

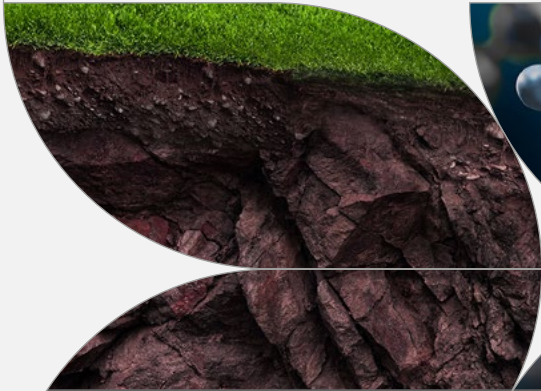


**FERTILE
GROUND FOR
PARTNERSHIP**

Integrated report

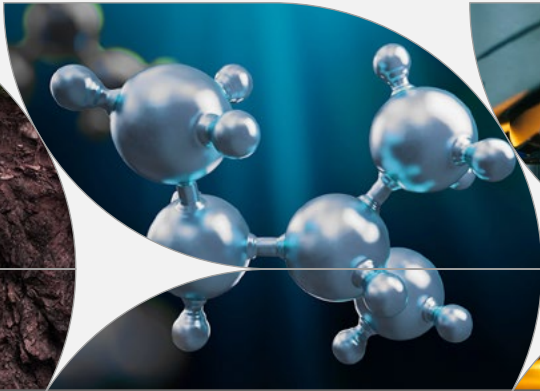
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For the interactive version of the report, please visit our website at www.phosagro.com



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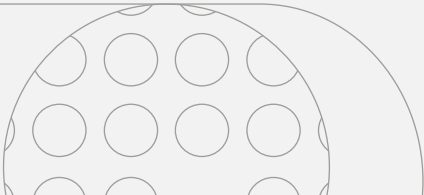
ABOUT THIS REPORT

GRI 2-1, 2-2, 2-3

The Report was approved by the Board of Directors of PhosAgro on 17 April 2025 (Minutes w/o No. dated 18 April 2025).

It is our pleasure to welcome you to the 2024 Integrated Annual Report (the “Report”) of PJSC PhosAgro (PhosAgro). PhosAgro is a vertically integrated Russian company and one of the world's leading producers of phosphate-based fertilizers.

The Company maintains an annual reporting cycle, with the previous report released on 28 April 2024. The Report highlights how we integrate ESG principles into everything we do. The reporting period for the Company's consolidated financial statements is from 1 January to 31 December 2024.



The Report's theme is FERTILE GROUND FOR PARTNERSHIP

Soil is the source of life, but its fertility is finite. This is why, alongside producing fertilizers, we integrate scientific knowledge, technology, and best farming practices. This enables us to develop and promote new approaches and technologies focused on conserving soil and restoring the fertility of degraded land. In doing so, we contribute to the creation of a sustainable agricultural system for the benefit of future generations. We are confident that soil is **the foundation of the Earth's future**.

We unite efforts with those who share our concern for the future. In 2024, the Company expanded its partnerships with international organisations, R&D institutions, businesses, and the expert community. Our collaborative initiatives encompass soil research and monitoring, laboratory development, implementation of sustainable agricultural practices, and the launch of educational programmes. We implement projects in partnership with the Food and Agriculture Organisation of the United Nations (UN FAO), provide training for farmers across BRICS countries, and contribute to shaping the global ESG agenda within the Business Twenty (B20).



PhosAgro Group's approach focuses on transferring technology from research labs to the field. Our experts study soil structure to develop fertilizers that make soil more resistant to degradation and preserve its fertility without damaging ecosystems. We support farmers by producing quality products while also sharing our knowledge and teaching them lean application of fertilizers and best agricultural methods.

This idea is highlighted by the Report's visual concept. Tier by tier, from exploring the molecular structure of nutrients and creating safe fertilizers to restoring the fertility of fields and harvesting sustainable crops, we are **building a system to protect soil**.

BOUNDARIES AND STANDARDS

GRI 2-5, 2-14

This Report complies with the following requirements and recommendations:

- Bank of Russia's Regulation No. 714-P On Disclosure of Information by the Issuers of Issue-Grade Securities dated 27 March 2020;
- Bank of Russia's Letter No. 06-52/2463 On Corporate Governance Code dated 10 April 2014;
- Bank of Russia's Letter No. IN-06-28/102 On Disclosure in the Annual Report of a Public Joint-Stock Company of a Report on Compliance with the Principles and Recommendations of the Corporate Governance Code dated 27 December 2021;
- UK Corporate Governance Code;
- Bank of Russia's Information Letter No. IN-06-28/49 On Recommendations on Disclosure by Joint-Stock Companies of Non-Financial Information Pertaining to Their Activities dated 12 July 2021;
- Order of the Ministry of Economic Development of Russia No. 764 On Approval of Methodological Recommendations for the Preparation of Sustainable Development Reporting dated 1 November 2023;
- Listing Rules of the Moscow Exchange and the London Stock Exchange;
- AA 1000 and ISO 26000 standards;
- CDP standards;
- Value Reporting Foundation's standards;
- Industry-based SASB (Sustainability Accounting Standards Board) standards;
- Reference Performance Indicators of the Russian Union of Industrialists and Entrepreneurs (RSPP), and

the MOEX-RSPP Responsibility and Transparency, and Sustainability Vector indices;

- Social Charter of the Russian Business sponsored by the Russian Union of Industrialists and Entrepreneurs.

The Company takes into account Russian and international best practices for disclosing information on sustainable development, including IFRS S1 and IFRS S2 reporting standards issued by the International Sustainability Standards Board (ISSB). In 2024, the Company assessed its preparedness to apply IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. The Additional Information section provides details on pilot disclosures made in the formats required by the standard. This information shall not be treated as the statement of compliance in accordance with para. 72 of IFRS S1.

The Company's report conforms to GRI 2021 standards (in accordance option). Appropriate disclosure of qualitative and quantitative information prepared in accordance with the GRI Standards ("Selected Information") has been assured by Joint-Stock Company Technologies of Trust – Audit (Technologies of Trust – Audit JSC) in line with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. The independent assurance report and the GRI Content Index are available in the Additional Information section of this Report.

This Report provides insights into the performance of parent company PhosAgro and its subsidiaries (hereinafter jointly referred to as “PhosAgro Group”, the “Group”, or the “Company”) across their operations for the year 2024, while also offering information on corporate governance and corporate responsibility. The key subsidiaries of the Group and PhosAgro's stake in these subsidiaries are presented in the Group's 2024 IFRS consolidated financial statements.

Financial results in the Report were disclosed based on the IFRS consolidated financial statements of the Group for 2024 audited by Technologies of Trust – Audit JSC in accordance with the International Standards on Auditing.

The boundaries of the Group companies covered in this Report differ from those in consolidated financial statements when it comes to specific non-financial disclosures. To ensure compliance with the materiality principle, we determined such boundaries in a way that this Report describes all material aspects of PhosAgro Group.

The data disclosed in this Report includes information on:

- **Boundary 1** – PhosAgro and companies that are part of the group to which PhosAgro belongs (corresponds to the scope of disclosure in IFRS consolidated financial statements).
- **Boundary 2** – Apatit, including its branches and standalone business units.

For more information on specific disclosures and their boundaries used in this Report, see the GRI Content Index section

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FERTILE GROUND FOR PARTNERSHIP

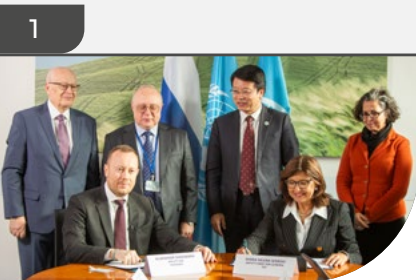
The leading fertilizer producer in Russia and overseas, PhosAgro Group is also the key integrator of steps to protect soil sustainability and fertility across the globe.

We apply a holistic approach to reducing soil vulnerability by joining forces with the world's leading agronomists, financing the research of various soils and

fertilizer matching, raising farmers' awareness in regions where soils are most exposed to degradation, and designing fertilizers with unique nutrient compositions and properties.

These efforts pave the way to more efficient use of soil and avoiding its degradation.

Key events in the field of soil protection in 2024



PhosAgro Group and the UN FAO announced a **third stage of the global soil protection initiative** thanks to building the network of more than one thousand soil labs in 160 developing countries.

The Group helped arrange an **international symposium on climate-smart and eco-friendly agriculture** in St Petersburg which brought together the world's leading experts in environmental protection and agricultural innovations.



The Company presented **sustainable farming initiatives at the B20 forum** at SPIEF-2024 highlighting its role in promoting green fertilizers and pro-active efforts as part of the B20 sustainable food systems and agriculture task force.



PhosAgro acted as the **general partner of the All-Russian Field Day 2024** showcasing its innovative mineral fertilizers along with tools and methods to streamline agricultural technologies, use resources more efficiently, and increase yields, product quality and profits without a significant rise in costs.



The Company took part in **BRICS2020 symposium on environment-smart agriculture** presenting successful cases in sustainable agriculture.

PhosAgro Group became the **general partner of the sixth IUPAC Summer School on Green Chemistry**, advancing best practices in green fertilizer production, promoting basic sciences, sharing knowledge, and forging international ties.



PhosAgro-Region opened its first in-house lab to perform a wide range of agrochemical soil tests across its footprint.

The Company presented **educational projects for African farmers as part of the Ministerial Conference of the Russia-Africa Partnership Forum**, in particular ProAgro Lectorium, a global digital platform offering lectures from the leading academics and practitioners.



The Group spoke of its **contribution to advancing the Green One national platform** at the Global Fresh Market 2024 as the Company had been promoting green industrial and agricultural products for over five years.

PhosAgro and Peoples' Friendship University of Russia (RUDN) **launched the BRICS International School for Sustainable Agriculture**, bringing together 60 students from six BRICS nations.



PhosAgro Group, AgroGard, and Lomonosov Moscow State University with UN FAO support launched **RECISOIL**, the first **soil protection initiative** of its kind in Russia aimed at supporting farmers, sustainable soil management, and increasing organic carbon in soils.

PhosAgro-Region summarised its agronomic programme, which saw over 200 tests of mineral plant nutrition systems performed in 2024.

¹ Certified for environmental compliance under the Vitality Leaf international standard.

COMPANY PROFILE

H3

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No. 1

in Russia for corporate
ESG practices, according
to RAEX ranking

58

fertilizer grades produced
in 2024

74

Russian regions
covered by our
supplies

2024 key highlights

Creating the foundation for change

PhosAgro integrates sustainable development principles into all business operations, building a robust foundation for long-term growth. Steady advancements in production efficiency empower the Company to continue strengthening its ESG practices and redefining industry standards.

- 8 Our mission and values
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Phosphoric acid H_3PO_4

OUR MISSION and values

As one of the world's leading mineral fertilizer producers, PhosAgro assumes a special responsibility for global food security.

We offer eco-sustainable fertilizers¹, supply them, and train farmers in their most efficient and responsible application.

OUR MISSION

Caring for Earth fertility for prosperous lives



OUR VALUES

- ➔ **Leadership.** Our goals are ambitious as we strive for professional excellence and continuous self-improvement
- ➔ **Teamwork.** As a strong team players, we look to ensure smooth cooperation of all our business units
- ➔ **Expertise.** Everyone at PhosAgro is a qualified professional in what they do
- ➔ **Reliability.** We always honour our obligations and are a reliable partner
- ➔ **Improvement and innovation.** Development is ongoing at PhosAgro, with every procedure relentlessly improved and refined
- ➔ **Safety.** We promote and share a safety culture within the Company to ensure safe working conditions
- ➔ **Ethics.** We support human integrity, fostering moral standards and ethics, spiritual values, dedication at work, and respect for family values

OUR VISION

GLOBAL PRESENCE



ORGANIC GROWTH AND DEVELOPMENT



HEALTHY LIFESTYLES AND OCCUPATIONAL HEALTH AND SAFETY



CARE FOR THE ENVIRONMENT



SOCIAL RESPONSIBILITY



INNOVATION AND DIGITAL TRANSFORMATION



¹ Certified for environmental compliance under the [Vitality Leaf](#) international standard.

NAVIGATOR on UN SDGs

17 UN SDGs are the most important benchmark in our making both strategic and day-to-day management decisions. Committed to the Company’s mission and values, which are underpinned by our Strategy to 2025, we look to contribute to, and monitor the progress against, the targets of our eleven priority UN SDGs.

2

ZERO HUNGER

Target

2.4

↑

- Our key programmes**
- Increasing sales efficiency
 - Improvement of the product mix

For more information, see page 54, 114

6

CLEAN WATER AND SANITATION

Target

6.1, 6.3

↑ ↓

- Our key programmes**
- Initiatives to boost water use efficiency as part of the Company’s Water Strategy

For more information, see page 212

3

GOOD HEALTH AND WELL-BEING

Target

3.4, 3.9

↓

ДЕМОГРАФИЯ
НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

- National project**
- Demography: Sports as a Way of Life federal project
- Our key programmes**
- Safety culture improvement programme
 - Minimising pollutant emissions per unit of output
 - Social benefits and employee guarantees
 - DROZD (Educated and Healthy Children of Russia)

For more information, see page 179, 208, 236

8

DECENT WORK AND ECONOMIC GROWTH

Target

8.3, 8.5, 8.8

↑ ↓

- Our key programmes**
- Comprehensive production development programme
 - Incentives and rewards
 - Our Favourite Cities programme
 - Green procurement programme and ESG assessment of suppliers

For more information, see page 58, 139, 159, 228

4

QUALITY EDUCATION

Target

4.4

↑

ДЕМОГРАФИЯ
НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

ОБРАЗОВАНИЕ
НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

КУЛЬТУРА
НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

- National projects**
- Demography: Sports as a Way of Life federal project
 - Education: promoting engineering professions
 - Culture: establishing cultural and educational museum facilities
- Our key programmes**
- School–college/university–facility educational model
 - Cooperation with universities and Russian and international R&D centres
 - Promotion of retraining and professional development
 - Improving safety competencies

For more information, see page 121, 154, 178, 232

- ↑ Making a positive impact
- ↓ Minimising the negative impact

9

INDUSTRY, INNOVATION AND INFRASTRUCTURE

Target

9.1

↑

ИНТЕРЕСНЫЕ ГОРОДА
НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

- National project**
- Housing and Urban Environment: Creating a Comfortable Urban Environment federal project
- Our key programmes**
- Logistics infrastructure development programme
 - Our Favourite Cities programme

For more information, see page 56, 228

13

CLIMATE ACTION

Target

13.1, 13.2

↑ ↓

- Our key programmes**
- Energy Efficiency Programme
 - Delivering on the Climate Agenda project
 - Green procurement programme and ESG assessment of suppliers
 - Application improvement

For more information, see page 118, 138, 190, 201

15

LIFE ON LAND

Target

15.1

↓

- Our key programmes**
- Comprehensive programmes to assess and preserve biodiversity
 - Partnership with UN FAO in advancing sustainable farming
 - RECSOIL project in partnership with Lomonosov Moscow State University and UN FAO

For more information, see page 120, 216

11

SUSTAINABLE CITIES AND COMMUNITIES

Target

11.3

↑

ИНТЕРЕСНЫЕ ГОРОДА
НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

- National project**
- Housing and Urban Environment: Creating a Comfortable Urban Environment federal project
- Our key programmes**
- Our Favourite Cities programme
 - Promotion of entrepreneurship

For more information, see page 110, 138, 206

17

PARTNERSHIPS FOR THE GOALS

Target

17.16, 17.17

↑

- Our key programmes**
- Cooperation with universities and Russian and international R&D centres
 - Collaboration with UN organisations (FAO, UNESCO, UN Global Compact)
 - Joining efforts with the governments and municipal authorities in Russian regions in which the Company operates
 - Mineral fertilizer consumer surveys

For more information, see page 104, 121, 216, 227

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

Target

12.4

↑ ↓

- Our key programmes**
- Programme to promote circular economy elements, including the use of phosphogypsum in farming and other industries
 - Improvement of production processes
 - Green procurement programme and ESG assessment of suppliers

For more information, see page 110, 138, 206

Global Compact

LEAD

The Company is among the most highly engaged participants of the world’s largest corporate sustainability initiative. The UN first named PhosAgro a Global Compact LEAD company in 2019.

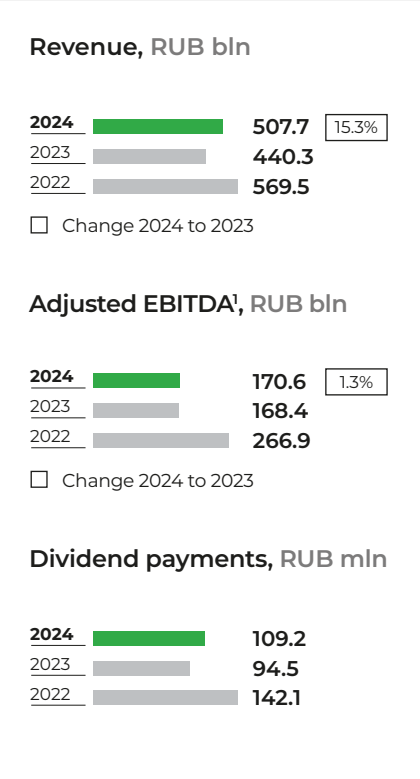
For more information on SDGs, see the Commitment to UN Goals section of the Company’s website

KEY HIGHLIGHTS

✓

PhosAgro Group stays true to the priorities set out in its long-term development strategy. With an ongoing focus on production expansion and substantial capital investments, the Company continues to deliver consistent production efficiency improvements and strong financial results, while maintaining an unwavering commitment to sustainability. We believe that a successful and efficient business should contribute positively to society and make continuous efforts to reduce its environmental footprint. At all levels of the Company's management, from the Board of Directors onwards, we maintain a steadfast focus on sustainable development and social responsibility.

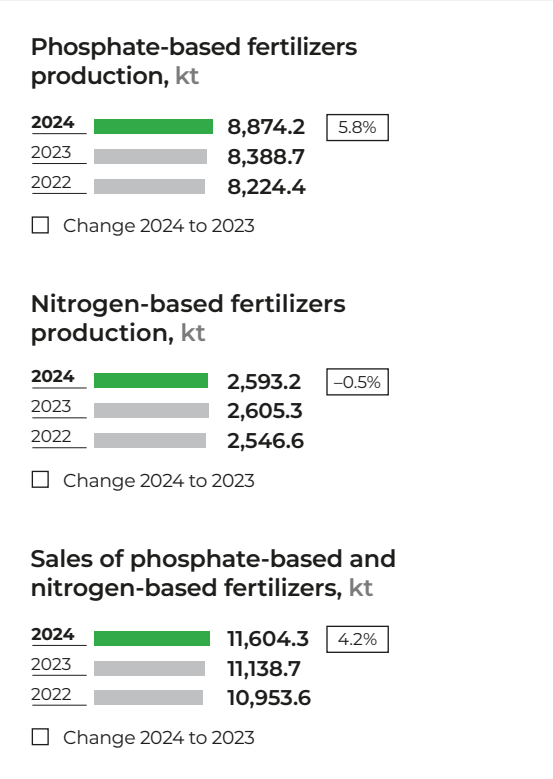
FINANCIAL HIGHLIGHTS



Revenue went up primarily due to increased sales of phosphate-based fertilizers, especially NPK, amid recovery in average global sales prices from early 2024 and a shift in the rouble rate.

Adjusted EBITDA improved by 1.3%, while adjusted EBITDA margin came in at 33.6%, driven by a rise in sales and sales prices. At the same time, the metric came under pressure from higher costs associated with the payment of export duties introduced in 2023, increased consumption of raw materials, and an expansion in staff costs.

OPERATIONAL HIGHLIGHTS



The bulk of the growth in 2024 was in phosphate-based fertilizer production, attributable to the Volkhov production site reaching its design capacity, as well as the increased production of key inputs such as phosphoric (up 5.1%) and sulphuric (up 5.3%) acids.

Mineral fertilizer sales grew by 4.2% in 2024. The key growth factors were robust production volumes, strong efficiency of PhosAgro Group's distribution network in Russia, and our solid position in global sales markets.

SUSTAINABLE DEVELOPMENT HIGHLIGHTS



PhosAgro Group continued to progress towards achieving its goals in climate action, energy efficiency, waste management, and water management. The emissions reduction and waste recycling and decontamination targets outlined in our Strategy to 2025 were successfully achieved ahead of schedule as early as 2023.

In 2024, PhosAgro maintained an impeccable safety record with zero fatalities among its own employees, as well as those of contractors, subsidiaries and affiliates. LTIFR for all personnel categories was 0.54 (compared to 0.61 in 2023), and the number of transport incidents decreased by approximately half compared to 2022.

Employee satisfaction and loyalty within PhosAgro Group have been consistently improving each year, thanks to a well-thought-out human resources strategy, extensive social programmes, and an active communication policy. Over the past three years, the average monthly pay across the Group's facilities rose by 67%, with salaries of all employees raised by 15% in 2024.

¹ Adjusted EBITDA is calculated as operating profit adjusted for depreciation and amortisation less foreign exchange gain or loss from operating activities.

² The Group specific disclosure was calculated as the ratio of total water withdrawn, excluding mining and pit waters, to the total output of products and semi-finished products.

³ The Group specific disclosure was calculated as the ratio of the volume of waste water discharged into surface water bodies, excluding mine and pit waters, to the total output of products and semi-finished products.

⁴ Employees + staff of external contractors (including subsidiaries, affiliates and managed companies, Boundary A – for more information, see the Industrial Safety section on pages 164–181).

For more information on financial performance, see 78–85

For more information on operational performance, see 86–91

KEY EVENTS in 2024

- PhosAgro Group became the leading Russian producer of fertilizers.
- The Company increased salaries for all employees by an additional 15%.
- The share of the mining and processing plant's production using green electricity rose to 18.1%.
- Apatit's Cherepovets facility produced its 150-millionth tonne of nitrogen and phosphate fertilizers.



- The Company received the highest honour at the Responsible Business Leadership national award.
- PhosAgro Group joined the Arab Fertilizer Association (AFA).
- The Company extended its financial support and, in partnership with the Food and Agriculture Organisation of the United Nations (FAO), launched phase 3 of the global project for sustainable soil management, set to run until 2026.



- The +10 m level of the Kirovsky mine was commissioned.
- Capacity for granulated ammonium sulphate production in Balakovo was increased to 360 ktpa.
- A new high-tech production facility was put into operation at the Volkhov site.



- Expert RA and ACRA affirmed PhosAgro's credit rating at the highest level, AAA(RU), with a stable outlook.
- In 1Q 2024, the Company increased its agrochemical production by almost 7% to hit a record of 3 mt.
- The agreement with RUSAL on aluminium fluoride supplies was expanded to 96 ktpa.



- The Kirovsk branch of Apatit produced the 750-millionth tonne of phosphate rock in its 95th anniversary year.
- PhosAgro's Board of Directors approved the progress of key investment projects as part of the Company's Strategy to 2025.
- PhosAgro issued RUB-denominated bonds for a total of USD 100 mln.
- PhosAgro Group and Russian Railways signed a cooperation agreement at SPIEF-2024 to coordinate long-term freight transportation plans.
- PhosAgro Group and Gazprombank signed a cooperation agreement on climate projects during SPIEF-2024.

JANUARY

FEBRUARY

MARCH

APRIL

MAY

JUNE

JULY

- PhosAgro made it to the Top 3 in RAEX business stakeholder engagement ranking.
- The Company completed the implementation of the Cyber Backup information system, ensuring reliable protection of critical data and the effective operation of its entire digital infrastructure.



AUGUST

- PhosAgro Group won the Exporter of the Year award, established by the Russian Government in the Northwestern Federal District.

SEPTEMBER

- A RUB 35 bln issue of RUB-denominated bonds with a variable coupon was placed.
- Apatit implemented the LD.TaxMonitor information system, becoming one of the first taxpayers to integrate with Tax-3 AIS in accordance with the Federal Tax Service requirements.

OCTOBER

- PhosAgro became the first recipient of RAEX's top ESG rating, AAA, leading all 80 companies on the list.
- PhosAgro won the Exporter of the Year award, established by the Russian Government.
- PhosAgro Group's educational project, ProAgro Lectorium, won the international BRICS Solutions Awards.
- The Company won CFO Russia's Best Electronic Workflow in Russia and the CIS 2024 competition.



NOVEMBER

- PhosAgro Group's Cherepovets site produced a record 105-millionth tonne of sulphuric acid in the 50th anniversary year of sulphuric acid production.
- PhosAgro received the highest score in the ranking of Russia's best employers by Forbes.
- Apatit's Kirov branch mined its 2.2-billionth tonne of apatite-nepheline ore in celebration of its 95th anniversary.
- The Company offered bonds worth RUB 20 bln.
- PhosAgro Group's electronic HR document management system received an honour at CNews Awards 2024.



DECEMBER

- PhosAgro was recognised among the top companies in the CNews Awards 2024 Corporate Philanthropy Leaders ranking.
- With support from FAO, PhosAgro and Lomonosov Moscow State University launched a pilot of the RECSOIL soil protection initiative in Russia.
- Victor Cherepov, Chairman of PhosAgro's Board of Directors, won the Best Independent Director award in the Top 1,000 Russian managers ranking.
- PhosAgro's Board of Directors noted the early achievement of key Strategy to 2025 objectives: investment in development exceeded RUB 330 bln significantly surpassing the RUB 250 bln target set for completion by 2025.
- PhosAgro won RAEX's final ESG ranking for 2024, reaffirming its leadership in the social domain.

INVESTMENT CASE and credit ratings

1. A GLOBAL PRODUCER OF ECO-FRIENDLY PHOSPHATE-BASED FERTILIZERS¹



¹ Certified for environmental compliance under the Vitality Leaf international standard.
² By total production capacity for DAP/MAP/NP/NPK/NPS.
³ Monoammonium phosphate / diammonium phosphate.

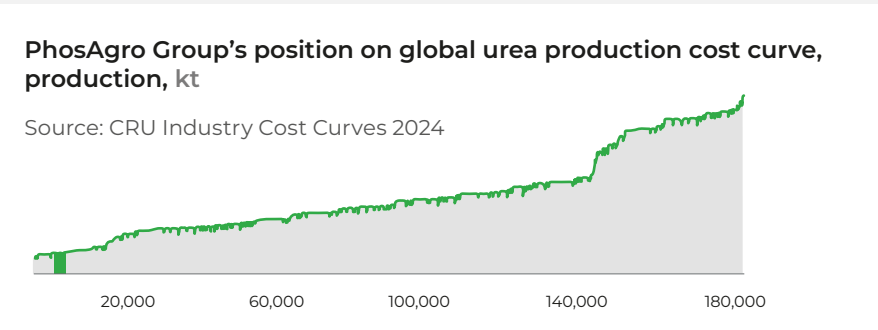
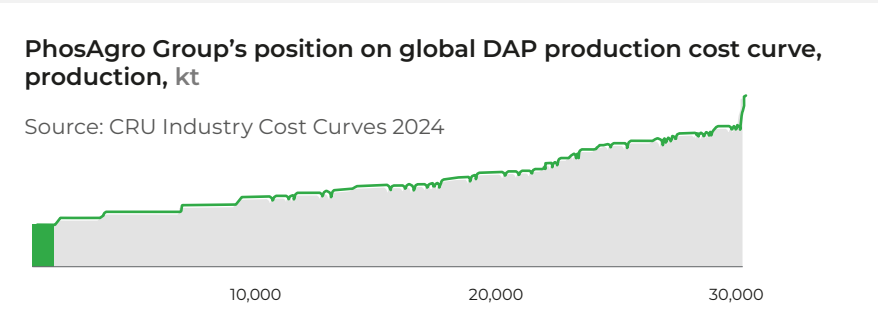
2. UNIQUE RESOURCE BASE AND SECTOR-LEADING MARGINS

- A key contributor to the safety of the Company's products is the magmatic origin of the phosphate rock mined on the Kola Peninsula, as it naturally limits the content of harmful substances and ensures higher fertilizer quality⁴.
- Wide range of ready-to-use solutions for farmers.
- A leading supplier of mineral fertilizers in the domestic market.
- One of the highest margins in the phosphate segment.
- The only producer of feed-grade monocalcium phosphate (MCP) in Russia and one of the leading producers in Europe in this segment, as well as Russia's only producer of nepheline concentrate.

⁴ Apatit is included in the Unified State Register of Manufacturers of Agricultural Products, Food, Industrial and Other Products with Improved Characteristics.
⁵ Share of compound and complex fertilizers in the region's total imports.

The largest global producer of high-grade phosphate rock with a P₂O₅ content of 39% (according to IFA).

The largest European producer of phosphate-based fertilizers (by total production capacity for DAP/MAP/NP/NPK/NPS according to CRU).



Share of PhosAgro Group's supplies in key sales markets⁵, estimates, %

Country	2022	2023	2024
Russia (share of total supplies)	45	54	58
Europe	24	17	15
Latin America, excl. Brazil	12	19	21
Africa	15	13	17
India	38	18	20
Brazil	12	20	23

3. ECO-FRIENDLY FERTILIZERS



PhosAgro has the right to mark its products with a special **Green One label**. In September 2024, all manufactured agrochemicals underwent recertification.



The Company successfully completed voluntary **Vitality Leaf** certification.

In 2024, Apatit confirmed its right to use the internationally recognised Vitality Leaf label for mineral fertilizers by successfully completing a recertification audit¹.



PhosAgro Group made a **Green Label** environmental claim asserting that the product is free from dangerous cadmium concentrations harmful to human health and soils.



The Group's Cherepovets, Volkhov, and Balakovo production sites and phosphate rock mining and beneficiation facility in Kirovsk successfully passed a certification audit by the Brazilian Technical Standards Association (ABNT²).

For more information on ESG certification of the Group's products, see the Customers and Product Management section

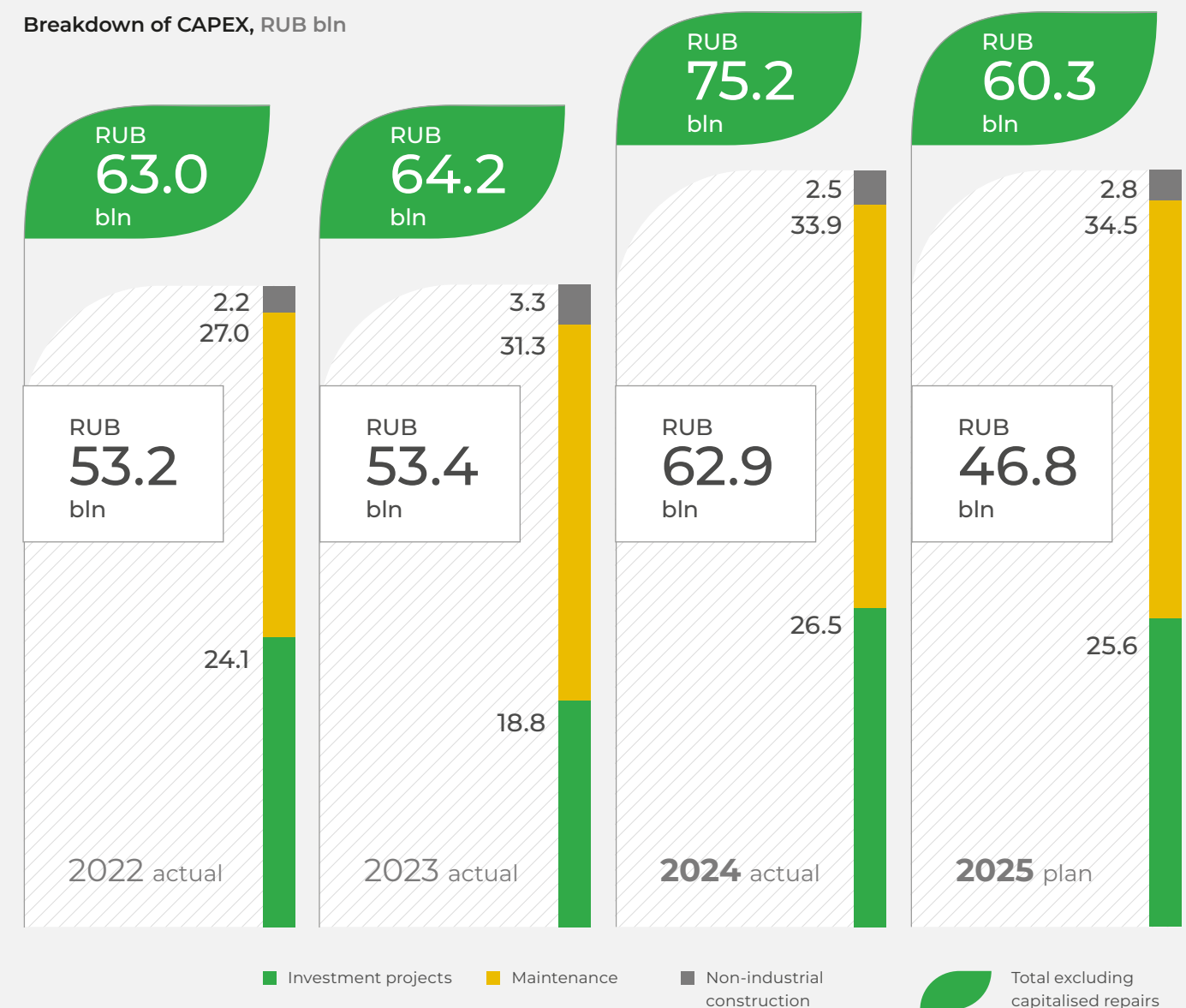
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4. SOUND CAPITAL ALLOCATION IN HIGHLY EFFECTIVE INVESTMENT PROJECTS

Investment projects may get a go-ahead subject to their high IRR³ (in most cases 20%+), compliance with the BAT and sustainability criteria along with the CAPEX/EBITDA target, and a comfortable net debt / EBITDA covenant headroom.

Breakdown of CAPEX, RUB bln



¹ The audit was conducted by experts from the accredited certification body, Ecological Union (registration number RA.RU.11NV64), from 29 September to 13 November 2024.

² Associação Brasileira de Normas Técnicas.

³ Internal rate of return.

5. WELL-BALANCED CORPORATE GOVERNANCE

Our corporate governance practices undergo an annual evaluation and demonstrate a high level of compliance with the recommendations of the Corporate Governance Code recommended by the Bank of Russia.

PhosAgro actively engages with Russian rating agencies to secure independent assessments, credit ratings, and ESG ratings.




Throughout 2024, the Company continued to service its bank loans in a timely manner and took a number of steps to continue servicing Eurobonds in the new regulatory environment. Thus, the Company once again confirmed its high credit quality.

5 50% independent directors on the Board of Directors

3 Board committees meeting on a regular basis

87% adherence to the Corporate Governance Code principles

Consistently strong positions in ESG ratings and indices

ESG rating/index		2022	2023	2024
	(C to AAA scale)	A	AA↑	AAA↑
	Responsibility and Transparency index (C to A scale)	A	A	A
	Sustainable Development Vector index (C to A scale)	A	A	A
	Expert RA ESG transparency (0.00 to 2.00 scale)	1.95↑	1.95	2.00↑

STABLE CREDIT RATINGS







The Company's bonds are included in Level 1 quotation list of the Moscow Exchange.

These were assigned credit ratings of ruAAA and AAA(RU), respectively, from the Expert RA and ACRA agencies.



AKPA

ESG rating/index		2022	2023	2024
	National Rating Agency (Group 5 to Group 1 scale with scores from 0 to 1)	Group 2, 0.74	Group 1↑, 0.83	Group 1, 0.85
	Donors Forum Russian Leaders in Corporate Philanthropy (C to A+ scale)	A+↑	A+	A+
	(Level 3 to Level 1 scale)	Level 1	Level 1	Level 1
	Best Employers (Bronze to Platinum scale)	Gold	Platinum ↑	Platinum

¹ Apatit is included in the Unified State Register of Manufacturers of Agricultural Products, Food, Industrial and Other Products with Improved Characteristics.

BUSINESS model

PhosAgro Group's business model is based on the simple idea that we must better than our competitors understand the ever-changing customer needs and respond to them quicker using a wide product range, large distribution network, and robust logistics.

A distinctive feature of the business model is our emphasis on sustainable development and the integration of green chemistry principles, enabling us to develop innovative and environmentally friendly solutions for agriculture.

This requires flexible production facilities, high self-sufficiency in quality raw materials, deep vertical integration and, most importantly, continuous feedback from end customers and analysis of our product performance. All this helps PhosAgro Group maintain a position among the most responsible producers, while also ensuring improved quality¹ and eco-friendliness of its fertilizers. We leverage our competitive advantages and seek to meet the highest operational standards throughout our product lifecycle¹.

For more information on the Company's Strategy to 2025 see

p.

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WE USE

- Market and technology insights
- Management, production, and sales competencies
- Energy and water
- Mineral resources and materials
- Partner, supplier, and customer relationships
- Public and private infrastructure
- Finances



VALUE CREATION CYCLE

GRI 2-6

PROCESS AND PRODUCT DEVELOPMENT

Wide product range
58 agrochemical brands, including all types of fertilizers and animal feed

RUB 2,635.3 mln
investments in R&D activities

USD 5.4 mln
Investments in a soil protection project¹



Target **2.4**

The value creation cycle at PhosAgro Group starts with a thorough analysis of consumer preferences and market trends. Drawing upon analytical insights and the latest research findings in green chemistry, our R&D centres in Cherepovets and Moscow develop highly effective and eco-friendly fertilizer brands that enjoy steady demand from consumers.

For more information, see page 92

MINERAL EXTRACTION

Unique resource base in terms of size and quality

Ore mined
41 mtpa



Target **12.4**

Our mining division in the Murmansk region extracts high-quality apatite-nepheline ore for further production of phosphate fertilizers.

For more information, see page 86

FERTILIZER PRODUCTION

Self-sufficiency in feedstock

100% in phosphate rock
37% in amonium sulphate

74% in ammonia
93% in sulphuric acid



Target **3.9, 6.3, 8.3, 12.4, 15.1**

Our Cherepovets, Volkhov, and Balakovo facilities produce our entire range of phosphate and nitrogen-based fertilizers as well as complex ones. With a strong vertical integration, we ensure maximum economic efficiency of production while maintaining full control over product quality.

For more information, see page 58

TRANSPORTATION AND LOGISTICS

Supplies to
74 regions in Russia

Port transshipment capacity

9 mtpa



Target **9.1**

Thanks to our high-capacity railway infrastructure, extensive own fleet of railcars, and modern port terminals, our transportation and logistics services ensure reliable supplies of PhosAgro Group's products to our customers in Russia and worldwide. Effective inventory management enables us to take into account seasonal demand for fertilizers, avoiding shortages during peak periods and optimising transport flows

For more information, see page 54, 92

MARKETING AND SALES

37 distribution centres in Russian regions

The audience constantly using the Company's digital platforms and services exceeded

157,000 people

Farmers made more than

300,000 calculations

(including partner integrations) using Agro Calculator



Target **2.4, 12.4**

PhosAgro Group's sales network is the largest in the Russian agrochemical industry. We have a presence in all key agricultural regions across the country and globally and are committed to becoming even closer to our consumers. The digitisation of our sales platforms and customer services is rapidly advancing.

For more information, see page 56, 92

FERTILIZER APPLICATION AND SERVICE

Results of
>500

agronomic trials published on the Company's [website](#)

Ca. 200 thousand ha of soils surveyed by agronomic experts in 31 regions of six federal districts



Target **13.1, 13.2, 17.16, 17.17**

We use a service model where customers receive a combination of a fertilizer and our agronomic expertise, all available in a digital environment. Our industry-leading agronomic service provides training, agronomic advice, and support to our customers. Customer feedback serves as a valuable source of information for improving existing products and developing new ones.

For more information, see page 56, 92

WE SECURE

- Sustainable soil fertility
- Basis for making safe food products
- New research and technological innovations
- Well-paid jobs and social benefits
- Educational initiatives and upskilling opportunities
- Large-scale purchases of local products and services
- Consistent tax payments and local community development
- Contribution to international programmes addressing global challenges
- Sustainably high returns on investment



GEOGRAPHICAL footprint

GRI 2-1, 2-6

PhosAgro Group’s mineral fertilizers and feed phosphates are in demand by farmers in Russia and approximately 100 countries worldwide, thanks to their eco-friendly properties and our efficient logistics.



For more information on our geographical footprint, visit the Company’s [website](#)

FERTILIZER APPLICATION AND SERVICE

Our high-quality service for farmers, including agronomic advice, coupled with the eco-sustainable properties of our fertilizers, ensure the strong performance of our products.

PRODUCT AND SERVICE DEVELOPMENT

For more information on the impact of risks and opportunities on the business model and value chain of the Company, see the Additional Information section.

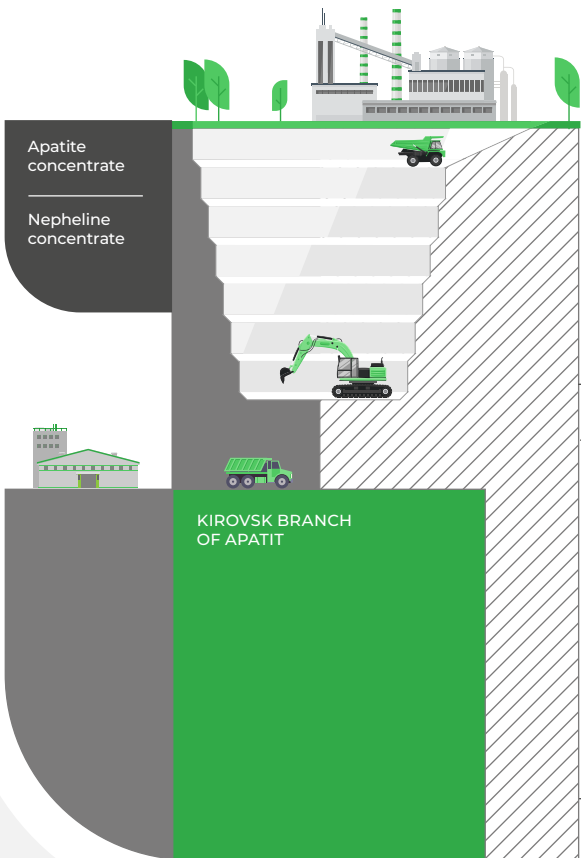
366

PhosAgro Group runs **the Samoilov Scientific Research Institute for Fertilizers and Insectofungicides (NIUIF)**. We also operate our Moscow-based Innovations Centre that develops advanced plant nutrition systems in cooperation with leading R&D centres.

MINERAL EXTRACTION

The Kirovsk branch of Apatit produces high-grade phosphate rock and nepheline concentrate.

41 mtpa
of ore mined

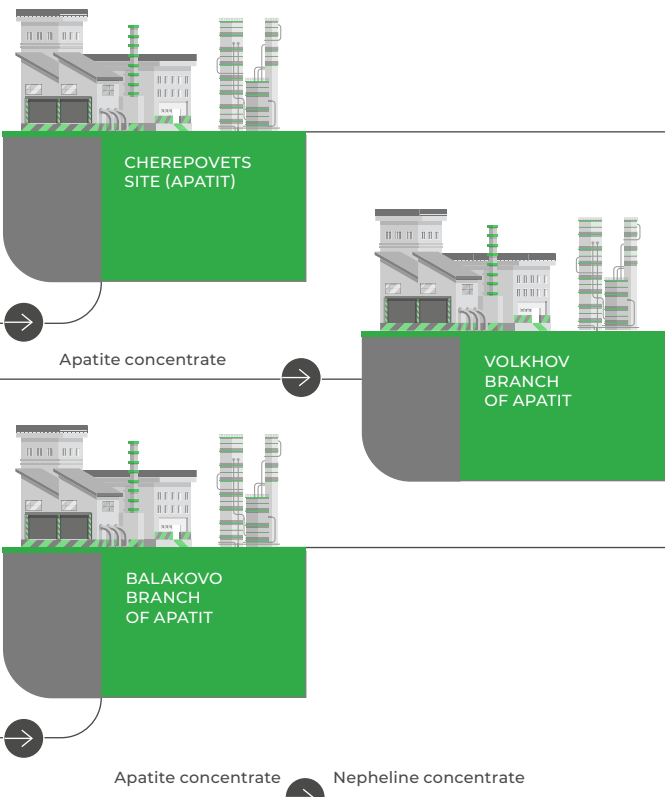


FERTILIZER PRODUCTION

The Cherepovets site of Apatit produces phosphate fertilizers, phosphoric and sulphuric acids, as well as NPK, ammonia, and ammonium nitrate.

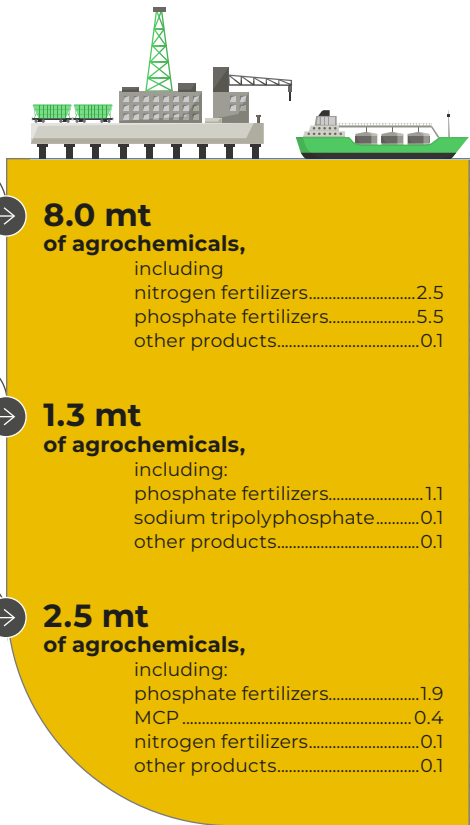
The Balakovo branch of Apatit produces phosphate fertilizers and feed phosphates.

The Volkhov branch of Apatit produces mineral fertilizers.



TRANSPORTATION AND LOGISTICS

With its railway infrastructure, an in-house fleet of railcars, and a ca. 8 mtpa port transshipment capacity across key export routes, the Company can ensure reliable and timely product supplies to customers both in Russia and abroad.



MARKETING AND SALES

PhosAgro Group’s network of sales offices covers the majority of key agricultural regions in Russia and the CIS, making its quality products available to farmers in the local priority market and across the globe.



Total
11.8 mt

STAKEHOLDER engagement

Stakeholder engagement is the core principle of our business.

This principle is implemented through full, high-quality, and timely reporting. We maintain a close dialogue with our stakeholders to take into account their interests and expectations in our operations.

For the third year running, we won the Grand Prix in the Moscow Exchange Annual Reports competition among companies with capitalisation of over RUB 200 bln, which proves our commitment to high standards of non-financial disclosure. We highly value the acknowledgement from the investment community and remain dedicated to upholding best ESG practices and the highest standards of corporate reporting going forward.

Alexander Sharabaika

Chairman of the Strategy and Sustainable Development Committee of the Board of Directors



APPROACH TO STAKEHOLDER ENGAGEMENT; IDENTIFYING AND SELECTING STAKEHOLDERS

GRI 3-1, 2-29, SASB EM-MM-210a.3

PhosAgro's framework for stakeholder engagement management covers all tiers of corporate governance. Our stakeholders include persons or organisations that, in line with the double materiality principle, may be affected by our activities or can influence our operations and

ability to create value, implement the strategy, and achieve goals. Furthermore, we seek to build partner relationships with government agencies in all countries where we operate and ensure that we strictly comply with all applicable regulatory requirements.

Generated and distributed direct economic value¹, RUB mln

GRI 201-1

Item	Stakeholder	2022	2023	2024
Direct economic value generated		573,966	444,682	514,323
Revenue from sales	Wide range of stakeholders	551,037	421,690	492,450
Revenue from other sales		18,490	18,614	15,239
Revenue from financial investments		4,439	4,378	6,634
Economic value distributed		(520,253)	(478,495)	(485,616)

¹ Calculated on accrual basis using data from the Group's IFRS consolidated financial statements.

Our key stakeholders



Item	Stakeholder	2022	2023	2024
Operating expenses, including:		(320,792)	(291,455)	(358,193)
• wages and other payments to employees	Suppliers and contractors	(51,567)	(47,425)	(62,518)
• social expenses	Employees and trade unions			
	Wide range of stakeholders	(9,314)	(7,720)	(11,189)
Payments to providers of capital, including:		(146,669)	(139,733)	(86,457)
• declared dividends	Investment and finance community	(142,111)	(132,221)	(71,484)
• interest expense		(4,558)	(7,512)	(14,973)
Tax expenses and other payments to government, including:		(52,792)	(47,307)	(40,966)
• income tax expense	Regional and local governments, and local communities	(41,465)	(34,527)	(25,477)
Retained/(redistributed)² economic value		53,713	(33,813)	28,707

² Economic value retained for 2023 was negative since the Company distributed to its shareholders both profits for the reporting year and a portion of profits retained from the previous years.

We disclose approaches to engaging each stakeholder group in the relevant sections of this Report.

FEEDBACK

You can send your comments and proposals regarding corporate reporting to esg@phosagro.ru or ir@phosagro.ru.

Feedback from shareholders and other stakeholders helps PhosAgro improve reporting transparency and quality.

