks, maintain our business reputation and keep ourselves on track to achieve our ambitious production and financial targets for the benefit of PhosAgro's shareholders and other stakeholders.

Management approach

PhosAgro Group does its best to eliminate corrupt practices, while also enhancing and protecting its business reputation as an honest, open and bona fide company among shareholders, potential investors, partners, employees, and counterparties. Elimination of any possible occurrences bearing the signs of corruption or potential conflict of interest, and strengthening the commitment of PhosAgro Group's employees to the highest ethical standards are at the forefront of the Group's activities.

To ensure PhosAgro Group's observance of ethical practices and generally recognised business standards, the Company put in place an anti-fraud and anti-corruption system covering all areas of operation. On top of that, Group companies adopted a set of corporate, legal, information and educational measures to build a shared corporate culture underpinned by high ethical standards and maintain an atmosphere of trust, mutual respect and integrity among employees. PhosAgro and all of its subsidiaries approved anti-corruption standards with the obligation to comply with anti-corruption rules included in the Collective Bargaining Agreement for 2020–2023 and employment contracts with employees. All initiatives are running as part of the effective anti-corruption plan.

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Ethical standards and norms of behaviour

The principles and standards of ethical behaviour when working at and with PhosAgro are set out in relevant policies and other internal documents listed below. These are regulatory documents all the Group's managers, officers and employees must comply with. Employees who have violated them are subject to the respective sanctions, including social condemnation, public censure through publication in the media, full or partial withholding of bonuses, and – if the employee's action (omission) bears signs of a disciplinary offence – disciplinary measures also apply to such employee pursuant to the applicable labour and employment laws.



The following internal policies and procedures governing the compliance of the Company with the key principles and standards of ethical conduct are currently in effect:

SASB RT-CH-530a.1

Code of Ethics

The Code outlines the key principles and rules of ethical business conduct underlying the corporate culture of PhosAgro

UK Modern Slavery Act Transparency Statement

The Act outlines the Company's actions to prevent all forms of modern slavery and human trafficking within PhosAgro and its supply chain

Regulations on Business Presents and Representation Expenses

The Regulations set out the procedure for receiving presents by the Company's employees, as well as making them on behalf of the Company. The Regulations substantiate and detail the formation, structure, and documentation of representation expenses

Corporate Governance Code

The Code defines the main principles of and approaches to corporate governance

Regulations on the Commission for Combating Fraud and Corruption and Regulating Conflicts of Interest

The Regulations address and govern the issues pertaining to employee anti-corruption compliance

Government Relations Policy

The Policy establishes the principles, areas, purpose and objectives of PhosAgro interaction with public authorities and officials

Code of Conduct for Counterparties

The Company may refuse to cooperate with suppliers or business partners discriminating their own or subcontractors' employees or using forced labour

Regulations on Internal Checks

Regulations on Inspections

The regulations govern a set of actions taken to elicit the facts and identify the circumstances, motives and conditions of misconduct, incidents, and other violations of requirements set out in the Company's internal regulations

Charity Policy

The Policy sets out the key principles and areas for providing charitable support on behalf of and through the funds of the Company

Anti-Corruption Policy

The Policy defines the goals and objectives and sets forth the Company's key principles and employee responsibilities in the sphere of anti-fraud and anti-corruption

PhosAgro Hotline Regulations

The Regulations set out the goals and objectives with regard to the receipt of employee reports on the matters pertaining to combating fraud, corruption and theft and identifying conflicts of interest

Personnel Management Policy

The 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

Regulations on Conflict of Interest

The Regulations establish the procedure for identifying and resolving conflicts of interest arising with employees in the course of their employment

Apatit's Procurement Policy

The Policy defines the goals, key principles, roles and employee responsibilities in procurement

Regulations to Ensure Compliance with Anti-Corruption Laws as Part of Legal Support Process

The Regulations outline goals and objectives for legal support of the Company's business processes and transactions involving a high risk of corruption

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Operations assessed for risks related to corruption

When building an effective anti-corruption policy, it is of utmost importance to understand what corruption offences employees may be inclined to commit depending on their positions, what business processes are most likely to involve the commission of such offences, what ways or schemes are available for committing them and what consequences they may lead to.