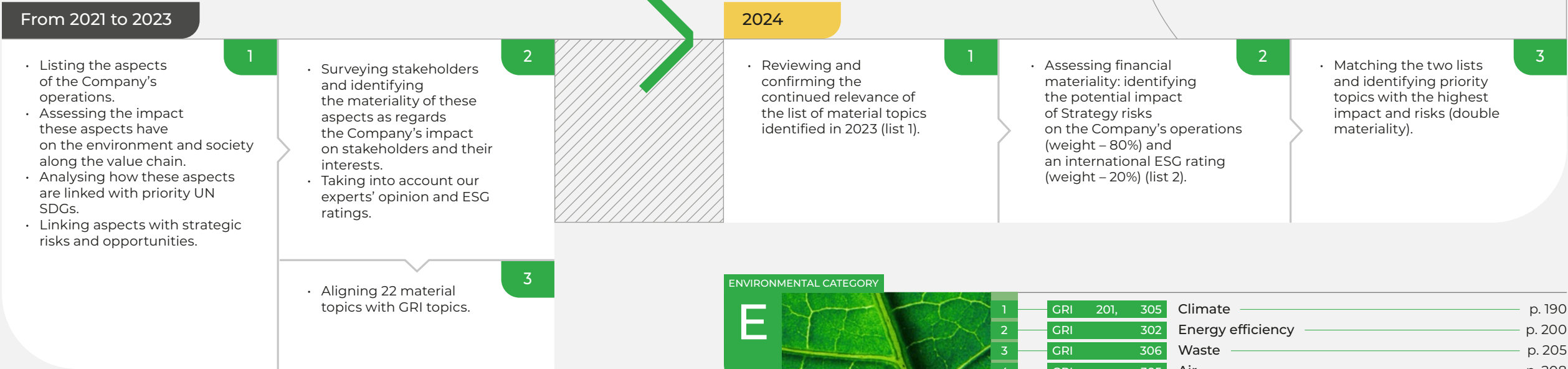
MATERIAL TOPICS

GRI 2-14, 2-29, 3-1, 3-2

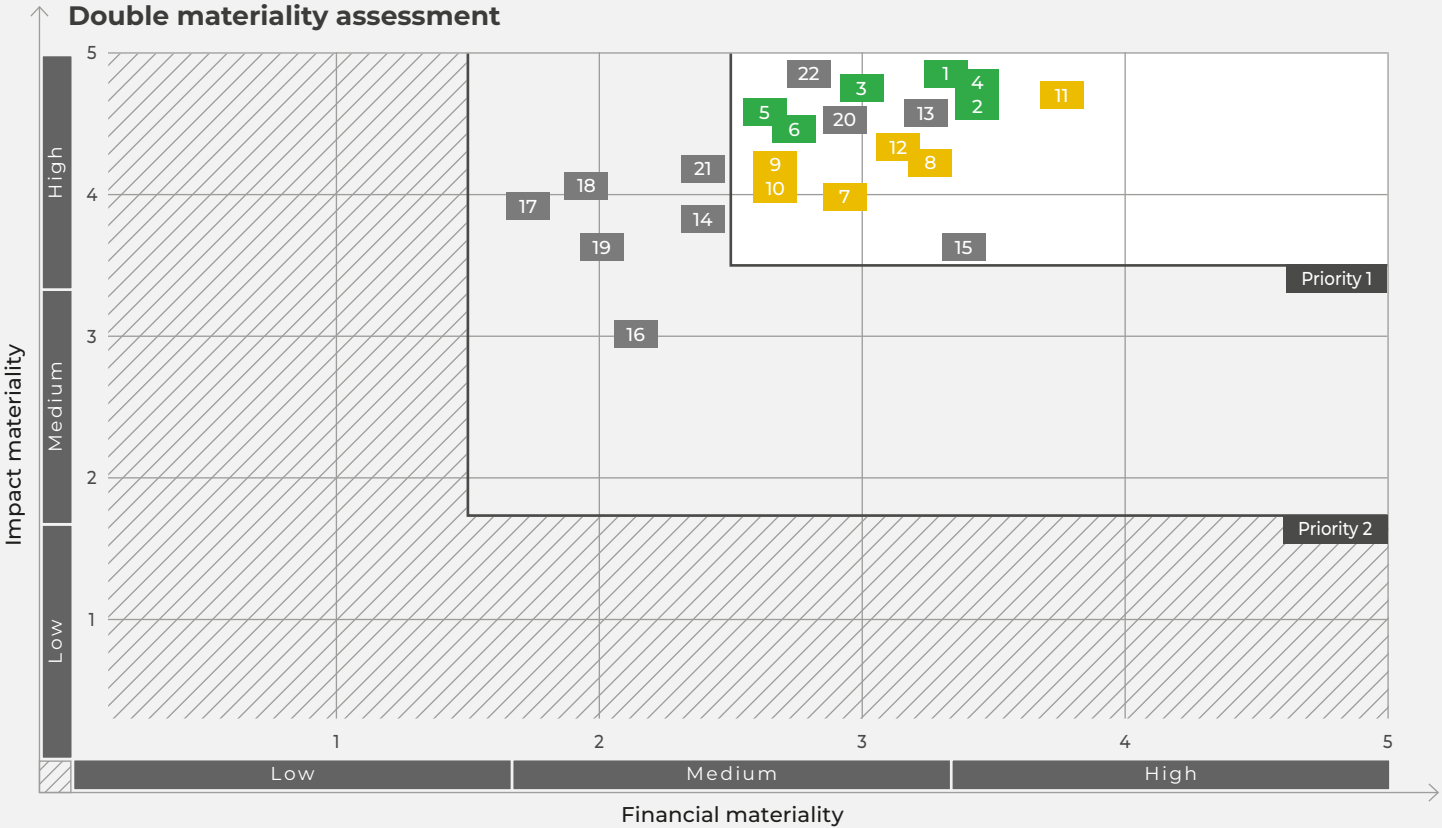
PhosAgro looked into the topics outlined in each GRI Topic Standard and identified a list of 22 topics that hold most importance for its key stakeholders and the Company itself. This selection was made taking into account the position of the investment and finance community, including rating agencies, as well as feedback from key stakeholders, along with comments received during the professional and public assurance of the 2022 and 2023 non-financial reporting. These topics were included in this Report for disclosure.

In 2024, the number of disclosed material topics (22) and GRI indicators remained unchanged compared to 2022 and 2023.

Selection of material topics: approaches and steps in 2024



Double materiality assessment



ENVIRONMENTAL CATEGORY

E	1	GRI 201, 305	Climate	p. 190
	2	GRI 302	Energy efficiency	p. 200
	3	GRI 306	Waste	p. 205
	4	GRI 305	Air	p. 208
	5	GRI 303	Water	p. 212
	6	GRI 101, 304	Biodiversity	p. 216

SOCIAL CATEGORY

S	7		Research and education	p. 106
	8	GRI 202, 402, 405	Personnel development and human rights	p. 142, 290
	9	GRI 401	Employment	p. 150
	10	GRI 404	Training and education	p. 154
	11	GRI 403	Industrial safety	p. 164
	12	GRI 203, 413	Contributing to local communities	p. 220, 226

GOVERNANCE CATEGORY

G	13	GRI 201, 202, 203	Economic impact	p. 26, 192, 220, 230
	14	GRI 207	Tax policy	p. 83
	15	GRI 417	Product management	p. 100
	16		Corporate governance principles	p. 248
	17	GRI 205	Anti-corruption	p. 292
	18	GRI 206	Anti-competitive behaviour	p. 299
	19	GRI 410	Information security	p. 284
	20	GRI 204	Supply chain	p. 128
	21	GRI 308, 414	Supplier ESG evaluation	p. 139
	22	GRI 201	Share capital	p. 300

For more information on our approach to identifying material topics and their impact on the value chain, see the Additional Information section

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STRATEGIC REPORT

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- 38 Business environment
- 44 Market overview
- 48 Strategy
- 66 Strategic risks

→ Ammonium sulphate [Lat. Ammonii sulfas
 $\text{H}(\text{NH}_4\text{PO}_3)_n\text{OH}$]

11.5_{MT}

of mineral fertilizers and
feed phosphates produced
in 2024 (target under our
Strategy to 2025 achieved)

Growing the future

The Company achieved the key goals of its Strategy to 2025 ahead of schedule, while significantly exceeding most targets. The 2024 results unlock new opportunities for PhosAgro's development and enable the pursuit of its most ambitious objectives.

p.

2024 highlights

50–51

Chairman's statement

Dear shareholders

In 2024, our Company celebrated its 23rd anniversary – a remarkable milestone marking both past achievements and future opportunities for new successes, breakthroughs, and records. These will be built on our experience, market expertise, refined business model, and, most importantly, the concerted efforts of our professional team.

Since its founding, PhosAgro Group has demonstrated consistent growth in production and financial performance while integrating principles of sustainability and social responsibility into daily operations. The year 2024 proved no exception: we continued our progressive growth, maintaining our priority focus on what matters most – our people.

Victor Cherepov

Chairman of the Board of Directors of PJSC PhosAgro



✓
In 2024, PhosAgro Group achieved several key objectives of its Strategy to 2025 ahead of schedule. Which results stand out as particularly significant for the Company?

In business, as in life, achieving goals requires effort and systematic action. Since 2019, when our updated strategy was first unveiled, we have steadily advanced toward our strategic targets. During this period, the Company invested over RUB 330 bln in development, substantially exceeding the target. In 2024 alone, a record RUB 75 bln was allocated to the Company's growth. As a result, we achieved some of the key objectives of our Strategy to 2025 ahead of plan.

As a vertically integrated business, PhosAgro prioritises the development of all segments. Since 2019, we have been increasing feedstock self-sufficiency: our ammonia production in 2024 reached nearly 2 mt, and sulphuric acid output exceeded 8.5 mt (Strategy to 2025 targets: 1.9 mt and ca. 7.8 mt respectively).

In 2024, we achieved a record 11.8 mt output of agrochemical products, including 11.5 mt of mineral fertilizers and feed phosphates – another early fulfilment of our Strategy to 2025 goals.

PhosAgro-Region, Russia's largest mineral fertilizer distribution network¹ with 11 regional companies serving thousands of farms across Russia – from Kaliningrad to Petropavlovsk-Kamchatsky – and neighbouring countries, achieved new milestones in 2024. Deliveries to Russian farmers rose to 3.34 mt. Storage capacity

for mineral fertilizers surpassed 1 mt (Strategy to 2025 target: 650 kt), liquid complex fertilizer storage capacity reached over 100 kt (Strategy to 2025 target: 62 kt), and the number of distribution centres in Russia grew to 37 (Strategy to 2025 target: 35).

At every stage of the value chain – from mining key feedstock to sales – PhosAgro Group reaches new heights and exceeds its plans.

Our integrated employee satisfaction and loyalty index is steadily increasing. Measured through external evaluation in 2024, it rose to 76 p.p. (Strategy to 2025 target: 65 p.p.).

We are now crafting a new strategy through 2030, guided by ambitious goals, the strengths of our business model, and our team's strong expertise. Yet our core mission remains unchanged: sustainable business growth for the benefit of all stakeholders.

✓
In the reporting year, the Company launched a new million-tonne plant in Volkhov into commercial operation. How will this mega-project impact future results?

The Volkhov plant's commissioning is a cornerstone of our strategy. We are confident this facility will set the standard as a technological leader in the chemical industry for decades.

The Volkhov site now produces high-demand monoammonium phosphate (MAP) fertilizers and has begun manufacturing water-soluble MAP, an essential input for greenhouse farming, with its 2024 output reaching 46 kt.

Significantly, the plant was built by Russian contractors using world-class domestic technologies. It generated 700 skilled jobs, with half represented by engineering roles offering competitive salaries.

This plant is the successful culmination of PhosAgro's decade-long investment cycle.

✓
Does PhosAgro remain committed to ESG principles amidst a strong focus on strategic goals and business initiatives?

Absolutely. ESG principles are deeply embedded in our business model: we supply eco-friendly fertilizers² to farmers in Russia and worldwide, supporting global food security. Both our industry and PhosAgro exist for people. As the owner of major mining and chemical facilities, one of Russia's largest employers, and the backbone employer in cities like Apatity and Kirovsk, we carry a special responsibility to our diverse range of stakeholders.

Nearly half of our Strategy to 2025 goals directly relate to sustainability: environmental efficiency, climate impact reduction, health and safety, and social responsibility. Since adopting our Strategy in 2019, we have made significant progress across all these areas.

When implementing investment projects to upgrade and expand our capacities, we consistently utilise the best available technologies that combine operational efficiency

¹ By warehouse storage capacity among the distribution networks of mineral fertilizer producers with membership in the Russian Association of Fertilizer Producers (RAFP, 2024).

² Certified for environmental compliance under the [Vitality Leaf international standard](#).

with environmental responsibility. For instance, at the Volkhov plant mentioned earlier, we implemented a process steam utilisation system, which now fulfils over 80% of the facility's electricity requirements through self-generation.

Sustainable development and our business are inseparable. Our steady production growth does not conflict with our ESG commitments; rather, it empowers us to continuously expand support for employees, as well as social and charitable projects both our operating regions and on a national scale.

Our social and charitable project funding exceeded a record RUB 14 bln in 2024, up 20% from 2023. This includes expanded support for the Educated and Healthy Children of Russia (DROZD) initiative promoting youth sports; Our Favourite Cities programme to improve urban infrastructure in our regions; and our education support programme along the school–college–university–enterprise pathway.

Our educational programmes represent investments in both our business future and the industry's long-term development. By training talent from school level onwards, we build a robust and steadily growing pipeline of qualified graduates joining PhosAgro Group. Over the past decade, we have welcomed more than 3,500 engineers and skilled workers trained through the Company's support initiatives.

Employee welfare and community care have remained central to our corporate ethos since inception.

Average wages at PhosAgro rose by 67% over the past three years, reaching RUB 183,700 in 2024 – substantially outpacing inflation.

While we build a sustainable business for people rather than accolades, external recognition remains gratifying.

In February 2024, PhosAgro secured victory in most categories and received the Grade 1 Responsible Business Leadership national award established by order of the Russian President. In March 2025, the Company once more won this award with the highest final score.

In October 2024, RAEX, Russia's leading non-credit rating agency, upgraded PhosAgro's ESG rating from AA to AAA – the highest possible assessment. We became the first company to achieve this top-tier rating and led RAEX's ESG ranking across both chemical industry players and all 80 rated firms. Additionally, PhosAgro is the leader of the MOEX-RAEX ESG Balanced Index, with a maximum 7.7% weighting.

I was personally honoured to receive the Best Independent Director award in the Top 1,000 Russian managers ranking. Having served as an independent director for over a decade, I was elected Chairman of PhosAgro's Board in 2022 and subsequently re-elected in 2023 and 2024. I am deeply grateful to the team for their trust and for the collaborative work we continue to undertake for the benefit of PhosAgro Group and the broader market.

How do you envision the Company in 2025?

I am confident we will continue on a trajectory of growth, further enhancing production and financial performance while simultaneously expanding support for social and charitable initiatives. PhosAgro Group will continue to invest in strengthening vertical integration, particularly in key feedstock inputs production, to maintain a leading position among the most competitive phosphate fertilizer producers. I am optimistic about the Company's outlook, particularly given the increasing global emphasis on sustainable agricultural practices and public health. Our eco-friendly fertilizers are vital to both producing high-quality crops and ensuring global food security by effectively enriching soils with essential nutrients.

My heartfelt thanks to everyone contributing to our success: employees, partners, and contractors who have been instrumental in implementing investment programmes and achieving strategic goals. I extend particular gratitude to our shareholders and customers – your trust and support inspire PhosAgro to reach new heights.

CEO's statement



2024 was a year of sustainable growth in PhosAgro Group's operational and financial performance, laying a solid foundation for further expansion.

The Company once again demonstrated the effectiveness of its business model, the professionalism of its team, its deep market expertise, and the ability to deliver strong results while adapting to shifting market conditions.

This success stems from our unwavering commitment to sustainability and responsible business practices, deeply embedded in our goals and daily operations. While we update strategies and modernise production, one constant remains: PhosAgro Group ensures farmers in our core Russian market and globally have access to high-quality, eco-friendly fertilizers¹.

Mikhail Rybnikov

Chief Executive Officer of PJSC PhosAgro



¹ Certified for environmental compliance under the Vitality Leaf international standard.

▼

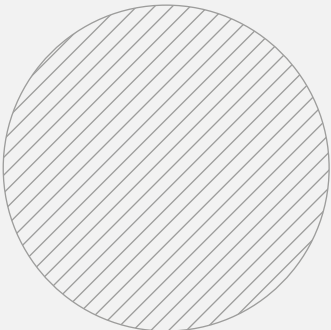
In 2024, the Company celebrated its 23rd anniversary, but the year also marked a significant milestone: the 95th anniversary of the Kirovsk site. What achievements define this legacy?

The Kirovsk branch of Apatit operates at one of the world's largest and richest deposits, enabling us to mine high¹ phosphate rock – the starting point of our value chain. Today, the Kirovsk branch comprises three mines and two beneficiation plants, maintaining its status as a global leader in high-grade phosphate rock production and Russia's only nepheline concentrate producer.

In its 95th anniversary year, the Kirovsk branch produced its 750-millionth tonne of phosphate rock. To better illustrate this volume: it equals 10,715,000 railcars – enough to circle the Earth's equator over three times.

In 2024, the Kirovsky mine also produced its 2.2-billionth tonne of apatite-nepheline ore, the raw material for eco-sustainable phosphate fertilizers.

Vertical integration remains a cornerstone of our competitive edge, which is why we pay meticulous attention to the production site where our value chain begins.



▼

2024 also marked the 50th anniversary of sulphuric acid production at the Cherepovets site. Did this milestone coincide with new achievements?

The Cherepovets site of Apatit achieved a remarkable landmark by producing its 105-millionth tonne of sulfuric acid in 2024, setting a new record in a year that also celebrated 55 years of the chemical industry development in the Vologda region.

Sustained growth in sulphuric acid output – a strategically critical product – is essential for expanding phosphate rock processing and phosphate fertilizer production.

In 2024, the Cherepovets site produced 5.5 mt of phosphate-based fertilizers, a 6% increase y-o-y. This growth was driven, in particular, by effective programmes to build new and upgrade existing sulphuric acid capacities along with the generations-long dedication and expertise of our sulphuric acid production team.

▼

PhosAgro actively upgraded and expanded capacities in 2024. What were the key outcomes?

We made substantial progress in 2024. In Cherepovets and Volkhov, productivity upgrades to wet-process phosphoric acid production systems increased phosphate rock processing by 400 ktpa.

The Volkhov site launched a ground-breaking new mega-plant, boosting its annual fertilizer production by over 4x compared to 2019 (to more than 1 mtpa) and phosphate rock processing by over 5x (to more than 1.5 mtpa).

The Balakovo site began producing diammonium phosphate (DAP), expanded feed-grade monocalcium phosphate (MCP) output by 100 ktpa, and reached full capacity of nearly 3 mtpa at its SK-20 sulphuric acid unit (an increase of 350 ktpa, or 13%).

The Balakovo site is also implementing Phase 3 of its expansion, introducing flexible MAP/DAP/NPS/NPK fertilizer production and expanding output. Upon completion, annual fertilizer production will grow by almost 1 mtpa to 3.5 mtpa.

Other key ongoing projects at the Balakovo site include the continued construction of the SK-20/1 sulphuric acid unit (launching in H2 2025 to add another 750 ktpa of sulphuric acid), the setting up of a phosphogypsum conversion facility, and the development of in-house power generation (also set for completion in 2025).

At the Kirovsk branch, the +10 m level at the Kirovsky mine commenced operations, and underground mining began within the Gakman block of the Yukspor deposit. Construction of a new mine for the Rasvumchorr Plateau deposit (RUB 38 bln capital investment) and development of the Vostochny mine (RUB 33 bln investment through 2035) are underway.

Our consistent efforts to expand production, tap new deposits, and upgrade key capacities underpin the Company's business resilience and growth. These projects not only boost output but also create a platform for future expansion and efficiency gains. In the coming years, PhosAgro Group will continue strategic development, strengthening its industry position and offering cutting-edge fertilizer and mineral solutions.

▼

What were the Company's financial highlights in 2024?

2024 results reflected multiple external and internal factors, notably higher production volumes and selling prices.

Our management team's coordinated efforts ensured effective cost control and increased sales of high-margin products.

We closed 2024 with revenue exceeding RUB 507 bln, EBITDA of over RUB 177 bln, adjusted net profit above RUB 100 bln, and comfortable net debt of RUB 325.4 bln (net debt / EBITDA: 1.84x). Our EBITDA margin stood at 34.9%, with free cash flow reaching RUB 29 bln.

In 2025, we will prioritise debt reduction and repayment over refinancing, despite accessible debt markets, to reduce servicing costs and strengthen our position as a highly rated, reliable borrower.

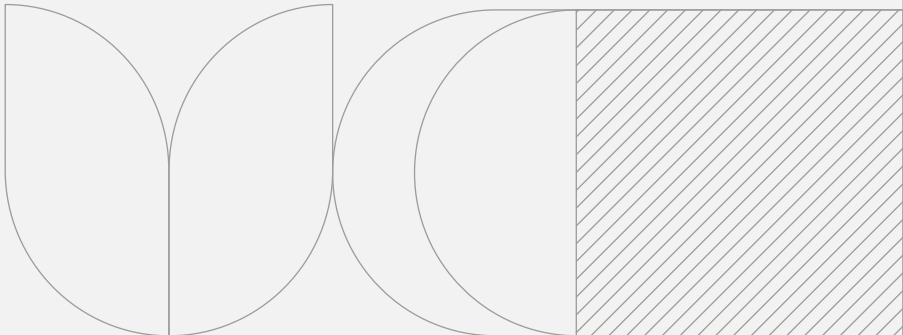
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2024 was a year of milestones for PhosAgro Group. What are its 2025 prospects?

2025 promises to be equally successful. Early signs are encouraging: January saw historic monthly production and shipment records.

For the first time ever, the Company produced over 1 mt of mineral fertilizers, feed phosphates, and sodium tripolyphosphate in a single month. January also set two shipment records: 1.07 mt of agrochemicals and 1.01 mt of apatite concentrate.


We are confident that 2024's achievements will propel future successes. I extend my gratitude to the entire PhosAgro Group team for their professionalism and dedication, and to our partners, clients, contractors, and suppliers for their invaluable role in these outstanding results.



¹ Apatit is included in the Unified State Register of Manufacturers of Agricultural Products, Food, Industrial and Other Products with Improved Characteristics.


Business environment

JANUARY



In January, Russian producers increased fertilizer output by 20% compared to the same period last year

The total volume of fertilizer production in terms of 100% nutrients reached 2.4 mt. Nitrogen-based fertilizer production rose by 3.7%, and ammonia production increased by 5.2%.



USA reduced tariffs on Russian phosphate-based fertilizers

The U.S. Department of Commerce lowered countervailing duties on phosphate-based fertilizers imported from Russia in 2021, establishing a new duty rate of 14.3% for PhosAgro, 23.77% for EuroChem, and 16.3% for other Russian exporters, which apply retroactively. These new rates took effect on 29 January.



FEBRUARY



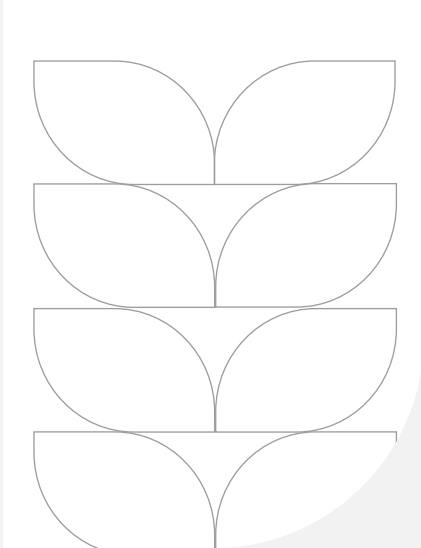
Vladimir Putin set task to ensure 25% growth of domestic agricultural production by 2030

The head of state announced plans to increase agricultural production in Russia by at least 25% by 2030 compared to 2021, with exports growing 1.5 times. He emphasised that Russia is not only fully self-sufficient in food but also is a global leader in the wheat market, ranking among the top 20 food-exporting nations.



EU significantly increased fertilizer imports from Russia and Belarus

In February, the EU purchased a record 521.3 kt of Russian fertilizers (worth EUR 167 mln), the highest since 2022. As a result, up to 60% of all potash fertilizer imports into the EU now come from Russia and Belarus, while Russian nitrogen-based fertilizers account for 31% of total EU imports.



MARCH



Russian fertilizer supplies to USA hit an annual high

In March 2024, the USA purchased USD 174 mln worth of fertilizers from Russia, the highest since February 2023. Key imported fertilizers included potash, phosphate, and nitrogen-based products.





APRIL



Russian government extends fertilizer export quotas

Quotas for mineral fertilizers were extended for a period from 1 June to 30 November 2024. The total export quota volume exceeded 19.7 mt, including over 12.4 mt for nitrogen-based fertilizers and approximately 7.3 mt for complex fertilizers. Subsequently, the quotas were extended further until the end of May 2025.



Russia's Ministry of Agriculture reported that the country had achieved food security in most areas

According to Oksana Lut, First Deputy Agriculture Minister, Russian producers only need to catch up in the production of milk, fruit, and berries to achieve complete food security. She also noted agricultural production in Russia had grown by 87% since 2000.



MAY



Russia extends domestic price caps on mineral fertilizers

Prices for fertilizers remained capped at the 2022 level through the end of 2024. This decision followed the Russian government's decree to extend fertilizer export quotas. At the end of the year, the price freeze was additionally extended into 2025.



Fertilizer producers fully met Russian farmers' demand for mineral fertilizers for spring fieldwork

From January to May 2024, domestic producers supplied 3.3 mt of fertilizers in terms of 100% nutrients, exceeding the required volume of 3.2 mt.



JUNE



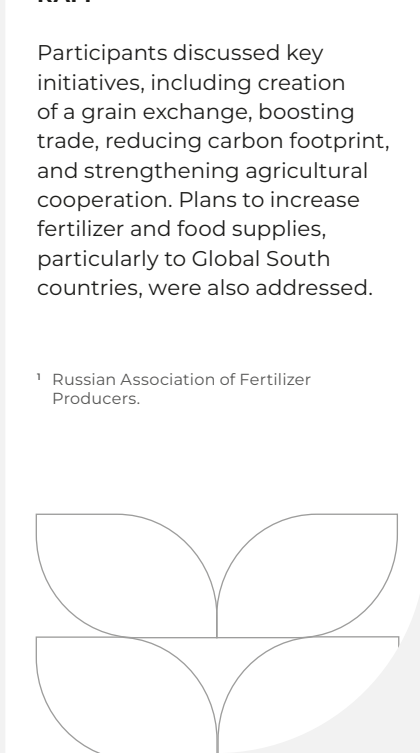
Russia and UN reaffirmed the importance of securing grain and fertilizer exports

This was announced following a meeting between Rebeca Grynspan, Secretary-General of the UN Conference on Trade and Development (UNCTAD), and Sergey Vershinin, Russia's Deputy Foreign Minister. Both sides reaffirmed their commitment to ensuring the implementation of the relevant Russia-UN memorandum, considering Russia's main share in the world export of grain and fertilizers.



BRICS Conference on Food Security and Sustainable Agriculture held an industry session under auspices of RAFP¹

Participants discussed key initiatives, including creation of a grain exchange, boosting trade, reducing carbon footprint, and strengthening agricultural cooperation. Plans to increase fertilizer and food supplies, particularly to Global South countries, were also addressed.



JULY



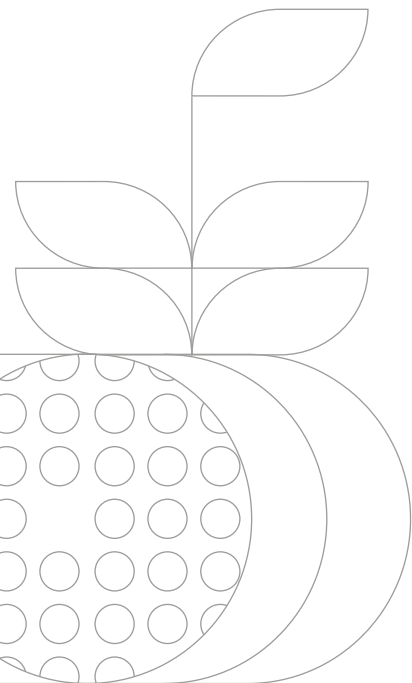
Russia's State Duma passed a law increasing the mineral extraction tax (MET), among other things on feedstock for fertilizer production

The State Duma approved in its third reading a law overhauling the tax system, which raised the MET on diamonds, gold, iron ore, coal, and mineral fertilizer feedstock starting 1 January 2025. The updated amendments eliminated fixed rent coefficients for potash and phosphate ores and introduced a MET formula tied to export benchmarks (potash: FOB Baltic/Black Sea; phosphates: FOB Morocco). The formula also accounts for the ore grade.



Mineral fertilizer trading volume exceeds 100 kt

Trading volume in the Mineral Raw Materials and Chemical Products section of the St Petersburg International Mercantile Exchange (SPIMEX) surpassed 100 kt from January to July 2024 – more than double the same period in 2023. In monetary terms, trading reached RUB 3.1 bln, a 170% increase compared to 2023.



AUGUST



Roundtable on food security for foreign journalists was held in Moscow

Rossotrudnichestvo organised a roundtable at the Russian Chamber of Commerce and Industry for foreign journalists on food security. Representatives of the RAFP informed leading African media outlets about the growth of Russian fertilizer supplies to Africa, highlighting a more than twofold increase over the past five years.



Fertilizer producers already fulfilled nearly 80% of Russian farmers' mineral fertilizer requirements for 2024

Russian fertilizer producers had already supplied nearly 80% of the mineral fertilizers needed by the country's agricultural sector for the entire 2024. Since the start of the year, the sector purchased 4.24 mt of minerals in terms of 100% nutrients, with the total annual requirement standing at 5.45 mt.

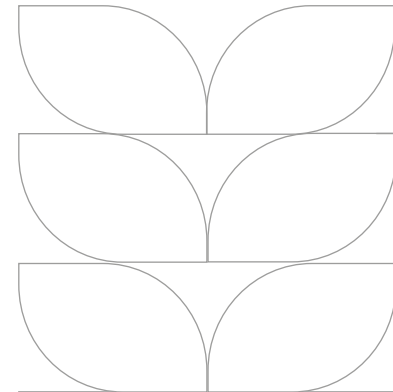


SEPTEMBER



Deputy Prime Minister Dmitry Patrushev issued directives on mineral fertilizer market development

An extended meeting chaired by Dmitry Patrushev discussed addressing growing domestic demand for mineral fertilizers and regulating their distribution. The Ministry of Agriculture and the Ministry of Industry and Trade were instructed to approve a Strategic Plan by the end of October to boost regional procurement of mineral fertilizers until 2030. The Ministry of Transport and Russian Railways were tasked with ensuring uninterrupted supplies to farmers, while the Federal Antimonopoly Service and the Ministry of Industry and Trade were directed to explore permanently prioritising fertilizer shipments.



OCTOBER



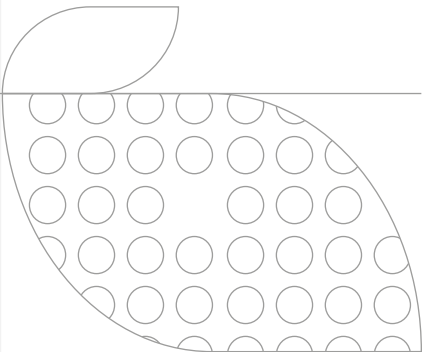
Russian government announced it would not extend fertilizer export duties

Deputy Finance Minister Alexey Sazanov stated that the government would abolish the "exchange-rate" export duty on fertilizers starting 1 January 2025, due to the increase in the mineral extraction tax.



Russian government increased the mineral fertilizer export quota

The quota for the export of complex mineral fertilizers was raised to 7.6 mt. The decision aims to allow producers to export unsold surplus finished products, as domestic market demand has been fully met.



RAFP reported 90% fulfilment of domestic farmers' 2024 fertilizer demand

As of the first half of October, Russian producers met over 90% of the agricultural sector's annual fertilizer demand, according to Andrey Guryev, head of the Russian Association of Fertilizer Producers. He highlighted that large-scale investments exceeding RUB 1.8 trln over the past decade had driven the dynamic growth of Russia's fertilizer market.



BRICS countries supported the initiative to set up a grain exchange

This was outlined in the final declaration of the 16th BRICS Summit in Kazan. Member states also committed to promoting trade in agricultural products and fertilizers under WTO rules and minimising disruptions to the supplies of food and inputs for agricultural production.

NOVEMBER



USA reduced import duties for PhosAgro Group

The U.S. Department of Commerce finalised its decision following an administrative review to retroactively lower the countervailing duty on phosphate fertilizer imports from PhosAgro Group in 2022 – from an initially proposed 28.5% to 18.2%.



Russia achieved full grain self-sufficiency in 2024 due to strong harvest

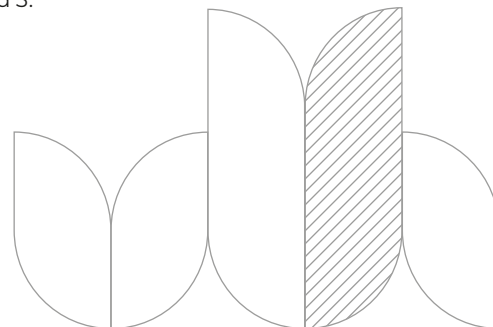
Russian Agriculture Minister Oksana Lut announced this at a government meeting. She noted that the grain quality of the new harvest exceeded last year's, with approximately one-third of wheat classified as grades 1 and 3.



COP29¹ panel session on food security was held

Andrey Guryev, President of the Russian Association of Fertilizer Producers, and Andrey Razin, Deputy Minister of Agriculture, participated in the event. Attendees emphasised the importance of international cooperation, agricultural innovation, and sustainable agribusiness practices to ensure global food security amid climate change. Russia's role as a major producer and exporter of agricultural products and fertilizers was also highlighted.

¹ The 29th Conference of the Parties to the UN Framework Convention on Climate Change.



DECEMBER



Russia set a new record for fertilizer production

Fertilizer production in Russia surpassed 63 mt in 2024, a 7% increase y-o-y. Exports hit a record 40 mt, while domestic supplies reached 5.5 mt (in terms of 100% nutrients).



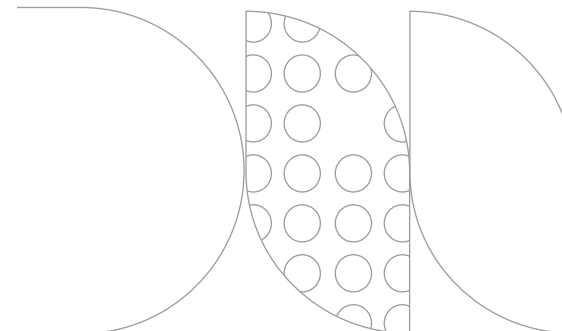
Russian fertilizer producers fully met annual domestic demand ahead of schedule

By early December 2024, Russian producers fully met the agricultural sector's mineral fertilizer demand for the year and began deliveries for spring fieldwork. According to the Ministry of Agriculture, Russian farmers purchased 5.5 mt of mineral fertilizers.



Russian government reduced export duties on mineral fertilizers through the end of 2024

The decision applied to nitrogen, phosphate, potash, and complex fertilizers. Export duties were capped at 7%, depending on the rouble exchange rate, to alleviate financial pressure on the industry and support producers.



JANUARY 2025



Brazil, India, and China became the top buyers of Russian fertilizers in 2024

Total imports of Russian fertilizers by these countries reached USD 6.2 bln, with Brazil leading at USD 3.4 bln, followed by India (USD 1.5 bln) and China (USD 1.3 bln).



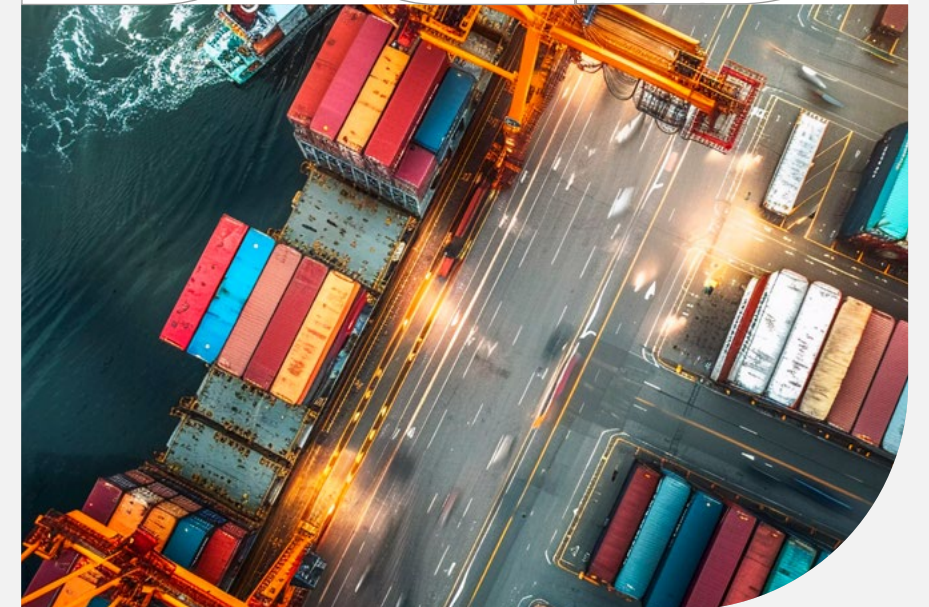
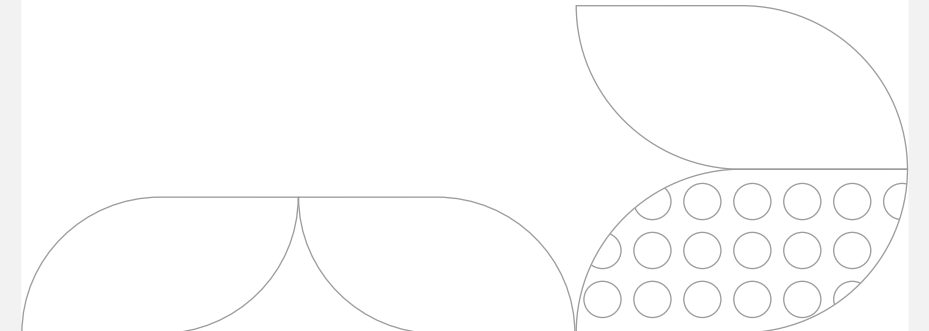
EU imposed tariffs on agricultural imports from Russia

The European Commission approved tariffs on select agricultural products and nitrogen-based fertilizers from Russia and Belarus. Once enacted, all Russian agricultural imports would be subject to EU tariffs.



Regulatory authority over mineral fertilizers transferred from the Ministry of Industry and Trade to the Ministry of Agriculture

This move aims to meet the targets set for the agricultural sector in the coming years, including a significant boost in agricultural output and improved fertilizer accessibility for farmers. With domestic demand fully met, the focus will now shift to expanding exports.



Market overview

The world’s mineral fertilizer market responds to dynamic shifts in global politics and economics, with market conditions determined by the interplay of international and regional factors, industry trends, supply chain stability, and other key elements.

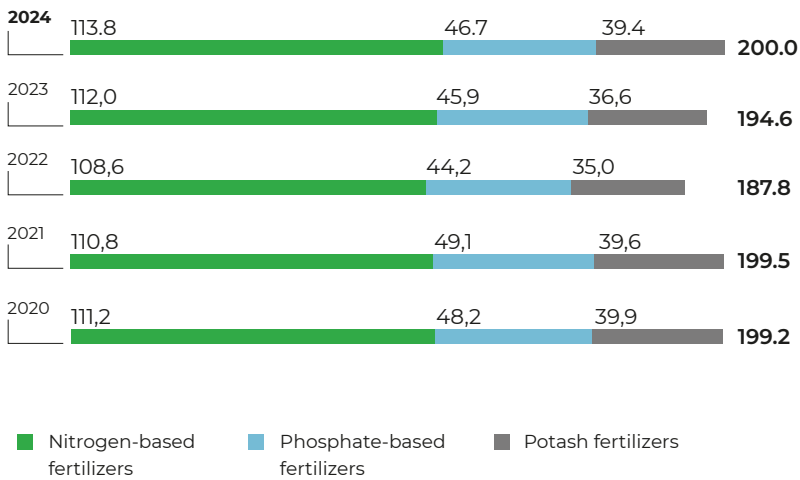
In 2024, fertilizer demand demonstrated a strong recovery, bolstered by improved availability and normalised trade flows. This positive trend persisted despite ongoing and tightening sanctions, protectionist measures by several global exporters, and various disruptions to production and trade.

The global mineral fertilizer industry and related sectors face significant headwinds, including rising operational costs, higher interest rates, and working capital constraints. These financial pressures are delaying investment projects across numerous countries, creating additional challenges for industry development.

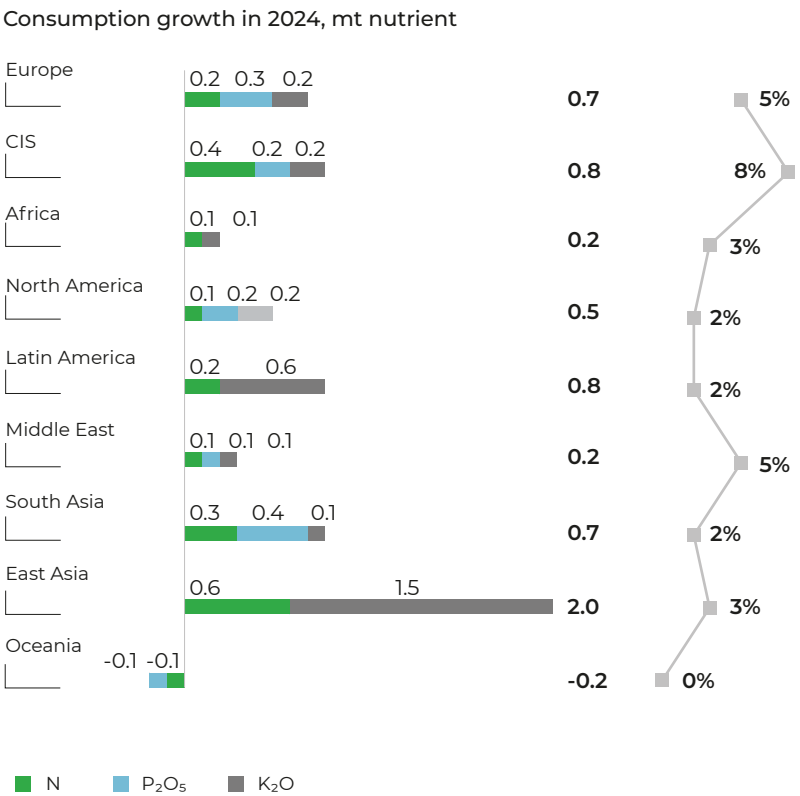
Despite these obstacles and geopolitical tensions, most governments maintained strong support for the agricultural sector throughout 2024, helping maintain supply chains stability and contributing to fertilizer demand recovery. In the reporting year, price volatility in mineral fertilizer markets decreased compared to previous periods, positively influencing crop planning and supporting overall fertilizer consumption.

Fluctuations in fertilizer affordability were a key factor in the initial decline and subsequent recovery of global consumption. From mid-2021 to mid-2022, fertilizer prices outpaced agricultural prices, reducing affordability and curtailing purchases.

Global fertilizer consumption estimates, mt nutrient



Estimate of changes in consumption by region in 2024, mt nutrient



This dynamic reversed between mid-2022 and mid-2023, when fertilizer prices declined more rapidly than crop prices, enhancing affordability and stimulating consumption.

From mid-2023 to late 2024, affordability fluctuations moderated. However, distinct differences between nutrients became apparent. Potash and nitrogen-based fertilizers remained more attractive with respect to crops (potash for oilseeds and nitrogen for rice) while phosphate fertilizer affordability remained lower, partly due to price recovery.

Preliminary estimates by consulting agencies and industry analysts¹ suggest that in 2024, global consumption of mineral fertilizes stood at 200.0 mt nutrient, up 2.8%, or 5.4 mt nutrient, against 2023.

For instance, consumption of nitrogen-based fertilizers was up by 1.8 mt of N (+1.6%) to 113.8 mt, while for phosphate fertilizers, it increased by 0.8 mt of P₂O₅ (+1.8%) to 46.7 mt. The most robust growth was projected for potash fertilizer consumption, which climbed by 2.8 mt of K₂O (+7.7%) to reach 39.4 mt.

In 2024, fertilizer consumption continued to recover across all key regions. The strongest growth rates (up to 5+% y-o-y) were observed in former Soviet Union countries (excluding Ukraine and the Baltic states), the Middle East (primarily driven by Turkey), and Europe, where a low base effect followed three years of sustained decline. Africa, North and South America, along with Asian countries recorded more moderate growth rates of 2–3%.

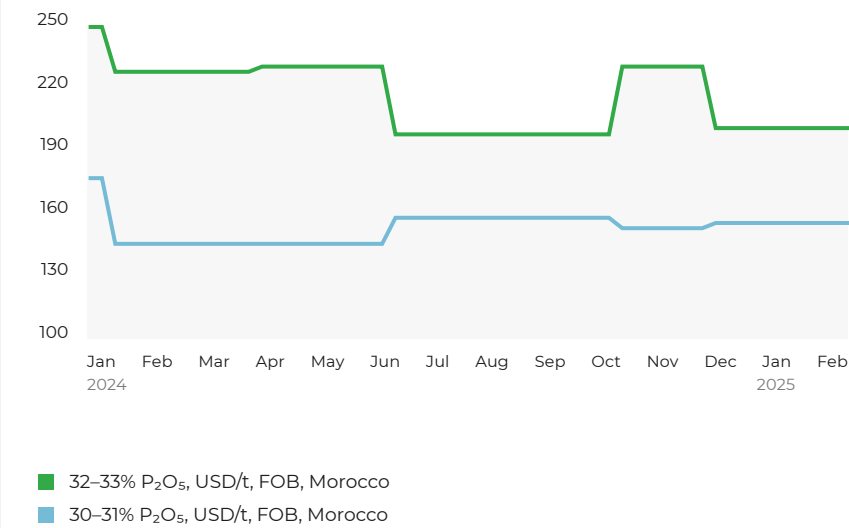
PHOSPHATE ROCK AND PHOSPHATE-BASED FERTILIZER MARKET

According to preliminary estimates, global production of phosphate rock in 2024 stood at 209 mt, which is 1.5 mt, or 2%, above the 2023 level. Production growth in North Africa, predominantly Morocco, amounted to 2.5 mt, but was offset by a production decrease in the Middle East (–0.8 mt). Other regions maintained production at 2023 levels or experienced slight declines.

The global phosphate rock market’s price environment features a widening price gap between high and low nutrient content (P₂O₅) grades. This reflects the growing deficit of high-grade materials, which drives elevated prices for these resources while low-grade rock prices remain comparatively modest.

According to preliminary estimates, global production of complex phosphate-based fertilizers (DAP + MAP) in 2024 reached 61.2 mt, a 0.8 mt (–1%) decline compared to 2021. Increased production in North Africa and Russia (totalling 1.0 mt) was offset by reduced output due to

Phosphate rock prices, FOB Morocco, USD/t

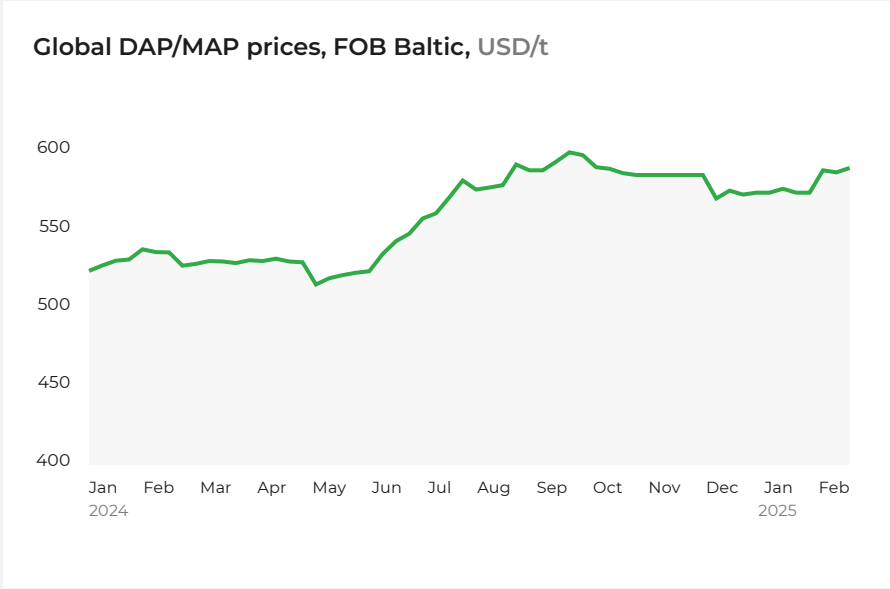


process-related stoppages in North America and the Middle East, export restrictions in China, and weakening domestic market conditions in India.

¹ Hereinafter based on data by the International Fertilizer Association (IFA), CRU, Argusmedia, and Profercy consulting agencies; expert estimates of industry analysts in Russian and international media.

Global trade in DAP/MAP in 2024 was 29.4 mt, down by 0.4 mt, or 1%, y-o-y. India recorded a significant drop in DAP/MAP imports (–2.0 mt) on the back of reduced subsidies for phosphate and potash fertilizers, following a period of record-high government support in previous years. Brazil's MAP imports went down by 1.0 mt to 4.4 mt, driven by MAP's relatively low affordability compared to alternative phosphate-based fertilizers such as superphosphates and NPK. Meanwhile, Europe, Southeast Asia, and Australia increased their phosphate-based fertilizer imports in the reporting year.

In 2024, the supply-demand balance strongly influenced phosphate-based fertilizer market pricing. Prices began climbing in 2H 2024, propelled by Chinese export restrictions and reduced output from a number of key manufacturers, partly due to technical

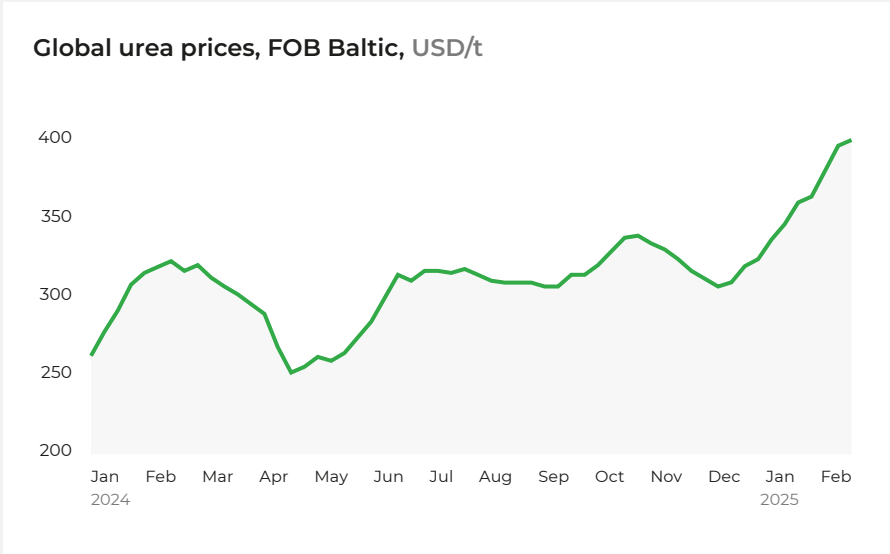


issues. The 2024 average DAP/MAP price was USD 558/t (FOB Baltic) as compared to USD 521/t in 2023.

NITROGEN-BASED FERTILIZER MARKET

The global nitrogen-based fertilizer market demonstrated high price volatility driven by seasonal factors and significant trade flow shifts across Asia. This volatility stemmed primarily from China's near-complete export withdrawal as it redirected resources to domestic markets. The average urea price settled at USD 304/t (FOB Baltic), slightly below the 2023 level of USD 310/t. However, the spread between minimum and maximum quotes remained substantial throughout the year, fluctuating at USD 100–150/t.

Preliminary estimates indicate a 3.6%, or 6.8 mt, growth in global urea production in 2024, reaching a total of 194 mt. China and Russia experienced the strongest production growth, leveraging increased utilisation of new capacities commissioned in 2022–2023. European domestic urea production also expanded, benefiting from more favourable gas market pricing.

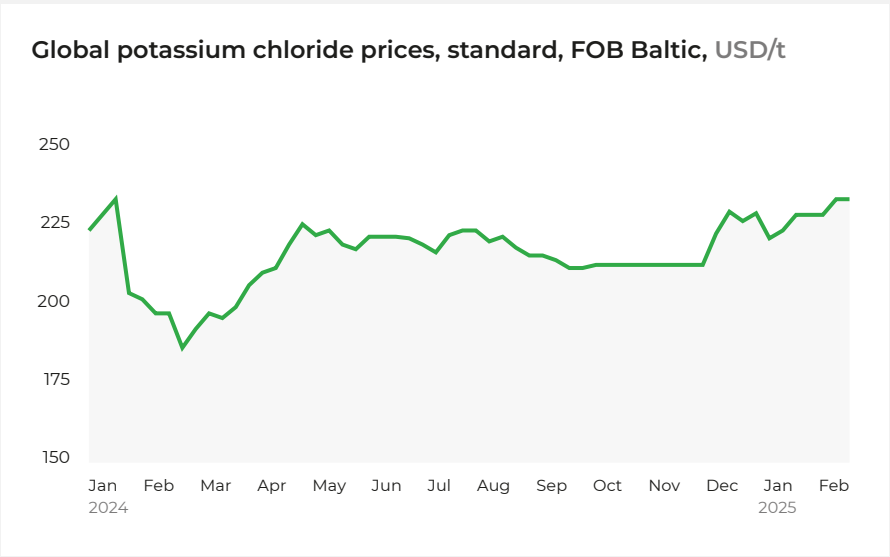


Global urea trade volume was almost flat compared to 2023 and amounted to 54.5 mt. China's dramatic pullback from the export market (–4.0 mt) was counterbalanced by increased exports from Russia and the CIS (+1.5 mt in total), the Middle East (+1.8 mt), and growth in Western European and Southeast Asian intra-regional trade.

POTASH FERTILIZER MARKET

The global potash fertilizer market exhibited stable production and export volumes in 2024, following a nearly complete recovery in 2H 2023. Relatively low potash fertilizer prices enhanced their affordability compared to the key agricultural products, spurring significant import growth across major markets including Brazil, the USA, China, and Southeast Asia.

According to preliminary estimates, global trade volumes for potassium chloride amounted to 58.8 mt in 2024, which is 4.5 mt, or 8%, more than in 2023. Global potassium chloride production hit a record high of 72.3 mt in the reporting year, surpassing last year's output by 4.2 mt.



Top 5 global phosphate fertilizer and feed phosphate production capacities in 2024¹

1	2	3	4	5
OCP	MOSAIC	PHOSAGRO GROUP	MAADEN/SABIC	YARA
Morocco	USA/Brazil	Russia	Saudi Arabia	Norway
17.1 mt	13.9 mt	8.9 mt	7.7 mt	7.0 mt

Top 5 global phosphate rock production capacities in 2024¹

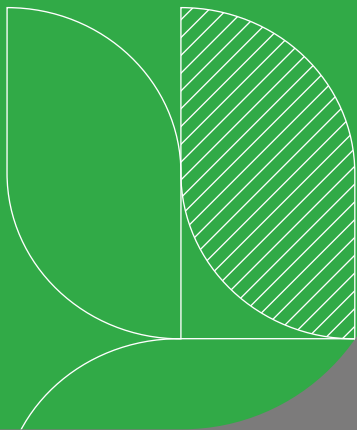
1	2	3	4	5
OCP	MOSAIC	PHOSAGRO GROUP	JPMC	MAADEN/SABIC
Morocco	USA/Brazil	Russia	Jordan	Saudi Arabia
47.5 mt	20.6 mt	11.4 mt	11.3 mt	10.3 mt

¹ Sources: CRU Group, publicly available company data.

Strategy

STRATEGY TO 2025

✓
In 2024, PhosAgro continued to be guided by the Strategy to 2025 approved by the Company's Board of Directors in March 2019. Most of the strategic goals remained relevant in the reporting year, with several key targets for 2025 achieved ahead of schedule.



The Company maintains a high level of feedstock self-sufficiency. In 2024, self-sufficiency in sulphuric acid came in at 93% (vs the target of 91% set in the Strategy to 2025).



Phosphate rock production increased to 11.4 mt (vs the target of 11.1 mt set in the Strategy to 2025).



The total storage capacity of PhosAgro-Region, Russia's largest distribution network, exceeded 1 mt in 2024 (vs the target of 650 kt set in the Strategy to 2025).



In 2024, the Company expanded its storage capacity for liquid complex fertilizers to 101 kt (vs the target of 62 kt set in the Strategy to 2025).



The number of the Company's distribution centres in Russia reached 37 in 2024 (vs the target of 35 set in the Strategy to 2025).

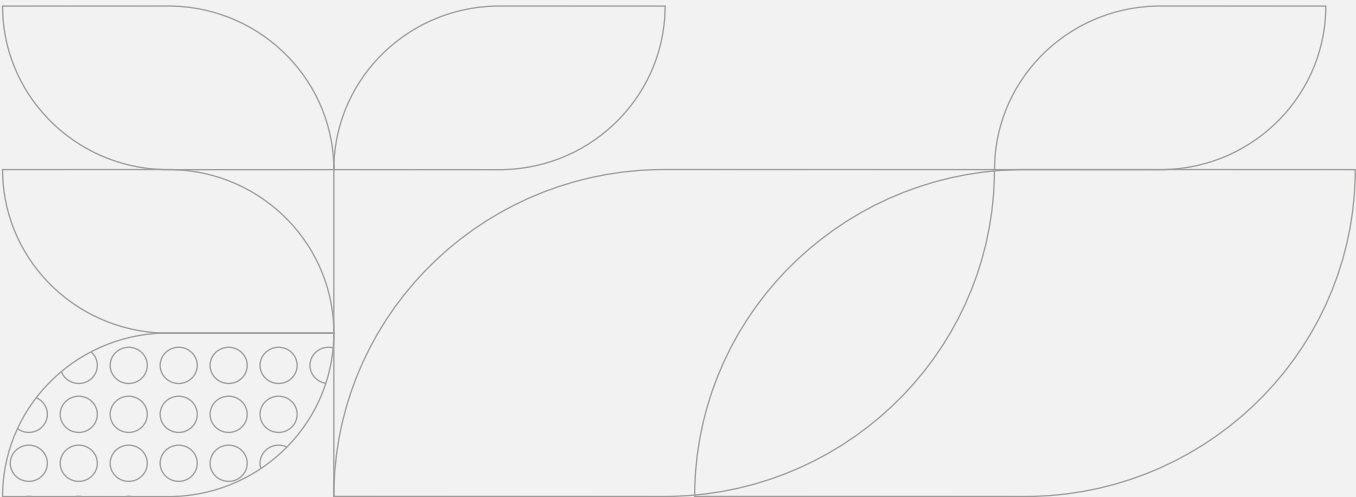


The employee satisfaction and loyalty index continues to grow, as it reached 76 p.p. in 2024 (vs the target of 65 p.p. set in the Strategy to 2025) based on Company-wide surveys.

In the reporting year, the Company's management presented proposals to the Board of Directors with respect to PhosAgro Group's Development Strategy to 2030, including key

targets and main avenues for growth. The draft Strategy is expected to be submitted to the Board

of Directors for review in 2Q 2025, with the new Strategy to 2030 to be approved by the end of the year.



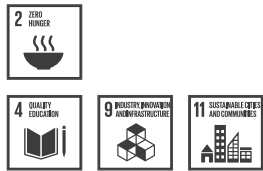
Health and safety goals

Zero workplace incidents and injuries



Environmental and climate goals

Reduced emissions and water use, increased waste recycling



Corporate social responsibility goals

Contribution to the UN Sustainable Development Goals



The Strategy to 2025 deeply integrates sustainability principles across all its initiatives



Increasing sales efficiency

- Expansion of the foothold in the priority domestic market and premium markets
- Higher share of premium fertilizer brands in the sales mix

Boosting logistics efficiency

- Alignment of production and sales
- Reduction of per unit transportation costs
- Development of port infrastructure

Operational efficiency and production growth

- Capacity expansion
- Higher self-sufficiency in feedstock
- Stronger operational efficiency

Progress against the Strategy to 2025 goals in 2024

2025 targets	2024 status (progress)
--------------	------------------------

INCREASING SALES EFFICIENCY

Expansion of the foothold in premium markets (own products: mineral fertilizers and feed-grade MCP)

Sales volume: Russia and the CIS

Target 2025
3.7 mt

Status 2024
3.1 mt up 11% y-o-y

Sales volume: South and North America

Target 2025
3.5 mt

Status 2024
4.0 mt up 5% y-o-y

Higher share of premium fertilizer brands (own products: mineral fertilizers and feed-grade MCP)

Share of complex fertilizers (NPK/NPS/PKS) in total output:

Target 2025
43.0% (5.0 mt)

Status 2024
33.3% (3.9 mt) up 10% y-o-y

Number of distribution and logistics centres:

Target 2025
35

Status 2024
37 up 9% y-o-y

Total storage capacity:

Target 2025
>650 kt

Status 2024
1 mt up 15% y-o-y

Liquid complex fertilizer storage capacity:

Target 2025
62 kt

Status 2024
101 kt up 19% y-o-y

BOOSTING LOGISTICS EFFICIENCY

Reduction of transportation costs

- Increased reliance on corporate rolling stock
- Use of innovative railcar fleet

Alignment of production and sales

Freight turnover by rail at key production sites:

Target 2025
28.3 mtpa

Status 2024
27.5 mtpa up 4% y-o-y

Development of port infrastructure

Efficient mix of port capacities in terms of costs and supply reliability:

Target 2025
8.0 mt

Status 2024
9.0 mt up 12.5% y-o-y

OPERATIONAL EFFICIENCY AND PRODUCTION GROWTH

Capacity expansion

Phosphate rock processing¹:

Target 2025
8.4 mt

Status 2024
9.1 mt up 4% y-o-y

Phosphate rock production:

Target 2025
11.1 mt

Status 2024
11.4 mt up 7% y-o-y

Mineral fertilizer and feed phosphate production¹:

Target 2025
11.5 mt

Status 2024
11.5 mt up 4% y-o-y

Maintaining high feedstock self-efficiency

Ammonia:

Target 2025
76%

Status 2024
74% down 1% y-o-y

Sulphuric acid:

Target 2025
91%

Status 2024
93% up 2% y-o-y

Ammonium sulphate:

Target 2025
75%

Status 2024
37%² down 20% y-o-y

Stronger operating efficiency

The actual effect of 2024 approved by project steering committees:

>RUB 1.4 bln

¹ There was an error in the 2023 Annual Report on pages 52–53. The correct text should read: “Phosphate rock processing: 2025 target — 8.4 mt”; Mineral fertilizer and feed phosphate production target for 2025 – 11.5 mt.

² Failure to meet the self-sufficiency target for ammonium sulphate is due to the fact that part of the ammonium sulphate output (142 kt in 2024) is sold as a commercial product rather than used for processing into compound mineral fertilizers as per the scenario adopted in the Strategy to 2025.

ENVIRONMENTAL EFFICIENCY

Reduced emissions

Per unit emissions:

Target 2025
0.8 kg/t²
Status 2024
0.712 kg/t²
down 10.9% y-o-y

Reduced impact on water bodies

Per unit waste water discharge¹:

Target 2025
1.7 m³/t
Status 2024
1.8 m³/t
down 3.7% y-o-y

Reduced waste generation

Share of recycled and disposed of hazard class 1–4 waste:

Target 2025
40.0%
Status 2024
40.3%
up 0.13% y-o-y



CLIMATE IMPACT

Reduced Scope 1 GHG emissions

Gross GHG emissions (Scope 1):

Target 2028
4.2 mt of CO₂-eq. (2028)
Status 2024
4.7 mt of CO₂-eq.
down 1.3% y-o-y



¹ Excluding mining and pit waters.
² Per tonne of finished and semi-finished products.

HEALTH AND SAFETY

Fostering a safety culture and adhering to the highest occupational health and safety standards

Occupational injuries:

Target 2025
annual reduction by **10**%
Status 2024
LTIFR of **0.54**
down 11% y-o-y

Target 2025
Zero fatalities

Status 2024
No fatalities in 2024

Target 2025
Zero accidents

Status 2024
No accidents in 2024

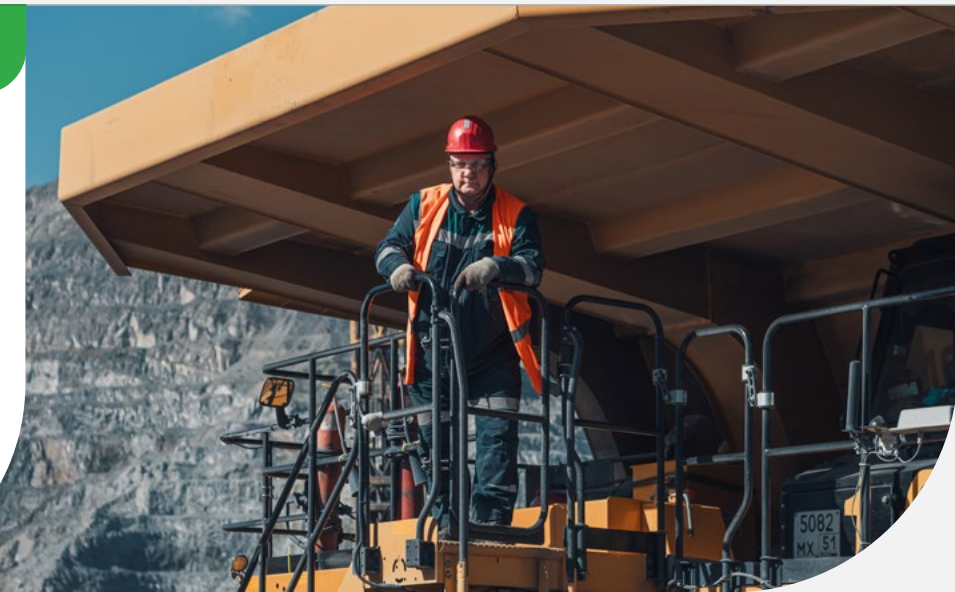


SOCIAL RESPONSIBILITY

Employee satisfaction

Aggregate satisfaction and loyalty index:

Target 2025
65 p.p.
Status 2024
76 p.p.
up +4% y-o-y



INCREASING SALES EFFICIENCY

The strategic sales goals of PhosAgro Group include expanding its foothold in premium markets and increasing the share of premium product sales.

The Group is successfully pursuing these goals in the evolving market landscape both by actively engaging in high-margin markets and by developing and promoting new, primarily complex grades of mineral fertilizers.

These goals are interrelated, as different geographical markets have historically shown a preference for specific fertilizer grades. For instance, in South America, one of our key regions, there is a strong focus on dual fertilizer grades which enable farmers to create individual blends tailored to their crops, soils, climate, and other agricultural factors. Conversely, in Russia, the Company's primary market, consumers have

historically preferred compound and complex fertilizer grades that are ready for application and do not require blending.

In line with this strategy, there was a significant increase in shipments to both the Russian and Brazilian markets during the reporting year, which largely drove accelerated growth in the sales of complex and compound fertilizer grades.

Progress towards our targets

	2022 (actual)	2023 (actual)	2024 (actual)	2024 (actual) / 2023 (actual), %	Strategy to 2025
Distribution centres	33	34	37	8.8	35
Total storage capacity, kt	821	868	1,000	15.2	>650
Liquid complex fertilizer storage capacity, kt	74	85	101	8.8	62

From 2018 to 2024, the Company invested RUB 5.4 bln in developing PhosAgro-Region, its own distribution network operating in Russia and across the CIS. By early 2025, the number of the network's distribution centres reached 37, while the total storage capacity came in at 1 mt, including 101 kt for the transshipment of liquid mineral fertilizers (a new record for the country). Since the launch of the strategic initiatives, the storage capacity for this type of fertilizers has increased ninefold. In 2025, PhosAgro Group will focus on further expanding its distribution network, upgrading the logistics infrastructure, and launching new logistics centres in Russia's key agricultural regions.

In 2024, as part of its service model development, the Company continued to offer Russian farmers the service

of chemical soil analysis. During the year, our agronomic experts surveyed more than 100,000 ha, marking an almost twofold increase compared to the previous year. Since the launch of the initiative, we have surveyed nearly 200,000 ha across 31 regions in six federal districts. In 2025, the Company plans to further enhance its service business by offering Russian farmers an expanded set of agronomic and process solutions to improve agricultural productivity.

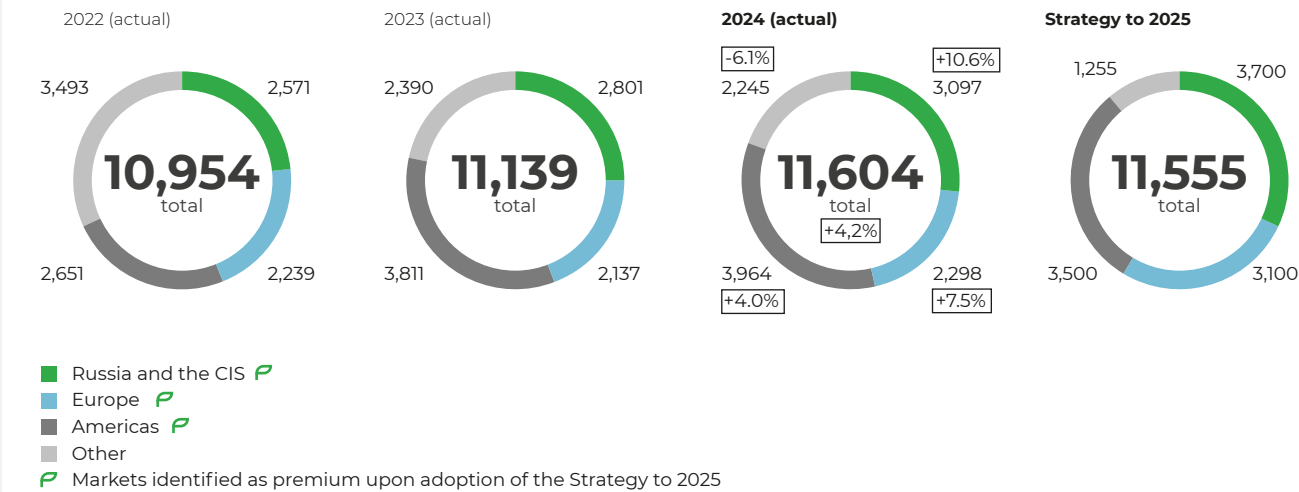
In 2024, we continued to actively develop new business areas – the supply of crop protection products and seeds of Russian breeders. Thus, the Company's customers gained access to a comprehensive service, including agrochemical analysis, hybrid selection, development of plant nutrition and protection systems,

product supply, and additional services. Notably, in the very first year, sales of domestically bred seeds reached 35,000 seed units.

Higher share of premium fertilizer brands in the sales mix

In the reporting year, the market witnessed accelerated growth in the sales of complex triple fertilizers, with their share in the Company's product portfolio rising to 33.3% in 2024 due to strong demand in the key domestic market. The flexibility of our production assets enables us to respond swiftly to changes in the market demand while maintaining full capacity utilisation.

Sales of mineral fertilizers and feed phosphates (own products), kt



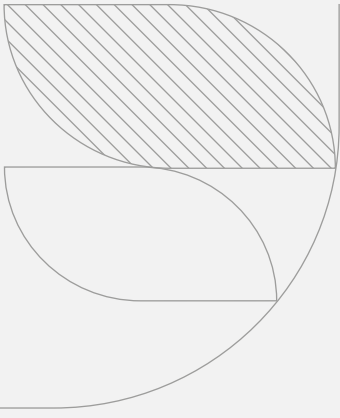
2 ZERO HUNGER

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

15 LIFE ON LAND

✓

Targets 2.4, 12.4, 15.1. Promoting and raising awareness about best farming practices and developing the service model.



We remain strategically committed to our home market, the core one, which translated into a 9.6% increase in domestic sales during the reporting year, and a 10.6% increase if the CIS market is included. In 2024, this increase was the main driver behind the 4.2% rise in total fertilizer sales, including feed phosphates.

Mineral fertilizer and feed phosphate sales mix, kt

	2022 (actual)	2023 (actual)	2024 (actual)	2024 (actual) / 2023 (actual), %	Strategy to 2025
Urea/AN/AS	2,551	2,561	2,500	-2.4	2,515
MCP	350	377	399	6.0	472
APP	112	198	187	-5.4	213
NPK/PK/PKS	3,670	3,500	3,859	10.2	4,980
MAP/DAP	4,272	4,504	4,660	3.5	3,270
Total	10,954	11,139	11,604	4.2	11,450
Share of complex fertilizers,%	33.5	31.4	33.3		43.4



✓
Targets 2.4, 12.4, 13.1, 13.2.
Expanding sales of eco-friendly mineral fertilizers and developing innovative plant nutrition systems, including those that limit greenhouse gas emissions and help adapt to climate change.

The Company continues to develop and actively market new fertilizer grades in an effort to meet the existing and potential needs of farmers in Russia and abroad to the fullest extent possible, while taking into account the specifics of crops, soil types, and farming conditions.

PhosAgro Group is actively developing the following premium products:

- fertilizers with micronutrients are considered one of the most potent ways to combat malnutrition and reduce nutrient deficiencies,

as the micronutrients can be accumulated by plants and thus benefit the human diet;

- biological and biomineral fertilizers are expected to become one of the most effective solutions to ensure global food security by boosting agrochemical efficiency of plant nutrition systems without damaging the ecosystem.

Alignment of production and sales



✓
Target 9.1. Developing rail infrastructure and contributing to the development of local communities through our value chain.

Corporate rail infrastructure throughput capacity at the Company's key production facilities is critical to efficient transportation. Thanks to our comprehensive investment programmes in the 2019–2025 strategic cycle, we have been able

to expand the throughput capacity of our key production facilities' railway infrastructure to or above target levels.

In 2022, the Company launched a rolling stock renewal programme to 2034. As part of the programme, we plan to procure 392 ore dump cars and 11 electric locomotives for the Kirovsk branch, as well as 23 shunting locomotives for the Cherepovets facility and the Balakovo branch.

In 2024, we purchased three shunting locomotives, two electric locomotives, and 29 dump cars.

The construction of a container yard and the installation of the required equipment at the phosphate facility in Cherepovets are underway, which will allow for a significant increase in future container shipments. As part of a four-party agreement between Apatit, Severstal, Russian Railways

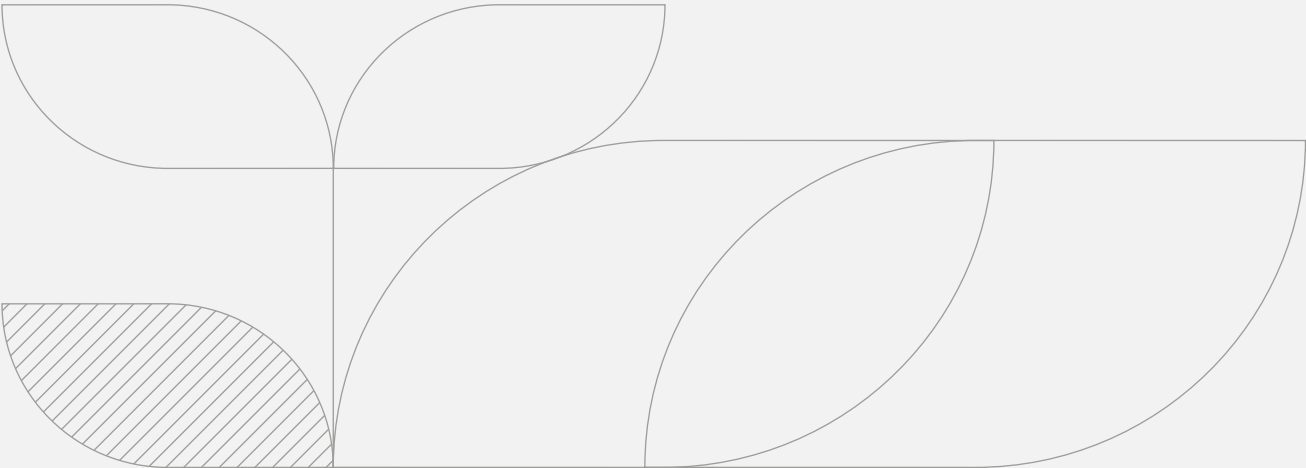
and Lengiprotrans, we are modelling the operation of Cherepovets railway hub, with a list of measures to be drawn up to handle both current and future freight turnover. These two projects are expected to be completed in 2025.

In 2024, as part of a comprehensive Volkhov branch development project, we ramped up infrastructure throughput at the Volkhov site to boost freight turnover. Under the second stage of the project, we reached an agreement with Russian Railways to co-finance the construction of public infrastructure.

We continued to work on a project for expanding the transport infrastructure at the Balakovo branch to support an increase in finished product shipments and acceptance of new raw materials – potassium chloride and ammonium sulphate.

Progress towards our targets, mtpa

Freight turnover of chemical facilities' railway infrastructure	2022 (actual)	2023 (actual)	2024 (actual)	Strategy to 2025
Cherepovets site	15.4	15.3	16.1	16.5
Balakovo branch	6.7	7.2	6.9	8.0
Volkhov branch	3.8	4.0	4.5	3.8
Total	25.9	26.5	27.5	28.3



BOOSTING LOGISTICS EFFICIENCY

The most part of the Company's freight (ca. 99%) is transported via the Russian Railways network. In 2024, freight turnover totalled 30.5 mt, up 1.0% against 2023, with further growth to 31.0 mt expected in 2025.

Rail shipments are also a focus area of key initiatives aimed at improving the reliability of product deliveries and reducing transportation costs. Ensuring a secure supply is a top priority for us.

Reduction of transportation costs



✓
Target 12.4. Managing chemicals and wastes wisely throughout their life cycle, including transportation.

As part of implementing the Strategy to 2025, we have significantly increased reliance on our own rolling stock, buying mostly innovative railcars with a higher capacity and longer run life. Increased reliance on PhosAgro's own rolling stock means:

- enhanced safety of operation and more reliable supplies, as PhosAgro Group's production and logistics processes are less dependent on third-party services;
- higher cost efficiency, as corporate railcars are cheaper in use than third-party rolling stock;
- a positive environmental effect, as the use of innovative rolling stock with higher cargo tonnage per railcar and train reduces the negative impact on the environment per tonne of cargo.

Other areas of focus to ensure transportation security and optimise transportation costs in 2024 included:

- developing mutually beneficial terms and entering into agreements with Russian Railways to co-finance the development of transport infrastructure at railway stations adjacent to the Company's production sites (Volkhov branch – final stage);
- securing tariff preferences for the shipment of liquid sulphur and sulphuric acid;
- verifying the possibility of receiving subsidies for export transportation of industrial products by rail in the period from 2022 to 2024 according to Decree of the Government of Russia No. 1347 On State Support of Russian Industrial Organisations in Order to Compensate Expenses for Transportation of Industrial Products dated 28 July 2022.

Development of port infrastructure



Target 9.1. Enhancing port network, along with offering employment opportunities, developing infrastructure and implementing social investment programmes.

In addition to developing logistics and sales infrastructure across Russia, we are working to increase the reliability and efficiency of our exports by both reducing transshipment costs and providing state-of-the-art transshipment capacities.

Our strategic aim is to develop and maintain a balanced port sales infrastructure in terms of costs and reliability, capable of handling at least 8 mtpa of fertilizer exports. The Company has already exceeded its target transshipment capacity. Given our plans to expand production capacities, the work is underway

to consider the measures that would increase the available transshipment capacity to 10 mtpa.

The ports key to PhosAgro Group's operations are located in the North-West of Russia. These include European Sulphur Terminal, Petrolesport, First Container Terminal, and St Petersburg Port in the Leningrad region and St Petersburg, and Murmansk Bulk Terminal in Murmansk. The Company also uses a terminal at the Hamina Kotka port in Finland. We rely on specialised terminals and their equipment designed to mitigate the environmental impact.

OPERATIONAL EFFICIENCY AND PRODUCTION GROWTH

Capacity expansion

The long-term growth in demand for mineral fertilizers has been steady. In order to respond to stronger demand, PhosAgro focuses on expanding capacities to produce its key products, which is one of our key strategic goals for 2025.



Target 12.4. Making eco-sustainable products in line with sustainability requirements and maximising the use of production waste in further processes.

Delivery on production targets, mt

	2022 (actual)	2023 (actual)	2024 (plan)	2024 (actual)	Strategy to 2025
Production of nitrogen-based fertilizers	2.5	2.6	2.5	2.6	2.5
Production of phosphate fertilizers and feed-grade MCP	8.2	8.4	8.7	8.9	8.9
Production of phosphate rock	10.9	10.7	11.1	11.4	11.1
In-house processing of phosphate rock	8.7	9.1	9.3	9.5	8.4

Implementation of high-priority projects

Ramping up phosphate rock processing at the dihydrate process WPA¹ production facilities (WPA-2 and WPA-3) (Cherepovets)

Targets

IRR 24%

+218 ktpa
in phosphate rock processing

+173 ktpa
in DAP

Status

In September 2024, we completed the installation of new belt filters in sections 5.55/5.58, with the filters commissioned on schedule. We also completed the assembly of the new VEI²-64, with the installation reaching its design capacity. At section 5.58, the absorption system was upgraded during the section's shutdown for an overhaul. As a result of this project, WPA-2 and WPA-3 reached the target phosphate rock production capacity of 141 tonnes per hour.

Project schedule
2023–2024

Investments
RUB 4.4 bln

Ramping up phosphate rock processing (Volkhov)

Targets

IRR of 25%

+153 ktpa
in phosphate rock processing

+107 ktpa
in MAP

Status

In October 2024, we completed the upgrade of a phosphoric acid production plant (WPAP-450), achieving the target phosphate rock production capacity of 185 tonnes per hour.

Project schedule
2023–2024

Investments
RUB 2.3 bln

Increasing feed-grade MCP output (Balakovo)

Targets

IRR of 22%

+100 ktpa
in MCP

Status

As part of the project, we completed the technical upgrade of the mineral salts unit, with new, more powerful equipment installed. In July 2024, the unit achieved its target capacity.

Project schedule
2021–2024

Investments
RUB 3.3 bln

Ramping up phosphate rock processing at the hemihydrate process WPA production facility (WPA-1) (Cherepovets)

Targets

IRR of 24%

+40 ktpa
in phosphate rock processing

+98 ktpa
in NPK 15-15-15

Status

In 2024, we commenced the project, with key equipment contracted for the main activities. In 2025, we plan to upgrade VEI-1 and VEI-5, replacing heating chambers and axial pumps with more powerful units. Additionally, there are plans to replace the buckets of carousel vacuum filter No. 3 with new reinforced ones and to substitute the N120AS and N220AS circulators with their upgraded versions.

Project schedule
2024–2025

Investments
RUB 1.8 bln

¹ Wet-process phosphoric acid.
² Vacuum-evaporating installation.

Maintaining high feedstock self-sufficiency

Feedstock self-sufficiency

Strong vertical integration is PhosAgro’s major competitive advantage. With our phosphate rock reserves covering 100% of the Company’s needs for raw materials required for phosphate mineral fertilizers, we are ramping up the production of other key types of feedstock, thus increasing our feedstock security and cutting costs.

Self-sufficiency in key types of feedstock

	2022 (actual)	2023 (actual)	2024 (plan)	2024 (actual)	2025 (plan)	Strategy to 2025
Ammonia, %	76.0	75.0	74.0	74.0	71.4	76.0
• Production, mt	2.0	2.0	2.0	2.0	2.0	1.9
• Consumption, mt	2.6	2.6	2.7	2.7	2.8	2.5
Sulphuric acid, %	92.0	92.0	95.0	93.4	97.0	91.0
• Production, mt	7.9	8.1	8.7	8.5	9.4	7.8
• Consumption, mt	8.6	8.8	9.1	9.1	9.7	8.6
Ammonium sulphate ¹ , %	51.0	46.0	49.0	37.0	57.0	75.0
• Production, mt	0.3	0.3	0.3	0.2	0.3	0.7
• Consumption, mt	0.6	0.6	0.6	0.5	0.5	0.9

Implementation of high-priority projects

Upgrade of the SK-20 technological system with replacement of the contact process unit (Balakovo)

Project schedule
2021–2024

Investments
RUB 6.7 bln


Targets

+350 ktpa

in sulphuric acid production

Status

In March 2024, the system reached its target capacity of 135 tonnes per hour.



Upgrade of the sulphuric acid production and infrastructure facilities to increase the capacity by 93 tonnes of monohydrate per hour (SK-20/1) (Balakovo)

Project schedule
2024–2025

Investments
RUB 6.2 bln

Targets

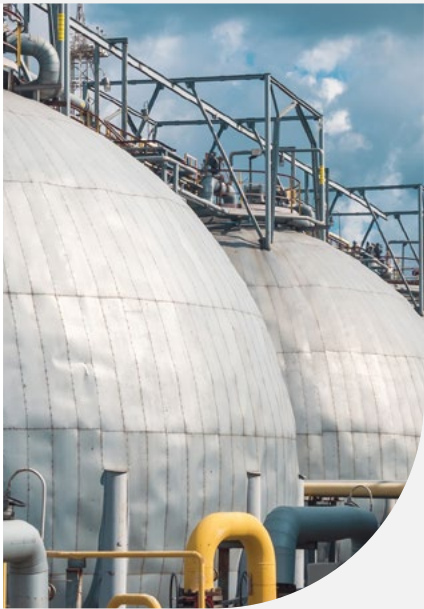
+750 ktpa

in sulphuric acid production

100% self-sufficiency in sulphuric acid at the Balakovo site

Status

Procurement of materials and equipment is in progress, with contractors selected for key types of work. Earthworks and foundation dismantling, as well as installation of metal structures and core equipment are ongoing.



Capital investments

Progress against 2025 strategic goals of capacity expansion and feedstock self-sufficiency comes on the back of effective planning and the successful implementation of the Company’s investment programme.

A DISCIPLINED APPROACH TO CAPEX

Minimum project IRR: approved discount rate +2% (at least 15%²)

More efficient working capital management

Annual CAPEX budget of up to 50% of EBITDA

Breakdown of CAPEX, RUB bln

	2022 (actual)	2023 (actual)	2024 (plan)	2024 (actual)
Investment projects	24.1	18.8	25.6	26.5
Maintenance	27.0	31.3	34.5	33.9
Non-industrial construction	2.2	3.3	2.8	2.5
Total excluding capitalised repairs	53.2	53.4	62.9	62.9
Total including capitalised repairs	63.0	64.2	75.2	75.2

CAPEX funding in 2022–2024

	2022 (actual)	2023 (actual)	2024 (actual)
CAPEX ³ , RUB bln	53.2	53.4	62.9
Adjusted EBITDA, RUB bln	266.9	168.4	170.6
CAPEX / adjusted EBITDA, %	20	32	37

Details of key investment projects in 2024, RUB bln

Phase 3 of developing the Balakovo branch of Apatit (implementing a flexible MAP, DAP, NPK, and NPS production scheme)	8.4
Stripping and mine development at the Rasvumchorr Plateau (Kirovsk)	4.3
Ramp-up of phosphate rock processing at the dihydrate process WPA production facilities (WPA-2 and WPA-3) (Cherepovets)	3.4
Development of the +10 m level at the Kirovsky mine (Kirovsk)	2.5
Development of the Vostochny mine, a block pillar under the Saami pit, and the Gakman block, and development of ANBP-3 plant (Kirovsk)	2.5
Ramp-up of phosphate rock processing (Volkhov)	1.6
Construction of a phosphogypsum conversion unit (Balakovo)	1.3
Other investment projects ⁴	2.5
Total for investment projects	26.5

¹ Failure to meet the self-sufficiency target for ammonium sulphate is due to the fact that part of the ammonium sulphate output (142 kt in 2024) is sold as a commercial product rather than used for processing into compound mineral fertilizers as per the scenario adopted in the Strategy to 2025.

² The minimum internal rate of return is reviewed from time to time, including by considering the current key interest rate set by the Bank of Russia.

³ CAPEX excluding capitalised repairs.

⁴ Including the following projects: increase in the feed-grade MCP output in Balakovo, and ramp-up of phosphate rock processing at the hemihydrate process WPA production facility (WPA-1) in Cherepovets.

Operating efficiency improvements

At PhosAgro, we are implementing a whole range of projects and initiatives to improve our technologies and organisational approaches and streamline production processes.

✓

In 2024, PhosAgro successfully completed the project for improving the performance of Apatit's business units and branches in 2024.

In the reporting year, the Group's entities successfully implemented Russian software, including as part of import substitution efforts:

✓

The Mobile Voice Patrol project powered by an AI technology for speech recognition and generation. The project was partially funded by the government (49.2% of the total budget).

Production site

Cherepovets, Kirovsk, Balakovo, Volkhov

Project schedule
January–December 2024

Key project initiatives

- Higher volumes of phosphate rock processing and MAP production
- Reduction in end-to-end phosphate rock losses
- Improvement in phosphate rock recovery rates

Economic effect in 2024

RUB 1,425 mln

Production site

All production sites

Project schedule
October 2023 – November 2024

Key project initiatives

- Introduction of a voice data input solution for registering the processes and results of technical and commercial rolling stock inspections
- Standardisation and expansion of recorded rolling stock failure parameters

2024 highlights

A more than fivefold reduction in the time required to transmit and process technical inspection data

Creation of a statistical rolling stock failure database for predicting changes in the technical condition of rolling stock by using AI technologies

With the project proving to be a success, the Company's business analysts and IT experts have started exploring the scalability of AI-based speech recognition and generation technologies to other business processes of PhosAgro Group.



Introduction of a manufacturing execution system (automated enterprise management system) for a major holding company in the chemical sector, the first implementation of Russian-made software of this kind in the industry.

The project was included in the list of high-priority projects under the IT import substitution programme of the Russian Government and co-funded by the state.



Target 8.3. Maintaining and developing existing operations and creating innovative facilities.

Production site

Cherepovets chemical facilities of Apatit

Project schedule
December 2022 – February 2025

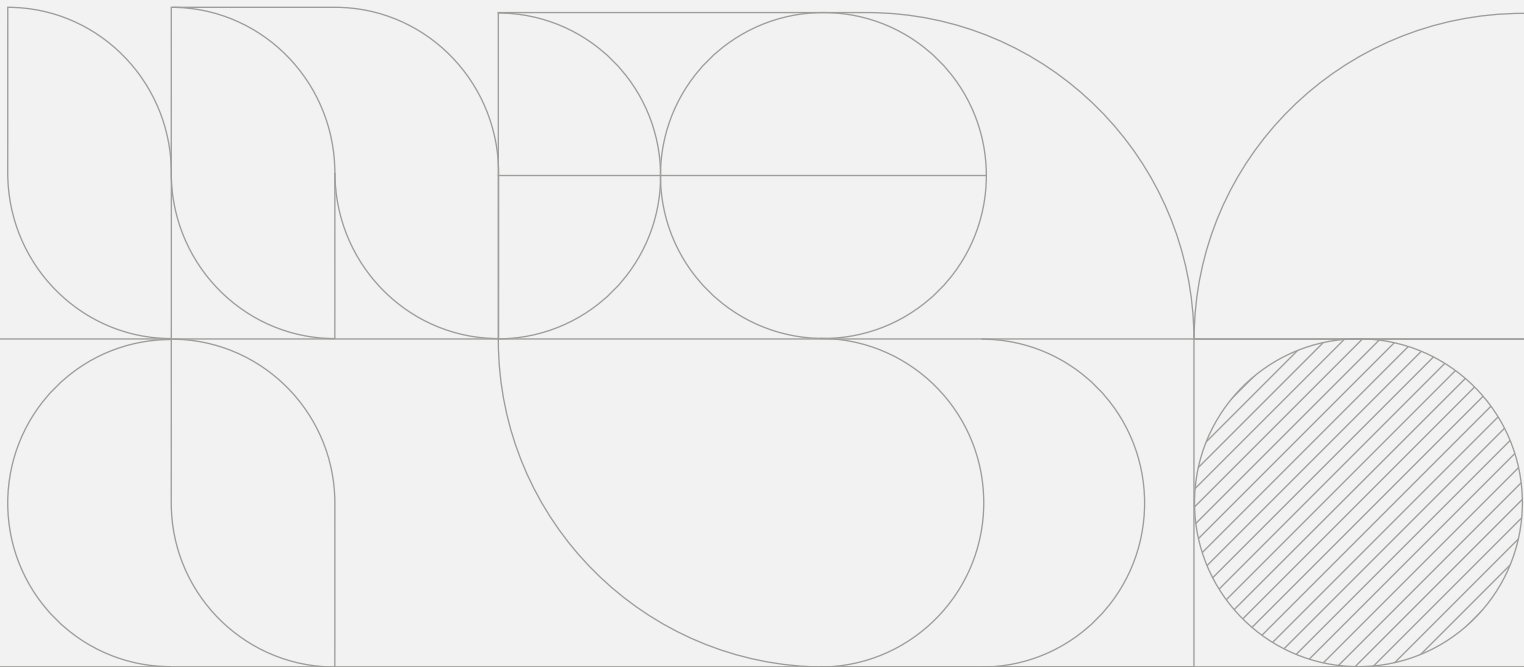
Key project initiatives

- Import substitution of foreign software for managing and controlling production processes: replacement of PI System by AVEVA (the company exited the Russian market) with the domestic ZIIoT Platform from Tsifra Group

2024 highlights

Successful implementation of the software with a warranty and technical support

The project ensured continuity in production processes through the use of Russian application software. Its success enables us to further enhance capabilities and roll the solution out to other facilities of the Company.



S172 STATEMENT

According to Section 172 “Duty to promote the success of the company” of the UK Companies Act 2006, PhosAgro’s Board of Directors acts in good faith for the benefit of the Company to promote its success, taking into account possible long-term consequences of its decisions for the society and the environment, as well as the interests of the Company’s employees and other stakeholders.

For the members of PhosAgro’s Board of Directors, these standards mean that the Company’s stakeholders should be interacted with responsibly and that their interests should be respected to the maximum extent possible.

At least once a year, the Strategy and Sustainable Development Committee (until 2022, the Sustainable Development Committee)

of the Board of Directors reviews feedback from stakeholders on aspects of the Company’s operations that are material to them.

Such feedback is used to identify topics and indicators to be disclosed in PhosAgro’s non-financial reporting and to determine interaction priorities and mechanisms for engagement with the Company’s stakeholders, including at the Board level.

In the reporting year, the Board of Directors continued to hold on-site meetings at the Company’s production facilities. These meetings help the Board reach a completely new level in engaging with the whole range of stakeholders, including regional and municipal governments, key management of PhosAgro’s subsidiaries, production teams, and local communities. In 2024, the meetings were held at the Cherepovets and Kirovsk

production sites. The Board members explored the industrial assets, held meetings with key employees, and visited social facilities.

On-site meetings and other Board activities at the Company’s production facilities are a vital element of feedback collection, which helps the Board of Directors gain a thorough understanding of the Company’s economic, social, and environmental impact.

Furthermore, in February 2024 the Chairman of the Board of Directors acted as the head of PhosAgro’s delegation during meetings with the leadership of the UN Food and Agriculture Organisation (FAO) and the UN Educational, Scientific and Cultural Organisation (UNESCO). These are the two organisations with which the Company has been partnering for a long time to deliver a wide range of joint projects.

PROSPECTS

PhosAgro Group’s development scenarios are reviewed by the Board of Directors when approving its Strategy. The strategic planning cycle adopted by the Company is five years.

Since 2019, the Board of Directors has been considering a contingency plan to prepare for critical changes in the external operating environment such as possible restrictions on our supplies to key markets.

In 2024, countervailing duties and the export quota system remained in force. The restrictions caused by international sanctions and supply chain disruptions still made it difficult for the Company to deliver its products to its traditional markets. The expected introduction of additional tariffs on mineral fertilizers supplied to the EU in 2025 will present another challenge for PhosAgro

Group, requiring that we adopt new management techniques, approaches, and solutions.

In 2024, similarly to the previous two years, the Company was adversely affected by the termination of operations in Russia by some Western suppliers of equipment, services, and technology, as well as by difficulties in making payments.

The Board of Directors weighed the associated strategic risks when approving the Strategy to 2025 and continues to review them semi-annually as part of the strategy implementation monitoring. Each risk has a dedicated risk management map, containing a detailed description along with mitigants and probability, materiality and risk appetite estimates. All of the above parameters are updated on an annual basis.

Despite unprecedented materialisation of these risks, the Company continues to maintain uninterrupted operations across all its production sites, ensure timely supply of fertilizers, and support the well-being of its employees and their families. PhosAgro Group’s team manages to address new challenges swiftly, maintaining business stability and advancing to new heights.

Based on the foregoing, the Board of Directors finds it reasonable to believe that the Company will, without any reservations, be able to continue its operations and meet all its obligations as they fall due both during the implementation of the Strategy to 2025 and through to 2030.

For more information on the Company’s strategic risks, see the Strategic Report section on

p. 66–75

Strategic risks

Robust risk management is a sine qua non for PhosAgro to achieve its strategic goals and sustainable development. We continuously develop and improve our risk management framework, which enables us to identify external and internal risks in a timely manner and develop effective mitigants.

IMPACT ON SUSTAINABILITY

Effective starting 2023 is IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information.

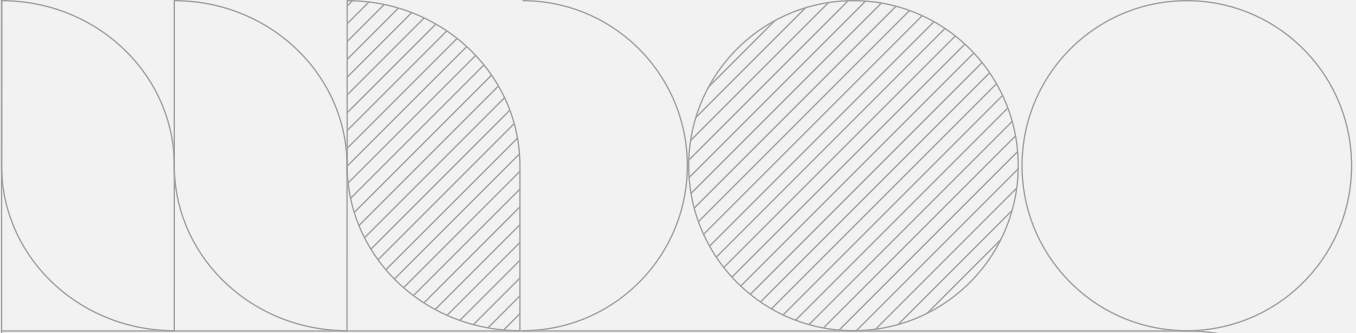
This standard requires disclosure of information about sustainability-related risks. These are defined as risks that can affect an entity's cash flows, its access to finance, or cost of capital over the short, medium, and long term. Under the standard, said risks arise as part of an entity's interactions with stakeholders, society, the economy, and the natural environment throughout its value chain.



2024 is not a reporting period for the application of IFRS S1. However, for more comprehensive disclosure of information, the Company has classified its risks based on their impact on sustainability, and has described this impact.



Strategic risks are of a long-term nature, influencing the Company's ability to achieve its long-term goals. However, certain risks (FX, interest rate, commodity, sanctions, etc.) may be affected by the short- and medium-term environment.