For this purpose, the Group has defined lists of corruption-prone functions and positions. The activities of the officials occupying the positions included in the list are under special control of the Economic Security Department and heads of the relevant business units in terms of their compliance with high ethical standards and requirements of internal documents on anti-corruption, including compliance with related

prohibitions and restrictions and measures to prevent and resolve conflicts of interest. These standards are set out in internal regulations.

PhosAgro Group seeks to identify and assess corruption risks on a regular basis using a three-step procedure to update the list of functions and positions exposed to such risks. Over the last three years (2020–2022) the Company identified no corruption risks that are highly likely to materialise.

Corruption risk identification

Identification of corruption offences that may be committed by Group employees and detection of business processes (critical points) where such misconduct is possible

Corruption risk analysis

Identification of ways that can be potentially used to commit a corruption offence, depending on the specifics of the Group's business processes (corruption schemes), persons who may be involved in corruption, and business processes' vulnerabilities

Assessment of materiality of corruption risks

Assessment of the probability of a corruption offence at a specific stage of a business process and the potential damage to PhosAgro Group in case an employee (employees) commits (commit) a corruption offence

PhosAgro's Board of Directors receives regular reports on the progress of anti-corruption initiatives and the performance of the anti-fraud and anti-corruption

system in accordance with PhosAgro's Risk Management and Internal Control Policy. In addition, the process of identifying risks and preventing wrongdoings

is monitored by line managers on the basis of, among other things, the Risk Management Regulations.

Organisational and informational mechanisms

PhosAgro Group has a well-designed set of tools in place to ensure that the Group's employees

and counterparties are kept abreast of and trained in ethical business practices and that cases

of potentially unethical and corrupt behaviour are effectively reported to relevant officers and units.

Informing, advising, and training employees

GRI 205-2

PhosAgro Group offers ongoing training programmes to educate employees on anti-corruption in order to minimise the risk of their involvement in corrupt practices. To this end, the Group has put in place a robust training system to prevent any and all corrupt practices, mitigate possible harm, and eliminate the consequences thereof.

Training methodology

Target audience

Managers and white-collar workers of all levels, including employees of branches and standalone business units

Goals and objectives

Provide employees with updated information on laws and regulations on detecting and combating corruption in business entities. Help students develop an anti-corruption attitude, learn about methods of combating corruption and conflicts of interests and master relevant skills. Help students acquire knowledge of the causes and preconditions for corruption and practices of identifying and counteracting such cases

Benefits of online training

Educational materials (presentations, tests) accurately reflect the potential issues of corruption at PhosAgro Group companies. The training process does not disrupt core business activities

Training results

Upon completion of the anti-corruption training, an employee shall have an understanding of the theory of counteracting corruption in the Group; factors, causes, essence and consequences of corruption; Russian anti-corruption laws and regulations, as well as internal regulations of the Company; responsibility for failure to comply with anti-corruption practices

To train and inform employees, PhosAgro Group annually develops anti-corruption courses with final tests, which are posted

on the corporate intranet portal. The themes of the courses depend on the responsibilities of business units (employees)

and the established system of anti-corruption standards.

Completed training programmes

Training period	Completed programmes
2020	Preventing and Resolving Conflict of Interest Main Goals and Principles of the PhosAgro Group Code of Ethics
2021	Principles of the PhosAgro Hotline PhosAgro Group Anti-Corruption Policy Employees are tested on training outcomes; the regulations provide for mandatory additional training for employees who have demonstrated poor performance
2022	Main Goals and Principles of the PhosAgro Group Code of Ethics

To implement anti-corruption measures, PhosAgro's Economic Security Department drafts an annual training plan, according to which employees are informed from time to time about existing internal regulations on anti-corruption, anti-corruption standards, responsibility for failure to comply with them, as well as amendments and additions to them.

The Company's management serves as the key communication channel to emphasise the importance of compliance with the established anti-corruption measures. PhosAgro Group's employees and counterparties have free and easy access to information about the Company's anti-corruption practices. PhosAgro's official website features a special

section on anti-corruption, which contains CEO's message about the need to strictly comply with established anti-corruption standards, as well as copies of internal documents aimed at preventing corruption (the Anti-Corruption Policy, Code of Ethics, Regulations on Conflict of Interest and on PhosAgro Hotline). Internal documents are supplemented by methodological materials (handouts, presentations), which explain in easy terms the anti-corruption policy, standards of conduct, responsibility, and provide examples of corruption-prone situations that employees may encounter in the course of their employment.

Every new employee receives training on the basic requirements of the Anti-Fraud and Anti-Corruption Policy, the Code of Ethics, Regulations on Conflict of Interest and on PhosAgro Hotline by watching a respective video and putting their signature in briefing log to confirm the above. Employees' job descriptions stipulate their obligation to comply with anti-corruption standards and PhosAgro Group's internal regulations, as well as to receive respective training. When employees perform functions involving a high risk of corruption, those responsible for the implementation of the Anti-Corruption Policy additionally explain to them the Russian laws and the Group's internal policies on anti-corruption.

Total number and share of members of the governance body, employees and business partners familiarised with the Company's Anti-Corruption policy and procedures, by region

	Total number of members of the governance body			Share of members of the governance body, %			Total number of employees			Share of employees, %			Total number of business partners			Share of business partners, %		
	'20	'21	'22	'20	'21	'22	'20	'21	'22	'20	'21	'22	'20	'21	'22	'20	'21	'22
Saratov region	177	177	283	28	28	33	609	609	852	59	59	67	130	89	104	100	100	100
Murmansk region	335	427	888	31	31	34	2,564	2,564	2,621	61	61	66	121	95	71	100	100	100
Moscow region	74	74	87	32	32	39	86	82	225	45	45	61	1,087	903	898	100	100	100
Leningrad region	110	172	266	28	31	35	502	502	770	58	58	65	707	504	487	100	100	100
Vologda region	447	478	943	29	32	28	3,028	2,767	33,346	80	81	72	186	181	167	100	100	100
Other			132			32	1,902		408			68	1,292	1,208	1,401	100	100	100
Total	1,143	1,328	2,599	29	30	32	8,691	6,524	8,222	60	62	68	3,523	2,980	3,128	100	100	100

Total number and share of members of the governance body and employees trained in anti-corruption measures, by region

	Total number of members of the governance body			Share of members of the governance body, %			Total number of employees			Share of employees, %		
	'20	'21	'22	'20	'21	'22	'20	'21	'22	'20	'21	'22
Saratov region	177	177	234	80	80	83	609	609	747	80	87	88
Murmansk region	335	335	718	80	80	81	2,564	2,564	2,275	81	82	87
Moscow region	74	74	68	80	80	78	86	82	181	78	80	80
Leningrad region	110	110	209	80	80	79	502	502	636	80	81	83
Vologda region	447	447	910	89	89	97	3,028	2,767	3,206	89	90	96
Other			102			77	1,902		335			82
Total	1,143	1,328	2,241	81	87	86	8,691	6,524	7,380	86	89	90



Security Agents

December 2022 saw the second festival held as part of Security Agents, Russia's unique initiative run by PhosAgro and the Vologda Regional Office of the Russian Ministry of Internal Affairs. The project seeks to train children in security and observance of ethical standards. The participants

learn about security operations, cybersecurity, rules of conduct in public places, and healthy lifestyle. The festival was attended by the Company management together with the representatives of the Vologda Regional Office and Kaspersky Lab. From June 2021, the project organisers have given over 470 classes to more than 5,000 children,

including those of the Company's employees, school students, children without parental care placed in dedicated centres, and teenagers assigned to the Juvenile Liaison Office. In 2022, its geography expanded to include Volkhov (Leningrad region) and Balakovo (Saratov region).