RISK APPETITE

In pursuing its goals, PhosAgro is guided by risk appetite, or the level of risk it deems acceptable. Risk appetite is an integral part of strategic and operational decision-making. The Board of Directors defines the overall risk appetite when reviewing the Company's risks and also as part of approving its strategy, budget and investment programme, and considering other matters within the Board's scope of authority. Risk appetite is then reflected in the Company's specific procedures and key performance indicators.

FINANCIAL RISKS

3 balanced

As a reliable borrower, the Company seeks to raise funding on the most attractive terms available in the market. PhosAgro's core operations are FX-linked, so we use natural hedging methods to manage our FX risk. We are not ready to take on credit risk related to our counterparties: in our relations with them, we either seek to secure terms and conditions we see as most beneficial to us or use risk transfer strategies.

STRATEGIC RISKS

4 focused on opportunities

PhosAgro aims to identify and use opportunities that open up in the market as a result of changes in the external environment. The Company quickly responds to the changing operating landscape and targets priority markets that offer the best terms and conditions to sell its products. At the same time, the Company's business model is designed in a way that strikes an optimal balance between sustainable development and operational efficiency.

OPERATIONAL RISKS

2 low

PhosAgro aims to prevent any disruptions to its business processes and IT infrastructure performance and to also secure maximum protection from cyber threats and fraud. When planning and implementing its investment projects, the Company works to deliver against strategic priorities and key performance indicators while factoring in potential deviations as a result of changing external factors.

PRODUCTION RISKS

2 low

The Company aims to minimise unscheduled downtime in production while at the same time making sure that its processes and end product quality meet all applicable requirements. Creating a safe working environment is the Company's absolute priority. PhosAgro makes every effort to minimise the negative impact of its production processes on the environment and climate.

REGULATORY RISKS

1 minimum

PhosAgro aims to remain 100% compliant with all applicable statutory regulations, including those related to taxation. As part of industry associations, the Company is involved in developing regulatory initiatives in order to minimise any non-compliance risk. In addition to laws and regulations, the Company operates in line with corporate values and ethical principles so as to minimise potential reputational damage.

0 zero risk appetite (no operations)

1 minimum risk appetite (reduction of risk exposure to the largest extent possible)

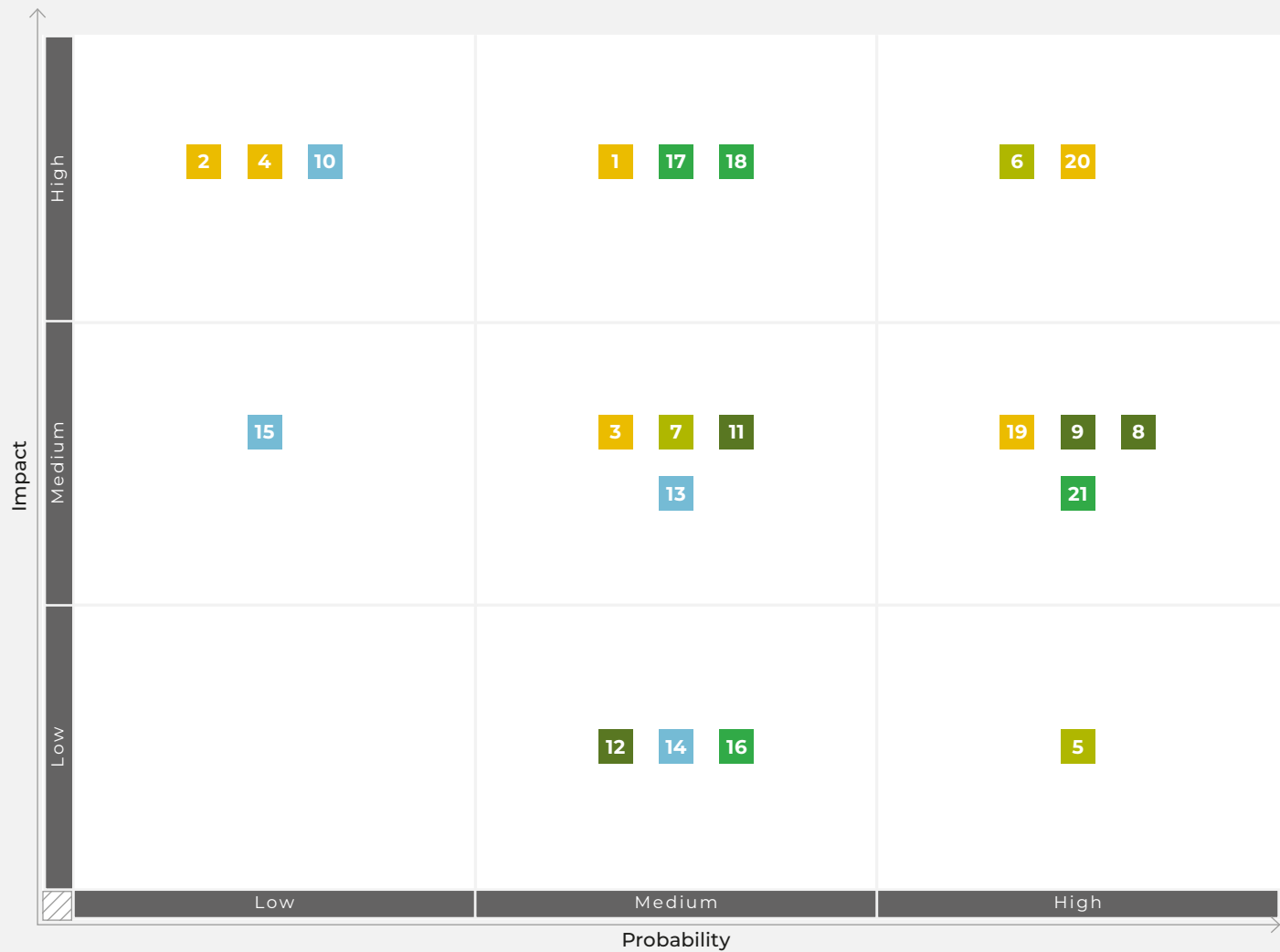
2 low risk appetite (reduction of risk exposure)

3 balanced risk appetite (risks and opportunities are balanced)

4 focused on opportunities (increased risk exposure)

5 maximum risk appetite (maximisation of risk exposure)

Key risks associated with PhosAgro Group's activities



STRATEGIC RISKS

- 1 Strategic planning
- 2 Failure to deliver on sustainable development goals
- 3 Social risk
- 4 HR risk
- 19 Climate risk
- 20 Sanctions risk

FINANCIAL RISKS

- 16 Credit risk
- 17 Currency risk
- 18 Commodity risk
- 21 Interest rate risk

REGULATORY RISKS

- 10 Tax risk
- 13 Regulatory risk
- 14 Corruption risk
- 15 Reputation risk

CHANGE IN THE RISK




- Growing or continuing tensions
- Decreasing tensions

PRODUCTION RISKS


- 5 Production risk
- 6 Health and safety risk
- 7 Environmental risk



OPERATIONAL RISKS


- 8 Project risk
- 9 Business processes and systems risk
- 11 Information security risk
- 12 Economic security risk

Nº	Risk	Description	Risk mitigants	Key indicators / risks materialised
1	Strategic planning	Risk associated with the adoption of an incorrect strategic decision and ensuing management decisions, resulting from an erroneous assessment of internal and external factors that have an impact on the Company's prospects for development and its ability to achieve strategic objectives.	<p>The Company actively monitors both internal and external factors that could impact the strategy. PhosAgro also takes a systematic approach to assessing the potential costs and benefits of new strategic projects to facilitate and improve the decision-making process.</p> <p>PhosAgro started updating its strategy to 2030 to reflect the latest changes in the external and internal environments.</p>	<p>Downside deviations of actual strategic performance from targets.</p> <p>Geopolitical developments cause uncertainty to persist and result in the assessment of this risk as high.</p>
2	Failure to deliver on ESG and sustainable development goals	<p>Risk factors include failure to set ESG targets and Sustainable Development Goals (SDGs) or update them in a timely manner, as well as the lack of resources and processes necessary to achieve these targets and goals.</p> <p> Has an impact on sustainable development through goal setting and resource planning to achieve said goals</p>	<p>The Board of Directors' Strategy and Sustainable Development Committee helped set and prioritise SDGs and strategic ESG targets. To achieve the same, PhosAgro developed and is successfully implementing the Low-Carbon Transition Plan, the Climate Strategy, the Water Strategy, the Energy Efficiency Programme, and other initiatives.</p> <p>Significant work done in this area has enabled the Company to materially improve its ratings and become a leader in ESG. It should be noted that as a result of certain geopolitical developments, a number of ESG rating agencies suspended their operations in Russia.</p> <p>For more information on the Company's activities and indicators in this area, see the Navigator on UN SDGs section on page 10</p>	<p>Downside deviations of actual ESG and SDG performance from targets.</p> <p>No material risk events occurred.</p>
3	Social	<p>Risk of an adverse social environment in the regions of operation.</p> <p> Has an impact on sustainable development through community relations in regions of operation</p>	<p>With its commitment to the principles of partnership and cooperation between private business and the government, the Company runs a number of social programmes on a proactive basis. Social projects are designed, among other things, to support local authorities in promoting sports and culture, and enhancing the public utilities and opportunities for growth in the cities and towns where the Company operates. Sustainable development in the regions of operation is one of the key goals the Group pursues in its community activities.</p> <p>For more information on the Company's activities in this area, see the Contributing to Local Communities section on page 220</p>	<p>Downside deviations of actual ESG performance (social dimension) from targets.</p> <p>No material risk events occurred.</p>
4	HR	<p>Developments and decisions related to the hiring, development, and retention of employees.</p> <p> Has an impact on sustainable development through dependence on staff, which are one of the Company's key resources</p>	<p>PhosAgro runs independent and joint programmes seeking to train and attract young talents, including those from other regions, develop employee skills and enhance motivation as a way to improve retention and productivity.</p> <p>For more information on the Company's activities in this area, see the Contributing to Local Communities section on page 220</p>	<p>Personnel turnover and skill mismatch.</p> <p>No material risk events occurred. However, labour market developments, including those related to generational and geopolitical factors, cause the risk to persist.</p>

Nº	Risk	Description	Risk mitigants	Key indicators / risks materialised
12	Economic security	Losses incurred on the Company's property and assets as a result of economic crimes committed by employees or third parties, including fraud and theft.	The Company takes steps to prevent potential damage to its property and assets as a result of economic law infringements, including, in particular, by introducing access authorisations to the Company's administrative and production facilities, clearly differentiating between responsibilities as part of contract or transaction execution, vetting counterparties before signing a contract, and putting in place a dedicated hotline. Moreover, additional checks are undertaken by a variety of the Company's functions.	Theft and fraud incidents. No material risk events occurred.
13	Regulatory	Untimely receipt/extension of licences; legislative changes that might bring about higher cost of doing business, restrictive policies by regulators, weaker equity story of the Company and/ or adverse transformation of the competitive landscape.  Has an impact on sustainable development through interaction with the regulatory environment	PhosAgro is in full compliance with applicable laws. To make sure it gets timely updates on potential legislative changes, the Company closely tracks initiatives of legislators, the government, and regulators, and takes part in discussing such initiatives and drafting relevant recommendations in partnership with professional associations. The Company prepares and submits documents in due time to receive or extend licences or other permissions required for its business.	Deviations related to regulatory compliance. No material risk events occurred.
14	Corruption	Losses resulting from non-compliance or inadequate compliance with applicable anti-corruption laws by the Company or its employees (penalties levied against the Company by government authorities and other damages).	PhosAgro makes sure its facilities and partners fully comply with applicable anti-corruption laws. To that end, it provides training in combating corruption and administrating the anti-corruption law, and promotes zero tolerance towards corruption among the Company's employees and partners. Among other things, PhosAgro has approved the Anti-Fraud and Anti-Corruption Policy, the Code of Ethics, and the Regulations on Conflict of Interest. The Company's counterparties are obliged to declare their compliance with anti-corruption laws. The Company is a member of the Anti-Corruption Charter of Russian Business.	Corrupt practices, conflicts of interest. No material risk events occurred.
15	Reputation	Damage caused to the Company's business reputation as a result of misleading or defamatory information or allegations about the Company made publicly available, leakages of confidential information, and breaches of business ethics on the part of the Company's employees.  Has an impact on sustainable development through the Company's business reputation	In its operations, PhosAgro demonstrates commitment to transparency by disclosing all relevant material facts and circumstances. The Company has adopted an information policy and a media engagement policy. Information about the Company is available on its website and in the mass media. PhosAgro provides comments in response to media enquiries and regularly monitors coverage in both Russian and international (social) media. To protect its business reputation, the Company has approved the Code of Ethics setting out unified rules for PhosAgro's employees based on the principles of integrity, good judgement, fair play, and partnership and designed to support the Company's success.	Stakeholder confidence. No material risk events occurred.

Nº	Risk	Description	Risk mitigants	Key indicators / risks materialised
16	Credit	Financial losses caused by the failure of buyers, commercial contractors, and other financial counterparties to fulfil their financial obligations to the Company in full and on time.  Has an impact on sustainable development through interaction with counterparties, whose credit obligations directly impact cash flows	PhosAgro has approved policies on managing credit risks to institutionalise a number of credit risk mitigation techniques, including deliveries against full or partial prepayments with full or partial insurance of credit risks, and use of letters of credit. Providing advance payments to suppliers and contractors is only considered after the counterparties have proved their reliability or after they have offered adequate bank guarantees for advance payments that exceed approved internal limits. PhosAgro partners with banks, financial organisations, and insurance companies that boast a high level of financial stability and meet the criteria set out in the Company's treasury policy. PhosAgro monitors all covenants under the existing loan agreements on an ongoing basis. For more information on the Company's activities and indicators in this area, see the Financial Risk Management. Credit Risk section of the Notes to the consolidated financial statements on page 352	Overdue accounts receivable, provision for bad debt. No material risk events occurred.
17	Currency	Financial losses arising from unfavourable changes in FX rates against the Company's base currency.	In the context of fluctuations of the rouble exchange rate against major international currencies, the Company seeks to align the currency breakdown of its debt financing with the FX structure of its sales. As of now, most of PhosAgro's debt is denominated in US dollars as a natural hedge against predominantly USD-denominated sales. The Company carefully tracks analyst forecasts and factors that may influence the rouble exchange rate against major currencies. If need be, PhosAgro can hedge its FX positions either fully or partially. For more information on the Company's activities and indicators in this area, see the Financial Risk Management. Currency Risk section of the Notes to the consolidated financial statements on page 350	Adverse changes in exchange rates. No material risk events occurred.
18	Commodity	Losses associated with unfavourable changes in the market prices for mineral fertilizers and other products or a hike in prices for key feedstock and equipment sourced by the Company.	Given the volatility in prices for its main products, the Company constantly seeks to streamline its sales structure in terms of the fertilizer grade offering based on market priorities, as a way to maximise margins. PhosAgro also continues to increase the share of sales to end consumers, improve production efficiency, and offer its customers add-on services such as packaging, blending, and storage. To reduce its feedstock and equipment expenses, PhosAgro invites multiple suppliers to take part in tenders, enters into long-term supply contracts, and develops lasting relationships with its suppliers.	Adverse changes in product and feedstock prices. No material risk events occurred.

Nº	Risk	Description	Risk mitigants	Key indicators / risks materialised
19	Climate	<p>Risks associated with changes in natural processes or phenomena amid climate change (physical factors) or with political, economic, financial, or other decisions made by governments, multilateral organisations, financial institutions, or producer or consumer associations or other NGOs to curb climate change by reducing GHG emissions through carbon regulations or restrictions on the use of fossil fuels or non-renewable energy (transitional factors).</p>  <p>Has an impact on sustainable development through the potential impact of climate change and the effect of regulatory changes on the Company's operations</p>	<p>Processes to identify and assess climate change risks are being set up throughout the value chain and form an integral part of the Company's risk management and internal control framework.</p> <p>The Board of Directors approved PhosAgro's Climate Strategy, the key elements of which are analysis of climate risks and opportunities, scenario analysis, science-based targets, and a low-carbon transition plan. In accordance with the Climate Strategy, priority actions are being taken to develop and implement the following measures: direct (Scope 1) emission reduction programmes; an internal energy efficiency programme, and communication with energy suppliers to improve the climate profile of energy supplies (Scope 2); and a supplier and customer engagement plan and supplier ESG ratings (Scope 3).</p> <p>Thanks to these actions, the Company has improved its ratings for climate disclosure and sustainable development.</p>	<p>Adverse deviations resulting from climate impacts (by focus area).</p> <p>In 2024, there were abnormal weather events. However, at this stage it is quite difficult to assess the extent to which these were caused by climate change. In any case, the Company did not incur any significant losses associated with these natural phenomena.</p>
20	Sanctions	<p>Foreign sanctions and other restrictions imposed on the Group's companies.</p>  <p>Has an impact on sustainable development through the potential effect of sanctions on cash flows, access to financing, or cost of capital</p>	<p>The global nature of international economy and geopolitical developments create a background for various sanctions to be imposed on the Russian economy and the Company's operations by individual countries or their groups. The Company's flexible business model helps minimise any negative impact of such sanctions or restrictions.</p>	<p>Losses associated with sanctions and other restrictions.</p> <p>Geopolitical developments have caused this risk to materialise and continue to support its assessment as high. By quickly developing and putting in place response measures, the Company ensured business continuity and delivered on its targets.</p>

Nº	Risk	Description	Risk mitigants	Key indicators / risks materialised
21	Interest rate	<p>The Company borrows money to finance its investment programme and working capital requirements, including via floating interest rate loans. Rising floating rates might lead to higher debt service costs and adversely impact the bottom line.</p>  <p>Has an impact on sustainable development through potential changes in interest rates, which directly impacts cash flows</p>	<p>PhosAgro closely monitors and manages its fixed-to-floating debt ratio to mitigate interest rate risk. By optimising the loan portfolio, including through different currencies, the Company successfully minimised its debt service costs.</p> <p>For more information on the Company's activities and indicators in this area, see the Financial Risk Management. Interest Risk section of the Notes to the consolidated financial statements on page</p>	<p>Costs associated with changes in interest rates.</p> <p>In 2024, the Bank of Russia raised its key interest rate from 16% to 21%, which led to an increase in servicing costs of RUB-denominated loans.</p>

PERFORMANCE REVIEW

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- 164 Industrial safety
- 182 Environmental review
- 220 Contributing to local communities



→ Antioxidant food additive E342
[monoammonium phosphate $\text{NH}_4\text{H}_2\text{PO}_4$]

24%

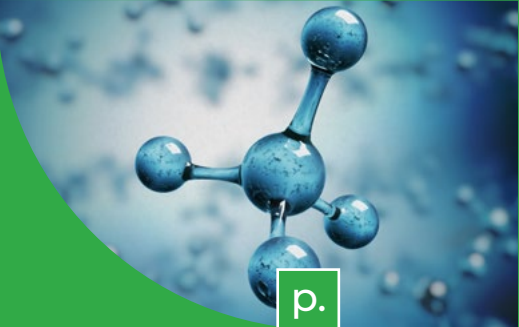
increase in investments
in social programmes for
employees in 2024

RUB
MLN 4,272

investments in
infrastructure facilities and
the development of local
communities in 2024

Synergy of opportunities

Despite economic volatility, in 2024 the Company ramped up its exports, expanded the product range, and made investments in innovations, demonstrating strong production and financial performance.



Scientific and
educational
partnerships

120

FINANCIAL performance

In 2024, PhosAgro Group demonstrated strong financial performance by maintaining its robust progress despite external challenges.

The positive results across key metrics were achieved through high production efficiency and an increase in the production of high-margin fertilizers and key inputs along with a flexible sales policy amid a recovery in global sales prices and changes in the rouble rate.

The Group’s revenue grew by 15.3% y-o-y to RUB 507.7 bln while EBITDA and adjusted net profit came in at RUB 177.0 bln and RUB 100.4 bln, respectively. EBITDA margin stood at 34.9%.

PhosAgro remains one of the industry’s most efficient players. The main way we ensure effective cost control is by emphasising strong vertical integration and sourcing the key inputs and materials from domestic suppliers.

The Company’s robust financial position is confirmed by the top rating of AAA from reputable agencies Expert RA and ACRA, which demonstrates that the Company is able to meet its debt obligations, including those denominated in foreign currencies, on time and in full.

As at the end of 2024, PhosAgro maintained a comfortable leverage position, with the net debt/EBITDA ratio at 1.84x.

One of the events after the reporting date that had an impact on the Company’s debt profile was the January 2025 redemption of the USD 500 mln Eurobond issue. This redemption was executed in full across both the Russian perimeter and outside of it.

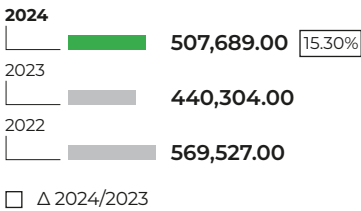
In 2025, the Group will focus on repaying rather than refinancing its debt to reduce servicing costs and strengthen its positions as a top-quality borrower with high credit ratings.

Alexander Sharabaika

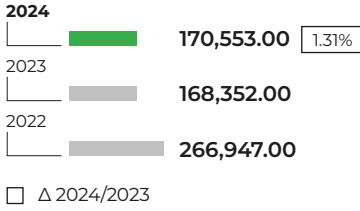
Deputy CEO for Finance and International Projects at PhosAgro



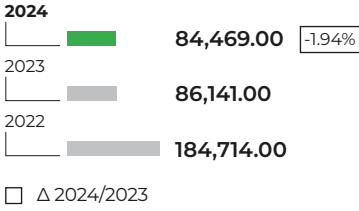
Revenue, RUB mln



Adjusted EBITDA¹, RUB mln



Net profit, RUB mln



KEY EXTERNAL DRIVERS OF FINANCIAL RESULTS

IN ADDITION TO INCREASED SALES VOLUMES AND CONTINUOUSLY COMPETITIVE COST LEVELS, THE STRONG FINANCIAL RESULTS IN 2024 WERE DRIVEN BY THE FOLLOWING MARKET EVENTS:

- an ongoing recovery of global demand for fertilizers following a crisis-induced decline in 2021–2022;
- limited commissioning of new phosphate-based fertilizer capacities;
- balanced markets and lower price volatility as fertilizer prices stabilised at high levels from mid-2024.
- continued export restrictions in China and weak competition in Asia and Latin America;
- diversification and expansion of sales geography, mainly to the Global South;

REVENUE ANALYSIS

MED 1, 2, 3

Revenue for 12M 2024 grew 15.3% y-o-y primarily due to increased sales of phosphate fertilizers, especially NPK (up more than 18% y-o-y) amid

recovery in average global sales prices from early 2024 and a shift in the rouble rate.

¹ Adjusted EBITDA is calculated as operating profit adjusted for depreciation and amortisation less foreign exchange gain or loss from operating activities.

Financial and operational highlights

Item	2022	2023	2024	Δ 2024/2023,%
Financial highlights				
Revenue, RUB mln	569,527.00	440,304.00	507,689.00	15.30
EBITDA, RUB mln	257,879.00	183,038.00	177,005.00	(3.30)
EBITDA margin, %	45.30	41.60	34.90	
Adj. EBITDA ¹	266,947.00	168,352.00	170,553.00	1.31
Adj. EBITDA, RUB mln margin, %	46.90	38.20	33.60	
Net profit, RUB mln	184,714.00	86,141.00	84,469.00	(1.94)
Adj. net profit ² , RUB mln	182,297.00	104,105.00	100,372.00	(3.59)
Adj. free cash flow ³ , RUB mln	141,024.00	70,208.00	28,986.00	(58.71)

Item	31.12.2022	31.12.2023	31.12.2024	Δ 2024/2023,%
Net debt, RUB mln	180,338.00	223,207.00	325,356.00	45.76
Net debt / adj. EBITDA	0.68	1.33	1.91	43.61
Net debt / EBITDA	0.70	1.22	1.84	50.82
Added value, RUB mln	340,632.00	249,320.00	293,113.00	17.56
Net added value, RUB mln	311,093.00	217,038.00	256,567.00	18.21

Sales volume	2022	2023	2024	Δ 2024/2023,%
Phosphate-based fertilizers and feed phosphates, kt	8,402.80	8,578.20	9,104.70	6.14
Nitrogen-based fertilizers, kt	2,550.80	2,560.50	2,499.60	(2.38)
Total fertilizers, kt	10,953.60	11,138.70	11,604.30	4.18
Other products, kt	270.10	287.00	294.40	2.58
Total fertilizers and other products, kt	11,223.70	11,425.70	11,898.70	4.14

Revenue breakdown by key product, RUB bln

Item	2022	2023	2024	Δ 2024/2023,%
Phosphate and nitrogen-based products	551.0	421.7	492.5	16.79
Other	18.5	18.6	15.2	(18.28)
Total	569.5	440.3	507.7	15.31

OPERATING COSTS ANALYSIS

Cost of sales, RUB mln

MED 24

Item	2022	2023	2024	Δ 2024/2023,%
Amortisation and depreciation	26,979	29,374	33,207	13.0
Materials and services	54,178	65,738	79,112	20.3
• Transportation of phosphate rock	11,610	13,468	16,739	24.3
• Repair and maintenance expenses	12,002	15,865	19,382	22.2
• Feedstock processing services	-	4,341	6,269	44.4
• Drilling and blasting operations expenses	3,217	3,101	3,152	1.6
• Other services and materials	27,349	28,963	33,570	15.9
Raw materials	108,323	63,335	64,670	2.1
• Ammonia	19,550	11,533	14,343	24.4
• Sulphur and sulphuric acid	40,798	11,507	12,255	6.5
• Potash	27,418	22,444	17,574	(21.7)
• Natural gas	14,226	15,033	16,948	12.7
• Ammonium sulphate	6,331	2,818	3,550	26.0
Salaries and social contributions	19,667	26,265	35,169	33.9
Electricity	6,754	7,317	8,340	14.0
Fuel	6,459	5,754	7,215	25.4
Products for resale	15,599	16,056	12,675	(21.1)
Customs duties	1,420	13,207	34,139	158.5
Freight, port and stevedoring expenses	16,382	9,924	11,441	15.3
Russian Railways infrastructure tariff and operators' fees	12,647	14,047	19,306	37.4
Other	610	599	885	47.7
Total	269,018	251,616	306,159	21.7

In 2024, the cost of sales grew by 21.7% to RUB 306.2 bln mainly due to export customs duties introduced in 2023 (up 158.5% y-o-y to RUB 34.1 bln), costs

for materials and services (up 20.3% y-o-y to RUB 79.1 bln), and salaries and social contributions (up 33.9% y-o-y to RUB 35.2 bln).

¹ Adjusted EBITDA is calculated as operating profit adjusted for depreciation and amortisation less foreign exchange gain or loss from operating activities.
² Adjusted net profit means net profit less net foreign exchange gain or loss from operating and financing activities.
³ Adjusted free cash flow is calculated as cash flows from operating activities less cash flows from investing activities, adjusted for the outflow of cash and cash equivalents as result of a loss of control over foreign subsidiaries.

ADJUSTED EBITDA

In 2024, the Group's adjusted EBITDA increased by 1.3% y-o-y to RUB 170.6 bln. Adjusted EBITDA margin for the reporting period came in at 33.6%,

driven by a rise in sales and sales prices. At the same time, the metric came under pressure from higher costs associated with the payment

of export duties introduced in 2023, increased consumption of raw materials, and an expansion in staff costs.

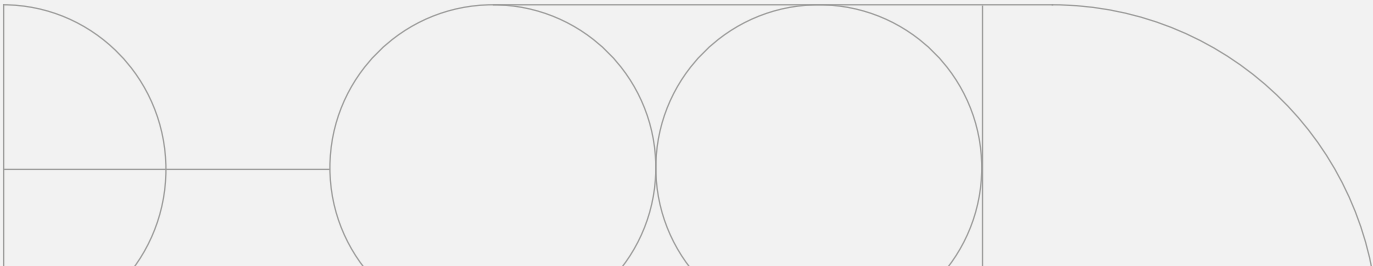


ADJUSTED FREE CASH FLOW

In 2024, the Company's adjusted free cash flow was 59% lower y-o-y and amounted to RUB 29 bln.

This was due to higher spending on export customs duties introduced in 2023, planned CAPEX related to major investment projects, higher interest expenses driven by an increase in the Bank of Russia's key rate, and an outflow of funds to finance working capital in the second half of the year amid more shipments to Latin America and overall extended turnover of accounts receivable.

Capital investments (including capitalised repairs) for the year amounted to RUB 75 bln and were mainly focused on developing the ore and raw material base in Kirovsk, expanding production capacities in Balakovo, and maintaining production facilities across all process stages, from mining and processing of raw materials to the production of finished products.



DEBT

Net debt as at 31 December 2024 increased y-o-y to RUB 325.4 bln. The depreciation of the rouble against the US dollar in 2024 and reassessment of the Company's foreign currency debt using the year-end exchange rate had a significant impact on the RUB-denominated debt amount. The increase in net debt was also associated with reduced cash on the Company's balance sheet following the payment of declared dividends for 2Q and 3Q 2024 at the year end.

With marginal growth of EBITDA, the net debt / adjusted EBITDA ratio increased to 1.91x as at 31 December 2024 from 1.33x a year earlier.

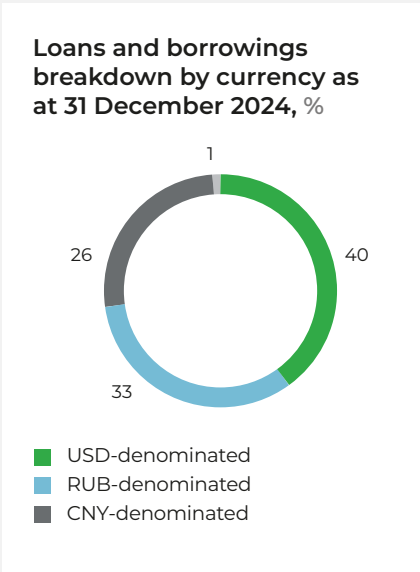
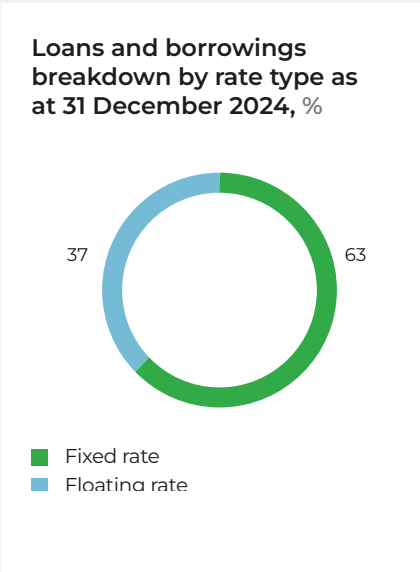
Our commitment to maintaining high credit quality and ensuring timely debt servicing continues to be a priority for the Company.

Despite the accessibility of debt markets, the Company will focus on debt repayment rather than refinancing throughout the year to reduce servicing costs and strengthen its positions as a top-quality borrower with high credit ratings.

TAX POLICY

GRI 3-3, 207-1, 207-2, 207-3

In 2023, the Board of Directors approved a new version of PhosAgro's Tax Strategy. The approach to taxation was developed in accordance with the Company's Strategy to 2025 and combines social responsibility for developing and maintaining the well-being of regions across PhosAgro's footprint, minimising tax litigation risks, and maximising the use of the Company's leverage toolkit stipulated by law for actively



Debt maturity profile, RUB bln

Item	2025	2026	2027	2028	2029	Total
Unsecured bank loans ¹	96.7	19.1	–	–	–	115.8
Bonds ²	62.7	101.9	–	39.0	10.2	213.8
Interest payable	2.6	–	–	–	–	2.6
Total debt	162.0	121.0	–	39.0	10.2	332.2

¹ Debt amount under unsecured bank loans does not include the bank fee of RUB 4 mln.
² Bond debt amount does not include the bank fee of RUB 464 mln.



Country-by-country reporting, RUB mln

GRI 207-4, MED 6, MED 7

Tax jurisdiction	Unrelated party revenue			Revenue from intra-group transactions with other tax jurisdictions			Profit/(loss) before income tax			Income tax paid (cash basis) ¹			Income tax accrued ²		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Russian Federation	440,639	440,304	507,689	106,420	0	0	157,360	114,603	109,044	41,393	36,132	20,953	39,932	34,527	25,477
Switzerland	96,268	0	0	27,436	0	0	57,850	0	0	331	0	0	764	0	0
Cyprus	0	0	0	4	0	0	(4,243)	0	0	2	0	0	2	0	0
Poland	8,088	0	0	0	0	0	4,943	0	0	48	0	0	235	0	0
Germany	7,446	0	0	0	0	0	5,242	0	0	2	0	0	129	0	0
France	7,045	0	0	0	0	0	5,541	0	0	5	0	0	94	0	0
Serbia	2,020	0	0	58	0	0	1,063	0	0	1	0	0	65	0	0
Lithuania	1,598	0	0	0	0	0	1,038	0	0	26	0	0	0	0	0
Romania	4,050	0	0	0	0	0	1,916	0	0	0	0	0	63	0	0
South Africa	2,343	0	0	0	0	0	1,643	0	0	0	0	0	174	0	0
Finland	29	0	0	0	0	0	(2)	0	0	3	0	0	3	0	0
Brazil	0	0	0	0	0	0	(42)	0	0	0	0	0	4	0	0
Singapore	0	0	0	0	0	0	(13)	0	0	0	0	0	0	0	0
Total	569,527	440,304	507,689	133,918	0	0	232,297	114,603	109,044	41,811	36,132	20,953	41,465	34,527	25,477

The Company's income tax rate in 2022–2024 was

20%

For the list of tax jurisdictions where the entities included in the Group's consolidated financial statements are resident for tax purposes, and the details of taxes payable in each jurisdiction, please see

p. 366-367

Tax jurisdiction	Statutory tax rate ³ , %			Average headcount, people			Tangible assets other than cash and cash equivalents			Total employee remuneration			Intra-group loans received		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Russia	20.00	20.00	20.00	19,846	21,839	23,617	320,961	367,857	430,233	55,318	53,745	70,948	103,233	137,911	213,642
Switzerland	12.05	–	–	36	0	0	0	0	0	528	0	0	0	0	0
Cyprus	12.50	–	–	30	0	0	0	0	0	57	0	0	0	0	0
Poland	19.00	–	–	15	0	0	0	0	0	55	0	0	0	0	0
Germany	32.27	–	–	7	0	0	0	0	0	33	0	0	0	0	0
France	25.00	–	–	6	0	0	0	0	0	58	0	0	0	0	0
Serbia	15.00	–	–	14	0	0	0	0	0	28	0	0	0	0	0
Lithuania	15.00	–	–	4	0	0	0	0	0	20	0	0	0	0	0
Romania	16.00	–	–	7	0	0	0	0	0	14	0	0	0	0	0
South Africa	28.00	–	–	2	0	0	0	0	0	10	0	0	0	0	0
Finland	20.00	–	–	1	0	0	0	0	0	2	0	0	0	0	0
Brazil	34.00	–	–	7	0	0	0	0	0	32	0	0	0	0	0
Singapore	17.00	–	–	3	0	0	0	0	0	8	0	0	0	0	0
Total							320,961	367,857	430,233	56,163	53,745	70,948	103,233	137,911	213,642

¹ Income tax paid in 2023 includes windfall tax security payment in the amount of RUB 6,355 mln.

² Tax rates effective in any given jurisdiction apply to profit/loss before income tax. Reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax are as follows:

- intercompany transactions elimination;
- provisions accrued in accordance with IFRS (mostly allowance for expected credit losses);
- reduction in tax rate for certain Russian and foreign entities;
- items which are not deductible or assessable for taxation purposes, including charitable expenses;
- other differences (including the 2023 windfall tax in the amount of RUB 6,355 mln).

³ For the Russian tax jurisdiction, an average statutory tax rate is used.

OPERATIONAL PERFORMANCE

In 2024, PhosAgro Group set a new record in annual agrochemical production, with the output rising by 4.3% to 11.8 mt.

This was driven by the implementation of investment projects under the Company's long-term development strategy designed to upgrade the existing facilities and develop new capacities. The main growth driver during the reporting year was the production of phosphate-based fertilizers (the output of DAP/MAP increased by 1.0%, NPK by 23.3%, and MCP by 10.0%). These results came on the back of the Volkhov production site reaching its design capacity, as well as the increased production of key inputs such as phosphoric (up 5.1%) and sulphuric (up 5.3%) acids.

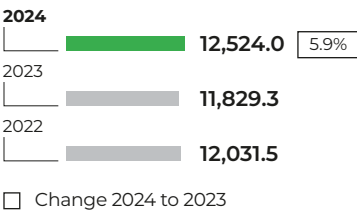
In 2024, sales of the Group's agrochemicals rose by 4.1% supported by higher production volumes, strong efficiency of the Company's distribution network in Russia and PhosAgro's solid position in global markets. The highest growth rates in 2024 were recorded in Russia, Latin America, and Africa.

Growth was primarily driven by a 6.1% y-o-y hike in the sales of phosphate-based fertilizers, while an accelerated rise in the sales of triple fertilizers was attributable to increased shipments of agrochemicals to the priority domestic market. Throughout the year, the demand for PhosAgro's products remained stable across key agricultural regions of Russia. The Black Earth and Southern regions with their strong agricultural industry traditionally accounted for the largest share of shipments, but the Far East and North-Western regions also continued to show growing interest in our products. PhosAgro Group's leadership in the Russian market in 2024 helped increase the domestic sales of fertilizers over the year, with total agrochemical sales to Russian farmers rising to 3.34 mt.

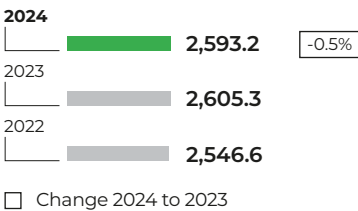
Alexander Gilgenberg
General Director of Apatit



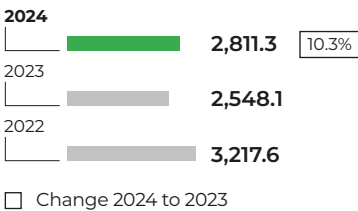
Concentrate production, kt



Nitrogen-based fertilizers production, kt



Concentrate sale, kt



PRODUCT PORTFOLIO

PhosAgro Group is the largest producer of liquid nitrogen-phosphorus fertilizers in Russia.

Mineral fertilizers

APAVIVA®
Nitrogen-phosphorus and complex fertilizers

APAVIVA+®
Nitrogen-phosphorus and complex fertilizers with micronutrients

NITRIVA®
Nitrogen-based fertilizers

APALIQUA®
Water-soluble and liquid complex fertilizers

Feed additives

NITRIVA® Feed
Feed grade urea

APAFEED®
Feed grade monocalcium phosphate

Concentrates

- High-grade phosphate rock
- Syenite alkali aluminium concentrate
- Nepheline concentrate

Industrial phosphates

- Sodium tripolyphosphate



Industrial products

ApaSil®



Apagips/Technogip

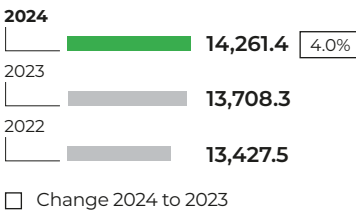


Our customers

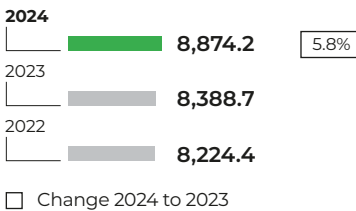
are at the heart of our business.
In 2024, our product mix included 58 grades, covering varied fertilizers, feeds, and other products enjoying robust market demand.



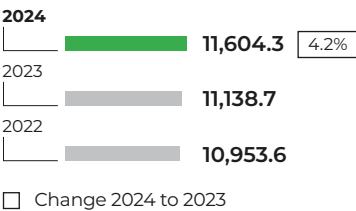
Feedstock production, kt



Phosphate-based fertilizer production, kt



Sales of phosphate-based and nitrogen-based fertilizers, kt



UPSTREAM AND DOWNSTREAM

Upstream

Kirovsk Branch of Apatit mines apatite-nepheline ore at six fields of the Khibiny deposits in Russia's

Murmansk region using both underground and open-pit mining methods. PhosAgro Group's feedstock reserves are of igneous origin, which means that they do not have

concentrations of toxic heavy metals. The Company's phosphate rock is extremely rich in P₂O₅.

PhosAgro Group's ore reserves as at 1 January 2025

Deposit	Balance reserves, kt (categories A + B + C ₁ + C ₂)	Average P ₂ O ₅ content, %
Kukisvumchorr	322,935	14.09
Yukspor	436,928	13.72
Apatitovy Cirque	74,265	13.51
Rasvumchorr Plateau	350,015	12.06
Koashva	245,099	17.32
Njorkpahk	49,697	14.42
Total	1,478,939	14.02

Currently, the Company is shifting its resource base development profile from open-pit mining to a higher share of underground mining.

In March 2024, we successfully commissioned the +10 m level at the Kirovsky mine. The development of this underground level began back in 2015 to compensate for the depletion of existing horizons as the scope of mining operations expanded and thus to maintain and ramp up production of apatite-nepheline ore. This new level is expected to yield approximately 94 mt of ore by 2035.

The Company proceeded with its Vostochny mine development project seeking to intensify open-pit mining. In 2024, total ore production as part of the project came in at 8.3 mt.

In 2024, the Company continued with the investment project to construct a new mine for the Rasvumchorr Plateau deposit. The commissioning of (start of ore mining at) the +430

m and +310 m levels is scheduled for 2025 and 2031, respectively. In 2024, significant progress was made on the construction of a ventilation system as part of the VWVD¹ and RSRS² projects, the main water drainage system and communication networks.

Efforts are underway to complete preparations for the mining of a block pillar under the Saami pit: in 2024, we developed engineering documentation, and finalised the construction of hydraulic structures and an auxiliary access road to the near-entrance excavation site. Mining and capital construction works continue on the Gakman–Loparskaya water diversion tunnel, with the excavation of the Yuksporiok–Gakman tunnel completed. Completion of the works and start of ore mining are scheduled for 2028.

In December 2024, construction works were completed at the Gakman block, setting the stage for the start of mining. Ore extraction and capital mining operations in strategically important areas are set to begin in 2025.

In 2024, Apatit used 300 mln kWh of carbon-free electricity at its production sites. This means that mineral fertilizers supplied by the Volkhov and Balakovo production sites in 2024 were manufactured using exclusively green power purchased from the hydroelectric power plants of TGC-1.

Ore processing

In 2024, the production of phosphate rock and nepheline concentrate increased by 5.9% y-o-y to

12.5mt

Concentrate production, kt

Item	2022	2023	2024	Change 2024 to 2023, %
Phosphate rock	10,855.7	10,667.3	11,391.0	6.8
Nepheline concentrate (incl. syenite concentrate)	1,175.8	1,162.0	1,133.0	−2.5
Total	12,031.5	11,829.3	12,524.0	5.9

CHEMICAL PRODUCTION

Feedstock

Feedstock production, kt

Item	2022	2023	2024	Change 2024 to 2023, %
Ammonia	1,985.3	1,982.8	1,982.5	−0.02
Phosphoric acid	3,199.4	3,345.3	3,515.4	5.1
Sulphuric acid	7,920.2	8,120.0	8,546.5	5.3
Ammonium sulphate	322.6	260.2	217.0	−16.6
Total	13,427.5	13,708.3	14,261.4	4.0

In 2024, the production of phosphoric acid, the key feedstock used in phosphate-based fertilizers, reached

3.5mt,

increasing by 5.1% y-o-y on the back of earlier production unit upgrades and increased equipment utilisation efficiency

In 2024, sulphuric acid production was up by 5.3% y-o-y to

8.5mt

due to the upgrade and greater efficiency of sulphuric acid production in Cherepovets, as well as the modernisation of equipment at the Balakovo site in 2024

Ammonia output was virtually flat y-o-y at nearly

2mt

The decline in ammonium sulphate output in 2024 can be attributed to the scaled-down production of NPS grades in line with the market environment

¹ Versatile wind vibration damper.
² Reception, storage and regasification systems.

PHOSPHATE-BASED FERTILIZERS

Phosphate-based fertilizer production, kt

Item	2022	2023	2024	Change 2024 to 2023, %
DAP/MAP	4,191.9	4,545.0	4,592.0	1.0
NPK	2,553.8	2,463.8	3,038.5	23.3
NPS	1,003.1	806.9	640.1	−20.7
APP	114.0	199.7	193.0	−3.4
MCP	361.6	373.3	410.6	10.0
Total	8,224.4	8,388.7	8,874.2	5.8

In 2024, the production of phosphate-based fertilizers grew by 5.8% y-o-y to almost

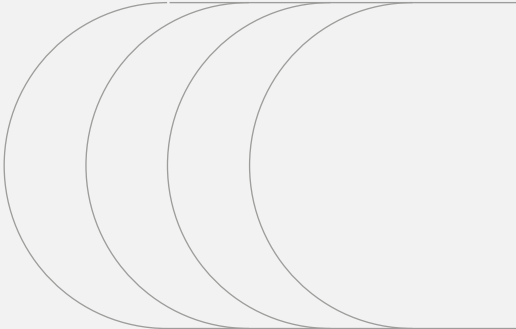
8.9mt

driven by a surge in demand and sales

Notably, the MAP output surge of 8.9% y-o-y came, among other things, from the new production facility in Volkhov, erected as part of the Company's long-term development programme.

As part of phase 3 in the Balakovo branch development project, this production site started manufacturing diammonium phosphate, while also increasing the output of feed grade monocalcium phosphate by 10.0% after the implementation of a special project to that end.

In response to market demands, interchangeable NPS, NPK, and APP phosphate fertilizers varied as follows in 2024: a 20.7% decline in NPS production and a 23.3% increase in NPK output, with APP production down by 3.4%.



NITROGEN-BASED FERTILIZERS

Nitrogen-based fertilizers production, kt

Item	2022	2023	2024	Change 2024 to 2023, %
Ammonium nitrate	693.0	723.4	728.6	0.7
Urea	1,688.2	1,714.4	1,722.9	0.5
Ammonium sulphate	165.4	167.5	141.7	−15.4
Total	2,546.6	2,605.3	2,593.2	−0.5

In 2024, production in the nitrogen segment remained practically flat y-o-y at

2.6mt

Production of granulated ammonium sulphate declined by 15.4% while the output of urea and ammonium nitrate barely changed compared to 2023.

OTHER PRODUCTS

Output of other marketable products, which primarily include sodium tripolyphosphate and sodium silicofluoride and others, amounted to

301.7 kt

up 5.5% y-o-y

SALES

Sales of phosphate-based fertilizers amounted to 9.1 mt, up 6.1% y-o-y. Accelerated rise in the sales of triple fertilizers was attributable to increased shipments of agrochemicals to the priority domestic market.

In the nitrogen segment, sales were down by 2.4% y-o-y mainly due to reduced exports.

In 2024, PhosAgro Group increased total sales of phosphate-based fertilizers and feed phosphates by 4.2% y-o-y to hit an all-time high of

11.6mt

Within the Russian market, a focal point for PhosAgro Group, deliveries saw a 9.6% increase, equivalent to an additional 0.2 mt. This uptick was instrumental in boosting the total fertilizer and feed phosphate sales figures for 2024 by

4.2%

Sales by key product, kt

Item	2022	2023	2024	Change 2024 to 2023, %
Phosphate rock	2,041.2	1,393.3	1,676.6	20.3
Nepheline concentrate	1,176.4	1,154.8	1,134.7	−1.7
Total	3,217.6	2,548.1	2,811.3	10.3
Phosphate-based fertilizers				
DAP/MAP	4,272.2	4,503.6	4,659.6	3.5
NPK	2,660.7	2,696.0	3,181.4	18.0
NPS	1,008.8	803.9	677.2	−15.8
APP	111.6	198.1	187.4	−5.4
MCP	349.5	376.6	399.1	6.0
Total	8,402.8	8,578.2	9,104.7	6.1
Nitrogen-based fertilizers				
Ammonium nitrate	661.6	688.3	679.5	−1.3
Urea	1,741.8	1,698.5	1,681.2	−1.0
Ammonium sulphate	147.4	173.7	138.9	−20.0
Total	2,550.8	2,560.5	2,499.6	−2.4
Total fertilizers	10,953.6	11,138.7	11,604.3	4.2
Other products				
STPP	48.6	61.7	65.2	5.7
Other ¹	221.5	225.3	229.2	1.7
Total other products	270.1	287.0	294.4	2.6

¹ The portfolio of other products expanded in 2024 to incorporate phosphogypsum, aluminium fluoride, sulphuric acid, phosphoric acid, sodium silicofluoride, and aluminium sulphate. Sales of these new products for both 2022 and 2023 have been retrospectively adjusted to reflect this change.