Tools to notify the relevant PhosAgro Group's executives of any instances of misconduct and corrupt practices

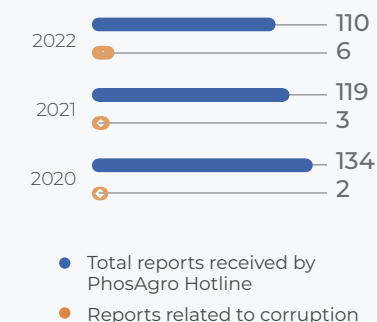
GRI 2-25, 2-26

Tool	Description
Obligation	Any Company employee, as well as any member of the Board of Directors, who has become aware of any actual or potential violation of law or PhosAgro's internal regulations is obliged to give a prompt notice of the same in writing. This also applies to any inducement to corruption or violations showing signs of corruption committed with respect to other employees, counterparties or other parties interacting with the Group.
Communication	The procedures for reporting and consideration of violation reports are defined in the Anti-Corruption Policy, the Code of Ethics, the Regulations on Conflict of Interest, and the Anti-Corruption Agreement, as well as other internal regulations of the Group companies
Confidentiality and protection	A person who has submitted a notice/report is guaranteed confidentiality of the information received, as well as such person's personal data. PhosAgro takes steps to protect the employee who has notified the employer's representative (employer) of any actual or potential violation of law and the Company's internal regulations that may pose a threat to the Group's interests.
Advice	PhosAgro's Code of Ethics formalises the right of each employee, if they have any questions relating to anti-corruption compliance or any concerns as to the rightness of their actions the actions of other employees, counterparties, or other parties interacting with the Company, to seek advice or assistance from their immediate supervisors or, if need be, the relevant business units of the Company.
PhosAgro Hotline	The Hotline operates to improve the efficiency of measures taken to prevent fraud, corruption, theft, and conflict of interest, as well as to mitigate the compliance and reputational risks resulting from violation of professional and ethical standards by the PhosAgro Group's employees. There are three ways to report to the Hotline: by phone at +8 8202 59 32 32, e-mail at help@phosagro.ru and regular mail at the following address: Economic Security Department, 75 Severnoye Highway, Cherepovets, Vologda region, 162622, Russia. To ensure free access to the Company's Hotline, all existing communication channels are posted on PhosAgro's website.

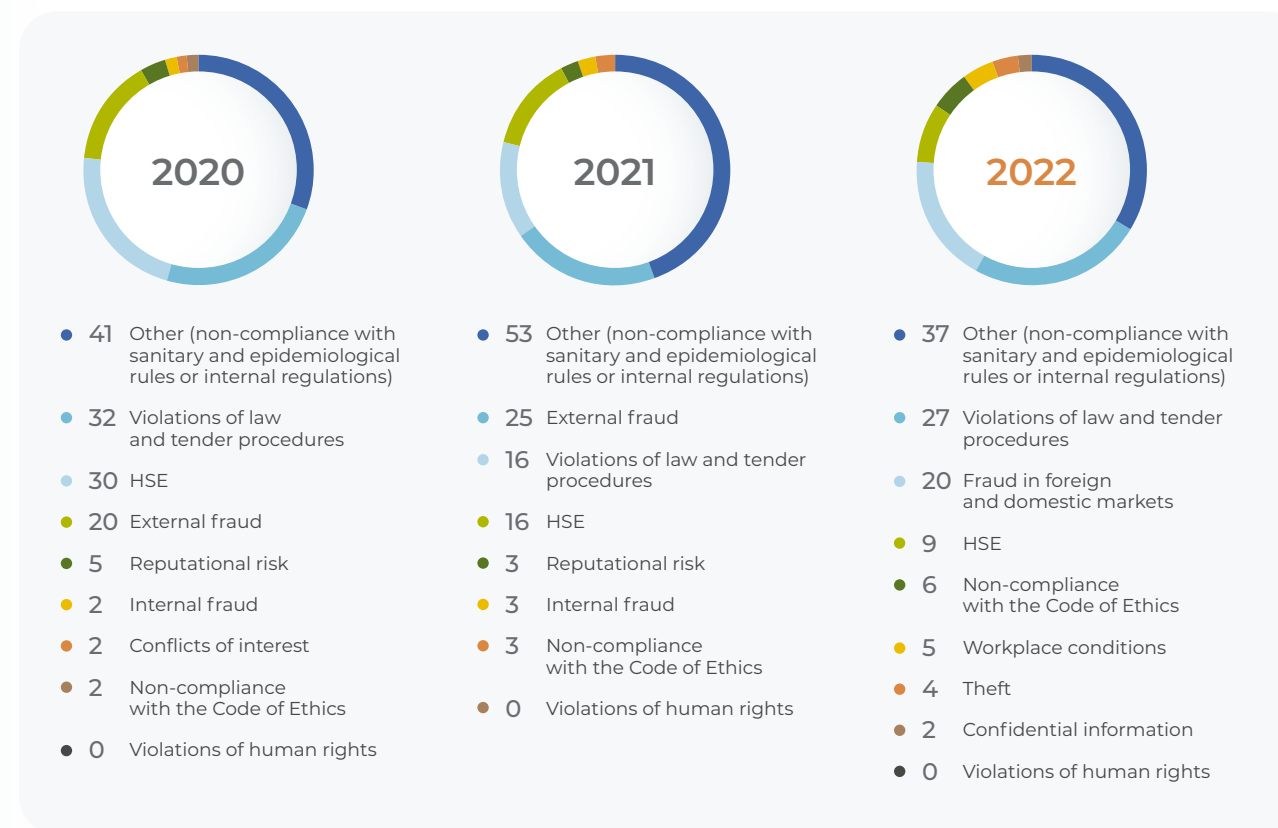
PhosAgro Hotline

To improve the timeliness and effectiveness of measures aimed at preventing ethical violations, including corruption, discrimination, human rights violations, etc., the Company created the PhosAgro Hotline portal.

Any employee or other stakeholder can use PhosAgro Hotline to report any potential violations detrimental to the Company's interests, while the Company may not disclose the identity of the whistle-blower to other employees and third parties.



Reports received by PhosAgro Hotline by category



PhosAgro's Internal Audit Department reports on a quarterly basis to the Audit Committee on all reports received by the PhosAgro

Hotline, actions taken, the results of audits and measures to address violations of the Group's ethical standards. The Chairman of the Audit

Committee provides this information to members of PhosAgro's Board of Directors.

Anti-corruption

GRI 3-3

We consider it unacceptable for PhosAgro Group's executives and employees at all levels to take advantage of their official position in a way that is in conflict with corporate or national interests. To prevent fraud and corruption, PhosAgro has put in place its Anti-Corruption Policy together with a system covering the entire range of its activities, and set up a commission on fraud, corruption, and conflicts of interest. The Company seeks to identify and assess corruption risks on a regular basis to keep track of functions and positions exposed to such risks. PhosAgro's management regularly reviews reports on the progress of anti-corruption initiatives and the performance of the anti-fraud and anti-corruption system.

In addition, we make an ongoing effort to build a culture of zero tolerance to corruption underpinned by high ethical standards, as well as maintain an atmosphere of trust, mutual respect and integrity among employees.