CUSTOMERS

and product management

AREA, STRATEGIC GOALS AND HIGHLIGHTS OF 2024

2

ZERO HUNGER



17

PARTNERSHIPS FOR THE GOALS



Target

2.4, 17.16, 17.17

1 COMPLIANCE WITH THE REQUIREMENTS APPLIED TO MINERAL FERTILIZERS

Target	Promoting the responsible and rational use of mineral fertilizers, i.e. green agriculture, and providing expert support to agricultural producers and advancing a customised product offering	
Actual	The Company confirmed its compliance with ESG certificates: <ul style="list-style-type: none">• Green One (Russia)• Vitality Leaf (Russia)• Environmental Quality Label (Brazil)	The Company continues to grow its digital learning platform, Pro Agro Lectorium, as well as digital services for farmers

17

PARTNERSHIPS FOR THE GOALS



Target

17.16, 17.17

2 SURVEYS OF MINERAL FERTILIZER CONSUMER PREFERENCES

Target	Establishing business partnerships built on mutual trust and respect and ensuring a shared understanding of obligations and expectations from the partnership	
Actual	<p>According to a survey of market players in the agribusiness sector:</p> <div><div>40%</div><div>of the respondents said that PhosAgro products make up the majority of mineral fertilizers used in their farms</div></div> <div><div>>85%</div><div>of customers who used the Company's products before are willing to opt for them next year¹</div></div>	

¹ Survey respondents whose farms sourced the largest share of their fertilizers from PhosAgro Group in 2024 primarily intend to purchase from the same producer as their first choice.

STRATEGY

Social and geopolitical turmoil, climate change, and increasing inequality are just some of the challenges faced by the world over the recent years. Global food security remains one of the most pressing issues, including producing sufficient amount of quality and safe food accessible to all.

In this context, we carry out PhosAgro's strategic and globally important mission of supplying safe and eco-friendly fertilizers

for the agricultural industry to ensure food security in Russia and across the world.

✓ **We believe that tackling global problems is only possible through open dialogue and cooperation between all stakeholders. This approach is at the heart of our interaction with customers.**

We are committed to the responsible use of our products making sure they are safe for people and the environment. Product life cycle management at PhosAgro is in full compliance with applicable Russian and international standards and regulatory requirements. We seek to minimise any potential negative impact of our products on safety, health and the environment throughout the value chain, from product development to the end of its life cycle.

MANAGEMENT APPROACH


GRI 3-3

An open dialogue with customers helps us understand their expectations and requirements for our products, services and the management system, as well as their vision of future products. This valuable information creates a solid foundation for the Company's further strategic growth and new product development.

PhosAgro Group's vertically integrated business model is a competitive advantage. PhosAgro's upstream assets benefit from extensive and high-quality resource base boasting unmatched purity. Our production facilities are located close to key

mineral resources used as feedstock for fertilizers and other products. At PhosAgro Group, we have a product management framework that relies on the assessment of product life cycle. It covers all production facilities and stages of product life.

✓ **To provide consumers with safe, eco-friendly, and quality innovative products and services, the Company's Strategy to 2025 has identified the following focus areas that reflect consumer needs regarding product innovations and new digital services:**

 **Developing innovative products** that meet customer requirements and enable farming with due consideration of environmental factors, soil and crop requirements, the climate agenda and the need to reduce greenhouse gas emissions in the value chain

 **Advancing digital technology in agriculture** to boost crop yields and quality in the near term, including by raising consumer awareness of innovations in agricultural production

 **Expanding PhosAgro Group's involvement** in programmes to protect human health and the environment, ensure food security and combat soil degradation

 **Developing circular economy** and increasing rates of recycling, including the use of by-products from PhosAgro Group's facilities

 **Enhancing PhosAgro's competitive strengths** as one of the world's leading suppliers of environmentally safe phosphate fertilizers¹ for farmers

PHOSAGRO GROUP'S RESPONSIBLE PRODUCTION MANAGEMENT FRAMEWORK IS BASED ON THE FOLLOWING PRINCIPLES:

✓ **compliance with Russian and international standards and regulations;**

✓ **integration of the production management, quality management, and HSE management systems;**

✓ **accurate traceability of materials, elements and substances from product development to the end of life cycle;**

✓ **open and transparent information about the properties and quality of products for customers and other stakeholders;**

✓ **open dialogue with stakeholders regarding their expectations and satisfaction with the Group's products and services.**

Product management framework

- Regulations and other requirements
- Expectations of stakeholders
- PhosAgro's strategic initiatives, cooperation and joint research projects with R&D institutes
- Elaboration of production requirements and opportunities

- Product research and development
- Ensuring production safety and product use in compliance with regulatory and other requirements
- Drafting documents
- Registration tests and receipt of permits

- Marketing products meeting customer requirements and stakeholder expectations
- Taking into account customer feedback
- Information support
- Digital services for customers
-

¹ Certified for environmental compliance under the [Vitality Leaf](#) international standard.

System for planning and defining criteria for product development

PLANNING IS AN IMPORTANT ELEMENT OF PHOSAGRO GROUP'S PRODUCT MANAGEMENT FRAMEWORK

Planning involves complex and comprehensive research to determine a set of criteria for the development of a future product, including:

- stakeholder requirements and opinions about products and services;
- market expectations, requirements and trends;
- regulatory requirements applicable to activities and products;
- innovative methods and technologies of production, including those aimed at ensuring greater safety of the product and its manufacturing processes for humans and the environment;
- changes in factors and risk assessment, with new opportunities reviewed;
- opportunities for implementing the circular economy principles and contributing to UN SDGs.

Internal quality control

All processes that ensure compliance of the product safety, quality and eco-friendliness criteria with stakeholder requirements and expectations throughout the product life cycle, from ore and material selection to the supplies of products to end consumers, are monitored, measured, analysed and managed to ensure continuous improvement of the quality of specific processes and the framework at large.

Interaction with customers and product safety are closely related issues regularly discussed by the Board of Directors' committees and submitted to the Board of Directors for consideration.

To support quality and HSE management, PhosAgro facilities have designated functions responsible for internal control and support of the quality and environmental management systems, integrating requirements into processes, performing internal audits, implementing targeted initiatives, updating records, and collecting and providing input data for review by top management.

External quality control

Every year, PhosAgro Group facilities undergo external compliance reviews by certification authorities in order to ensure compliance of the Company's management system with international and national standards for quality and HSE management.

Development of products and manufacturing processes is implemented in partnership with the Company's Research and Innovations Centre and Samoilov Scientific Research Institute for Fertilizers and Insectofungicides (NIUIF), Russia's only institute specialising in this area.

STAKEHOLDER ENGAGEMENT

The key stakeholders for the Company in matters of product development, creation and application are consumers, regulatory bodies, and specialised research institutes. Our stakeholder engagement strategy is founded on balancing interests and effectively managing risks and opportunities throughout the life cycle of the Company's products. Engagement with each stakeholder group is built on the principles of transparency, open and constructive dialogue, and mutual respect.

Throughout 2024, PhosAgro Group maintained a strong focus on activities that help make information about the Company's products and services more accessible for a wide range of stakeholders. Customers enjoy our digital services, which are complementary to PhosAgro Group's core products and allow us to expand consumer opportunities, including by offering faster access to the relevant information and competencies of PhosAgro Group experts. PhosAgro Innovation Centre provided extensive expert support to consumers during the year.

RISKS AND OPPORTUNITIES

The Company has a risk management system in place to identify and mitigate product related risks in cooperation with customers. This system, among other things, covers product related risks. The following strategic risks, in particular, affect our product and customer related objectives:

- 7

environmental risk
- 9

risk related to business processes and systems
- 13

regulatory risk



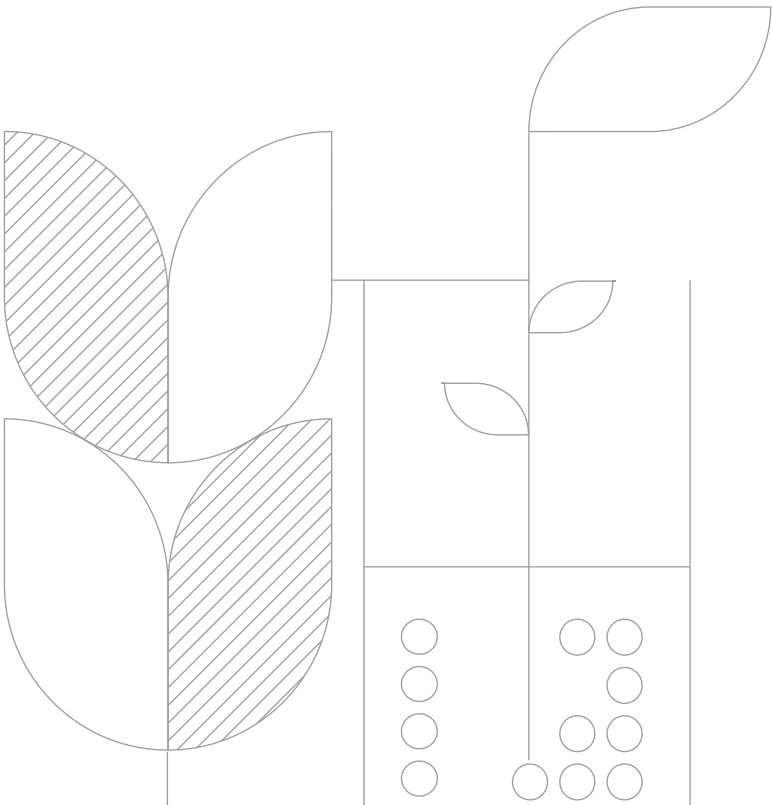
RISKS SPECIFIC TO THE GROUP'S OPERATIONS INCLUDE:

- ▼

Risks associated with chemicals management and regulatory requirements for product safety
- ▼

Risks associated with ensuring ethical research and production principles
- ▼

Risks associated with customer satisfaction and innovation



For more information, see the Strategic Risks section

p. 66-75

- ✓

The Company develops corrective measures as necessary to mitigate those risks.
- ▼

We also work to unlock new opportunities, including:

▼

voluntary certification of our products and enhancing consumer awareness about our products and services;

▼

attracting our target audience's attention through training services and agricultural technologies;

▼

continually developing our product line and services based on regular consumer feedback.

2024 METRICS AND HIGHLIGHTS

1 Compliance with the requirements applicable to mineral fertilizers

Regulatory environment and management of risks associated with chemicals

PhosAgro Group facilities ensure timely receipt of all necessary licences for their activities to strengthen public confidence in the safety of their operations and products. All types of fertilizers are registered in Russia. PhosAgro Group is committed to reducing hazardous substances in its activities. We ensure full transparency with respect to the chemicals we use and the content and properties of our products.

Regulations and certain requirements applicable to mineral fertilizers in Russia

We tap our extensive knowledge base and technologies to design products that are safe for the environment and people. In strict compliance with the regulations, all PhosAgro products undergo the necessary environmental and toxicological tests as part of their registration process before being marketed to our customers.



Mineral fertilizers produced by PhosAgro Group are subject to mandatory state registration of agrochemicals by the Russian Ministry of Agriculture. All grades of PhosAgro Group's mineral fertilizers registered in Russia passed a mandatory examination for compliance:



toxicological and hygienic – in Erisman Federal Research Centre of Hygiene;



biological – in Pryanishnikov Institute of Agrochemistry;



environmental – in the Federal Service for Supervision of Natural Resources (Rosprirodnadzor) and Lomonosov Moscow State University;



sanitary and epidemiological standards – in Rospotrebnadzor.

We are committed to the ethical principles of animal welfare and seek to avoid using animals for research. This matter is addressed at the highest level by the Board of Directors. Our position on this is stated in our Code of Ethics: the Company does not conduct experiments on animals, except as required by law; when conducting an expert examination of fertilizers, the main method of evaluating information on the toxicity and hazard of a multi-component substance to animals is to analyse information from national and international databases, as well as information on previously registered fertilizers. Currently, there are very few alternatives to animal research that are recognised by the government. We are doing our best to expand the range of allowed research methods and reduce experiments on animals.

Foreign regulations and certain requirements applicable to mineral fertilizers by the European Union

REACH Regulation
PhosAgro Group's products exported to EU customers have been registered pursuant to Regulation (EC) concerning the Registration, Evaluation and Authorisation of Chemicals (REACH¹). For companies, REACH conformity means greater responsibility for assessing the risks associated with the use of chemicals and providing users with relevant

safety information. Companies producing or importing 10 tonnes or more of hazardous substances per year are required to submit not only technical data, but also a chemical safety assessment (CSA). All information on such substances is communicated by PhosAgro Group in full to the regulators.

Pursuant to the above Regulation, the Group's products contain no substances which are subject to restrictions on their sales in the European Union.

We produce ammonium nitrate², which is subject to para 58, Annex XVII of REACH. However, it does not apply if a fertilizer conforms to specifications defined in Annex I and Annex IV to Regulation (EU) 2019/1009. To assess conformity, samples of ammonium nitrate are sent quarterly to an accredited laboratory lab for detonation resistance and oil retention tests. The results are formalised by a protocol for compliance with the requirements of Annex I and Annex IV of Regulation (EU) 2019/1009.

In addition, part 30 of Annex XVII to REACH lists substances specified in Part 3 of Annex VI to Regulation (EC) No. 1272/2008 (CLP Regulation)³ and classified as toxic to reproduction, Category 1A/1B. These include sodium tetraborate, which is on the list of Substances of Very High Concern (SVHC) and is classified as a reproductive toxicant, Category 1B, but the restrictions only apply to individual concentrations in the mixture above 4.5%. We produce NPK fertilizers

with boron that contain sodium tetraborate at a concentration of 2–3%. Therefore, the special concentration level as defined in Part 3 of Annex VI to Regulation (EC) No. 1272/2008 is not reached. Thus, PhosAgro Group faces no restrictions under Annex XVII of Regulation No. 1907/2006.

CLP Regulation
The quality and safety of mineral fertilizers produced by the Company is confirmed by state registration certificates, declarations of conformity, and safety data sheets. According to expert reviews, new fertilizer grades of PhosAgro Group are environmentally and toxicologically safe. The products are properly classified, labelled and packaged in accordance with Regulation (EC) No. 1272/2008 (CLP Regulation).

All types of manufactured fertilizers have safety data sheets (SDS).

FPR and ANSES recommendations (cadmium level requirements)
PhosAgro Group's phosphate-based fertilizers⁴ have cadmium average content (considerably lower than 20 mg per kg of P₂O₅), making them among the safest in the world. EU Regulation 2019/1009 (Fertilizing Products Regulation, FPR) on fertilizers, establishes rules for CE-marked fertilizers (also known as EU Fertilizing Products). The regulation provides for reducing cadmium content in EU fertilizers, by introducing a single cap at 60 mg per kg of P₂O₅ and banning inorganic fertilizers in the EU with a cadmium content above that cap starting

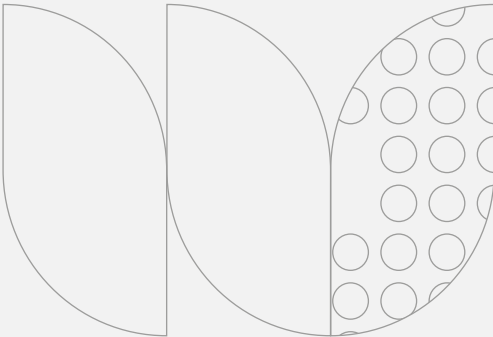
from 16 July 2022. Going forward, the regulation provides for gradual reduction of cadmium content to no more than 20 mg per kg of P₂O₅. The plans of cutting the cap to 40 mg per kg of P₂O₅ have been already announced.

At the same time, the French Agency for Food, Environmental and Occupational Health & Safety (ANSES) has already issued recommendations for a cadmium content in inorganic phosphate-based fertilizers of less than 20 mg per kg of P₂O₅.

Thus, PhosAgro Group's phosphate-based fertilizers have a much lower cadmium content than required in the EU, which is reflected in our product slogan: pure minerals for healthy lives.

In 2022, in line with Regulation (EU) 2019/1009, PhosAgro Group mineral fertilizers were successfully certified by an independent notified body in the area of fertilizer certification in the EU, making it possible for the fertilizers to be CE-marked.

KKDIK Regulation
To align with Turkey's Regulation on Registration, Evaluation, Authorisation, and Restriction of Chemicals (KKDIK), PhosAgro obtained preliminary registration of chemical substances imported into Turkey as standalone substances and their mixtures.



¹ Regulation (EC) No. 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). The regulation took effect on 1 June 2007 and covers production and imports of chemical substances.
² (AN) CAS 6484-52-2 EC No. 229-347-8.
³ CLP Regulation (for "Classification, Labelling and Packaging") is Regulation (EC) No. 1272/2008 of the European Parliament and of the Council on classification, labelling and packaging of substances and mixtures. It took effect on 20 January 2009.
⁴ Certified for environmental compliance under the [Vitality Leaf](#) international standard.

Voluntary ESG certification of products

GRI 2-28, 417-1



Green One

PhosAgro was the first Russian company to be certified to GOST R 58658–2019, a standard for products with improved characteristics which¹ introduced the world’s most rigorous limits on heavy metals and arsenic content. This allows PhosAgro to mark its products with a special Green One label.

In September 2024, all manufactured agrochemicals underwent recertification, confirming the status of products with improved characteristics and retaining the right to use the Green One eco-label.



Vitality Leaf

The Company successfully completed voluntary Vitality Leaf environmental certification.

Vitality Leaf, a Russian eco-label standard for mineral fertilizers, is recognised by the Global Ecolabelling Network (GEN) and is included in Standards Map, a global database of sustainable development standards. Its requirements for the content of most heavy metals align with the EU directive enacted on 16 July 2022. This ISO 14024-compliant standard was designed to assess a product’s environmental safety throughout its lifecycle, including mining and processing of raw materials, their delivery to the plant, storage, transportation and use of finished products, and packaging recycling.

In 2024, the Company confirmed its right to use the internationally recognised Vitality Leaf eco-label. During the year, a recertification audit was conducted across all Apatit sites, structured in several phases:

- desk audit examining key activity areas throughout all branches;
- product assessment against environmental safety criteria covering the entire lifecycle, including mining and processing of raw materials, their delivery to the plant, storage, transportation and use of finished products, and packaging recycling;
- on-site audits of facilities.

The audit was conducted by experts from the Ecological Union accredited certification body². The auditors verified that the products meet all the requirements of the Vitality Leaf eco-label standard for mineral fertilizers. Fertilizers do not contain dangerous levels of heavy metals: cadmium, chromium, mercury, or nickel, which can harm the environment and human health.

Following the completion of state registration of new fertilizer grades for the Volkhov branch, the following grades were approved by experts and certified:

- sulphur-containing nitrogen-phosphorus fertilizer, NP+S=14:40+7 grade;
- sulphur-containing nitrogen-phosphorus fertilizer NP+S=14:40+7+1Zn grade;
- sulphur-containing nitrogen-phosphorus fertilizer NP+S=16:20+14 grade.



Green Label

Additionally, PhosAgro Group made a Green Label environmental claim asserting that the product is free from dangerous cadmium concentrations harmful to human health and soils.



Certification for compliance with Brazilian Association of Technical Standards (ABNT)³ requirements

In 2024, the Group’s Cherepovets, Volkhov and Balakovo production sites and phosphate rock mining and beneficiation facility in Kirovsk successfully passed a certification audit of mineral fertilizers to confirm compliance with requirements of the ABNT.

- Key audit focus areas:
- comprehensive product lifecycle assessment, with special attention paid to safety indicators of both raw material components and finished products;
 - assessment of whether packaging is compliant with standard ABNT NBR 13230⁴.

This comprehensive assessment covered production, environmental and social criteria, such as:

- energy efficiency and use of recycled materials and energy resources;
- customer service in terms of providing reliable information on the properties and optimal use of the mineral fertilizers.

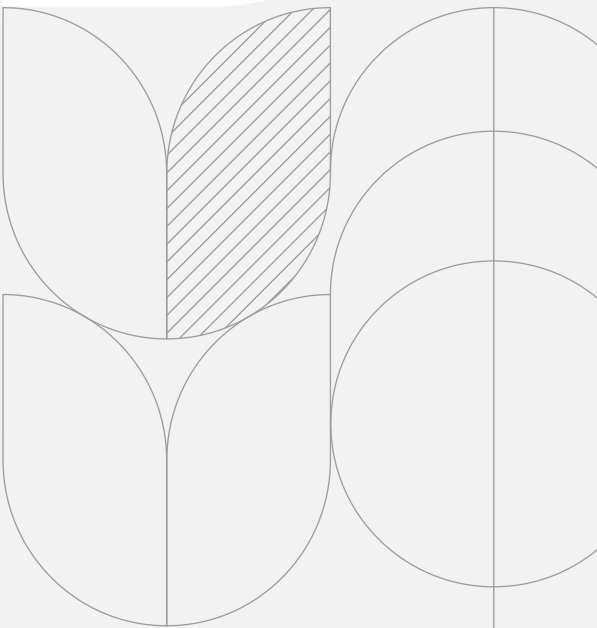
The Brazilian standard contains strict limits on levels of arsenic and heavy metals, which PhosAgro Group mineral fertilizers are fully compliant with.

The audit resulted in a certificate of compliance with ABNT requirements.



Labelling in accordance with European Union legislation

PhosAgro Group’s product packaging also has a pictogram from the EU regulations, which is used to inform consumers of safe fertilizers in terms of heavy metals content with cadmium content not exceeding 20 mg per kg of P₂O₅.



¹ Apatit is included in the Unified State Register of Manufacturers of Agricultural Products, Food, Industrial and Other Products with Improved Characteristics

² Registration number RA.RU.11HB64.

³ Associação Brasileira de Normas Técnicas. ABNT is a member of the Global Ecolabelling Network.

⁴ Standard on recyclable plastic containers and packaging.

RENEWAL OF EXISTING CERTIFICATES



In 2024, PhosAgro underwent an audit to renew its certificates of compliance with ISO 9001 (GOST R ISO 9001:2015), ISO 14001, and ISO 45001:

- ISO 9001:2015
- GOST R ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018



The Company also confirmed its compliance with the national HACCP standard (GOST R 51705.1 -2001) and new requirements of the GMP+ international standard with the transition to the new GMP+ FC scheme 2020 for feed certification. Having the GMP+FC 2020 and HACCP (GOST R 51705.1 -2001) certificates authorises production and sale of feed additives in Russia, CIS, and EU:

- GMP+ R1.0
- HACCP (GOST R 51705.1-2001)

PhosAgro's digital and educational services for customers

Pro Agro Lectorium innovative training platform

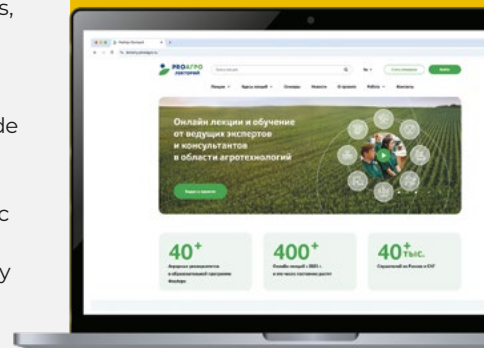
Meeting the demand for skilled professionals in the rapidly growing agriculture sector is a major concern worldwide. The gap between educational programmes and the industry's technological advancements poses a significant obstacle in training qualified experts ready to tackle modern agro-industrial challenges. To address this gap, PhosAgro Group has established

Pro Agro Lectorium, an innovative educational programme for students, postgraduates, university professors, agricultural producers, and employees of agricultural companies in Russia and BRICS countries.

Through collaboration with universities, Pro Agro Lectorium offers over 400 lectures and 18 additional professional education courses with official state-recognised qualifications. These include "Digital Transformation of the Agro-Industrial Sector", "Soil Health, Mineral Plant Nutrition", "Economics of Organic Agriculture", "Organic Farming", "Legal Foundations of Entrepreneurial Activity in Agriculture", and others.



The Pro Agro Lectorium platform opens up career opportunities for students, while helping employers find qualified workforce.



The monthly audience of the Pro Agro Lectorium programme exceeds

25,000 students

Pro Agro Lectorium offers lectures in Russian, English, and Portuguese. An important outcome of the Pro Agro Lectorium project was the signing of ten agreements on scientific and educational cooperation with BRICS countries.



PhosAgro's ProAgro Lectorium e-learning platform for foreign farmers won the BRICS Solutions Awards 2024, an international competition held as part of the BRICS Business Forum.



BRICS SOLUTIONS AWARDS

For more information on Pro Agro Lectorium, see the Research and Education section



Digital services for farmers

The agro-industrial sector is now one of the most promising fields for digital transformation, with AI-powered digital technologies

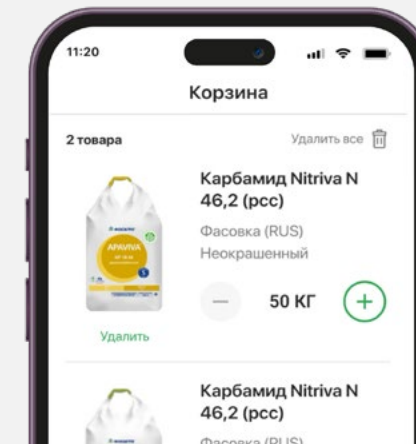
being rapidly adopted by farmers worldwide. In 2024, PhosAgro Group participated in the COP29 UN Climate Change Conference in Baku, hosting a session titled "Innovation and Artificial Intelligence – Transformative Technologies in Climate Action". There, the Company showcased a wide range of innovations already utilised by Russian farmers and also discussed new promising advancements.

In 2024, the audience constantly using the Company's digital platforms and services exceeded 157,000 unique users.

PhosAgro Group is committed to helping farmers efficiently calculate mineral fertilizer applications and easily order recommended nutrition systems. The Company's digital tools – PhosAgro's online trading platform and AgroResult mobile app – are specifically designed for these needs. They enable users to calculate precise fertilizer application rates, receive tailored recommendations on application timing and methods, and order our products online via any device (computer, tablet, or mobile phone).

The Agro Calculator supports 38 major crops and 47 preceding crops¹ relevant to Russian agriculture. Nutrition system recommendations draw from a diverse product range, including the ten most popular fertilizer brands in PhosAgro Group's portfolio.

The Company continuously refines the Agro Calculator algorithm to enhance its precision. Calculations incorporate not only yield parameters and nutrient removal rates, but also site-specific soil characteristics, based on scientifically validated mineral nutrition data. The database is regularly updated to ensure users have access to the latest information available. In 2024, farmers conducted over 300,000 calculations using the Agro Calculator service.



The Agro Calculator is a versatile software solution capable of integrating with various external data sources, including weather services and satellite monitoring systems for agricultural land. Additionally, its API support functionality enables seamless integration with other Russian agri-tech services, with the tool now embedded within the leading precision farming platforms.



Going forward, the Agro Calculator will also incorporate a low-carbon farming component.

For more information on our new solutions, see the Research and Education section



¹ Crops grown on the same plot in the previous year.

2 Mineral fertilizer consumer surveys

Mineral fertilizer consumer surveys

Between October and December 2024, we conducted a study to assess consumer preferences among agribusiness sector players across all agricultural regions of Russia. The study utilised a survey to identify farmers' priorities regarding fertilizer manufacturers, factors influencing their product choices, and their familiarity with various products, including newly introduced grades. The survey also explored consumers' perceptions of services offered by different companies.

To ensure greater coverage and impartiality, we engaged an independent polling agency to conduct the survey.

Over 430 participants from eight federal districts contributed to the study. Notably, more than half the respondents have over 15 years of agricultural experience, and more than 50% identify as either business owners or agronomists.

A key finding reveals that 87% of participants hold higher education degrees, while 13% have completed secondary vocational or secondary

education. This underscores the agricultural sector's growing technological sophistication and increasing demand for highly qualified professionals.

According to the survey, consumers prefer PhosAgro products to all other fertilizers available in the market. Additionally, survey participants specifically emphasised the Company's extensive product range and complex fertilizer solutions as distinctive advantages – features uniquely attributed to PhosAgro's portfolio.

The proportion of consumers with strong awareness of the Company's product brands has increased markedly compared to 2023. The Company is associated with well-recognised brand, high product quality², and a diverse product range.

The Company also leads across all three brand awareness metrics: first mention, spontaneous recall, and prompted awareness.

Customer satisfaction surveys

Customer satisfaction is central to the Company's operations. We conduct regular research to assess our consumers' satisfaction levels with PhosAgro Group's products and services. A dedicated questionnaire is used to identify both existing and potential customer expectations. The collected data forms the basis for evaluating customer satisfaction.

▼
Prior to 2024, these surveys were conducted annually, revealing consistently high levels of consumer satisfaction regarding quality, product range, and services. Beginning in 2024, the Company transitioned to a biennial schedule for customer satisfaction evaluations.

▼
PhosAgro Group remains the leading manufacturer both in terms of 2024 product usage and anticipated 2025 purchases.

47%
of participants intend to purchase PhosAgro Group mineral fertilizers in 2025

>85%
of existing customers intend to continue using the Company's products next year¹

40%
of respondents indicated that PhosAgro products accounted for the largest share of mineral fertilizers used on their farms in 2024



Key brand associations for PhosAgro:

Best known Russian producer
73%

High-quality products
67%

Wide product range
69%

Socially responsible company
67%

¹ Survey respondents whose farms sourced the largest share of their fertilizers from PhosAgro Group in 2024 primarily intend to purchase from the same producer as their first choice.
² Apatit is included in the Unified State Register of Manufacturers of Agricultural Products, Food, Industrial and Other Products with Improved Characteristics.

RESEARCH, INNOVATIONS and education

AREA, STRATEGIC GOALS AND HIGHLIGHTS OF 2024

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Target

12.4

ТЕХНОЛОГИЧЕСКОЕ ЛИДЕРСТВО НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

1 IMPROVEMENT OF PRODUCTION PROCESSES

Target	Improvement of production processes to ensure high quality and eco-friendliness of our products, including a process for the development of new products that respects safety and the environment throughout its life cycle	
Actual	<ul style="list-style-type: none">Efforts are underway to develop solutions for mining and processing diatomite with a view to producing our own vanadium sulphuric acid catalystWe continue to boost in-house power generation by capturing heat from chemical reactions in sulphuric acid productionA project is underway to treat mining water from the Kirovsky and Rasvumchorrsky minesIn collaboration with the Kolsky Research Centre of the Russian Academy of Sciences, we are advancing research on ore beneficiation and improving the efficiency of recovering valuable components into mineral concentrates	

9 INDUSTRY INNOVATION AND INFRASTRUCTURE

Target

9.4

ТЕХНОЛОГИЧЕСКОЕ ЛИДЕРСТВО НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

2 DIGITAL TRANSFORMATION OF PRODUCTION-RELATED BUSINESS PROCESSES

Target	Strengthening the Company's technological sovereignty and expanding the capabilities of its IT infrastructure. Development of artificial intelligence solutions will not only enhance production efficiency, but will also make work more comfortable and safer for employees		
Actual	<ul style="list-style-type: none">We continued implementing a domestic automated enterprise management system and automated process control system	<ul style="list-style-type: none">With more than 180 robots already in operation, we are scaling up their use and integrating them into key business processes	<ul style="list-style-type: none">The Company migrated its internal communications to eXpress, a Russian corporate platform

¹ AEMS stands for automated enterprise management system.
² APCS stands for automated process control system.

2 ZERO HUNGER

Target

2.4

ТЕХНОЛОГИЧЕСКОЕ ЛИДЕРСТВО НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

3 IMPROVEMENT OF THE PRODUCT MIX

Target	Promotion of sustainable farming practices, development of new fertilizer grades for increased availability of best practices in farming		
Actual	<ul style="list-style-type: none">We conducted in-depth testing to study the carbon footprint of traditional mineral fertilizers and their biologised alternatives	<ul style="list-style-type: none">We patented a technology for producing biologised fertilizers, securing two patents for innovative methods of manufacturing biologised NP fertilizers	<ul style="list-style-type: none">We developed prototypes of protected feed grade urea, offering a safe and efficient source of non-protein nitrogen for cattle

13 CLIMATE ACTION

15 LIFE ON LAND

Target

13.1, 13.2, 15.1

ТЕХНОЛОГИЧЕСКОЕ ЛИДЕРСТВО НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

НАЦИОНАЛЬНЫЕ ЦЕЛИ РАЗВИТИЯ РОССИИ

УСТОЙЧИВАЯ И ДИНАМИЧНАЯ ЭКОНОМИКА

4 APPLICATION IMPROVEMENT

Target	Soil safety, biodiversity conservation, fertility growth and lower GHG emissions in agricultural production and throughout the product's life cycle from mine to plate	
Actual	<ul style="list-style-type: none">We tested carbon dioxide sequestration in forage grasses using the Company's fertilizers, including locally cultivated forage crop varietiesWe received the results of tests conducted to study the carbon footprint of mineral fertilizers and their biologised alternatives. The tests showed a reduction in carbon footprint by 8–35%We launched a pilot to establish an interregional testing network for evaluating the carbon footprint of the Company's fertilizers	<ul style="list-style-type: none">We conducted a production trial using biologised adaptive plant nutrition systems and a biological preservative for forage conservationThe Company continues to grow its digital learning programme for Russian and foreign farmers, Pro Agro LectoriumWe launched the RECSOIL project in Russia in partnership with Lomonosov Moscow State University and UN FAO

4 QUALITY EDUCATION

17 PARTNERSHIPS FOR THE GOALS

Target

4.4, 17.16, 17.17

ТЕХНОЛОГИЧЕСКОЕ ЛИДЕРСТВО НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

НАЦИОНАЛЬНЫЕ ЦЕЛИ РАЗВИТИЯ РОССИИ

УСТОЙЧИВАЯ И ДИНАМИЧНАЯ ЭКОНОМИКА

5 COOPERATION WITH UNIVERSITIES AND RUSSIAN AND INTERNATIONAL R&D CENTRES

Target	Implementation of a comprehensive phased programme to support sustainable agricultural practices and support young scholars in running sustainable development projects	
Actual	<ul style="list-style-type: none">The BRICS International School for Sustainable Agriculture was launched, bringing together 60 students from six BRICS nations	

2024 AWARDS

✓

In December 2024, PhosAgro Group won the competition ComNews Awards.Best Solutions for Digital Economy.

✓

In November 2024 PhosAgro's electronic HR document management system received an honour at CNews Awards 2024.

✓

PhosAgro's ProAgro Lectorium e-learning platform for foreign farmers received a well-deserved praise and won at the BRICS Solutions Awards2024, an international competition held as part of the BRICS Business Forum.

ХIII Торжественная церемония награждения
COMNEWS AWARDS 2024 Лучшее решение для цифровой экономики

ДИПЛОМ ПОБЕДИТЕЛЯ

Номинация
Лучшее решение по роботизации

Импортозамещение платформы роботизации

АПАТИТ (ФосАгро)

Генеральный директор /
Главный редактор Комьюнс Групп
Леонид Коник

STRATEGY

The Company's innovations in fertilizer production are a sustainable development driver in agriculture and make a meaningful contribution to strengthening cooperation for food security.

PhosAgro Group seeks to ensure efficient and safe agricultural production and develops innovative fertilizers while also working hard to minimise the environmental impact of mineral fertilizer application and production. In doing so, the Company relies on Russian and international experience and leading research and production practices.

Our Strategy to 2025 envisages efforts to increase the share of innovative products, develop technology and production, and ramp up potential for cooperation with stakeholders and partners in the area of innovation and research.

In 2023, the Company developed the Import Substitution Strategy and the Import Substitution Programme, ensuring systematic migration to domestic software platforms and the implementation of key infrastructure projects.

MANAGEMENT APPROACH

GRI 3-3

Our innovation, product development, and research and education management system is seamlessly integrated into the overall management framework covering all Company processes.

PhosAgro Group runs the Samoilov Scientific Research Institute for Fertilizers and Insectofungicides (NIUIF), Russia's only institute specialising in this area.

In 2024, NIUIF celebrated its

105th anniversary

PhosAgro Innovation Centre was established in 2018 to create cutting-edge products and technologies in partnership with research institutions in Russia and abroad. The NIUIF and PhosAgro Innovation Centre bring together world-class researchers, engineers, and experts from various areas to address the most complex operational issues as well as applied and fundamental research problems.

The Group actively cooperates with the Ministry of Agriculture, the Russian Academy of Sciences, federal research centres, universities, innovation funds, and international R&D organisations (University of Belgrade and Brazil's Federal University of Lavras), along with recognised international organisations with a view to providing broad support to humanitarian and research-intensive projects.

Apatit's IT Department established a division for developing artificial intelligence solutions to drive the integration of advanced AI technologies into the Company's key business processes. The team is focused on three core areas: machine learning, video analytics, and generative AI. The computing capabilities are supported by a GPU-powered server cluster housed by the Company's corporate data centres.

Research and education fall within the remit of the Technical Development Department and are discussed at the meetings of the Strategy and Sustainable Development Committee of the Board of Directors. These matters are subject to an annual review by the Board of Directors.

STAKEHOLDER ENGAGEMENT

The Company's operations span the entire production cycle from mining apatite-nepheline ore and processing it into mineral fertilizers to their end use by consumers.

Combined with our efforts to develop advanced and efficient plant nutrition systems, this creates a wide network of stakeholders which we seek to engage with on a priority basis. In its scientific and educational pursuits, the Company collaborates with such stakeholders as scientific institutions, university research teams, the global community and international organisations. To drive innovations and the latest information technologies, we work closely with the Company's departments and divisions, all production units across the Group's branches, and PhosAgro's employees and counterparties. Our key stakeholders also include regional authorities, non-governmental organisations, schoolchildren, their parents and educators.

We are committed to fostering partnerships with the scientific community, international organisations and universities through joint working groups and collaborative projects aimed at driving innovations, enhancing the reputation of Russian science, and unlocking its full potential.

RISKS AND OPPORTUNITIES

Among other things, the following strategic risks affect our research and educational objectives

- 7environmental risk
- 13regulatory risk
- 19climate risk



RISKS SPECIFIC TO THE COMPANY'S OPERATIONS INCLUDE:

- non-compliance of products' manufacturing process and their use with carbon footprint standards and other environmental requirements;
- non-alignment of plant nutrition systems with specific farming conditions;
- insufficient environmental friendliness of production processes;
- lack of awareness about the Company's products and services, coupled with the level of expertise prevailing among agricultural professionals both in Russia and abroad.



The Group develops corrective measures as necessary and unlocks opportunities, including import substitution, to mitigate those risks. Below you can find more information about what we do on this front.

Development of proprietary technologies and import substitution solutions

Introduction of new fertilizers with enhanced environmental safety, improved biological availability, and adaptability to the climate change

Opportunities related to the development of partnerships in science, education, and awareness raising

At the same time, in addressing climate change, related soil degradation processes and the growing world population, the Company recognises its role as a responsible producer that contributes to global food security. PhosAgro is actively engaged in:

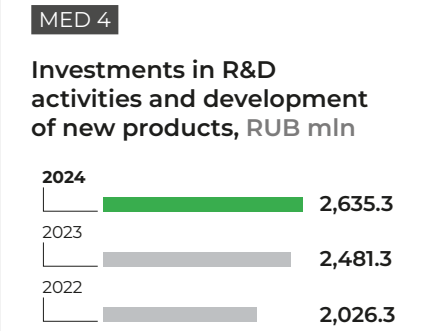
1. developing sustainable products and nutrition systems;
2. promoting responsible agricultural practices;
3. combating climate change across value chains.

To achieve these goals, we leverage our accumulated expertise and innovative potential, while also working closely with partners in the fields of science and business.

For more information, see the Strategic Risks section on page

p. 66–75

2024 METRICS AND HIGHLIGHTS



1 IMPROVEMENT OF PRODUCTION PROCESSES, SOLUTIONS AND PROJECTS BY NIUIF

Improvement of ore extraction and processing

The Company is developing key technical solutions for mining and processing diatomite with a view to producing its own vanadium sulphuric acid catalyst. In 2024, we developed as-built documentation for the design and construction of the vanadium sulphuric acid catalyst plant.

In collaboration with the Kolsky Research Centre of the Russian Academy of Sciences, we continue to explore ore beneficiation and ways to increase production volumes. The Company is developing a roadmap for making products from low-grade and off-balance ores, tailings of ANBP-1, 2 and 3, and slurry discharges. In 2024, we collected samples and transferred them to the Kolsky Research Centre so that it could develop the concentrate for further research into production options.

To enable the mining of a block pillar under the Saami pit, we continue to divert the Gakman and Loparskaya rivers.

The project to develop the reserves of the Rasvumchorr Plateau deposit through underground mining is now subject to design supervision and construction control, with the diversification of coolants at the main ventilation and hot-air heating unit (use of liquefied natural gas at the Rasvumchorrsky mine) designed to improve energy efficiency and reduce pollutant and GHG emissions.

Production efficiency improvements and introduction of elements of circular economy

Improving the efficiency of using resources, including water, and increasing the energy efficiency of production processes are crucial tasks for the Company.

In 2024, we developed engineering documentation and ensured design supervision for the construction projects at Apatit's Balakovo branch. These new facilities are intended to boost in-house power generation by capturing heat from chemical reactions in sulphuric acid production.

With the loads of process systems increased following the upgrade of wet-process phosphoric acid production units in Cherepovets, Volkhov and Balakovo, we reduced our specific power consumption.

✓
To improve the quality of discharged water, we embarked on a comprehensive reagent selection exercise in 2024, while also developing engineering documentation for the project to treat mining water from the Kirovsky and Rasvumchorsky mines.

The NIUIF team completed a broad range of tasks related to increasing performance, including the development of draft technical specifications and the validation of measurement methods for food grade and technical grade purified phosphoric acid and feed phosphates, and state registration of the Company's new fertilizer grades.

One of the standout projects involves the development of technical solutions to extend the maintenance intervals

for sulphuric acid systems to three years. In 2024, we developed key technical solutions for the tail gas treatment unit designed to reduce sulphur dioxide content in emissions from sulphuric acid systems.

Another important strategic task completed in 2024 was the development of key technical solutions for the liquid sulphur dioxide production unit.

2 DIGITAL TRANSFORMATION OF PRODUCTION-RELATED BUSINESS PROCESSES

Implementation of a domestic automated enterprise management system and automated process control system

PhosAgro Group is a member of the Chemistry and Pharmaceuticals industrial competency centre (ICC). In this capacity, it acts as the anchor customer for the projects to introduce a domestic automated enterprise management system and automated process control system. These projects are co-funded by the state through the Skolkovo Foundation and are being implemented at the Cherepovets production site.

In 2024, the development of the automated enterprise management system was completed, and now it is being piloted. The new enterprise management system offers comprehensive data collection tools and data visualisation across the entire range of processes, calculates technical and economic indicators, and generates production reports. The platform architecture is based exclusively on domestic solutions. The project involved the creation of more than 800 mnemonic diagrams and collection of over 60,000 indicators from 33 sources. To populate the system with data, experts from PhosAgro's Engineering Centre

developed special software solutions to automatically transfer calculations and mnemonic diagrams from the old system to the new one. The platform's scaling to other production sites is slated for 2025–2026 following a test run and performance analysis.

The second project aims to develop an automated process control system and implement it at continuous chemical production sites. Launched in late 2022, the project focuses on replacing imported software and hardware with domestic products.

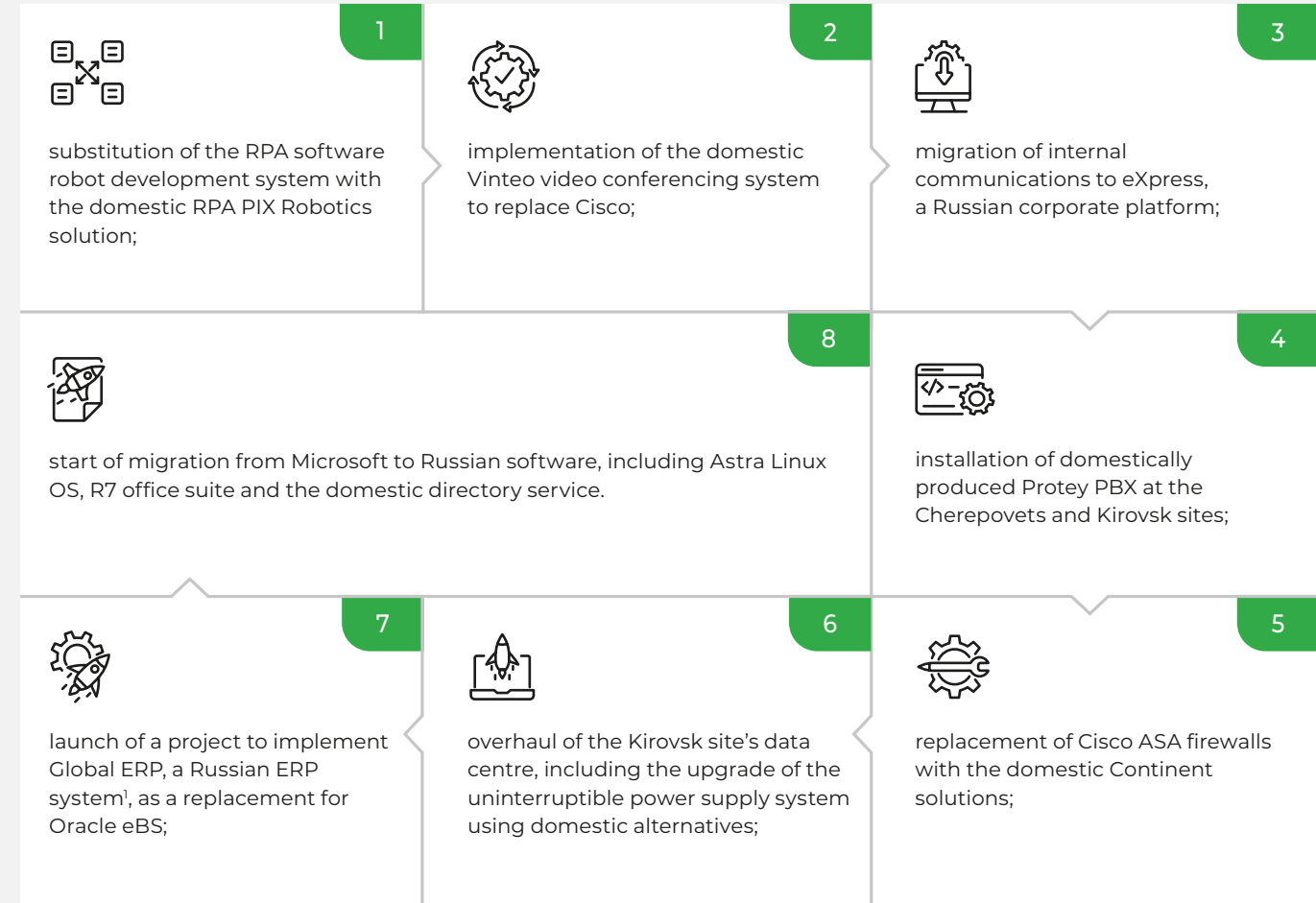
The automated enterprise management and process control systems are of crucial importance for chemical production, as they are indispensable for today's management approaches and high level of process automation. Migration to domestic software ensures not only technological independence, but also the stability of production processes.

Import substitution project to replace PhosAgro's robotisation platform

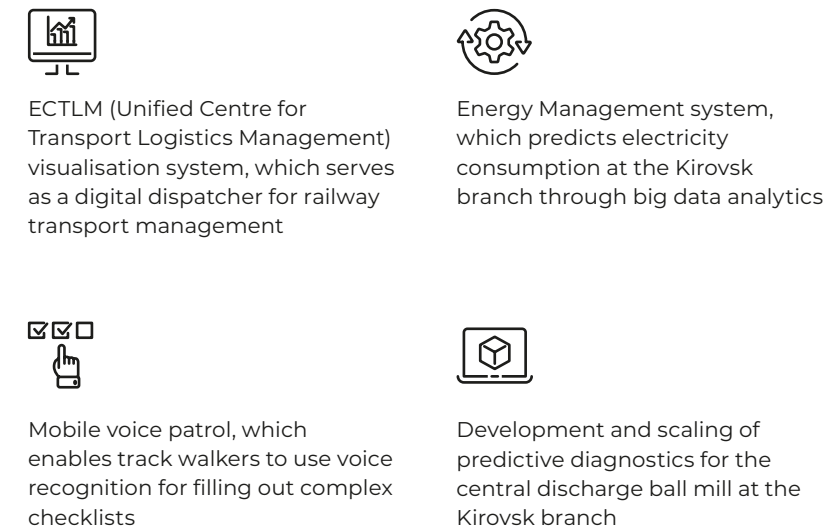
The Company presented a project on the import substitution of its business process robotisation platform, which covers all of the Group's companies. The project to introduce a domestic

platform was launched back in 2023. The application of robotics led to a 34% reduction in the time it takes to prepare corporate reports. Thanks to the project, the Company migrated some 50% of its business processes to the Russian platform. The development approach was standardised through the introduction of a coding agreement, best practices, version control systems and code compliance checks. This helps shorten implementation time, reduce maintenance costs, and improve business transparency.

Other import substitution projects completed in 2024:



INNOVATIVE DIGITAL PROJECTS² COMPLETED IN 2024:



¹ Enterprise Resource Planning, a software package for integrated management of enterprise business processes
² Not included in the import substitution programme.

PhosAgro’s electronic HR document management system

Apatit’s electronic HR document management system (EPDMS) powered by WSS Docs started operating in a pilot mode in April 2024. As a result, the key

HR documents that are essential for employees’ daily work or are generated as part of other processes were fully digitised.

With the new system, employees can produce HR documents from a desktop, a shared workstation or a mobile app. The process was

streamlined to just a few steps: all the employee has to do is fill out a few fields in WSS Docs, and then the required document will be generated automatically. WSS Docs also supports electronic signature keys, which are issued, renewed and revoked by PhosAgro’s Certification Authority.

3 IMPROVEMENT OF THE PRODUCT MIX, SOLUTIONS FROM THE INNOVATION CENTRE

PhosAgro Group’s product mix comprised over 58 grades of fertilizers of all types in 2024. The Company’s Strategy focuses on developing products that address the evolving challenges faced by farmers, including solutions mitigating the impact of climate change. PhosAgro Group is currently preparing an updated version of its Development Strategy to 2030, which will encompass the production of:

- micronutrient fertilizers and NP/ NPK blends with micronutrients and mesoelements;
- water-soluble fertilizers;
- feed additives and feed phosphates;
- biological and biologised fertilizers;
- biological crop protection agents;
- growth enhancers.

The primary focus of all of these solutions is biologisation of agriculture, improvements in the quality of

agricultural products, reduction of the environmental impact of chemicals in intensive farming, and introduction of specialised niche products, which will bolster crop yields and improve product quality, while also mitigating the climatic and environment impact.

Development of new fertilizers

Development of biologised fertilizers

In 2024, PhosAgro Group continued its research into the impact of biologisation on GHG emissions from fertilizers. In partnership with the Russian State Agrarian University – Moscow Timiryazev Agricultural Academy, the Caspian Federal Agrarian Research Centre of the Russian Academy of Sciences (CFARC of RAS) and Ulyanovsk

Research Institute of Agriculture (URIA, a branch of Samara Federal Research Centre of the RAS), the Company ran in-depth trials to study nitrogen emissions resulting from the use of both traditional mineral fertilizers and their biologised alternatives. The trials took place in the Astrakhan Region on irrigated lands typical for arid areas of risky farming, which are especially vulnerable to climate change and associated stress factors for plants and soils. Additional trials were carried out in the Ulyanovsk Region on chernozem soils with average national crop yield levels and without irrigation. The trials clearly demonstrated that biologised fertilizers contributed to an overall increase in biomass and a notable boost in marketable crop yield.

The results of testing biologised and non-biologised fertilizers under different climatic conditions

Fertilizers	Nitrogen dosage, kg of nutrient / ha	CFARC of RAS (irrigation)		URIA (no irrigation)	
		Grain, t/ha	Straw, t/ha	Grain, t/ha	Straw, t/ha
Spring wheat					
Control (no fertilizer)	0	2.04	3.07	2.58	1.97
Urea N 46.2	30	3.48	5.22	3.13	2.43
	120	6.02	8.23	3.16	2.45
Bio-urea bio-N 46.2	30	4.87	6.98	3.20	2.51
	120	6.58	9.22	3.23	2.49
NPK(S) 10:26:26(1)	12	4.23	6.21	3.33	2.59
	46	4.27	5.81	3.54	2.77
Bio-NPK(S) 10:26:26(1)	12	5.12	7.35	3.05	2.36
	46	4.34	5.94	3.33	2.59
Field peas					
Control (no fertilizer)	0	0.82	1.11	2.57	1.99
Urea N 46.2	30	4.20	5.85	2.96	2.33
	60	5.46	7.46	2.89	2.26
Bio-urea bio-N 46.2	30	5.56	7.62	3.04	2.39
	60	5.62	7.30	3.14	2.48
NPK(S) 10:26:26 (1)	12	3.93	5.64	3.16	2.50
	46	1.97	2.76	3.06	2.41
Bio-NPK(S) 10:26:26 (1)	12	5.20	7.28	3.25	2.58
	46	2.26	3.16	3.14	2.48

The trials demonstrated that using the Company’s biologised products (compared to traditional fertilizers) led to higher crop yields at the same application rate. Notably, these products also stimulated greater straw biomass production. When incorporated into the soil, this additional biomass can contribute to soil carbon accumulation.

In 2025, the Company plans to conduct second-year interregional trials on similar crops. These trials will

help expand and enrich the data array, offering deeper insights into how environmental and climatic factors influence nitrogen emissions from fertilizers applied at fields. They will also support the development of a mathematical model to predict and assess N₂O emissions.

Currently, carbon footprint calculations rely on standardised emission factors and the IPCC¹ methodology, according to which the rate of fertilizer-related nitrous oxide (N₂O) emissions is

estimated at 1% of the calculated nitrogen content in a specific fertilizer grade. However, the Company’s field experiments suggest that actual emissions may be lower. The emission rate depends on factors such as the dosage of nitrogen-based fertilizers, fertilizer form, composition of the nutrition system, crop type, soil characteristics and climate conditions (see the table N-N₂O emission factor for different fertilizers).

¹ Intergovernmental Panel on Climate Change.

N-N₂O emission factor for different fertilizers¹

Option	Emission factor: N-N ₂ O, %
Urea N 46.2 (grade B, granulated)	0.74
Nitrogen-based fertilizer bio-urea bio-N 46.2	0.65
NP 12-52	0.71
bio-NP 12-52	0.63
NP 18-46	0.68
bio-NP 18-46	0.55
NPK (S) 15:15:15 (10)	0.59
Bio-NPK(S) 15:15:15(10)	0.56
NPK(S) 10:26:26 (1)	0.62
Bio-NPK(S) 10:26:26(1)	0.56
NPK(S) 8:20:30 (2)	0.57
Bio-NPK(S) 8:20:30(2)	0.52

An important task planned for 2025 will consist in integrating the results of biologised fertilizer trials and the data on nitrous oxide emissions into PhosAgro's Agro Calculator. This metric will be synergised with other parameters to help calculate customised plant nutrition systems. With the Agro Calculator, users will be able to evaluate the carbon footprint of agricultural products and streamline relevant nutrition strategies to minimise emissions, which is of particular importance for products exported to markets with GHG border tariffs.

The Company plans to launch full-scale production of biologised mineral fertilizers in 2025, with the first batch scheduled for release in 2026. The product line will include N, NP and NPK fertilizers, allowing for smooth integration of a biological component into the existing nutrition system through replacement of the traditional counterpart with a view to ensuring seamless transition to biologised farming. The technology enables the application of high concentrations of biologically active strains that are resilient to concentrated inorganic salts.

Manufacturing and sales of new products

Developed by PhosAgro's Innovation Centre, ApaSil is designed for seed pre-treatment and foliar application on a wide range of agricultural crops and ornamental plants. Field trials in different regions and on different crops have shown that this product helps plants cope with the stresses associated with drought and diseases.



✓
In 2024, we supplied to agricultural producers 13.980 tonnes (vs 5.1 tonnes in 2023) of the ApaSil adaptogen, a product developed by PhosAgro's Innovation Centre.

Between 2019 and 2024, PhosAgro's Innovation Centre conducted a comprehensive analysis to identify biological solutions suitable for Russian agriculture. Based on this research, the Group will expand its product range in 2025 with biological agents developed by partner companies such as Innopraktika, Bisolbi Plus, Biona Group, and Flora-Si. The products will be sold through a network of 16 official regional distributors.



In 2024, the Company obtained a patent for the production of ApaSil, with registration in the FSU countries expected to start in 2025.

New products supporting agricultural biologisation

Product name	Purpose
ApaSil	Adaptogen
Metabacterin	Biological fungicide
Fermasil	Dry silage inoculant
Enzymesporin	Probiotic feed additive
Extrasol	Biological growth enhancer
BisolbiSan	Biofungicide
Energia-M	Combined growth enhancer
Effect Bio, SC	Stubble decomposer
Azofix, ZH (peas, lentils)	Inoculant
Azofix, ZH (chickpeas)	Inoculant
BioConsort Start	Amino acids for seed treatment
BioConsort Vegetation	Amino acids with micronutrients
Pro bactil	Liquid silage inoculant
Subtispurin	Liquid probiotic feed additive

Development of feed additives

In 2024, PhosAgro Innovation Centre and the Mendeleyev University of Chemical Technology developed prototypes of protected feed grade urea, offering a safe and efficient

source of non-protein nitrogen for cattle. Jointly with the Skryabin Moscow State Academy of Veterinary Medicine and Biotechnology, we conducted production trials of the Enzymesporin² feed additive,

which increased the live weight of calves by 8.7%. The products will be manufactured using our unique proprietary technology, and in 2025 we plan to patent and develop the technology to produce this additive.

In 2025, we plan to join efforts with the Skryabin Moscow State Academy of Veterinary Medicine and Biotechnology to test new feed additives that help reduce greenhouse gas emissions from milk production and address the prevention and treatment of cryptosporidiosis and parasitic infestations in farm animals. When used in conjunction with existing therapeutic products, the solutions we are developing will enable comprehensive animal care.

In 2023, at the livestock breeding complex, a branch of the Federal Williams Research Centre of Forage Production and Agroecology, we started trials of a biologised forage grass nutrition system with the Company's fertilizer system, which will be completed in 2026. The data obtained will make it possible to develop a comprehensive forage growing programme and an animal nutrition system based on PhosAgro Group's products.

Production trials of Enzymesporin probiotic feed additive on calves in 2024

Item	Population at the beginning of the experiment, AUs	Survival, %	Average live weight at the beginning of the experiment, kg	Average live weight on the 40th day, kg	Live weight ratio in relation to benchmark, %
Benchmark	5	100	33.0	45.8	100
Monocalcium phosphate + Enzymesporin	5	100	34.2	49.8	108.7

Furthermore, NIUIF upgraded methods to control feed phosphate production and improve product

quality. The project focused on enhancing the consumer properties (reducing the caking and dusting of

the finished product) of feed-grade MCP produced by the Balakovo branch of Apatit.

¹ At an application rate equivalent to 50 kg of nitrogen per hectare for soft spring wheat (Pamyati Kononova variety) grown on soddy medium-podzolic light-loam soil.

² When applied jointly with monocalcium phosphate.

4 APPLICATION IMPROVEMENT

Pro Agro Lectorium training programme

Since 2021, PhosAgro Group has been running Pro Agro Lectorium, an new training programme for a broad audience, students, and university professors, reaching out to 47 agricultural universities across Russia. Most importantly, the platform is convenient and serves as a source of up-to-date information on innovations in the industry from leading scientists and experts for agricultural producers and employees of agricultural companies in Russia and BRICS.

Today, the platform features over 400 lectures, 18 additional professional education courses culminating in the awarding of official state qualifications. Pro Agro Lectorium offers lectures in Russian, English, and Portuguese.

In ProAgro Lectorium, university students can access modern expertise in agriculture and agricultural sciences and better understand the nature of their future profession, graduates can use lectures for a smoother



The programme aims to provide unique up-to-date expertise in various farming practices. It includes lectures on topics such as agronomy and agrochemistry, crop and livestock production, innovations and digitalisation in agriculture, economics and responsible farming with free access for the target audience.

onboarding at a new job, teachers can align their knowledge with the latest scientific developments and self-study, and seasoned farmers can receive additional training.

Equal opportunities and unhampered access to knowledge make it easier to adapt university curricula to modern labour market requirements, providing students with relevant knowledge and practical skills.







Over 140 speakers from Russia, China, India, Brazil, South Africa, and other countries have already contributed lectures in 22 areas to the platform.

Research as part of PhosAgro’s carbon farm project in the Vologda region


As part of a long-term climate action, the Company has set up a carbon farm to study CO₂ compensation, absorption of carbon emissions by various ecosystems, as well as to test hands-on solutions for establishing large-scale carbon farms in agriculture and forestry.

In 2025, PhosAgro Group and the Centre for Forest Ecology and Productivity of the Russian Academy of Sciences will conduct a comprehensive analysis of the two-year dynamics of carbon accumulation.

Key features of PhosAgro’s carbon farm project


 Location	Cherepovets and Vologda districts of the Vologda region at a distance of 100 km from each other
 Site area	100 ha of forest plantation and 100 ha of agricultural plantation
 Study period	2022–2025 with a possible extension of up to 100 years within the forest plantation
 Project participants	<ul style="list-style-type: none">PhosAgro GroupVologda region governmentRussian Academy of Sciences
 Specifications and results of experiments in forest plantations	<ul style="list-style-type: none">24 experimental forest sites at the carbon farmThe technology of accelerated seedling cultivation was perfected: the Company’s fertilizers reduced the period for coniferous species from seven to three years.Data were obtained on birch, willow, aspen, spruce, and pine survival (23% lost with a benchmark of 50%), cost-effective soil preparation and crop planting practices.Methods were developed to calculate the carbon pool of forest sites with a total absorption of 15.98 t of CO₂-eq. / year, and 5.2 carbon units / ha / year using the CDM methodology. Total sequestration: 20,092 carbon units within 40 years
 Specifications and results of experiments in agricultural landscapes	<ul style="list-style-type: none">Study of the absorption capacity of various crops (forage grasses, grain cereals, and pulse crops) with varying organomineral nutrition regimes.An additional average annual carbon sequestration of 2.6 carbon units / ha with a total accumulation of 13.69 t of CO₂-eq. / year and an increase in total yield to 11.6%

Key results of the PhosAgro Innovation Centre in 2024:




1

Trials were carried out to explore carbon dioxide sequestration in forage grasses using the Company’s fertilizers.




2

Results of testing to study the carbon footprint of fertilizers and their biologised counterparts were obtained at the Russian State Agrarian University – Moscow Timiryazev Agricultural Academy. The nitrogen loss ratio of mineral fertilizers is 0.62–0.94% and 0.59–0.83% for their biologised counterparts with an 8 to 35% reduction in the carbon footprint of the produce.




3

A pilot was launched to establish an interregional testing network for evaluating the carbon footprint of fertilizers at the Ulyanovsk Research Institute of Agriculture (URIA, a branch of Samara Federal Research Centre of the RAS), the Caspian Federal Agrarian Research Centre of the Russian Academy of Sciences (CFARC of RAS), and the Russian Agrarian State University – Moscow Timiryazev Agricultural Academy.



8

The centre and the Izrael Institute of Global Climate and Ecology (IGCE) are drafting practical recommendations for 100 crops, which will include 50 subsections (methodologies) to be used by farmers. The work helped us acquire experience in using the equipment to estimate carbon gain in ecosystems and the carbon footprint of products.



4

Preliminary calculation formulas were created for the Agro Calculator for all crops and soil types.

PLANS FOR 2025:

- together with the Russian Agrarian State University – Moscow Timiryazev Agricultural Academy, develop calculation formulas for assessing the carbon footprint of the plant nutrition system for 38 crops, which will be

integrated into the Agro Calculator. Further tests will enable validating the methodology and calculation formulas of Agro Calculator for three climatic zones and three types of soils;

- fine-tune Agro Calculator simulation models on the basis of a trial on growing ten different crops, which is planned for 2025 at PhosAgro’s farming station in Zemlyaki;

- on the basis of the trial, the IGCE will provide practical recommendations for the voluntary organisation of climate-friendly agricultural practices for five areas (100 crops).

Cutting-edge biologised adaptive plant nutrition systems

In 2023–2024, experts from the Company and the Federal Williams Research Centre of Forage Production and Agroecology ran a production

trial to cultivate Verko alfalfa using biologised adaptive plant nutrition systems and a biological preservative for forage conservation.

Two biofertilization options were tested during the trial. The first option involved additional use of the Extrasol

biological agent and the ApaSil adaptogen (trial plot 1), while the second one relied on replacing ammonium nitrate with biologised urea and using the same nitrogen dose along with ApaSil (trial plot 2).

	Green mass weight in 2023, t/ha				Green mass weight in 2024, t/ha				Total in two years, t/ha
	1st cut	2nd cut	3rd cut	Total in 2023	1st cut	2nd cut	3rd cut	Total in 2024	
Check strip	21.44	12.95	8.80	43.19	16.81	17.82	8.04	42.37	85.56
Trial plot 1	21.66	14.18	11.60	47.44	21.12	19.70	10.20	51.02	98.46
Trial plot 2	23.77	15.48	12.50	51.75	27.66	23.86	11.40	62.92	114.49

In trial plot 1, where the Extrasol biological agent and the ApaSil adaptogen were used, the green mass harvest per area unit for two years was 98.46 t/ha, which is 15% higher than in the ordinary practice.

The maximum yield was achieved in trial plot 2, in the variant where crops were fertilized with biologised urea and treated with the ApaSil adaptogen – 114.49 t/ha of green mass in two years (six cuts), which is 33.8% higher than initially.

Product quality for biologised nutrition systems was also higher, suggesting a high potential for biologised nutrition systems to intensify farming, reduce production costs, improve feed quality for dairy farming, and increase carbon sequestration by forage grass systems.

	2023, two cuts			2024, three cuts		
	Dry matter, t/ha	Crude protein, t/ha	Metabolic energy, GJ/ha	Dry matter, t/ha	Crude protein, t/ha	Metabolic energy, MJ/ha
Check strip	7.34	1.22	69.950	9.43	1.65	88.240
Trial plot 1	7.61	1.24	72.585	11.91	2.06	108.050
Trial plot 2	8.20	1.42	78.987	13.46	2.52	124.300

Thus, the new types of fertilizers developed by PhosAgro help agricultural producers increase

crop yields despite the constraints of limited land resources while also improving forage quality, reducing

carbon footprint, enhancing soil fertility, and increasing production margins.

RECSOIL PROJECT

RECSOIL is an international mechanism established by the UN Food and Agriculture Organisation (UN FAO) for scaling up sustainable soil management with a focus on increasing soil organic carbon and improving overall soil health.

In 2024, PhosAgro Group supported by UN FAO and in partnership with the Soil Science Faculty at Lomonosov Moscow State University and AgroGard launched RECSOIL project in Russia.

The project's key objective is to improve soil carbon content while reducing greenhouse gas emissions through sustainable soil management practices.

2024 HIGHLIGHTS:

- suitable fields (sites) selected for project implementation;
- soil of the selected fields described;
- soil samples taken for lab analysis for a set of physical and chemical indicators.

PLANS FOR 2025:

- adapt low-carbon agricultural practices in the fields;
- produce crops with low carbon footprint;
- conduct training jointly with UN FAO;
- register RECSOIL as a climate project.

An important project deliverable should be a model of carbon accumulation in soil and calculation of the product's carbon footprint, which will be integrated into PhosAgro's Agro Calculator. In addition, the Company plans to develop model

methodologies for climate projects similar to RECISOIL, which farmers can use as a template for registering projects as climate projects without the costly step of developing a customised methodology. All this will contribute to building a pool of

carbon units formed by nature-based projects, and, on top of that, establish an effective mechanism for verifying the carbon footprint of premium low-carbon agricultural products.

5 COOPERATION WITH UNIVERSITIES AND RUSSIAN AND INTERNATIONAL R&D CENTRES

Our strategy for innovating and helping students, teachers, and farmers to develop profession competencies relies on partnerships with the leading agricultural universities and R&D centres

Partner	Key results in 2024	
RUSSIAN ACADEMY OF SCIENCES Cooperation across a range of areas related to the climate agenda and low-carbon transition plan	The carbon farm project continued with inventory of seedlings made and data obtained on carbon accumulation by ecosystems with grain-grass crop rotation and on the cost of carbon units	Work is underway to develop low-carbon agricultural practices for 100 crops
	Work is underway to improve the Agro Calculator	Further progress was made in implementing other projects involving leading Russian scientists to develop and promote new products:
	14 research organisations participated in the development of new fertilizers and feed additives, completing a total of 18 research projects	<ul style="list-style-type: none">• biotechnologies and feed additives developed;• registration for new biologised mineral fertilizers launched;• a pipeline of new promising projects built;• three patents obtained, 18 videos and 10 publications issued, including three scientific articles

Partner

UNESCO

Green Chemistry for Life, a joint grant programme by PhosAgro, UNESCO and the International Union of Pure and Applied Chemistry (IUPAC)

Financial support and scientific guidance for young scientists doing research in emerging Green Chemistry technologies to address environmental challenges and ensure sustainable use of natural resources.

UNESCO-Russia Mendeleyev International Prize in Basic Sciences

The prize aims to foster scientific progress, basic research popularisation, and international cooperation. The prize is the only award granted for sustainability-focused research in fundamental sciences under the auspices of UNESCO.

Key results in 2024



As part of the 10th IUPAC International Conference on Green Chemistry in Beijing, PhosAgro jointly with UNESCO and IUPAC presented young scientists from Russia, Brazil, Portugal, Pakistan, Tunisia, and the UAE with grants for green chemistry research for the eighth time. Over the course of eight rounds of the programme, more than 1,000 applications from young researchers across 120 countries were submitted, with grants awarded to 55 scientists from 33 countries.



In 2024, PhosAgro Group was the general partner at the grant award ceremony of UNESCO-Russia Mendeleyev International Prize.

Partner

INTERNATIONAL UNION OF PURE AND APPLIED CHEMISTRY (IUPAC)

Summer Schools on Green Chemistry project run jointly by PhosAgro, IUPAC and Green Sciences for Sustainable Development Foundation

The project is an educational initiative to improve the qualifications of young scientists engaged in green chemistry with a view to promoting innovations.

22nd Mendeleyev Congress on General and Applied Chemistry

The Mendeleyev Congress is held once every five years under the auspices of IUPAC. In 2024, the Congress was dedicated to the 300th anniversary of the Russian Academy of Sciences and the 190th anniversary of Dmitry Mendeleyev.

Key results in 2024



The sixteenth session of the IUPAC Summer School on Green Chemistry took place at Ca' Foscari University of Venice, Italy from 1 to 7 July 2024. It brought together 70 young scientists from 33 countries, including 28 African researchers. Since the project's inception, it has attracted over 1,000 young researchers from 75 countries.



PhosAgro was the general sponsor and partner of the 22nd Mendeleyev Congress on General and Applied Chemistry. Some 4,000 participants from 38 countries attended the Congress, including leading Russian and foreign chemists.

Partner

UN FOOD AND AGRICULTURE ORGANISATION (UN FAO)

Development of Sustainable Agriculture through the Implementation of the Global Soil Doctors Programme and the Creation of the Global Soil Laboratory Network

The joint project of PhosAgro and FAO promotes the expansion of the Regional Soil Laboratory Network (RESOLAN) in Africa, Asia, Latin America, Russia, and the Middle East, and sustainable soil management among farmers.

Recarbonisation of Global Soils (RECSOIL) project

The UN FAO initiative's key objective is to improve soil carbon content while reducing greenhouse gas emissions from farm lands through the implementation of sustainable soil management practices.



In 2024, PhosAgro Group and UN FAO signed an agreement to launch stage 3 of the global project for sustainable soil management.

As part of the project, PhosAgro supports UN FAO in implementing the Global Soil Doctors Programme and the Creation of the Global Soil Laboratory Network (GLOSOLAN). Currently, the global network comprises over 1,000 laboratories across 160 countries. As part of the Global Soil Doctors Programme, over 11,000 farmers from 20 developing countries are improving their knowledge of soil management.



On the occasion of the World Soil Date, PhosAgro, AgroGard, and Lomonosov Moscow State University supported by UN FAO launched a pilot project of the FAO Global Soil Partnership for the Recarbonisation of Global Soils (RECSOIL) in Russia.

Key results in 2024

Partner

UNITED NATIONS GLOBAL COMPACT

PhosAgro contributes by providing expert advice on a wide range of topics on the UN's global socioeconomic agenda

PhosAgro remains a leader of the UN Global Compact by vigorously supporting the Climate Ambition Accelerator and CEO Water Mandate initiatives to combat climate change and ensure the efficient use of water resources.

Key results in 2024



During the 29th session of the Conference of the Parties (COP29) to the UN Framework Convention on Climate Change, PhosAgro arranged a session titled "Innovation and artificial intelligence – transformative technologies in climate action" to discuss how to limit the rate of global warming and reduce carbon dioxide emissions.

LEADING AGRICULTURAL ASSOCIATIONS FROM AFRICA

PhosAgro's expert contribution to building Africa's food sovereignty and expanding scientific and educational cooperation between Russian and African universities

Development of scientific and educational potential of African countries, along with the training of qualified personnel for agricultural and chemical industries to build Africa's food sovereignty.



In 2024, cooperation agreements were signed with leading African agricultural associations – the South African Grain Farmers Association (SAGRA) and the Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA).

Pro Agro Lectorium, the Company's e-learning platform, was recognised as the official platform of the BRICS Business Council Agribusiness Working Group and won the BRICS Solutions Awards in 2024.

Partner

MINISTRY OF
SCIENCE AND HIGHER
EDUCATION OF THE
RUSSIAN FEDERATION

Young Scientists Congress

Partnership in the international promotion of basic research, scientific and educational cooperation and digital education technologies.



PhosAgro Group and the Ministry of Science and Higher Education of the Russian Federation made an agreement at 2024 SPIEF.

PhosAgro Group supported the 7th BRICS Young Innovators contest as part of the 4th Young Scientists Congress. The winners were young scientists from Brazil, China, and Russia. More than 7,000 people from 63 countries took part in the Congress.

Key results in 2024

MENDELEYEV
UNIVERSITY OF
CHEMICAL TECHNOLOGY
OF RUSSIA

Partnership in promoting
basic sciences and research in
chemistry to further sustainable
development as well as the legacy
of great Russian scientists Dmitry
Mendeleyev



In 2024, PhosAgro Group awarded scholarships to 20 winners of the 5th and 6th competitions of the Laverov scholarship programme established for young scientists from the Mendeleyev University of Chemical Technology in 2022. Since that time, 60 gifted students have been recognised winners of the competition.

In 2024, PhosAgro Group awarded the first ten winners of the Sadykov scholarship programme at the branch of the Mendeleyev University of Chemical Technology in Tashkent.

PEOPLES'
FRIENDSHIP UNIVERSITY
OF RUSSIA (RUDN)

BRICS International School
for Sustainable Agriculture

Partnership in promoting scientific and educational projects in sustainable agriculture, environment, and environmental protection.



In 2024, PhosAgro Group and Peoples' Friendship University of Russia launched the BRICS International School for Sustainable Agriculture, bringing together 60 students from six BRICS nations: Egypt, India, Iran, China, Russia, and South Africa.

Partner

DIPLOMATIC
ACADEMY OF THE
RUSSIAN MINISTRY
OF FOREIGN AFFAIRS

Partnership in scientific research
with a focus on sustainable
development and green economy



PhosAgro Group, the Diplomatic Academy of the Russian Ministry of Foreign Affairs, and the Russian State Agrarian University – Moscow Timiryazev Agricultural Academy with the support from FAO organised an international symposium for the BRICS countries on climate-smart and eco-friendly agriculture. The event attracted more than 300 participants from Russia, Latin America, Asia, and Africa.

Key results in 2024

EUROPEAN
SUSTAINABLE
PHOSPHORUS PLATFORM
(ESPP)

Partnership on the European
political, scientific and technical
agenda for the sustainable use of
phosphate resources



In 2024, the Company participated in the 5th European Sustainable Phosphorus Conference that brought together representatives of business, stakeholders, regional and national authorities.

At the event, we presented our best practices of phosphogypsum application.

ARAB FERTILIZER
ASSOCIATION (AFA)

PhosAgro Group's expert
contribution to the Association's
committees on a wide range of
matters as a representative of
Russia's mineral fertilizer industry



In 2024, PhosAgro Group took part in AFA's 36th Technical Fertilizers Conference and exhibition on the rational use of mineral fertilizers and food security.

SUPPLY chain

AREA, STRATEGIC GOALS AND HIGHLIGHTS OF 2024¹

9

INDUSTRY INNOVATION AND INFRASTRUCTURE

Target

9.1

1 DIGITAL TRANSFORMATION

Target	<ul style="list-style-type: none">Further development of Process Mining and robotisationDevelopment and implementation of new digital tools
Actual	<ul style="list-style-type: none">Five new robotic solutions developed, two robotic solutions transferred to PIX Robotics, a new domestic platform, with changes in the logic.Procurement Workstation tool implemented, providing procurement managers with a work schedule for the near future that prioritises tasks.Methodology for calculating a standard workload unit for procurement managers developed and deployed using system objects.

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

Target

12.4

2 PROCUREMENT FUNCTION DEVELOPMENT

Target	<ul style="list-style-type: none">Enhancing long-term relationships with suppliersDeveloping direct and alternative supplies of imported equipment and spare parts	Target	<ul style="list-style-type: none">Increased procurement using embossed bank cardsFurther development of category strategies
Actual	<div>38%</div> <div>inventory procured as part of long-term relationships (as a share of total purchase order lines)</div> <div>41%</div> <div>direct procurement from Chinese manufacturers (as a share of total procurement from China)</div> <div>27%</div> <div>inventory procured through online stores (as a share of total purchase order lines)</div>	Actual	<div>36%</div> <div>rise in procurement using embossed bank cards compared to 2023</div> <div>The category strategies cover:</div> <div>16</div> <div>raw material categories</div> <div>22</div> <div>categories of materials and equipment</div> <div>1</div> <div>service category</div>

¹ Boundary 2 – Apatit, including its branches and standalone business units.

COMPETITIVE PROCUREMENT LEADER 2024

✓
In 2024, PhosAgro Group won the Competitive Procurement Leader contest in the Unlocking Team Potential category.

Team development efforts at the Procurement Department of our subsidiary Apatit focus on hiring talent and providing support and encouragement to help employees achieve ambitious goals.

The Competitive Procurement Leader Award is the first professional competition in the field of trade and procurement, bringing together suppliers, government

officials, mass media, and non-governmental organisations. Established in 2012, the award aims to raise awareness about the most significant procurement projects that make operations of companies more efficient and contribute to the development of the market at large. In 2024, the competition saw 183 applications from Russia's largest companies representing various industries.



The key focus of 2024 was to keep up our momentum. We continued to implement the decisions made, looked for exciting new ideas, engaged in systemic analysis and enhancement of our business processes, and also went on fostering our corporate values in the team. Thanks to our targeted team efforts, we accomplished all our goals. We are looking forward to the launch of the project to transition to the new domestic ERP¹ for procurement.

Oleg Minnullin

Head of Procurement at Apatit



STRATEGY

GRI 3-3

PhosAgro's procurement system seeks to ensure that the Group's subsidiaries receive the required resources, materials, and services of adequate quality, in full and at reasonable prices. However, there is much more to the principles and business processes underlying our procurement activities. We believe that running a supply chain in an efficient and responsible manner is the cornerstone of the Company's sustainable development.

Thousands of our suppliers and contractors benefit directly from these investments, and so do their employees, who have to provide for their families.

We contribute to the public budget at various levels. What is even more important is that the tools we use – such as our environmental and social assessments of suppliers, along with anti-corruption mechanisms – directly promote values of sustainability and social responsibility across the Russian business community. These values are the bedrock of our business philosophy.

In 2024, our procurements of goods and services at PhosAgro Group amounted to almost

RUB 216.7 bln

✓
We work to ensure that our procurement activities have a strong positive impact on all our stakeholders.

MANAGEMENT APPROACH

GRI 3-3

Our supply chain represents a set of interconnected processes covering all stages of value creation, from procurement to product delivery. The Group's supply chain management focuses on ensuring the achievement of production targets via timely, complete, and high-quality procurement, as well as boosting the Company's efficiency.

Legitimate, competitive, and transparent procurement is among our key principles. In our relationships with competitors, we rely on mutual respect and avoid using unethical methods to gain a competitive advantage. The Company ensures compliance with Russian and other applicable anti-monopoly laws in its operations.

PHOSAGRO'S FUNDAMENTAL DOCUMENTS FOR SUPPLY CHAIN MANAGEMENT



Procurement Policy



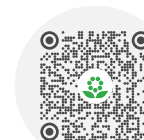
Code of Conduct for Counterparties



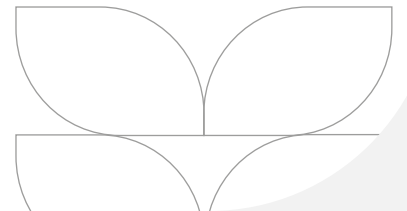
Anti-Corruption Policy



PhosAgro Group's Electronic Bidding Platform (EBP) Regulations



Code of Ethics



¹ Enterprise Resource Planning, a software package for integrated management of enterprise business processes.

Board of Directors level

Strategy and Sustainable Development Committee of the Board of Directors

- Setting strategic priorities in procurement
- Review of the executive management’s procurement reporting

Procurement Department management level

Director (Supervisor, officer-in-charge) of the Department

- Organising the overall operation, allocation of functions, business development strategies, definition of methodologies and procedures for the uninterrupted supply of equipment and materials

Department Director

Head of Division

- Meeting the Company’s needs in a timely manner
- Apatit’s warehouse inventory management
- Day-to-day functioning of the Department, supervising operations of the Department’s structural units
- Developing a strategy for re-engineering of business processes in the Department, etc.

Procurement Department operational level

Heads of units and working groups

- Managing operations of subordinate business units, selecting and deploying staff
- Acting in accordance with the requirements of the management system, contributing to its improvement within their remit, etc.

Specialists

- Meeting the Company’s needs for equipment and materials, controlled materials, and services in a timely manner, in full and at the best possible prices
- Pursuing professional development and upskilling

Cross-functional teams

✓
The Procurement Department has in place key performance indicators (KPIs) aligned with the Company’s business objectives to control and assess the effectiveness of its employees.

KPIs are individual, and their calculation accounts for the personal contribution of each employee. Clear KPIs enable employees to understand what kind of performance is expected, and motivate them to work more productively. Ongoing monitoring of KPIs helps identify process vulnerabilities, make sound decisions while minimising risks, which results in higher effectiveness, better performance, and enhanced procurement strategy.

Continuous business process development and improvement underpins successful operation of the Company on the whole and of the Procurement Department in particular. We never stop learning and adopting best practices. PhosAgro Group strives to use modern tools to boost its business efficiency and ensure maximum transparency of its key processes.

RELATIONSHIPS WITH SUPPLIERS AND CONTRACTORS

The Group’s potential suppliers can participate in a fully transparent and accessible procurement procedure using the Company’s electronic bidding platform.



The Group’s potential suppliers can participate in a fully transparent and accessible procurement procedure using the [Company’s electronic bidding platform](#)

Committed to fighting corruption, the Company adheres to the Anti-Corruption Charter of the Russian Business. At PhosAgro Group, we establish and maintain business relationships with partners that operate in a bona fide manner, care about their own reputation, show commitment to high ethical standards, combat corruption, and take part in joint anti-corruption initiatives in accordance with Article 13.3 of the Federal Law On Combating Corruption.

The Company expects its counterparties to report in good faith any concerns related to its activities.

As a way to ensure prompt response to suspected corruption and fraud, in 2016, PhosAgro launched a Group-wide hotline for the management to better handle all reports of violations and issues, including those related to procurement. PhosAgro Group’s hotline is available to everyone, including the Company’s contractors and partners.



[The hotline regulations can be found here](#)

For more information on the Company’s relationships with local and SME suppliers, see

p. 138

RISKS AND OPPORTUNITIES

The following strategic risks affect our procurement objectives:

- 14

corruption risk
- 18

commodity risk
- 20

sanctions risk



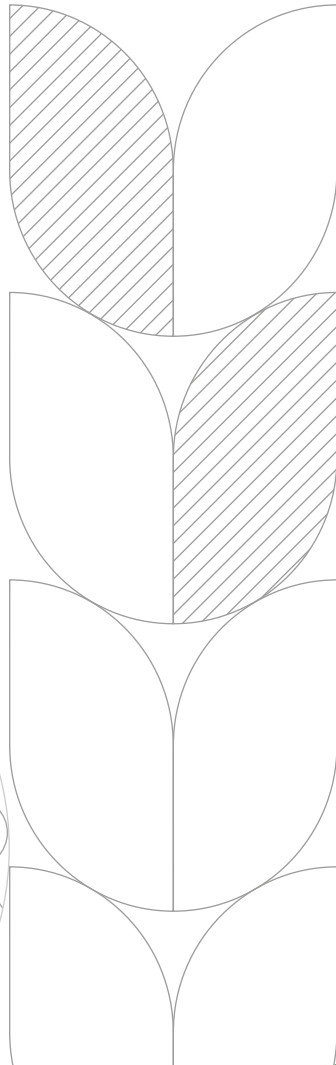
PROCUREMENT-SPECIFIC RISKS:

- ✓

Suppliers' failure to perform, changes in the product range or late delivery of materials and equipment, including as a result of geopolitical factors
- ✓

Violations of ESG principles by suppliers, including breach of human rights, use of child and forced labour, non-compliance of products with environmental standards, etc.
- ✓

Quality of raw materials, commodities, and equipment, dissatisfaction of the internal customer



For more information, see the Strategic Risks section

p. 66-75



The Group develops corrective measures as necessary and unlocks opportunities to mitigate those risks. Below you can find more information about what we do on this front, including:

- ✓

implementation of digital procurement tools;
- ✓


development of relationships with domestic manufacturers and ensuring alternative supplies of imported equipment and spare parts;
- ✓

enhancement of the procurement efficiency and the quality of procured materials and equipment through building up the procurement function and assessing suppliers.

1 DIGITAL TRANSFORMATION

In 2024, the Company was actively working to develop and implement digital tools in various procurement areas.


1



The Process Mining smart platform helped:

- develop new dashboards to analyse procurement categories, including a dashboard with a ready-to-use ABC analysis tool;
- implement a system for automated calculation of EBP bidding economic effect.

2



The Procurement Workstation tool was implemented to help procurement managers streamline their daily routines. The system automatically generates a schedule for all items to be processed in accordance with prescribed timelines.


3



To address the lack of a workload assessment tool for procurement managers, **all items handled by procurement managers were digitalised, with work complexity quantified.** This data was then used to develop a methodology for calculating a standard workload unit for procurement managers:


- the standard workload unit is calculated using a BI report sourced from the in-house ERP;
- all necessary data is represented and visualised in an Excel dashboard;
- data updating is configured through exporting and using Power Query.

4




To ensure comprehensive end-to-end recording of breaches lacking systemic records in the in-house ERP, new events related to supplier breaches of contractual obligations were added to the Occurrences and Events Record Book module **based on the WSS Docs EDMS in 2024.**

5




Bitrix24 was introduced to create a single system for task management and control within the Procurement Department.

6



An index and rating model of the automatic counterparty assessment was integrated into the SCOUT system, providing a comprehensive view of counterparties based on data from both PhosAgro Group's internal and external sources.

7



New robotic solutions were developed and implemented for tasks such as downloading reports, searching for prices in pricing records, updating delivery schedules, etc.

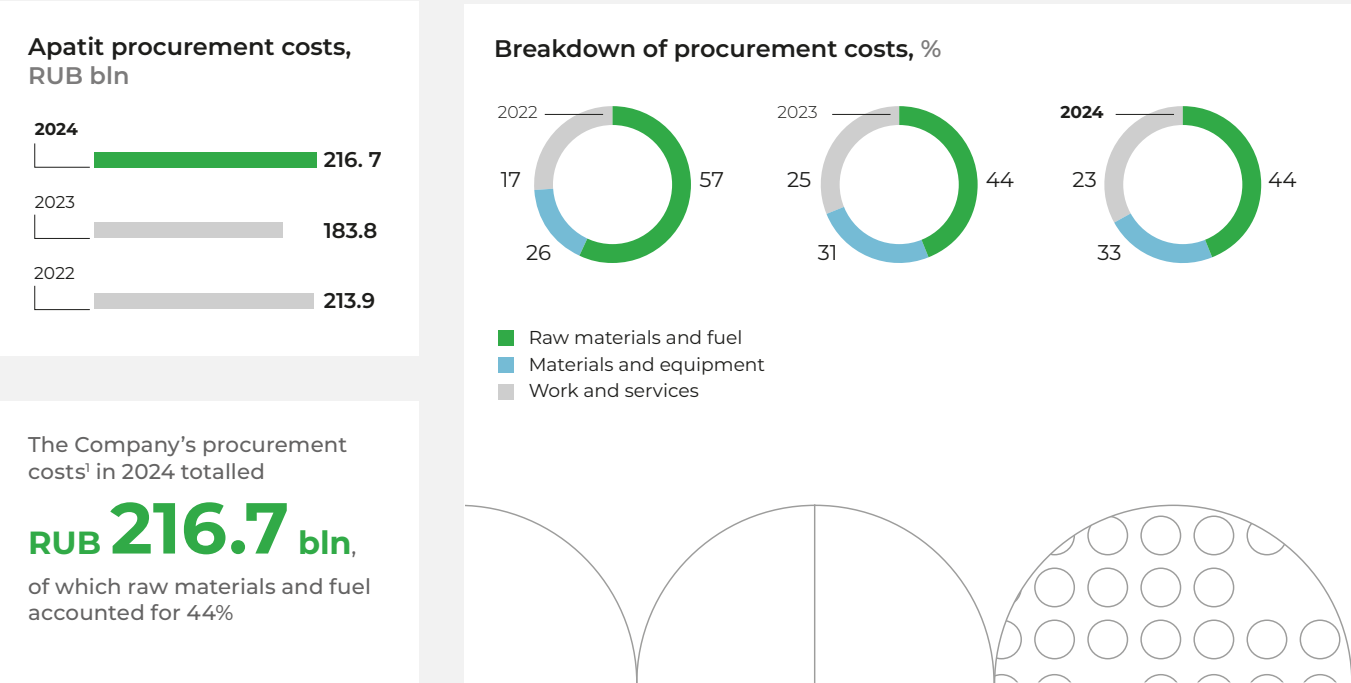
2 PROCUREMENT FUNCTION DEVELOPMENT

PhosAgro Group places special emphasis on strengthening its supply chain in response to global geopolitical tensions. Adaptation to new technologies, changes in trade policies, and tightening sustainability requirements are presenting both new challenges for the Company.

We continued closer and more efficient collaboration with Russian manufacturers, with a variety of trials held and agreements signed for long-term cooperation and fine-tuning of equipment (including sludge pumps, filter materials, circulators and mixers, spare parts for main

process equipment, self-propelled underground machinery, and automation and control equipment) to meet the needs of Apatit.

Procurement highlights in 2024



Service procurement in 2024

KPI	Performance level			Actual
	Threshold	Target	Stretch	2024
Average number of tender participants in the reporting period	3	5	7	5
Tender price reduction in the reporting period, %	20	30	35	32
Holding tenders on time, %	90	95	100	99

Commodity procurement in 2024, %

KPI	Performance level			Actual
	Threshold	Target	Stretch	2024
Timeliness of procurement (integrated)	87	90	93	97
Reject rate at incoming control	5	3	2	4

Raw materials procurement in 2024


KPI	Performance level			Actual
	Threshold	Target	Stretch	2024
Raw materials procurement index	1.05	1	0.95	1

Performance improvement


✓

In 2024, PhosAgro Group successfully completed the initiative to update its stock item catalogue, which resulted in several key improvements:


- the procurement category structure was aligned with the needs of the procurement process participants;
- catalogue attributes within the system, including adjusted procurement categories, were updated;
- duplicate items were removed.



A project for procuring low-value items through Marketplace, an online platform connecting suppliers and customers, is underway, with trial procurements conducted during the reporting year.



We are actively developing a process to transition procurement to the Elektrotechmontazh (ETM) online store, which will help reduce delivery times by at least 14 days and procure goods at prices that are, on average, 33% below the market. As a result of our efforts in 2024, goods from 122 manufacturers are now available for procurement through the online store.



In addition, as part of streamlining of the Procurement Department business processes, we implemented 18 initiatives to enhance the Company's efficiency, with another nine initiative currently in progress.

¹ Boundary 2.

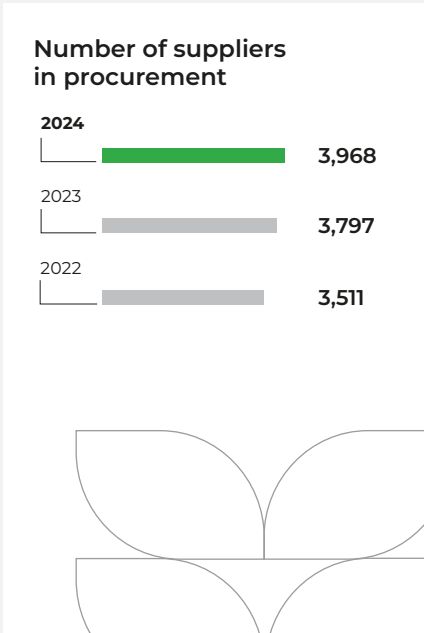
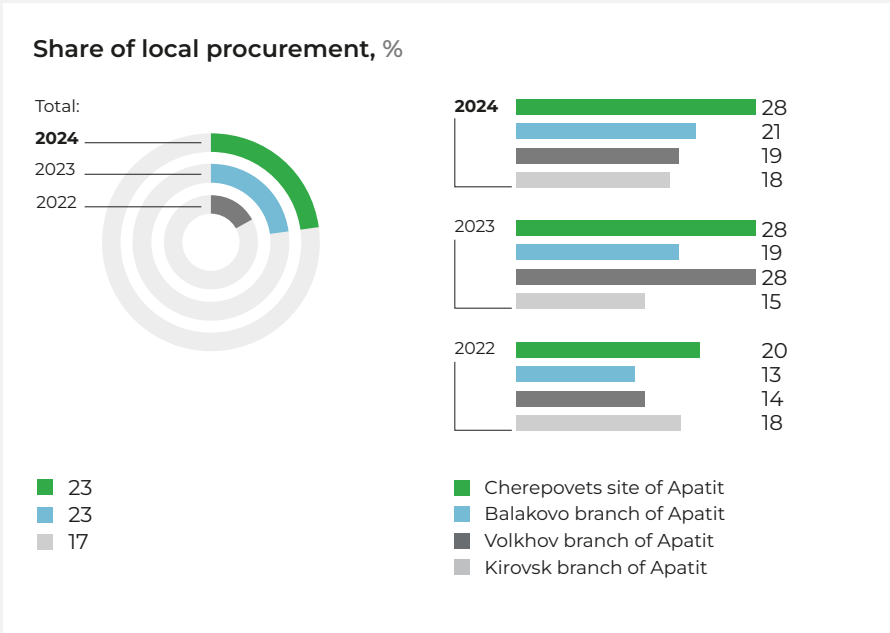
Local supplier management

GRI 204-1

PhosAgro Group is actively engages in projects aimed at supporting local suppliers and developing SMEs.

The Company is participating in the Synergy of Growth project in the Vologda region, which seeks to enhance the industrial potential of the region by increasing the share of the large businesses' procurement from local SMEs. The Synergy of Growth 3.0

project employs a cluster model to advance the Vologda region's economy and builds upon the Synergy of Growth initiative. It establishes a new mode of partnership between SMEs and industrial giants, focusing on joint development of required products.



Procurement value, RUB mln

MED 8, 9

	2022	2023	2024
SMEs	42,143.22	57,957.23	65,095.13
Local	37,099.57	41,493.65	49,801.90
Imports	5,914.77	12,436.83	10,140.55

PhosAgro is also collaborating with local enterprises by organising Supplier Days and taking part in forums and other initiatives run by the Urban Development Agency in Cherepovets as well as the regional office of the Russian Union of Industrialists and Entrepreneurs in the Vologda region (e.g. <https://agr-city.ru/vidy-podderzhki/vii-mezhdunarodnyj-promyshlennyj-forum/>).

In May 2024, an offline meeting was held between representatives of SMEs in Cherepovets and Apatit employees. The meeting was also live-streamed for the general public. A total of 77 representatives of local suppliers and contractors attended the event, while the additional 677 participants joined online. Such hybrid meetings enhance collaborative processes, expand cooperation opportunities,

and foster effective win-win partnerships, allowing each party to identify the best work strategies for themselves and their partners. The participants received a tutorial deck covering the matters discussed during the meeting.

3 ESG EVALUATION OF SUPPLIERS

PhosAgro Group is actively introducing sustainability principles across its operations. The Company has an automated system in place to evaluate suppliers on the basis of ESG criteria, which results in an individual rating of each

counterparty. This enables us to assess our suppliers' environmental, social, and governance performance paying special attention to supplier engagement. To ensure reliability and predictability of cooperation, the Company runs technical supplier

audits, including requirements as to their environmental and social footprint. In 2024, we held 58 technical audits of Russian manufacturers, resulting in partnerships with six of them ultimately declined.

ESG Alliance

In 2024, PhosAgro Group, as part of the National ESG Alliance, contributed to developing methodological recommendations for ESG evaluation of suppliers. These recommendations include several [ESG checklists](#): a basic checklist with 28 questions, an advanced checklist, and a market leader checklist. The proposed checklists can

be used by any company regardless of their expertise in sustainable procurement.

For more information about the project, visit the [website](#)

PhosAgro Group's suppliers play an important role in advancing the Company's sustainability strategy, helping foster a more eco-friendly, socially responsible, and economically stable future.

Training materials on engaging with suppliers in sustainable development are available in the Procurement section on PhosAgro's [official website](#)

Key ESG evaluation indicators

Item	2022	2023	2024
Number of counterparties that participated in the evaluation on PhosAgro's EBP as at the end of the reporting period	7,605	11,191	14,885
Number of suppliers in the reporting year	3,511	3,797	3,968
Number of rated suppliers in the reporting year	1,888	2,418	2,685
Share of rated suppliers in the reporting year, %	54	64	68
Total supplies, RUB bln	213.9	183.8	216.7
Supplies from rated counterparties in the total volume of supplies in the reporting year, RUB bln	74.8	108	137
Share of supplies from rated counterparties in the total volume of supplies in the reporting year, %	35	59	63
Average supplier rating, %	62	65	65

In 2024, the total number of counterparties that underwent ESG evaluation based on the Sustainable Procurement Indicators checklist reached

14,885

The average supplier rating remained unchanged at

65%

Supplier environmental assessment

GRI 308-1, 308-2

Environmental standards observed by PhosAgro Group's suppliers include the use of environmentally

sound technologies, reduction of GHG emissions, and sustainable use of natural resources. This approach helps minimise a environmental footprint and maintain ecosystems. In 2024, suppliers with an environmental management system certified

to ISO 14001 or a similar standard represented 34% of the rated producers of raw materials, fuel, energy, and commodities, while the overall number of suppliers went up year-on-year.