PhosAgro Group's participation in collective efforts to combat corruption

The Company's Anti-Corruption Policy is implemented in accordance with applicable anti-corruption laws and international conventions (including the UN Convention against Corruption and Russian anti-corruption laws). To prevent and combat corruption, PhosAgro Group cooperates with business communities and participates

in public associations, which is seen as a guarantee of compliance with Article 13.3 of Federal Law No. 273-FZ On Combating Corruption dated 25 December 2008:

1. The Anti-Corruption Charter of the Russian Business adopted by the RSPP.

As part of self-assessment of special anti-corruption programmes and practices implemented by the Company and covering not only internal activities, but also relations with business partners and the state, procurement through public auctions, financial control, staff training and development, cooperation with law enforcement agencies, PhosAgro regularly completes surveys using the portal of the Chamber of Commerce and Industry of Russia.

2. The Social Charter of the Russian Business adopted by the RSPP.

Having joined the Social Charter of the Russian Business, PhosAgro formalised the responsible approach it takes to ESG and its commitment to best practices in corporate social responsibility.

3. The Anti-Fraud Working Group of the Russian Association of Fertilizer Producers (RAFP),

which has developed initiatives to combat wrongdoings committed by unidentified persons using brands of major mineral fertilizer producers.

4. The Chamber of Commerce and Industry of Russia (CCI).

The CCI membership implies engaging in a dialogue between

the business community and the government to forge the social, economic, and industrial policy, remove administrative hurdles, improve the business and investment climate, and promote entrepreneurship. In December 2022, PhosAgro participated in the nationwide interactive campaign held in furtherance of the National Anti-Corruption Plan for 2021–2024.

5. The Russian Union of Industrialists and Entrepreneurs.

As a member of the RSPP, PhosAgro participates in the annual Anti-Corruption Rating assessing compliance with best business conduct practices both in Russia and globally. As part of the 2022 rating, PhosAgro was awarded the A1 score and designated as a "Company with Extremely Strong Anti-Corruption Credentials and Extremely Low Corruption Risks".

To counteract corruption, we cooperate successfully with state and local government authorities and non-governmental organisations based on the principles of partnership, mutual respect, trust and professionalism. We have entered into a number of long-term agreements on preventing and detecting crime, as well as helping to build security infrastructure through the creation of police stations at PhosAgro Group's production sites. Joint activities are widely covered in the corporate media.

Acquainting business partners with PhosAgro Group's anti-corruption standards and procedures

SASB EM-MM-510a.1

PhosAgro recognises that corruption risks can arise not only within, but also outside the Company, primarily when interacting with counterparties, including business partners, suppliers, contractors, etc.

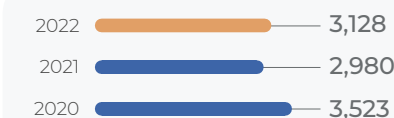
PhosAgro Group has approved a procedure for incorporating an anti-corruption clause and a clause of good faith in every contract signed by the parties; these clauses contain clear and detailed rules and procedures aimed at preventing corruption, including special management procedures, requirements for counterparties, rules of special anti-corruption control and audit, measures to prevent conflicts of interest and commercial bribery, and compensation for material damage.

The Group is committed to establishing and maintaining business relationships with companies that operate in line with high ethical standards and combat corruption.

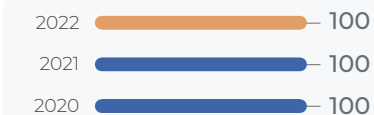
We have improved the registration process at the electronic bidding platform (PhosAgro's official website – Procurement – Tenders – Supplier Registration Form). Every potential supplier of goods or services interested in establishing a business relationship with PhosAgro Group is required to read the relevant internal regulations (the Company's Anti-Corruption Policy, Code of Ethics, Anti-Fraud and Anti-Corruption Policy of Apatit, Code of Conduct for Counterparties, etc.), and familiarise themselves with information on PhosAgro's Hotline. Only after becoming aware of these standards may they proceed with the registration at the electronic bidding platform. This helps to ensure that all potential counterparties seeking to do business with PhosAgro Group are familiar with the applicable standards.