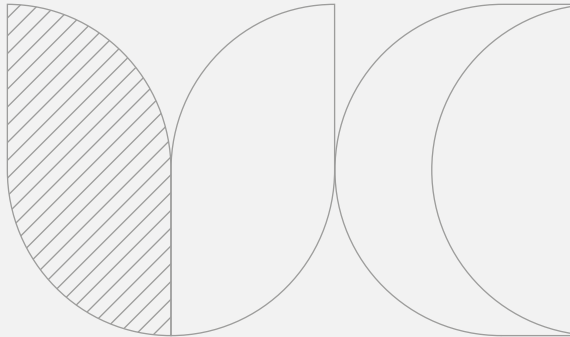
Item	2022	2023	2024
Total number of rated suppliers	1,888	2,418	2,685
Number of rated suppliers producing raw materials, fuel, energy, and commodities	847	908	949
Number of rated suppliers producing raw materials, fuel, energy, and commodities with an environmental management system certified to ISO 14001 or a similar standard	276	310	322
Share of rated suppliers producing raw materials, fuel, energy, and commodities with an environmental management system certified to ISO 14001 or a similar standard, %	33	34	34

Supplier social assessment

GRI 414-1, 414-2

The social assessment of the Company's suppliers takes into account such factors as working conditions, human rights, and corporate social responsibility.

The analysis of changes in ESG evaluation items shows that most of the Group's partner companies seek to operate in compliance with the labour laws and recognised safety standards.



Item	2022	2023	2024
Total number of rated suppliers	1,888	2,418	2,685
Number of rated suppliers that adopted a zero-tolerance policy on child labour	1,091	1,511	1,715
Share of rated suppliers that adopted a zero-tolerance policy on child labour, %	58	62	64
Number of rated suppliers in the categories “Producers of raw materials, fuel, energy”, “Commodity producers and intermediaries”; “Logistics services”; “Construction and installation, repairs”	1,524	1,926	2,129
Number of rated suppliers in the above categories that adopted a zero-tolerance policy on discrimination	831	1,151	1,294
Share of rated suppliers in the above categories that adopted a zero-tolerance policy on discrimination, %	55	60	61
Number of rated suppliers in the above categories that adopted a zero-tolerance policy on forced labour	856	1,171	1,313
Share of rated suppliers in the above categories that adopted a zero-tolerance policy on forced labour, %	56	61	62
Number of rated suppliers in the categories “Producers of raw materials, fuel, energy, and commodities”, “Logistics services; construction and installation, repairs”	1,174	1,303	1,362
Number of rated suppliers in the above categories with an occupational health and safety management system certified to OHSAS 18001 or a similar standard	452	518	542
Share of rated suppliers in the above categories with an occupational health and safety management system certified to OHSAS 18001 or a similar standard, %	39	40	40

PEOPLE development

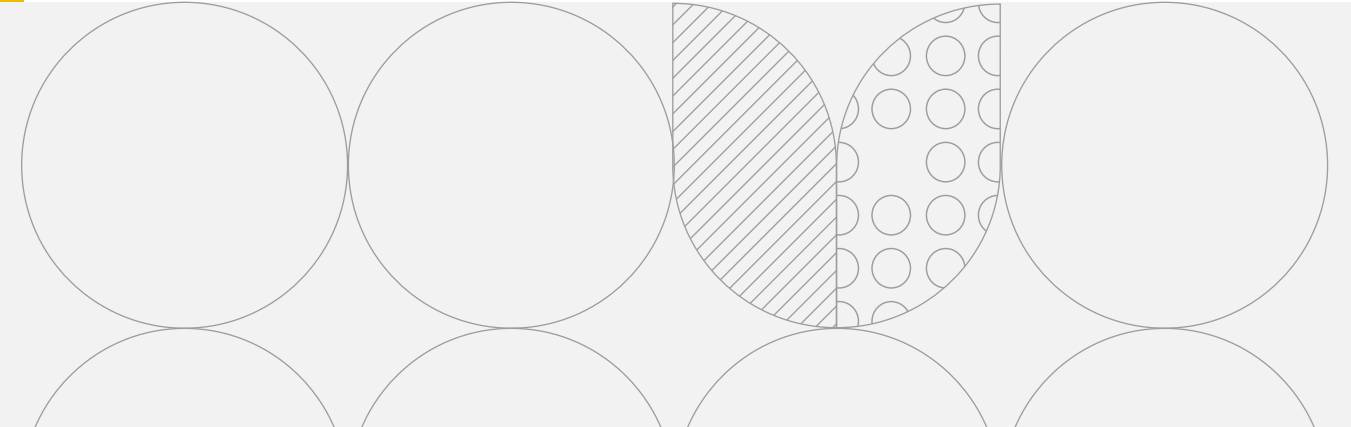
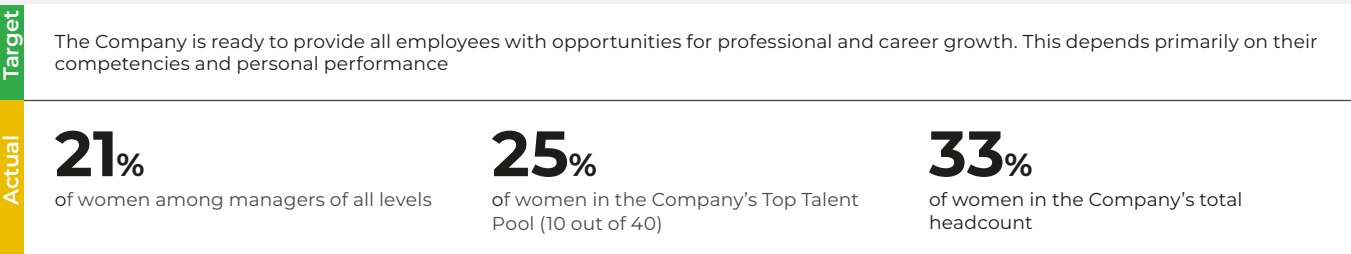
AREA, STRATEGIC GOALS AND HIGHLIGHTS OF 2024



1 ANNUAL EMPLOYEE SURVEY



3 GENDER EQUALITY



8

ДОСТОЙНАЯ РАБОТА И ЭКОНОМИЧЕСКИЙ РОСТ

Target

8.3

4 TRAINING AND EVALUATION



5 INCENTIVES AND REWARDS



6 SOCIAL BENEFITS AND EMPLOYEE GUARANTEES



2024 ACCOLADES

- PhosAgro made it to the Top 3 best employers in Russia's chemical industry according to HeadHunter and the Top 100 employers among the country's majors
- PhosAgro cemented its leadership as the company with the most effective social and charitable programmes in the Russian Leader in Corporate Philanthropy competition
- The Balakovo and Volkhov production facilities won the Collective Agreement As the Basis for the Protection of Social and Labour Rights competition
- The highest, platinum status in the rating of best employers from Forbes
- PhosAgro secured victory in most categories and received the Grade 1 Responsible Business Leadership national award
- 22 company employees received state awards
- Highest scores in RBC's employer rating
- The Kirovsk plant's team was awarded the Order for Valiant Labour
- PhosAgro Engineering Centre became the leader among IT departments of the industrial sector in the All-Russian annual rating of IT employer brands
- PhosAgro received an award and special prize in the 11th "Creating the Future" National Contest for Best Employer Practices in the Socio-humanitarian Sphere, winning the High Start nomination



One of the strategic objectives of our HR policy is to support and improve the training and development system for our personnel. The Company works to ensure quality training for specialists, internal experts, and future managers. To do that, we invest in enhancing staff competence, fostering an internal talent pool, and promoting young specialists' professional growth.

Dmitry Borodich

Human Resources and Social Policy Director



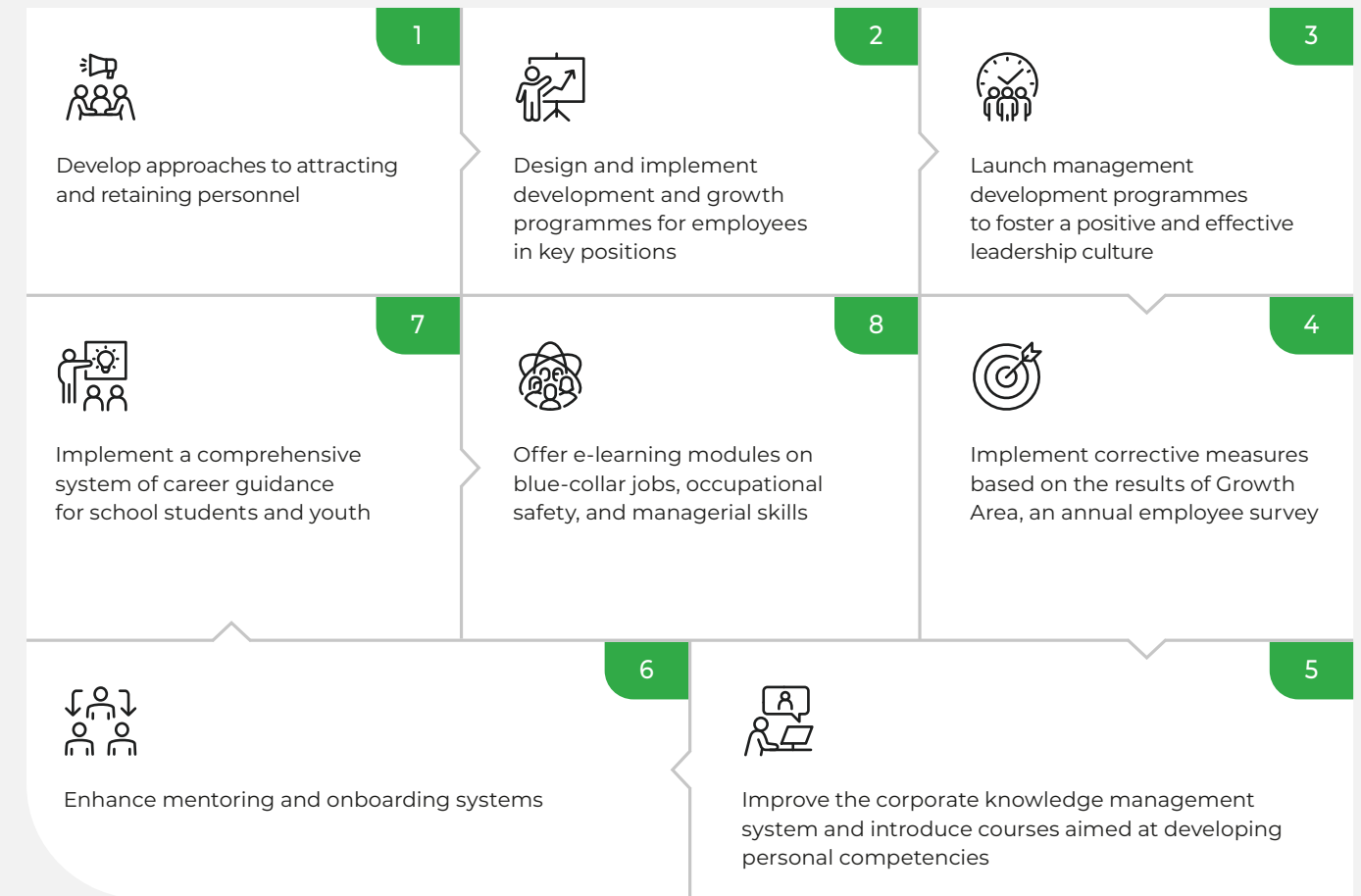
STRATEGY

PhosAgro employees are the key to its seamless operation, successful performance, and sustainable development. Elements underpinning the Company's HR management

are professional growth and development, safe and high-quality working conditions, a culture of equality and respect, decent benefits and remuneration. PhosAgro

strives to increase the engagement and efficiency of its personnel, as well as to support and motivate employees to achieve key business goals.

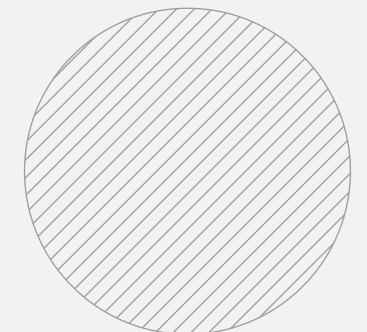
To deliver on our objectives, we:



Corporate HR Conference

In 2024, PhosAgro held its first HR conference, bringing together over 100 HR professionals from all regions where the Company operates, with a view to supporting its strategic HR management objectives. The event focused on fostering effective collaboration, enhancing participants' professional competencies, as well as studying and disseminating best HR practices.

HR managers and specialists took part in sessions dedicated to five key areas: Staffing; Evaluation, Training, and Development; Automation and HR Analytics; Remuneration and Organisational Performance Management; Corporate Social Policy. Each area had its dedicated workshops and brainstorming, with conference participants updating their knowledge of the most effective and up-to-date HR tools and methods with the help of leading industry experts.



MANAGEMENT APPROACH

GRI 3-3

We rely on a robust performance management system that covers all levels – from individual employees to the Company as a whole – to ensure PhosAgro's sustainable growth in line with its goals.

New-generation employees are aware of how important personal and professional growth is as it is a key to success and self-fulfilment in the constantly changing world. High remuneration is often no longer the main incentive, with self-fulfilment coming to the forefront if the Company invests heavily in developing the professional

skills and competencies which will be in demand going forward. This is why we place a strategic emphasis on supporting our people's drive for self-improvement. We seek to create the right environment for them to fully unlock their potential.

The Company's key production sites are located in the Murmansk, Vologda, Leningrad, and Saratov regions. As a major contributor to the local economy and one of the largest employers in these regions, PhosAgro has a significant positive impact on social development and welfare across its geography.

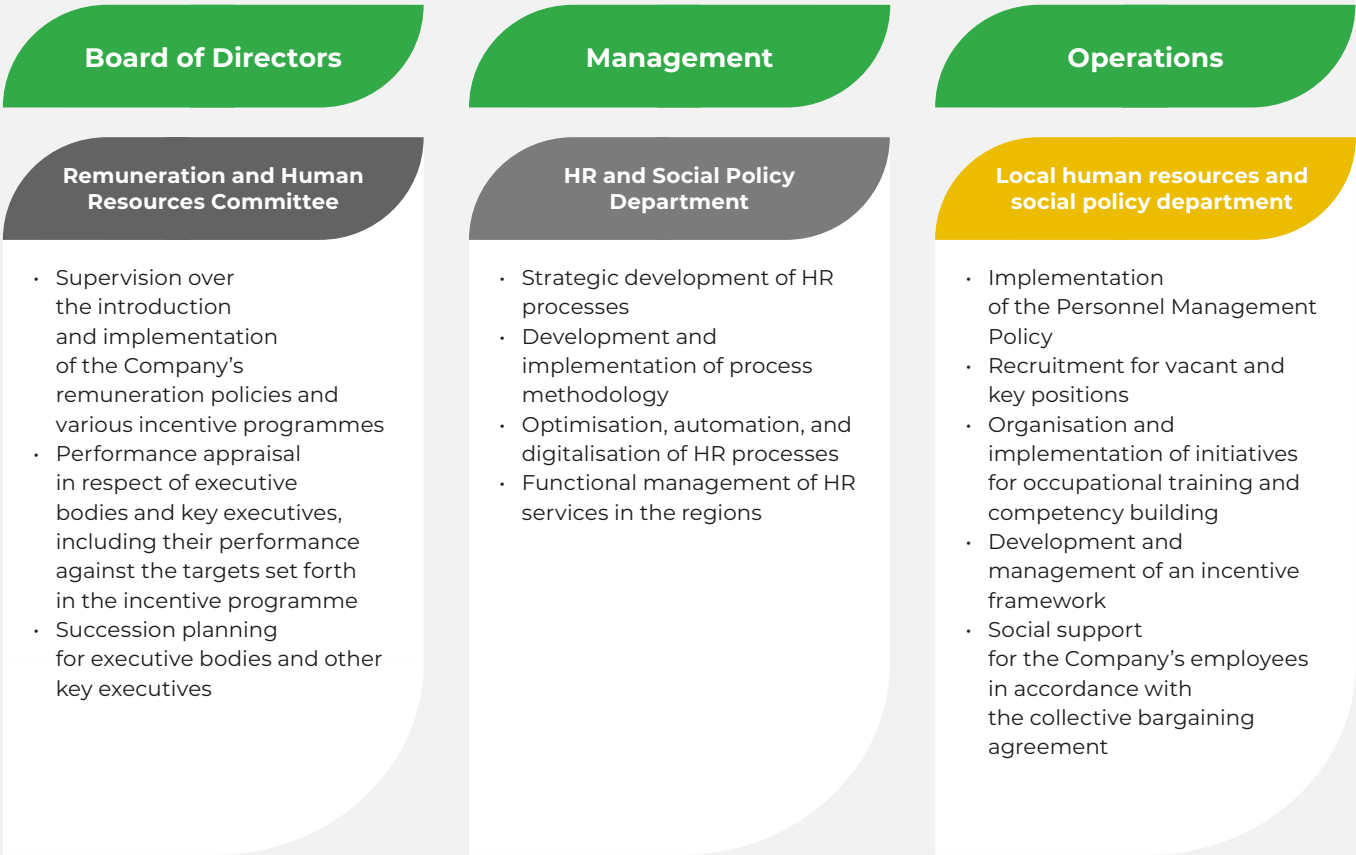
✓

In developing our production and creating new jobs, we seek to prioritise local residents when filling our vacancies.

89.6%

of on-site employees are hired locally

Integrated HR management framework



STAKEHOLDER ENGAGEMENT

PhosAgro maintains transparent communication with its employees and trade unions through a variety of traditional and digital channels, ensuring effective reach across all target audiences.

Key engagement mechanisms include:

- joint committees, working groups, consultations with trade unions, and employee social support programmes;
- employee opinion surveys, including satisfaction surveys regarding existing social benefits and the Company's corporate social responsibility policies, as well as other targeted surveys;
- open communication channels.

Open communication channels

GRI 2-25, 2-26

A sufficient number of diverse communication channels ensures a high level of employee awareness and provides opportunities for employees to openly share their opinions. These channels include corporate media, an intranet portal, a chatbot, a hotline, a mobile app, information boxes for requests, and social media accounts of the Company. Regular information sessions for the staff and management are among the most crucial and sought-after communication channels.

- Hotline: 8 8202 59 32 32, help@phosagro.ru
- <https://www.phosagro.ru/contacts/#sucurity>
- Employee support: 8 800 200 41 41, hr-phach@phosagro.ru

Thanks to effective communication, transparency, and willingness to provide feedback, employee trust has significantly increased – this covers trust in their immediate supervisors, the top management of the Group's facilities, and the Group as a whole.

HR management principles

Relations between the Company and its employees are governed by the Russian Labour Code.

2023 saw a new version of the UK Modern Slavery Act Transparency Statement approved, which discloses contributions towards the UN SDGs and the Company's social projects to combat violations of human rights. Over the last three years, our employees have received more than 28,000 additional training courses in human rights and corporate ethics.

PHOSAGRO'S HR MANAGEMENT POLICIES FOCUS ON:

- organisational change management;
- personnel attraction and recruitment;
- personnel training and development;
- incentives and rewards;
- social benefits;
- corporate communication;
- working hours and leisure;
- respect for human rights and non-discrimination.

GRI 2-30, MED 32

We negotiate collective bargaining agreements with trade unions that address issues such as working conditions and compensation for employees at each of our production sites (usually for a three-year period, covering

100% of the employees of Apatit¹, its branches, and standalone business units).

Share of employees covered with collective bargaining agreements, %

2024	100
2023	100
2022	100

PhosAgro is committed to fostering a culture of equal opportunity and embracing fair and transparent employment practices. The Company does not tolerate any form of discrimination in the workplace. All our employees have equal access to growth opportunities. A high level of professional competence, consistent performance results, and alignment with company values are the primary criteria for career progression, irrespective of gender.

✓

The workforce is predominantly male, reflecting the Company's industrial profile and the specific nature of the chemical and mining sectors. While recognising the specific nature of its operations, PhosAgro strives to maintain gender diversity across both its production and administrative functions. Based on these considerations, the Company develops its income generation strategy to ensure equal pay for equal work and comparable levels of professionalism.

¹ In accordance with the materiality principle, this metric is presented for Apatit (Boundary 2) (Apatit is a subsidiary of PhosAgro holding its production assets).

The Code of Ethics

In our operations, we seek to maintain an impeccable reputation and comply with ethical business practices. PhosAgro adopted a [Code of Ethics](#) in 2014 and updated it in 2021. It applies to all employees and is the Company's primary document that clearly defines our corporate culture, rules and regulations for collective behaviour within the Company, business and social relationships, and interactions with other stakeholders.

When agreeing and entering into contracts with external contractors, it is an imperative for us to cover arrangements and commitments related to mutual respect of human rights and compliance with the Company's Code of Ethics.

The Code outlines our common values and underpins our success, helping us avoid unjustified risks,

maintain long-term business growth, strengthen our position in the Russian and foreign markets, and increase the Company's value for shareholders and other stakeholders.

Recruitment

The Russian labour market entered 2024 facing a significant imbalance between supply and demand, with the shortage of skilled labour emerging as one of the economy's primary challenges. To address this constraint and attract highly qualified employees, PhosAgro implements a comprehensive approach to recruitment. We utilise all available talent acquisition channels, including job boards, referral programmes, various HR marketing tools, and are developing automated recruitment solutions.

Given the current labour market environment, the Company continues to invest in vocational training, employee learning and


development, and collaboration with educational institutions through its school-college/university-facility model. This model aims to attract highly educated, motivated, and well-trained young professionals to the Company by establishing a system for continuous improvement in education quality and targeted career guidance.

The Company is successful in its recruitment efforts, maintaining an overall staffing level of


97%

across the Group


Key elements of the school-college/university-facility educational model:



The PhosAgro Schools project running in cooperation with schools across our footprint. By creating the right environment at schools, we help guide graduates in their career choices. In 2024, we partnered with six schools under the project.



As part of our collaboration with secondary vocational institutions, we seek to create a pipeline of skilled employees with relevant competencies who are competitive in the labour market, acquainted with allied professions, and have what it takes to pursue career opportunities for their further employment with the Company. In 2024, the Company actively liaised with ten technical colleges.



Cooperation with universities serves to attract talented graduates in priority areas and create conditions for their professional development. Today, the Company actively collaborates with 24 universities that offer courses relevant to its core activities.

RISKS AND OPPORTUNITIES

The following strategic risks affect our HR management objectives (for more information, see the Strategic Risks section):

3

social risk

4

HR risk

6

health and safety risk



RISK AREAS SPECIFIC TO HR MANAGEMENT:

- Compliance with human rights and ethical standards
- Provision of competitive incentives and social support to staff
- Workforce sufficiency, competence, and development
- Health and safety



The Company develops corrective measures as necessary and unlocks opportunities to mitigate those risks. Below you can find more information about what we do on this front, including:

- a comprehensive approach to attracting highly qualified personnel (referral programmes, HR marketing tools, automated recruitment solutions, and other initiatives);
- extensive opportunities for employee self-development through an online learning platform, a corporate digital library, etc.;
- automated solutions and services for personnel assessment and training.

2024 METRICS AND HIGHLIGHTS

In 2024, the Group's average headcount was

23,613 people

As at the end of 2024, the number of employees with disabilities came in at

157

(vs 128 in 2023 and 88 in 2022)



GRI 2-8

In 2024, there were 852 employees working under civil law contracts with the Company, or 3.6% of the average headcount (vs 758 employees, or 3.5% of the average headcount, in 2023).

They mainly provided documentation support, cleaning, information and consulting, accounting, social support, and supervisory services.

The decrease in productivity was due to the growth of the Company's headcount as a result of investment projects and bringing equipment repair and maintenance functions back in-house.

In 2024, the employee turnover rate was 8.4%, up 0.3 p.p. y-o-y. This is attributed to a rise in voluntary resignations, driven by a greater availability of competitive salaries and benefits in the labour market.

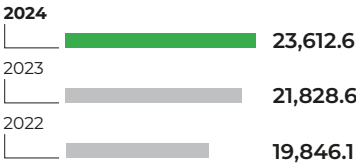
Breakdown of employees by gender, region, types of employment and employment contracts, number of employees

GRI 2-7, SASB EM-MM-000.B¹

	Permanent employees			Temporary employees			Number of employees (headcount) ²			Full-time employees			Part-time employees		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Men	6,238	6,736	6,903	529	473	518	6,767	7,209	7,421	6,762	7,204	7,418	5	5	3
Women	2,321	2,426	2,517	168	229	252	2,489	2,655	2,769	2,476	2,635	2,742	13	20	27
Murmansk region, total	8,559	9,162	9,420	697	702	770	9,256	9,864	10,190	9,238	9,839	10,160	18	25	30
Men	3,721	4,433	4,741	105	110	154	3,826	4,543	4,895	3,825	4,538	4,890	1	5	5
Women	2,755	2,991	3,142	234	246	230	2,989	3,237	3,372	2,977	3,218	3,347	12	19	25
Vologda region, total	6,476	7,424	7,883	339	356	384	6,815	7,780	8,267	6,802	7,756	8,237	13	24	30
Men	1,594	1,792	2,061	63	112	146	1,657	1,904	2,207	1,654	1,901	2,205	3	3	2
Women	740	806	899	85	105	94	825	911	993	814	899	975	11	12	18
Saratov region, total	2,334	2,598	2,960	148	217	240	2,482	2,815	3,200	2,468	2,800	3,180	14	15	20
Men	1,100	1,192	1,307	117	144	156	1,217	1,336	1,463	1,215	1,335	1,463	2	1	0
Women	637	680	732	72	59	64	709	739	796	708	738	795	1	1	1
Leningrad region, total	1,737	1,872	2,039	189	203	220	1,926	2,075	2,259	1,923	2,073	2,258	3	2	1
Men	194	206	217	2	3	3	196	209	220	196	209	220	0	0	0
Women	147	157	158	3	8	5	150	165	163	150	160	162	0	5	1
Moscow, total	341	363	375	5	11	8	346	374	383	346	369	382	0	5	1
Men	557	563	580	7	1	2	564	564	582	561	550	576	3	14	6
Women	249	292	310	7	4	6	256	296	316	246	286	305	10	10	11
Other, total	806	855	890	14	5	8	820	860	898	807	836	881	13	24	17
Men	13,404	14,922	15,809	823	843	979	14,227	15,765	16,788	14,213	15,737	16,772	14	28	16
Women	6,849	7,352	7,758	569	651	651	7,418	8,003	8,409	7,371	7,936	8,326	47	67	83
Total	20,253	22,274	23,567	1392	1494	1,630	21,645	23,768	25,197	21,584	23,673	25,098	61	95	99

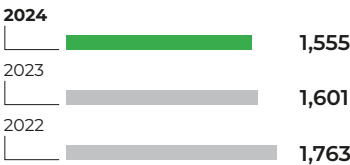
Average headcount³ of PhosAgro Group, people

MED 25



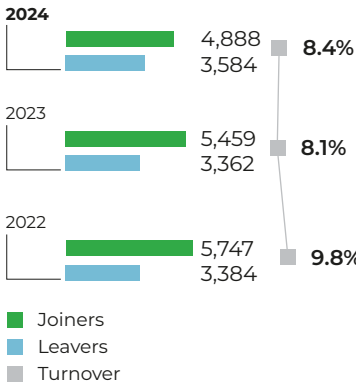
Productivity⁴, t per person

MED 5



Key personnel turnover indicators, people

GRI 401-1



For key personnel turnover indicators by age, gender, and region, see

p. 368-370

¹ For more information on the number of workers who are not employees, see page 371.
² Headcount as at the end of the reporting period. The headcount includes employees with an employment contract.

³ Calculated using the period average methodology by adding up headcounts for each calendar day of any given period and dividing the sum of these headcounts by the number of calendar days in the period.
⁴ The ratio of mineral fertilizers, phosphate rock, nepheline concentrate and syenite alkali aluminium concentrate produced to the average headcount of Apatit, including its branches and standalone business units.

Personnel breakdown, %

GRI 405-1

Age	Average headcount, %					
	2022		2023		2024	
	Men	Women	Men	Women	Men	Women
Employees by gender and age						
Under 30 years	10.9	5.5	11.3	5.3	11.5	5.3
30–50 years	45.5	23.2	45.3	22.8	45.4	22.4
Above 50 years	9.3	5.6	9.7	5.6	9.7	5.7
Employees by category						
Blue-collar employees	42.7	14.5	42.9	13.6	43.1	13.3
White-collar employees	12.6	16.9	12.9	17.2	12.7	17.3
Managers	10.5	2.9	10.5	2.9	10.8	2.8
Employees by education						
Higher	25.4	19.7	25.5	19.6	26.0	19.7
Basic vocational	16.6	5.0	16.6	4.8	16.1	4.5
General	10.2	3.6	10.1	3.4	9.9	3.4
Secondary vocational	13.5	6.0	14.2	5.8	14.6	5.8

1 ANNUAL EMPLOYEE SURVEY

The annual Growth Area survey provides insights into personnel perceptions of PhosAgro’s initiatives and measures aimed at professional development and employee well-being. Thanks to this survey, we can assess employee satisfaction with implemented improvements and identify challenges perceived as emerging issues for the Company.

Conducted for the 12th consecutive year, the survey yielded the highest ever scores across the majority of metrics and indicators. With an 83% participation rate (23% above the target), the survey demonstrates a high level of employee engagement and a willingness to openly share opinions.

The consolidated satisfaction and loyalty index reached 76 p.p., a 33% increase over the past four

years. The engagement index rose to 75 p.p., surpassing the industry-wide benchmark for manufacturing and mining industries (provided by an independent consulting firm by 12%.

89%

of employees would recommend the Company as an employer

Trust in top management decisions stands at 91%, while perceptions of income competitiveness and fairness have tripled in the last two years.

The survey results demonstrate that employees of PhosAgro Group hold a positive view of the Company’s overall strategy and the effectiveness of its annual improvement plans.



What our employees value most are the Company’s reliability and continuous development.

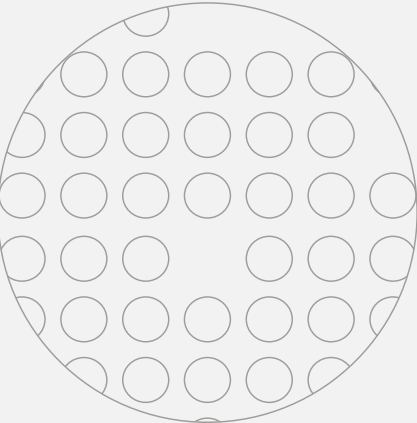
2 INCLUSIVE ENVIRONMENT

MED 25

As at the end of 2024, the Group employed 157 people with disabilities (128 in 2023 and 88 in 2022). We believe we must exercise an individual approach when hiring people with special needs, and we are aware of our responsibility to create an inclusive environment for them.

The Company honours all its obligations related to the employment of the disabled as required by applicable laws. Beyond compliance, we actively hire people with special needs, organising workplaces to accommodate individual rehabilitation/habilitation programmes. Due to the limited number of workplaces with acceptable working conditions for people with special needs, the Company signs workplace lease agreements and provides comprehensive assistance in setting them up in other organisations.

We support and provide an expert opinion at Abilympics, a competition for the promotion of disabled people’s professional expertise, while actively engaging in job fairs specifically designed for people with disabilities.



3 GENDER EQUALITY

MED 44

To enhance women’s social security in accordance with the applicable laws, the Company:

- does not use female labour for manual lifting or carrying weights exceeding maximum allowable limits;
- releases pregnant women from their job duties and transfers them, subject to their medical reports, from production sites to lighter-duty positions;
- provides women, at their request, with a parental leave until the child reaches the age of three;
- prohibits business trips, overtime or night work, work on weekends and public holidays for pregnant women, except when there are a written consent and no contraindications;
- safeguards employment of pregnant women, with their employment contracts terminated only in the event of liquidation of the facility, as well as that of women having children up to three years of age and single mothers having children up to 18 years of age.

21%

of women among managers of all levels

25%

of women in the Company’s Team of the Future (10 out of 40)

33%

of women in the Company’s total headcount



PARTICIPATION OF WOMEN IN INTERNAL THEMATIC EVENTS

Superfinals of the Young Manager – 2024 competition. 7 men, 5 women.

Superfinals of the Mentor of the Year – 2024 corporate contest. 6 men, 2 women. Winner of the superfinals in the Mentor of Blue-Collar Professions category: a woman.

4 TRAINING AND EVALUATION

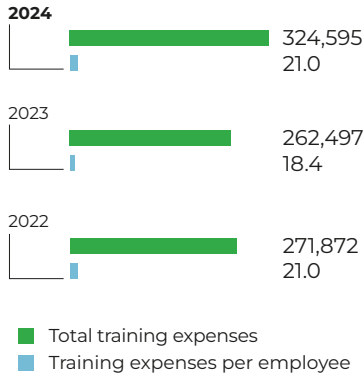
PhosAgro management seeks to attract highly skilled professionals and young talents, establish a knowledge and experience transfer system for new generations of employees, and provide continuous training and development opportunities. We place heavy emphasis on professional growth and are committed to fostering production initiatives and in-house expertise.

In 2024, we continued to develop a distance learning system for our employees and create internal training materials. By leveraging automated solutions and services in personnel assessment and training, we expanded the number of methods and tools available for personnel development.

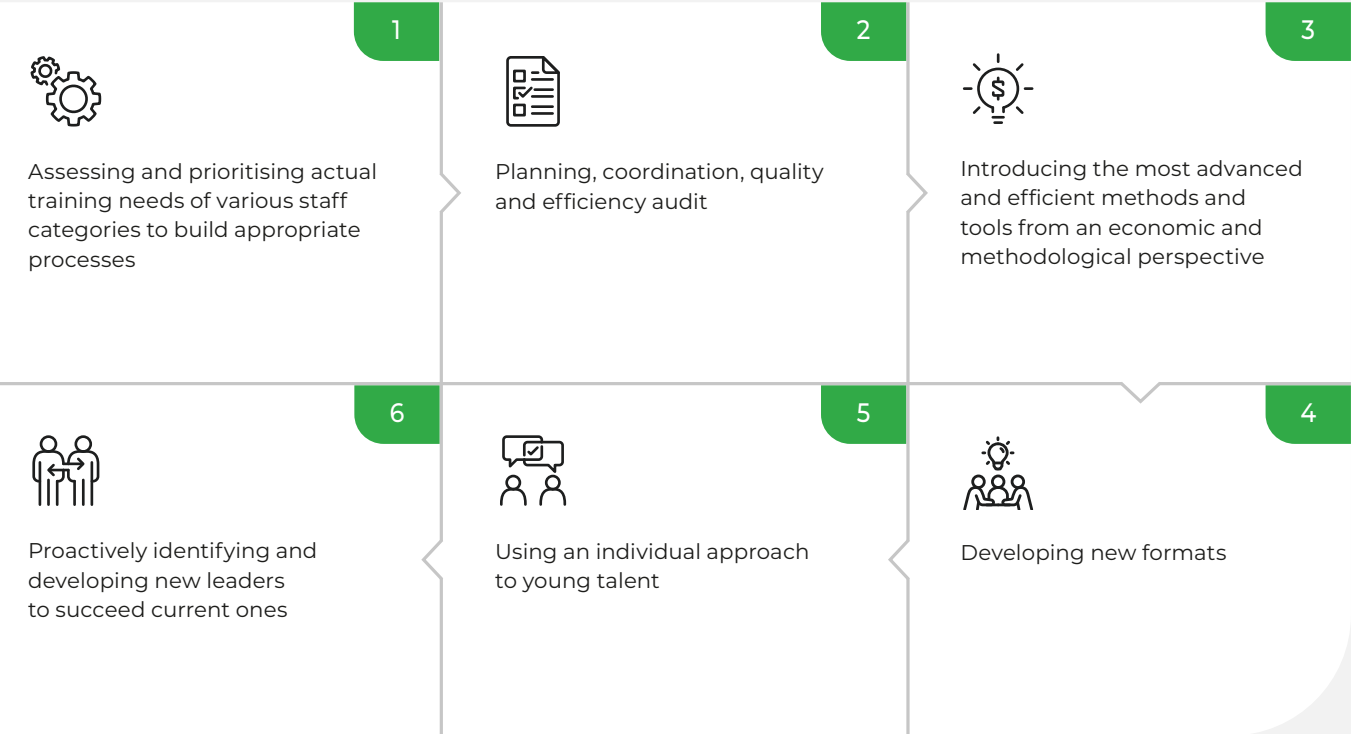
Our objective is to create a corporate educational environment that encourages the development of professionalism, self-improvement, training, and knowledge sharing. We actively utilise new tools, methods, and technologies in this pursuit.

In 2024, 16,915 employees completed various types of training programmes, which is a 7.5% increase from 2023. The average annual number of training hours per employee exceeded 116.6 (up 17.3% y-o-y).

Training expenses, RUB '000



Our corporate training framework relies on the following principles:



Average annual training hours per employee¹

GRI 404-1, MED 30, 31

Item	UoM	2022	2023	2024	Change y-o-y, %
Number of employees trained	people	11,551	15,739	16,915	7.47
Average annual training hours per employee	hours	99.8	99.4	116.6	17.3
Breakdown by gender					
• Women	hours	86.5	73.5	79.8	8.5
• Men	hours	107.1	113.3	135.8	19.8
Breakdown by employee category					
• Managers	hours	113.0	109.1	160.9	47.5
• White-collar employees	hours	85.4	73.5	93.8	27.6
• Blue-collar employees	hours	104.0	110.8	117.3	5.9
Average annual hours of mandatory training per employee	hours	85.1	94.01	108.3	15.1
Average annual hours of optional training per employee	hours	14.7	5.3	8.3	56.0
Total investments in training	RUB '000	271,872	262,497	324,595	23.7
Annual training investments per employee	RUB '000	21.0	18.4	21.0	14.1
• Women	RUB '000	20.4	19.3	23.6	22.3
• Men	RUB '000	21.3	17.9	19.6	9.5

In 2024, we continued to improve our corporate training programme by rolling out remote educational and development tools, leveraging digital technologies and creating mixed training formats.

The Company promotes a remote training system, creates online courses and upgrades technical capabilities by introducing computer simulators, and implementing VR technologies to support the learning process. In 2024, our remote learning

experts developed 19 new courses such as: “Procedure for verification of purchased goods and materials”, “Regulatory documents on protection against avalanches”, “Competent laboratory assistant”, video instruction “Trade secret”, short video “Environmental protection”, and more. The remote training system counts over 310 courses, while the VR library offers 21 programmes on occupational health and safety, as well as two programmes on assembling and disassembling of rotating equipment.

We also provide our employees with opportunities for self-development by giving them access to our corporate electronic library and online training

platform. In 2024, our employees completed over 8,300 courses on the Eduson corporate educational platform, attended 13,900 lectures, and passed more than 57,000 tests, investing over 4,200 hours in learning. They also spent a total of over 5,500 hours using the corporate e-library, Alpina.

Total investments in employee training during the year came in at

RUB 324.6 mln

¹ Boundary 2: Apatit, including its branches and standalone business units.

Talent pool programmes

GRI 404-2

The Company seeks to meet its personnel needs by maximising its use of the talent pool to select, develop, and appoint employees to new positions.

The talent pool programmes include a variety of training options for talent pool members helping them to develop managerial and professional competencies, and to boost personal and business skills, such as analysis and decision-making, leadership, workflow management, motivation and delegation of powers, conflict settlement, project management, effective communications, etc.

In 2021, the Company started to use mentoring as a vehicle for promoting talent pool members. Senior managers (mentors) share their experience and knowledge with the participants in an attempt to build a next-level management culture, while talent pool members get a chance to learn the secrets of successful management from executives.

The goal of the Team of the Future programme is to foster conditions for professional and personal growth, share experience, and address new challenges in the face of constant change. The programme is open for professional managers who act as role models and are willing to take on challenging tasks while remaining true to the Company's values. The programme includes four in-person sessions combining group training and individual support, such as work in groups of three, mentoring, and project teams.

At the end of 2024, Moscow hosted the programme's final session, with six teams showcasing their projects. Three projects received the highest scores: "Automation of Mineral

Fertilizer Packaging and Loading Units", "Foresight for PhosAgro Strategy – 2050", and "Digitalisation of Maintenance and Repair Processes at PromTransPort". Leaders of projects recommended in 2023 – "Automation of the Register of Buildings and Structures" and "Ideogora" (creation of a single digital platform for new ideas and expert communities based on WebSoft) – presented interim results.

The reporting year marked the first graduation of the Team of the Future programme. A total of 18 graduates received approval to establish the Team of Professionals expert community to apply their skills to Company challenges, share experience, and promote effective leadership values.

Starting 2023, members of the Team of the Future act as mentors for employees taking part in the PhosAgro-START programme. For mentors, it is also an opportunity to take stock of their knowledge, skills, and experience. Mentoring is recognised as a valuable tool for mentees as it enables them to seek advice from seasoned managers, better understand the corporate culture and the role of the manager, and build new connections. Mentees can choose their mentor via the corporate portal, where the Mentoring section contains profiles of all available mentors and a contact form to initiate a kick-off meeting. In 2024, mentoring was implemented for Young Manager competition participants, with first and second-place superfinalists receiving guidance from Team of the Future mentors.

For 2025, Team of the Future participants will focus on developing management and project teams by enhancing knowledge of team building methods, assessment techniques, development programmes, and remote team management skills.

Rules of Effective Management

One of the Company's focus areas in training and development is to improve management culture.

In 2022, PhosAgro set up the Rules of **Effective Management project** to train and support its managers.

The purpose of the initiative is to strengthen management culture, while also establishing and applying uniform rules for the supervisor-subordinate relationship to make staff interaction more effective.

The Rules of Effective Management help the Company's employees in their managerial activities, laying down the fundamental principles of building effective communication between a supervisor and a subordinate, which in turn bolsters employee loyalty and engagement.

In 2024, the programme continued its roll-out across all four Apatit production sites. New divisions joining included the Kirovsky, Vostochny, and Rasvumchorrsky mine at the Kirovsk site; mineral fertilizer production unit, urea production shop, and aluminium fluoride shop at the Cherepovets site; Balakovo branch of Mekhanik; and Volkhov branch of Apatit.

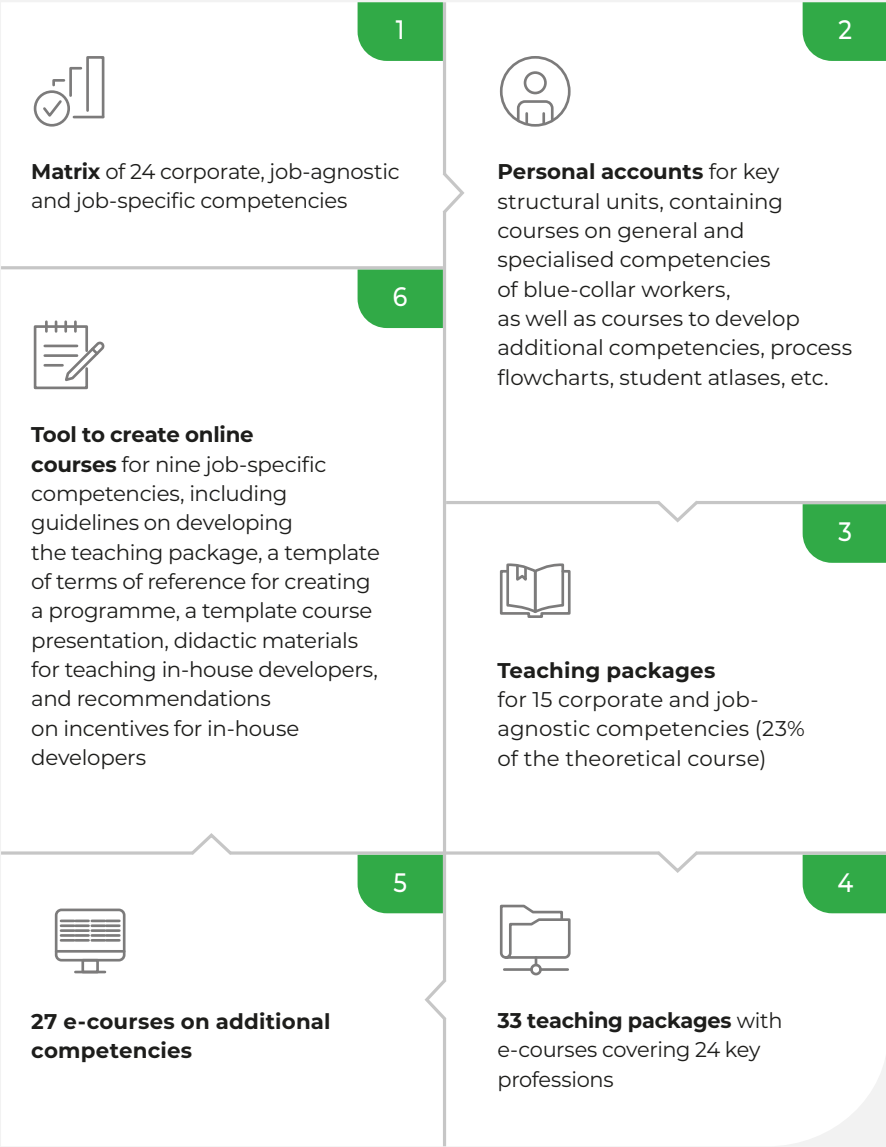
Virtual teaching package

In 2024, we kept rolling out a virtual teaching package and a distance learning system to automate training and development processes.

During the year, experts from various business units developed 29 teaching packages with e-courses covering 20 key professions.

In 2024, we also developed and launched 17 e-courses on additional competencies and updated two courses.

As a result, by the end of 2024, the virtual teaching package included:



Going forward, we plan to roll out the project. In 2025, there are plans to develop 25 teaching packages in order to achieve 100% coverage of the most popular professions in the distance learning format by 2026.

Mentoring

The mentoring system in place at our production facilities plays a major role in enhancing the quality of professional training, reducing the number of errors, defects, workplace injuries, and staff turnover rates, which ultimately helps increase labour productivity.

The Company offers mentor development programmes, provides communicational and methodological support for them, and organises corporate competitions to motivate the best Mentors. Group-wide efforts to transfer knowledge and expertise in order to develop new employees' professional competencies, including knowledge and skills related to equipment, technology, and software used in the workflow, cover.

> **2,500**
experienced and skilled staff members from PhosAgro facilities. In 2024, over 4,400 mentoring relationships were established

Additionally, we facilitate corporate meetings for mentors from different facilities to exchange experiences. To acknowledge the importance and value of what mentors do, the Company has put in place measures combining financial and non-financial incentives. These include a mentor recognition board, remuneration for employees involved in mentoring, letters of appreciation, and more.

On top of that, PhosAgro holds the annual Mentor of the Year corporate contest set to develop mentoring, make it more prestigious, raise employee awareness, and encourage and recognise mentors' personal contribution to the development of young talents. In 2024, eight employees from Apatit production sites reached the finals in two categories – mentors of blue-collar workers and mentors of administrative and managerial staff.

Personnel assessment

✓
The Company has a personnel assessment system in place aimed at aligning employees' competencies with the job/profession requirements and personnel development planning.

Key applications of assessment results include:

- planning personnel training initiatives;
- creating educational programmes;
- building the talent pool;
- making personnel decisions in the context of job appointments;
- drafting individual development plans and development programmes;
- drafting proposals for the management team on the review of salaries and other employment conditions, and make other organisational decisions;
- building project teams;
- selecting candidates to corporate programmes and competitions.

655 employees
underwent evaluation in 2024

Percentage of employees receiving regular performance and career development reviews¹, %

GRI 404-3

Category	2022		2023		2024	
	Men	Women	Men	Women	Men	Women
Managers	1.6	0.2	2.4	0.5	1.0	0.3
White-collar employees	1.0	0.7	1.6	1.6	0.8	0.9
Blue-collar employees	5.1	0.8	1.8	0.3	1.0	0.2
Total by gender	7.7	1.6	5.7	2.4	2.9	1.4

Personnel evaluated in 2024², people

	Managers		White-collar employees		Blue-collar employees		Total
	Men	Women	Men	Women	Men	Women	
Volkhov branch	32	9	25	23	6	15	110
Apatit (Cherepovets)	73	30	63	74	26	6	272
Kirovsk branch	33	2	19	21	3	0	78
Balakovo branch	22	6	17	17	122	11	195
Group total	160	47	124	135	157	32	655

Investing in PhosAgro Group's future talent

PhosAgro has been implementing a school-college/university-facility career guidance model since 2013. For more information on programmes run under this model, including collaboration with

schools, colleges and universities, and the PhosAgro-START programme for young professionals, see the Contributing to Local Communities section on page 220.