As a result, 100% of counterparties wishing to engage in business with the Company are introduced to the applicable internal regulations of the Company during the registration at the electronic bidding platform.

Total number of business partners registered at the electronic bidding platform and acquainted with the anti-corruption standards



Share of business partners in this category, %



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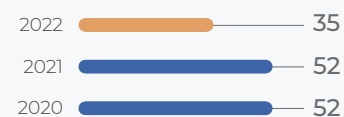
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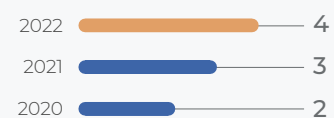
Incidents of corruption identified and actions taken

Internal investigations into reported corrupt behavior

Number of internal investigations into various failures to comply with the internal regulations



Including corruption-related



GRI 205-1

In 2022, 35 internal investigations were launched to identify failures in complying with the internal regulations. Four of the completed investigations were related to corruption and fraud and had to do with:

- illegal receipt of RUB 800,000 by the contractor's manager in exchange for facilitating the signing of the as-built report on cabling at the Kriolit railway station. As a result of this offence, Apatit incurred losses of RUB 10,999,700;
- illegal receipt of RUB 201,000 by the head of the MFPU section at Apatit in exchange for exercising their official powers for the benefit of a contractor;
- a contractor's failure to fulfil its obligations under a contract

to apply anti-corrosion coating to structures and buildings at Apatit's phosphate and nitrogen facilities. As a result of this failure, Apatit incurred losses of RUB 1,000,000;

- illegal transfer by the Company's counterparties of RUB 604,000 to the head and chief expert of the environmental control unit at Apatit's Volkhov branch in exchange for deliberate wrongdoing on their part. As a result of this offence, Apatit incurred losses of RUB 87,707,800.

The internal investigations led to the initiation of a disciplinary action against one employee, and termination of contract with three other employees.

GRI 205-3

In 2022, four criminal cases were initiated, including two cases against employees of Apatit (there are three employees listed in the case records whose employment contracts were terminated):

- on 25 April 2022, a criminal case was opened in accordance with Article 204, Part 7 ("Commercial Bribery") of the Russian Criminal Code against the head of the MFPU

section at Apatit who received RUB 201,000 in exchange for engaging in wrongdoing for the benefit of a contractor; on 12 July 2022, a criminal case was opened in accordance with Article 204, Part 7 ("Commercial Bribery") of the Russian Criminal Code against the head and chief expert of the environmental control unit at Apatit's Volkhov branch who

illegally received RUB 250,000 from the Company's contractors. Further investigation revealed two more offences committed by the criminal case subjects with a view to receiving illegally RUB 170,000 and RUB 184,000. This brought the total amount of illegally received funds to RUB 604,000.

PhosAgro Group's commitment to the anti-corruption standards is evidenced by the fact that it cooperates with law enforcement authorities:

1 PhosAgro made a public commitment to report to the relevant law enforcement authorities any cases of corruption (signs of corruption) the Group (its employees) may become aware of.

2 PhosAgro will not impose any sanctions on employees who reported to law enforcement authorities any actual or potential corruption incidents that they became aware of in the course of their employment.

Confirmed incidents of corruption and actions taken

GRI 205-3

	2020	2021	2022
Total number of confirmed corruption cases	2	2	4
Total number of confirmed incidents resulting in the dismissal of employees or initiation of a disciplinary action against them on corruption charges	2	2	3
Total number of confirmed incidents resulting in the termination of contracts with business partners or a failure to renew them due to corruption-related offences	1	1 ¹	2
Total number of public court actions ² taken against an organisation or its employees on corruption charges	1	1	2

¹ The Company updated the 2021 data: in 2021, the Company disqualified one business partner who wanted to participate in bidding procedures worth over RUB 400 mln on the grounds that it was not considered trustworthy because of its failure to comply with anti-corruption standards.

² All corruption-related cases are included in the official statistics of law enforcement agencies.



Conflicts of interest

GRI 2-15

PhosAgro's Code of Ethics and Regulations on Conflict of Interest require employees to report any potential or actual conflicts of interest to their line manager or an anti-corruption officer.

As part of the work to develop a framework for preventing, identifying and resolving conflicts of interest, three designated collegial advisory bodies were established:

- 1. the Commission on Conflict of Interest between Employees of PhosAgro** chaired by the CEO;
- 2. the Commission on Fraud, Corruption and Conflicts of Interest at Apatit** (to streamline anti-corruption efforts across the Company's production units);
- 3. the Commission on Fraud, Corruption and Conflicts of Interest at PhosAgro-Region** (to act for PhosAgro-Region and its subsidiaries).

PhosAgro places a strong emphasis on timely prevention, identification and resolution of potential conflicts of interest. The Company puts in place verification procedures to be carried out when personnel decisions are made and responsibilities are distributed and requires all candidates to report personal interest, if any, at the time they are offered employment with the Company and regularly from then onwards.

The Company did not identify any conflicts of interest related to membership in the Board of Directors; joint ownership with suppliers and other stakeholders; controlling shareholders; related parties and their relations, transactions and outstanding balances.

In 2022, the Company reviewed 15 cases of potential conflict of interest, including nine of them at a meeting of Apatit's Commission

on Fraud, Corruption and Conflicts of Interest. As a result of this review, recommendations were drafted on amending job descriptions, revisiting the organisational and staff structure and transferring employees to other business units. In order to prevent potential conflicts of interest, five notices were served on respective managers. In one of the reviewed cases, the conflict of interest (at PhosAgro-Region) proved to be unsubstantiated.

Identification, prevention and settlement of conflicts of interest in the actions of PhosAgro Group's employees

	2020	2021	2022
Total number of conflicts of interest pertaining to joint ownership with suppliers and other stakeholders	0	1	0
Total number of conflicts of interest pertaining to controlling shareholders	0	0	0
Total number of conflicts of interest pertaining to related parties and their relations, transactions and outstanding balances.	0	0	0
Total number of conflicts of interest pertaining to membership in the Board of Directors	0	0	0
Total number of potential conflicts of interest	12	10	15
Number of conflicts of interest considered at the meeting of the Commission on Fraud, Corruption and Conflicts of Interest	5	5	9

Antitrust measures

GRI 3-3, 206-1

The Company has approved trade policies for the sale of phosphate rock (Apatit's Marketing Policy for Domestic Sales of Phosphate Rock) and for the sale of certain fertilizer grades to agricultural

producers. The respective documents are designed to ensure compliance with antitrust laws, while also mitigating risks associated with anti-competitive behaviour. There are no pending lawsuits filed

on charges of anti-competitive behaviour or breach of applicable antitrust and trust laws, or any similar lawsuits settled in 2020–2022 to which the Company could be identified as a party.



The respective documents are available in the [Buyers section](#) of the Company's [official website](#)

Non-discrimination policy and human rights

GRI 2-23

We do our best to keep the working environment at the Group's facilities free from restrictions based on nationality, gender, age, faith or other grounds as required by the applicable laws. At PhosAgro Group, any decisions regarding promotion, hiring, remuneration or benefits are based solely on the employee's qualifications, performance, skills and experience.

In 2022, the Board of Directors and the Remuneration and Human Resources Committee paid special attention to human rights focusing on staff diversity and equality of genders. The discussions held by these bodies led to the key conclusion that every employee who works dutifully and has professional skills and competencies may apply for any position within the Group,

including in an executive role. In 2020–2022, there were no employee reports or complaints about violations of labour practices, human rights, or discrimination.

Company profile



Strategic report



Performance review



CORPORATE GOVERNANCE

Share capital



Appendices