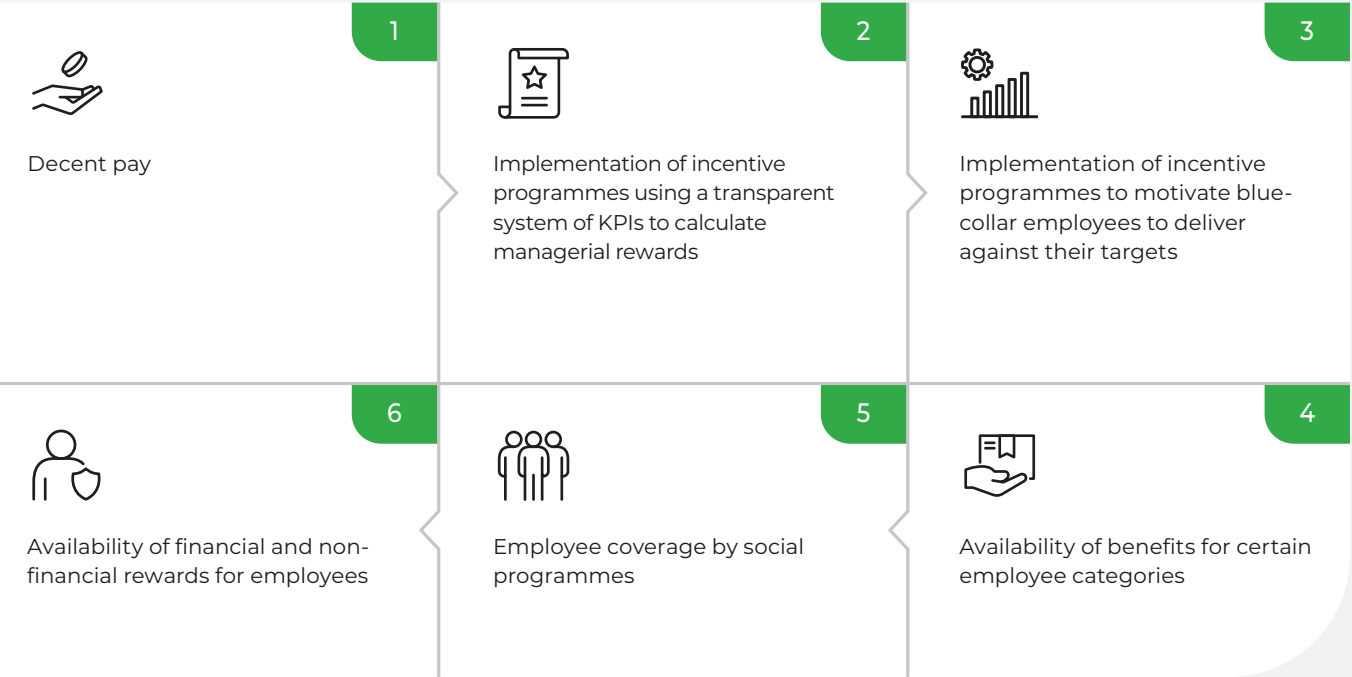
For more information on a large-scale programme of cooperation with the leading Russian agricultural universities, see [p. 121 and 236](#)

¹ Boundary 2: Apatit, including its branches and standalone business units.
² Boundary 2: Apatit, including its branches and standalone business units.

5 INCENTIVES AND REWARDS SYSTEM

Our robust system of financial and non-financial rewards is aligned with the Company's performance and motivates all employees to improve their performance. The purpose of the system is to incentivise staff in order to deliver strong operating results and increase productivity, as well as to retain qualified talent.

Our incentives and rewards system ensures:



In 2024, the salaries of all employees were increased
by 15%
The indexation rate is higher than the official inflation rate for 2023 (7.42%)³

Average wages at PhosAgro rose by 67% over the past three years, reaching RUB 183,700 in 2024 – substantially outpacing inflation.

Beyond base salary, the Company maintains a flexible system of incentives and bonuses tied

to production target achievement. In 2024, alongside traditional bonuses for professional holidays (RUB 100,000 each) and veterans (RUB 20,000 each), an additional bonus was paid marking the 95th anniversary of the Apatit mining and processing plant: RUB 30,000 to Kirovsk branch employees and veterans, and RUB 20,000 to employees from other locations.

PhosAgro prohibits any discrimination in setting or adjusting salaries based on an employee's gender, age, race, ethnicity, origin, or religion.

In 2024, the Company completed a project of grade-based compensations as a way to increase

fairness and market competitiveness of PhosAgro's remuneration framework. Apatit evaluated positions and determined grades using a point-factor methodology, which considers the knowledge and skills of employees, complexity of tackled issues, responsibility, and impact on outcomes, while also benchmarking compensation levels through salary surveys. In 2025, grade-based system implementation will extend to subsidiaries and managed companies.

³ Based on the statistics of the Bank of Russia, www.cbr.ru/eng.

Correlation of the standard entry-level wage and remuneration of women and men¹

GRI 405-2

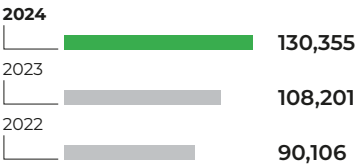
Region/ category	Difference in remuneration of men and women								
	2022			2023			2024		
	Blue-collar employees	White-collar employees	Managers	Blue-collar employees	White-collar employees	Managers	Blue-collar employees	White-collar employees	Managers
Vologda region	0.70	0.72	0.73	0.66	0.67	0.66	0.59	0.63	0.68
Saratov region	0.67	0.68	0.70	0.63	0.56	0.56	0.65	0.69	0.71
Leningrad region	0.68	0.71	0.75	0.58	0.58	0.57	0.63	0.71	0.70
Moscow	0.52	0.47	0.46	0.75	0.80	0.79	0.17	0.22	0.18
Murmansk region	0.60	0.61	0.60	0.69	0.69	0.69	0.63	0.65	0.65
Other	0.59	0.66	0.64	1.05	0.98	0.82	1.35	1.35	1.32
Total	0.61	0.63	0.64	0.68	0.68	0.66	0.51	0.59	0.56

Ratios of standard entry-level wage by gender compared to local minimum wage

GRI 202-1

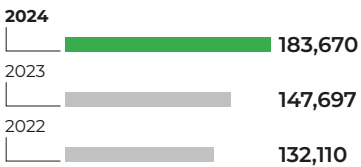
Region	Ratios between the standard entry-level wage and the minimum wage established in the significant regions of operation ² , including gender differentiation					
	2022		2023		2024	
	Men	Women	Men	Women	Men	Women
Vologda region	1.21	1.21	1.19	1.15	1.19	1.19
Leningrad region	1.20	1.24	1.75	1.30	2.64	1.62
Murmansk region	1.00	1.00	1.00	1.00	1.15	1.14
Saratov region	1.02	1.05	1.15	1.05	1.11	1.18
Moscow	1.98	1.30	2.16	1.41	2.09	1.37

Median salary, RUB³



Average monthly pay, RUB

MED 26



In the period under review, pay rises covered all personnel categories. They came as a result of 15% salary indexation starting from 1 February 2024, targeted remuneration adjustments and the implementation of incentive programmes.

Proportion of senior management⁴ hired from the local community⁵, %

GRI 202-2

Region	2022	2023	2024
Vologda region	47	50	58
Leningrad region	22	22	45
Moscow	92	90	91
Murmansk region	80	73	70
Saratov region	36	36	36
Average	61	62	68

Defined benefit plan obligations and other retirement plans

GRI 201-3

Region	Retirement-related obligations (other than employee benefit obligations)	Actual pension payments, RUB mln.		
		2022	2023	2024
Saratov region	Payment of retirement benefits	2.77	3.29	10.26
	Merit benefit plans	0.00	0.00	0.00
	Financial aid to retired former employees	16.72	21.03	42.50
	Total	19.49	24.36	52.76
Murmansk region	Payment of retirement benefits	39.21	40.204	61.20
	Merit benefit plans	0.00	0	0.00
	Financial aid to retired former employees	148.83	157.736	357.74
	Total	188.04	197.94	418.93
Leningrad region	Payment of retirement benefits	2.68	5.28	5.7
	Merit benefit plans	0.00	0.00	0.0
	Financial aid to retired former employees	31.65	30.10	58.8
	Total	34.32	35.59	64.5
Vologda region	Payment of retirement benefits	13.05	14.03	20.5
	Merit benefit plans	21.38	23.59	24.5
	Financial aid to retired former employees	119.93	120.80	232.6
	Total	154.37	158.43	277.6
Total	Payment of retirement benefits	57.71	62.81	97.75
	Merit benefit plans	21.38	23.59	24.48
	Financial aid to retired former employees	317.13	329.67	691.59
	Total	396.22	416.31	813.82

¹ 2022–2023 data for the Leningrad region was revised to reflect improved calculation.

² Significant regions of operation are those with the Company's main production facilities, maximum headcount, and governance structures.

³ Median salary is the average monthly salary (excluding top management) per employee, where half of the positions have remuneration levels below this figure and half have levels above it.

⁴ Senior management includes managers at level N, N-1, N-2 (CEO, heads of functions, director for production, chief engineer of a company (branch), directors of subsidiaries and affiliates, adviser to the CEO). The governance levels of managerial positions are determined by an order.

⁵ In accordance with the generally accepted concept, which describes a person or a group of persons living in a certain territory regardless of ethnic and cultural composition, local community means employees whose region (area) of registration is the same as the region of the facility's location. For facilities located in the Leningrad region and Moscow, local communities also include residents of St Petersburg and the Moscow region, respectively.

6 SOCIAL BENEFITS AND EMPLOYEE GUARANTEES

GRI 401-2

We provide comprehensive social support to our employees and their families, increasing the funding for social programmes, benefits and guarantees each year while expanding their scope and content.

Support for families, mothers, and children

Collective Bargaining Agreements provide for a range of relevant benefits as part of the government programme to support families, mothers, and children. Recreational summer health resorts and specialised excursions are organised for employees' children on an annual basis. The Company provides financial assistance to employees supporting large families, with separate payments made for each child. Employees taking a parental leave to take care of children aged 1.5 to 3 are also entitled to monthly financial assistance. New Collective Bargaining Agreements formalise additional benefits for families raising children with disabilities. All children of employees aged 1 to 14 receive New Year presents, while parents of children under 1 year of age are entitled to financial assistance equivalent

to the cost of a corporate New Year present for their child. Parents of first graders annually receive RUB 10,000 in financial assistance on the occasion of the Knowledge Day.

Health care and improvement of working conditions

Employees can seek psychological, financial, and legal assistance and receive active lifestyle and healthy eating advice.

The Company implements a unified health and well-being management policy. Since 2024, we have introduced corporate competitions (the Sport Walkers championship, PhosAgro Generation, and Healthy Lifestyle Mania), family runs, health checkups, and dedicated health days across our sites. Specialists provide consultations on personal counselling, nutrition, and therapeutic exercise. We have established psychological relaxation rooms and health corners at our facilities, with workplace exercises conducted at workstations. In October 2024, we launched yoga classes at the Cherepovets site as a pilot initiative.

For over a decade, we have been implementing a substantial programme to improve social and working conditions. In 2024, we invested approximately RUB 500 mln in projects to improve the conditions at our facilities.

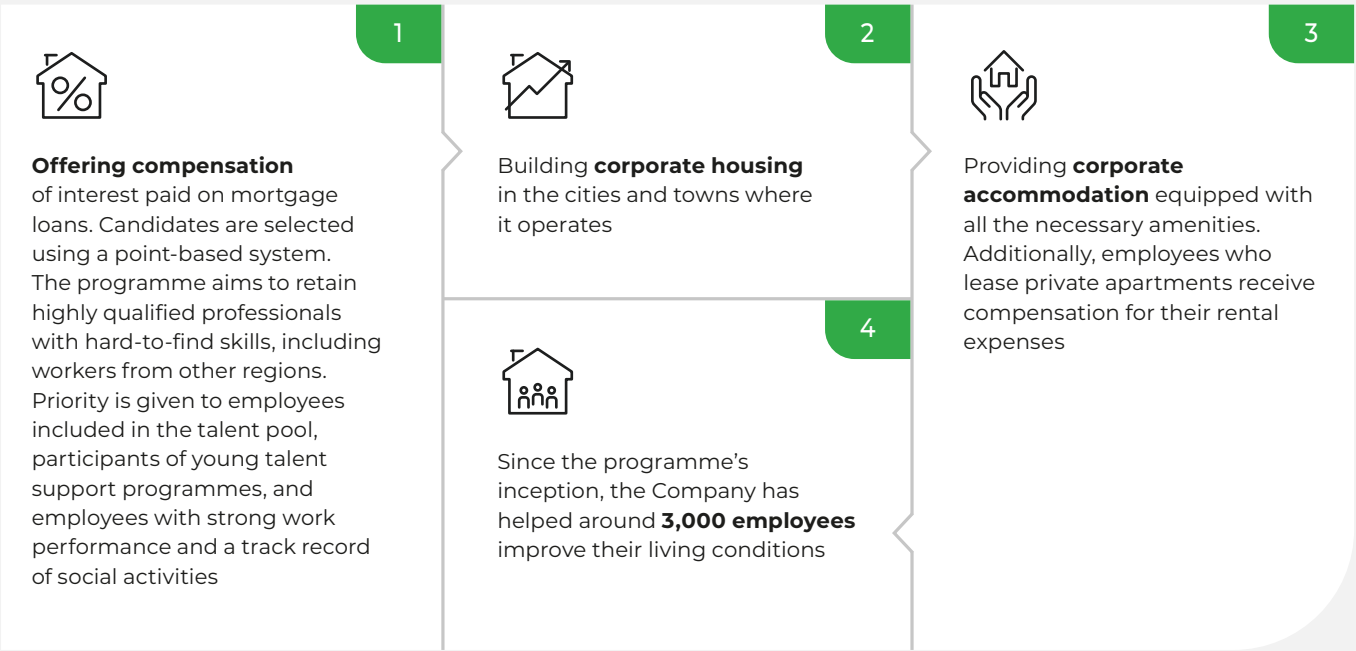
PhosAgro provides employees with vouchers to local and southern health (rehabilitation) resorts and corporate health (rehabilitation) resorts. Employees and their family members can apply on a competitive basis for a free health resort vacation programme, with 50% of travel expenses covered. Employees and veterans of the Company, as well as their family members, have access to corporate health resorts at a reduced price.

The Company offers financial support to employees facing hardships in life such as fire, flood, theft, or bereavement.

Each employee is provided with a supplementary health insurance policy covering examinations, doctor's appointments, discounted dental services including dental prosthesis, and telemedicine access.

Housing programme

The Company runs a corporate housing programme by:



Corporate events

To provide opportunities for leisure activities, foster creativity, meet the spiritual needs of employees, and strengthen the unity of the workforce, the Company stages corporate and cultural events timed to coincide with professional holidays or other significant dates and occasions (Chemist's Day, Miner's Day, charity festivals, Theatre Day, Victory Day, etc.), environmental games and campaigns, family contests (PhosAgro Generation), and sports challenges. These events aim to increase employee engagement and enhance communication within the team.

SUPPORT FOR VETERANS



Our veteran organisations bring together retired workers and use corporate funding for a wide range of social support measures and leisure-time activities. There is a dedicated corporate pension programme in place for retired staff.



INDUSTRIAL safety

AREA, STRATEGIC GOALS AND HIGHLIGHTS OF 2024¹

3

GOOD HEALTH AND WELL-BEING

8

DECENT WORK AND ECONOMIC GROWTH

Target

3.4, 8.8

1

WORK-RELATED INJURIES

Target

Fostering a safety culture and adhering to the highest occupational health and safety standards

Reducing workplace injuries

Zero fatalities, and reducing the number of incidents

by 10% annually

by 10% annually

Actual

0 fatalities across all employee categories

22% reduction in injuries in 2021–2024

3

GOOD HEALTH AND WELL-BEING

8

DECENT WORK AND ECONOMIC GROWTH

Target

3.4

2

TRANSPORT SAFETY

Target

Reducing risks of traffic accidents

Actual

0 accidents

1 transport incident with a victim

46% reduction in transport incidents in 2022–2024

¹ In accordance with the materiality principle, the quantitative metrics in this section are presented for Apatit (Boundary 2) (Apatit is a subsidiary of PhosAgro holding its production assets).

3

GOOD HEALTH AND WELL-BEING

Target

3.4

3

OCCUPATIONAL DISEASES

Target

Disease prevention and health improvement among the employees of all production sites

Providing employees with access to high-quality affordable healthcare

Actual

46² employees diagnosed with occupational diseases, or less than 0.2% of total headcount

0 fatalities caused by occupational diseases

4

QUALITY EDUCATION

8

DECENT WORK AND ECONOMIC GROWTH

Target

4.4, 8.8

4

EMPLOYEE TRAINING

Target

Improving safety competencies

Keeping employees motivated to stay safe and protect others

Actual

As part of occupational health and safety training and knowledge assessment, employees completed the following types of courses:

3,210 employees training on general occupational health and safety matters and the OHS management system

14,385 employees training on methods and techniques of staying safe during works involving exposure to harmful and/or hazardous production factors (as identified by special assessment of workplace conditions and occupational risk assessment)

5,879 employees first aid training

4,346 employees training on methods and techniques of staying safe during high-risk works that are subject to additional requirements under the government's OHS regulations

9,374 employees training on the use of personal protective equipment (PPE)

² Occupational diseases registered among the Company's own staff, excluding the employees of managed companies, subsidiaries and affiliates.

STRATEGY

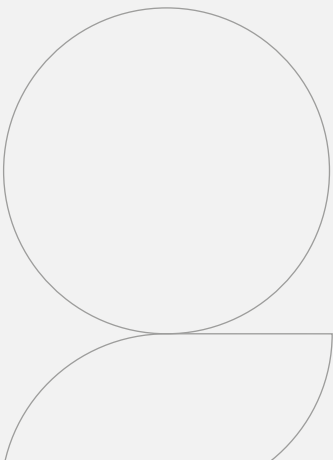
All employees of PhosAgro Group and its contractors need to go back from work to their loved ones in perfect health. This is the underlying principle of all our efforts to ensure safe, healthy and comfortable workplace conditions.

Our Strategy to 2025 focuses on fostering a safety culture and adhering to the highest occupational health and safety standards. In 2024, we started developing our Health and Safety Strategy for 2025–2026, which will define key focus areas and target initiatives to reduce risks associated with various operations of the Group.



PhosAgro Group is consistently improving its safety culture, employee responsibility and awareness, hazard identification procedures and danger prevention measures by putting managers at all levels in charge and studying and applying best health and safety practices. We apply continuous efforts to identify and reduce health and safety threats to PhosAgro Group employees, contractors and visitors to the Company's sites.

The Company's relevant goals and objectives, both strategic and day-to-day, are based on huge volumes of data derived from internal and external audits, inspections, incident investigations, employee recommendations and feedback.



MANAGEMENT APPROACH

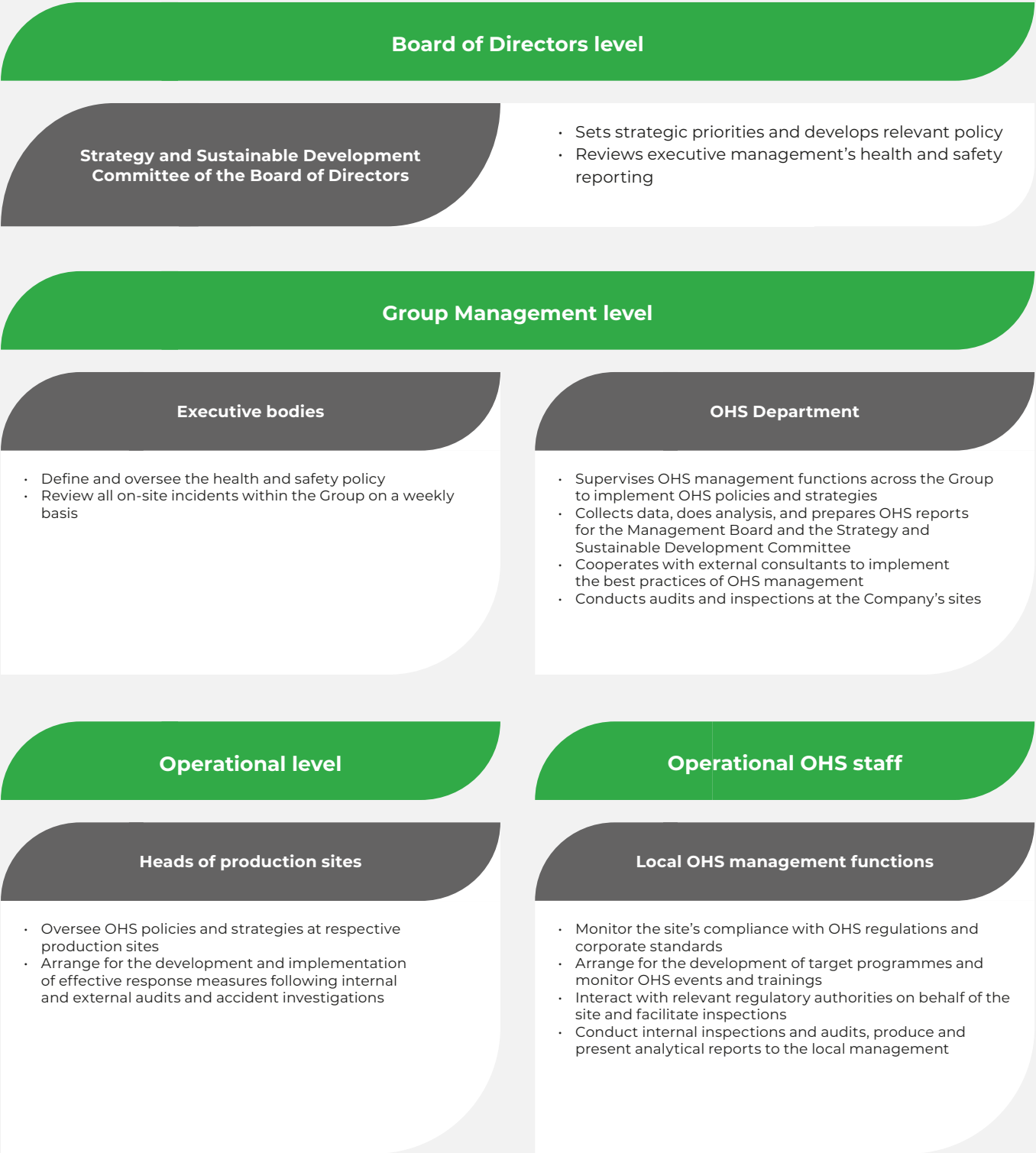
GRI 3-3, 403-1

We pay special attention to making our health and safety system compliant with applicable laws and the highest international standards.

In December 2024, the Cherepovets site of Apatit successfully completed certification for compliance with ISO 45001:2018 (Occupational Health and Safety Management System). In April 2024, for the third time running, the facility won the contest Best Occupational Health and Safety Practices in Branches, Representative Offices and/or Subsidiaries Operating in the Vologda Region on a Permanent Basis in the category for the Best Company in the Vologda region.



Health and safety management system



GRI 403-3

Occupational health and safety functions

Occupational health and safety functions play a key role in ensuring safety at our facilities.

Their main objectives are:

- taking steps to ensure compliance with OHS requirements by workers and third parties;
- monitoring workers' compliance with OHS laws and regulations, the Collective Bargaining Agreement, OHS agreement and other internal regulations;
- preventing workplace injuries, occupational diseases and improving workplace conditions;
- advising workers and contractors on, and raising their awareness about, occupational health and safety;
- studying and promoting best OHS practices.

Apart from applicable laws, these activities are regulated by:

- health and safety SOPs at the facility (shop) level;
- production SOPs;
- worker health and safety instructions;
- corporate standards;
- process regulations;
- accident management action plans, etc.

GRI 403-4

OHS interactions and awareness raising

For better OHS communication with employees, we have adopted the Regulations on the OHS

Communication System. Pursuant to the Regulations, the OHS communication system is divided into internal and external communications, and provides for a feedback procedure:

- regular OHS meetings at business units and enterprises;
- OHS meetings on production sites, in departments and at facilities;
- union and union committee meetings (for feedback from OHS officers);
- corporate e-mail;
- corporate periodicals;
- local health and safety committees;
- employee loyalty surveys;
- OHS questionnaires.

Internal communication is achieved through:

- local health and safety committees;
- management meetings and conferences to discuss the health and safety performance of our enterprises;
- meetings with heads of enterprises during leadership visits to production units;
- regular OHS meetings in departments, on production sites and at facilities;
- health and safety bulletin boards, posters and other visuals;
- corporate television (screens), intranet site, e-mail;
- corporate periodicals;
- education by OHS officers (including one-on-one meetings, training, mentoring, supervision, etc.).

Local health and safety committees

Since 2014, health and safety committees have been functioning at the Group's companies. They are

both an integral part of our OHS management system and a form of employee participation in it. In their work, these committees rely on the principles of social partnership. As part of their activities, health and safety committees draft and improve programmes to join efforts of the employer, employees and trade unions in ensuring occupational health and safety.

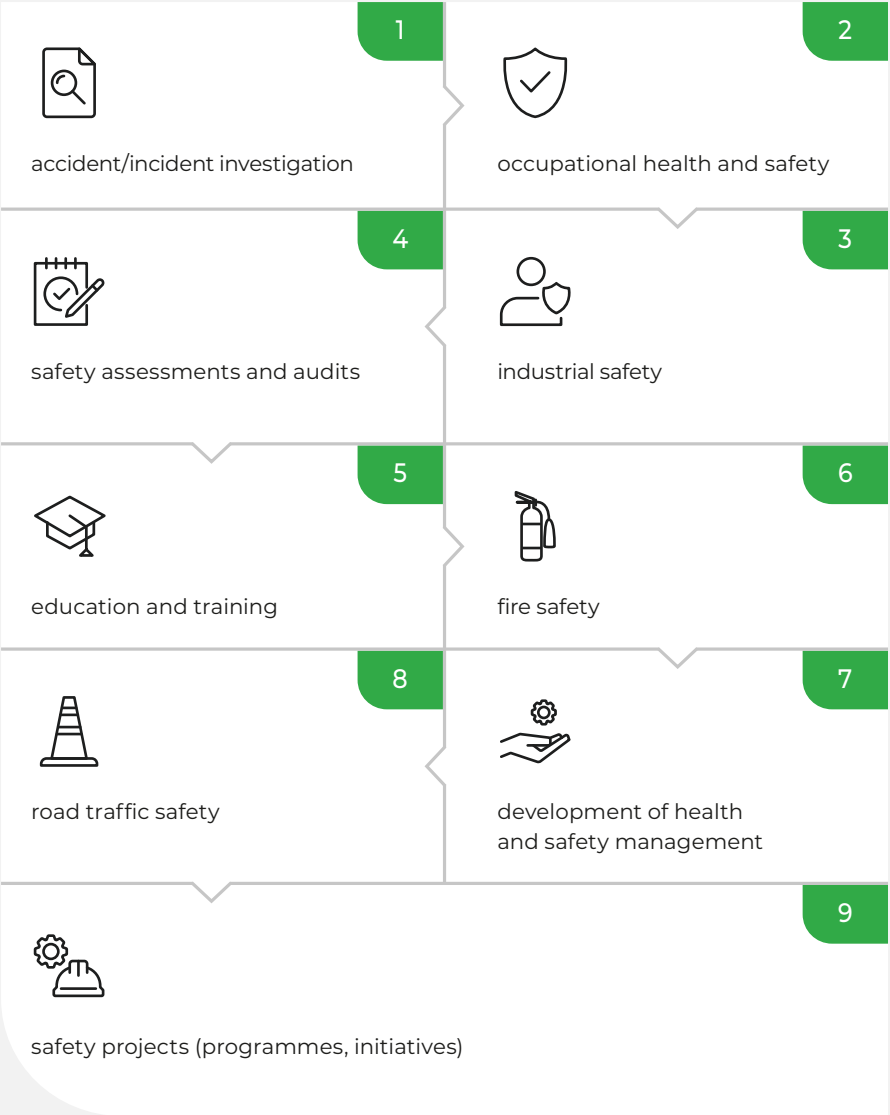
Committee meetings are chaired by heads of companies and held at least once a month online or at least once every two months offline. At meetings, information exchange and reporting are multilateral, as both health and safety functions and local unit heads report on health and safety progress. All resolutions are documented in minutes of the meetings.

As part of these workstreams, health and safety committees consider the following topics:

- Golden Rules of OHS;
- Safety Culture Transformation Project;
- OHS leadership;
- OHS motivation;
- effective OHS communications;
- contractors' safety;
- PPE effectiveness;
- trade union report.

Workers are represented at committee meetings by heads or representatives of local unions.

Meeting agendas comprise nine workstreams:



23
meetings held by health and safety committees in 2024

695
resolutions adopted

For more information on OHS engagement with the Company's employees, see

Engagement with contractors **170**

Engagement with government bodies **170**

STAKEHOLDER ENGAGEMENT

▼

In industrial safety, the key stakeholders are:

- Company management;
- representatives of third parties engaged to perform works at the Group's sites;
- supervisory and statistical government agencies;
- customers/consumers;
- employees.

To engage stakeholders on OHS matters, we rely on:

- information and analytical materials presented at safety and committee meetings and distributed through corporate media;
- strategic sessions held to discuss bottlenecks and growth points, adopt coordinated decisions, and develop corrective actions;
- statistical data and factor analysis shared with stakeholders to track the evolution of safety performance;
- a system of meetings covering all levels from company directors to line managers of business units;
- feedback tools such as Public Scrutiny, information boxes for requests, corporate chat, and ProPhosagro mobile app.

Improving contractor safety practices

Measures to ensure safety of contractors' employees working at our production and other facilities are an integral component of our OHS strategy. They include the selection of contractors based on a health and safety qualification assessment, briefings, enforcing their application of our safety tools, and conducting relevant OHS compliance audits.

In 2024, the Group delivered a project focusing on the implementation of the OHS Competency module powered by the SCOUT platform as a way to digitise and automate OHS skill assessments and enhance their transparency.

For contractors, we conduct training and practical knowledge assessments at the Company's training grounds to make sure contractor employees have the required skills. The Company also develops joint schedules for control and preventive actions in collaboration with the contractor's OHS functions, with the results of such actions discussed at meetings.

ESG assessment is a key factor in contractor selection.

For more information, see the Supply Chain section

p. 128-141

Internal and external industrial safety audits

In line with statutory requirements, PhosAgro Group is subject to scheduled external audits by Russian authorities, including the Federal Service for the Supervision of Environment, Technology and Nuclear Management (Rostekhnadzor), State Labour Inspectorate, Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing (Rospotrebnadzor), and the Ministry for Civil Defence, Emergencies and Elimination of Consequences of Natural Disasters (EMERCOM). We may also engage consulting companies, or international associations of which the Group is a member to conduct additional external audits of compliance with international standards, or as part of a special assessment of workplace conditions.

175 audits carried out by state supervisory authorities at Apatit and its managed companies in 2024

In June 2024, the Department for Supervisory and Preventive Activities in the Balakovo District (part of the Division for Supervisory and Preventive Activities of the Main Division of the EMERCOM of Russia for the Saratov region) made a preventive visit to the Balakovo branch of Apatit. No remarks were made or prescriptions issued following the visit.

We also run internal audits conducted by our OHS departments and directorate, managers and employees exercising production H&S control.

After external and internal audits, the Company issues orders and instructions outlining remedial action plans and establishing the deadlines and responsible persons. Identified breaches are remedied within the agreed time limits.

The Company has a procedure for drafting, submitting and reviewing reports on internal and external OHS audits. The results of all internal and external assessments and audits are recorded in the Safety and Instructions (Shift Assignments) management systems offering instruments for further analysis, gap identification, and elimination monitoring. We also submit all relevant reports to state supervisory bodies and statistical agencies in accordance with the Russian laws.

RISKS AND OPPORTUNITIES

GRI 403-2

The following strategic risks affect our OHS objectives:

4

HR risk

6

health and safety risk

13

regulatory risk



OHS-SPECIFIC RISKS:



Occupational risks of the Group's business units, including occupational disease risks



Safety culture risks, including OHS communications and safety incentives



Risks of OHS-related regulatory changes



The Group develops corrective measures as necessary and unlocks opportunities to mitigate those risks. Below you can find more information about what we do on this front, including:



reduction of occupational injuries through training, awareness, and motivation programmes on occupational health and safety;



proactive OHS management as part of the Company's safety culture transformation project;



stronger efficiency in interacting with the Government's OHS supervision agencies thanks to the development of remote and risk-oriented control methods.

For more information, see the Strategic Risks section

p.

66-75

SASB RT-CH-320a.2

We are constantly working to assess and mitigate risks. We perform risk assessment and classify risks by severity and frequency using our dedicated proprietary methodology. Following hazard identification and risk assessment, the unit's OHS officer compiles a List of Occupational Risks, which is then used as a basis for the Company's List of Material Occupational Risks. Risk assessment takes into account the following aspects:

- degree of personnel exposure;
- impact on personnel;
- frequency of occurrence;
- compliance with the applicable regulatory and other OHS requirements.

The Company has instituted a robust protocol that facilitates swift communication from eyewitnesses

to the appropriate functions and managerial personnel, including PhosAgro's CEO, by means of corporate communication tools such as text message alerts and telephone calls.

All incidents are investigated in accordance with legislative requirements and internal procedures to determine the root causes. The Company encourages its staff to disclose information on potential sources of danger to employee health and life.

For better OHS efficiency, and to automate and streamline the relevant processes, we have introduced and now use the Safety and Instructions (Shift Assignments) management systems. Both systems include a Risk Management module. The

module enables internal check list-based OHS assessment at all units of Apatit. The module's new underlying principles help enhance production H&S control, while its new functions facilitate operation, monitoring and analysis.

The Company has a formal procedure for addressing workplace hazards. When a hazard is identified, employees are required to suspend work and report it to their supervisors directly or via the Public Scrutiny mobile app. The supervisor uses the report to assess the risk and develop a remedial action plan.

PROJECT TO ROLL OUT THE OHS REMOTE MONITORING SYSTEM AT THE CHEREPOVETS SITE OF APATIT

✓
The Company endorses the initiatives put forth by state authorities as regards OHS data disclosure, in order to facilitate remote monitoring measures and alleviate the regulatory oversight burden.

Starting from 2021, Apatit's Cherepovets site (fluosilicate acid storage facility of the aluminium fluoride shop) participates in Rostekhnadzor's experiment to roll out an OHS remote monitoring system under Russian Government Decree No. 2415 On Experimental Roll-out of the Industrial Safety Remote Monitoring System dated 31 December 2020. The experiment provides for the development of stand-alone remote monitoring

technology for hazardous production facilities, and a relevant legal framework. The technology is expected to improve the overall reliability and monitoring efficiency of safety systems, and help reduce the associated paperwork and bureaucracy.

The OHS remote monitoring system was put into operation in April 2023, with the process configured to enable data transmission to the Automated Information System of Rostekhnadzor.

Representatives of Apatit took part in a meeting convened by Rostekhnadzor to present the Report on Accomplishments under the OHS Remote Monitoring System Project at the Fluosilicate Acid Storage Facility of the Aluminium Fluoride Shop. The key achievements were as follows:

- practical implementation of a risk-oriented approach to assessing industrial safety at the hazardous facility;

- introduction of operational supervision tools to monitor industrial safety at the hazardous facility;
- enhancement of process discipline among the hazardous facility's operating personnel;
- arrangements made to transfer data to the Automated Information System of Rostekhnadzor;
- discussion of challenges related to the transfer of data from Apatit to the local branch of Rostekhnadzor;
- implementation of corrective measures to address data transmission errors, with solutions provided by Dynamic Systems LLC, the general contractor.

Emergency response procedures

At our sites, we have introduced the following emergency response and prevention measures compliant with the Russian laws:

- **accident management action plans** for all hazardous industrial facilities as defined by the Russian laws developed;
- **training sessions and drills** held in 2024:
 - **134** test alerts;
 - **654** fire training sessions;
 - **123** evacuation drills;
 - **7** joint fire drills with EMERCOM;
- in 2024, Rostekhnadzor supervised all test drills conducted across class 1 hazardous facilities and assessed the results as positive;
- in 2025, we plan to hold joint drills at the inter-plant ammonia pipeline by engaging the manpower and resources from the city of Cherepovets.

KEY RESULTS IN 2024

✓
In 2024, PhosAgro maintained an impeccable safety record with zero accidents or fatalities among its own employees, as well as those of contractors, subsidiaries and affiliates. LTIFR for all personnel categories was 0.54 (compared to 0.61 the previous year), and the number of transport incidents decreased by approximately half compared to 2022.

TARGETED PROGRAMME FOR UPGRADING APATIT'S FIRE SAFETY SYSTEMS IN 2025–2029

In 2024, the facilities of the Cherepovets site, Kirovsk, Volkhov and Balakovo branches were audited by the OHS Directorate (the customer) for the availability and compliance of fire protection systems with the requirements of applicable rules and regulations. The audit helped identify facilities that require repairs, replacement or installation of new automated fire safety systems. In 2024, we completed the initial cost assessment for the targeted programme.

The programme is being implemented as required by a corporate order on the creation of working groups across the branches of Apatit, with the following key requirements established in its regard:



defining goals and objectives at various management levels;



providing the implementation timeline;



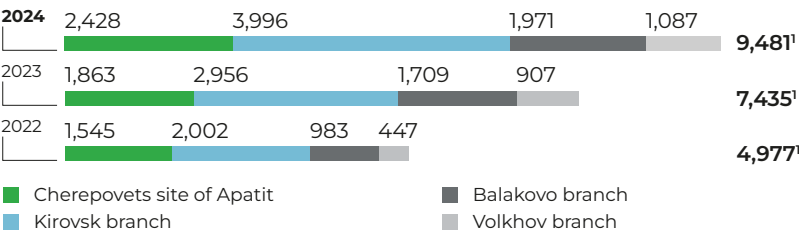
prioritising activities according to the work stages;



outlining the financing procedure.

OHS expenses of Apatit, RUB mln

MED 27



¹ The total may differ from the sum of parts due to rounding.

WORK-RELATED INJURIES

GRI 403-9, SASB RT-CH-320a.1, RT-CH-540a.1, MED 29

In 2024, there were no fatalities across the Company's facilities, and the total number of minor work-related injuries decreased. There was a total of 32 injuries recorded in 2024 compared to 33 in 2023. Of these injuries, 17 occurred to employees of contractors, subsidiaries and affiliates, and 15 to PhosAgro's own staff (compared to 24 and 9 in 2023, respectively).

We were deeply saddened by the accident which occurred at the production site of Apatit's Kirovsk branch in October 2023, resulting in an employee sustaining a serious injury. Subsequently, the employee died in a medical facility; however, the

injury sustained in the accident was not the direct cause of his death. The investigation has been completed. We have thoroughly analysed the circumstances of the fatality and communicated conclusions and recommendations on preventive measures, including a range of technical and organisational steps, to the management and employees of the facility.

The Company firmly believes that our primary challenge lies in minimising the "human factor" – dangerous employee actions¹ that account for over 90% of all injuries. Rolling out the existing methods and tools in the field of occupational safety among

personnel of contractors, as well as subsidiaries, affiliates and managed companies, will further reduce the level of occupational injuries among this category of personnel.

Most of the injuries reported in 2024 were related to striking against objects, falls while moving, and falls from heights.

The main causes of work-related injuries in 2024 were poor work organisation, violations of labour and industrial discipline, personal negligence, and underestimation of risks by the injured persons.

LTIFR², per mln of hours worked

Item	2022	2023	2024
Employees, including	0.32	0.37	0.56
Cherepovets site of Apatit	0.12	0.32	0.57
Kirovsk branch	0.22	0.41	0.59
Balakovo branch	0.80	0.00	0.31
Volkhov branch	0.88	0.80	0.76
Employees + staff of external contractors (including subsidiaries, affiliates, and managed companies, Boundary A ³)	0.38	0.61	0.54
Employees + staff of external contractors (including subsidiaries, affiliates and managed companies, Boundary B ⁴)	0.40	0.64	0.57

Fatalities as a result of work-related injury, per mln of hours worked

Item	2022	2023	2024
Employees	0.05	0.00	0.00
Staff of external contractors (including subsidiaries, affiliates, and managed companies, Boundary A)	0.00	0.00	0.00
Staff of external contractors (including subsidiaries, affiliates, and managed companies, Boundary B)	0.00	0.00	0.00

¹ Include aspects such as inadequate control by distribution information systems, work permit violations, poor coordination, etc.
² Lost time injury frequency rate, excluding fatalities.
³ Boundary A: the above data includes subsidiaries, affiliates and managed companies within the Group that are covered by the occupational injury accounting system: Tirvas, Gorny Tsekh, PromTransPort, Korporativnoe pitanie, Construction Materials Centre, DROZD-Khibiny, NIUIF, Aeroport, SMART, Teleset, Khibiny Electricity Retail Company, Ecoprom, Tirvas Public Catering, Khibiny Airport, PhosAgro Education Centre, Mekhanik, PhosAgro Engineering Centre, Trading House PhosAgro. Some of them are non-profit organisations or are not subsidiaries or affiliates of Apatit.
⁴ Boundary B: the above data includes the following subsidiaries, affiliates and managed companies of Apatit: Tirvas, Gorny Tsekh, PromTransPort, Korporativnoe pitanie, Construction Materials Centre, Aeroport, Teleset, Khibiny Airport, Mekhanik, Khibinskaya Teplovaya Kompaniya.

THE COMPANY PLANS TO CONTINUE IMPLEMENTING ITS SAFETY IMPROVEMENT STRATEGY BY LEVERAGING ADVANCED SAFETY TOOLS AND MODERN COMPREHENSIVE SOLUTIONS AND APPROACHES THAT HAVE ALREADY PROVEN EFFECTIVE, INCLUDING:



senior management's leadership and commitment to health and safety;



providing employees with modern and effective personal and collective protective equipment;



developing and updating e-courses to educate employees in corporate health and safety requirements;



allocating sufficient funding to ensure occupational, industrial and fire safety;



involving blue-collar workers (OHS officers) in directly managing health and safety in their business units;



integrating corporate health and safety requirements into the work of contractors;



knowing and applying international and domestic best practices;



reviewing the structure and functions of occupational health, industrial safety and fire safety services with a focus on enhancing control and preventive work;



digitalising data management processes to support high-quality analysis and effective management decision-making.



improving the internal incident investigation process to identify and eliminate root causes;



developing and implementing a system of incentives motivating all categories of employees for safe working practices;



selecting and appointing highly qualified leaders to key positions in occupational health, industrial safety and fire safety services;

Severe injuries (excluding fatalities), per mln of hours worked

Item	2022	2023	2024
Employees	0.00	0.04	0.19
Staff of external contractors (including subsidiaries, affiliates, and managed companies, Boundary A))	0.04	0.17	0.09
Staff of external contractors (including subsidiaries, affiliates, and managed companies, Boundary B)	0.04	0.19	0.10

Work-related injuries, per mln of hours worked

Item	2022	2023	2024
Employees	0.36	0.37	0.56
Staff of external contractors (including subsidiaries, affiliates, and managed companies, Boundary A)	0.44	0.82	0.53
Staff of external contractors (including subsidiaries, affiliates, and managed companies, Boundary B)	0.48	0.89	0.57

Number of hours worked by the Company’s employees and staff of external contractors

Item	2022	2023	2024
Employees	22,196,069.58	24,508,418.38	26,565,896.28
Staff of external contractors (including subsidiaries, affiliates, and managed companies, Boundary A) ¹	27,194,133.46	29,222,666.40	32,161,864.87
Staff of external contractors (including subsidiaries, affiliates, and managed companies, Boundary B) ²	25,096,915.52	26,884,527.13	29,648,573.59

Work-related injuries in 2022–2024

Branch	Minor injuries			Severe injuries			Fatal injuries			Total		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Cherepovets site of Apatit	1	3	5	–	–	1	–	–	–	1	3	6
Balakovo branch	2	–	1	–	–	–	–	–	–	2	–	1
Volkhov branch	2	2	2	–	–	–	–	–	–	2	2	2
Kirovsk branch	2	3	2	–	1	4	1	–	–	3	4	6
Subsidiaries and affiliates, Boundary A	6	11	8	1	4	1	–	–	–	7	15	9
Subsidiaries and affiliates, Boundary B	6	11	8	1	4	1	–	–	–	7	15	9
External contractors	5	8	6	–	1	2	–	–	–	5	9	8

TRANSPORT SAFETY

SASB RT-CH-540a.2

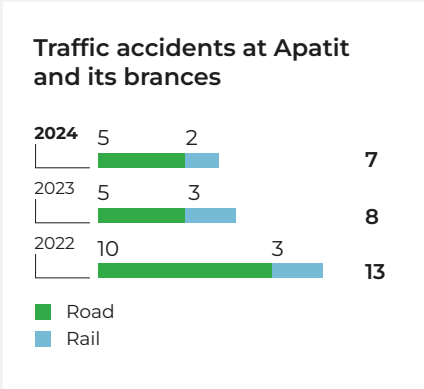
From 2022 to 2024, PhosAgro Group was able to reduce the total number of traffic accidents (by 46%), from 13 accidents in 2022 to seven in 2024.

The initiatives implemented by the OHS Department and transport departments to mitigate traffic accident risks includes drafting internal regulations to ensure safe operation of motor vehicles, self-propelled machines, and rail transport, performing targeted and full-scope inspections of vehicles used by our contractors, subsidiaries, enhancing the competencies and skills of PhosAgro employees responsible for operating all types of transport, and introducing various technical solutions to mitigate risks of traffic accidents.

In the Kirovsk branch, testing of an electronic collision prevention system on quarry dump trucks

has been successfully completed, with installation preparations now underway. Meanwhile, at the Cherepovets site, pilot tests have begun on shunting diesel locomotives using an innovative onboard computer vision system based on artificial intelligence. Based on these test results, the Company will decide whether to scale the project across the entire locomotive fleet. Mobile road safety teams operate effectively at all Company sites, monitoring compliance with both federal and local road safety requirements among all road users. The Company also places strong emphasis on driver and vehicle operator development, with personnel regularly undergoing defensive driving training and participating in professional skill competitions. The winners of these events go on to represent the Company at national

and international competitions, where they consistently achieve award-winning results.



OCCUPATIONAL DISEASES

GRI 403-6, 403-7, 403-10

PhosAgro places a strong emphasis on disease prevention, health improvement, and high-quality affordable healthcare and prevention for the employees of its facilities.

In 2022–2024, there were no fatalities caused by occupational diseases.

In the reporting year, 46 employees of Apatit were diagnosed with occupational diseases (compared to 58 in 2023 and 15 in 2022), which represents less than 0.2% of the total average headcount. In 2024, 12 employees were diagnosed with occupational diseases (compared to 2 in 2023). These employees are representatives of subsidiaries and managed companies and perform their duties at the Cherepovets site and Kirovsk branch of Apatit.

The main causes of these occupational diseases were lasting exposure to general vibration beyond maximum permissible levels, physical exertion, and functional overstrain of individual organs and systems in respective locations.

As part of preventive care and health promotion efforts for employees and veterans in 2024, the Company purchased 4,900 vouchers for them to go to health resort facilities. Employees and members of their families have access to corporate recreation centres and health resorts in Southern regions at a reduced price. In 2024, over 1,200 vouchers were granted for employees to spend their holidays at southern health resorts.

More than 25,000 employees, their family members, and pensioners enjoyed vacations at corporate recreation centres.

GRI 403-10

Number of employees diagnosed with occupational diseases¹

Branch	2022	2023	2024
Cherepovets site of Apatit	1	2	0
Kirovsk branch	14	58	57
Volkhov branch	0	0	0
Balakovo branch	0	0	1
Total	15	60	58

PhosAgro Group's facilities have corporate fitness centres, which include game halls, gyms, and swimming pools and are available to employees on a daily basis. The pool of our Cherepovets facility offers classes in water aerobics and swimming lessons, both very popular among employees. In 2024, over 29,000 people visited the Cherepovets sports and recreation facility.

An annual sports contest (Spartakiad) is held for employees in 18 sports. Teams in football, volleyball, and other sports represent the Company in various levels of competitions, including national ones.

Since 2020, our production facilities provide free psychological support to employees, with in-house psychologists available to them for counselling and advice. As part of the Employee Mental Health Support programme, the Company offers meetings in person, online interviews, and comprehensive events such as webinars, training sessions, and marathons to minimise conflicts in teams, improve psychological resilience, and increase performance. In 2024, on-site psychologists received 4,280 requests from the Company's employees.

In 2024, the Balakovo branch of Apatit opened three psychological relief rooms across its production units.

The Company continued its active implementation of the Well-being and Health programme, successfully launching projects such as PhosAgro Sport Walkers club (Apatit), the Healthy Lifestyle Mania movement (Balakovo branch), and corporate running events (Balakovo, Volkhov, and Cherepovets). These initiatives were designed to introduce employees to the benefits of an active lifestyle and increase participation in regular physical and sporting activities.

To promote traditional spiritual values, improve social and psychological climate in the team, and enhance emotional well-being, the Company does a lot to help build and reconstruct Orthodox churches.

Those employees whose children are involved in the DROZD project (Educated and Healthy Children of Russia) annually take part in several joint training sessions and sports contests held among families. At the DROZD sports facilities, our employees can work out and get ready for GTO (Ready for Labour and Defence) fitness tests.

¹ The 2023 Integrated Report included data for PhosAgro's own staff only, while this table also covers staff of subsidiaries, affiliates, and managed companies.

EMPLOYEE TRAINING

As part of OHS training and knowledge assessment, employees completed the following types of courses in 2024:

GRI 403-5

Type of training	Training on OHS requirements			Training on the use of PPE	First aid training
	Training on general occupational health and safety matters and the OHS management system	Training on methods and techniques of staying safe during works involving exposure to harmful and/or hazardous production factors (as identified by special assessment of workplace conditions and occupational risk assessment)	Training on methods and techniques of staying safe during high-risk works that are subject to additional requirements under statutory OHS regulations		
Number of own staff	3,210	14,385	4,346	9,374	5,879

PhosAgro makes efforts to improve OHS competencies and knowledge of its staff. Employees of PhosAgro Group undergo online and in-person training. Our e-courses are easy to understand since they are made in the form of illustrated slides with key highlights on them. In particular, we offer an e-course on corporate OHS standards. It is followed by tests to check the knowledge and understanding of the standards and requirements.

Whenever required, the courses developed earlier are updated following changes in the law and the Company's internal regulations. In 2024, we developed and updated the following e-courses:

- Contractor safety requirements
- LOTO system in maintenance and repairs
- “Golden Rules” of OHS;
- Regulations on Arranging and Holding Leadership Visits at Apatit Business Units;
- Regulations on Risk Hunting;
- Health and Safety Management System at Apatit;

- Procedure for the Placement of Mobile (Modular) Buildings and Structures (Accommodation Units) at Apatit's Premises;
- Management of contractors' organisational and technical documents.

14,700

employees of Apatit completed 18 e-courses in occupational safety¹

Employees undergo OHS training, including that in basic fire safety and electrical safety, industrial safety pre-certification sessions, and drills in the Vysota training centre.

All our employees, from managers to blue-collar staff, receive occupational health and safety briefing and training as required by the Russian

laws. Furthermore, employees of the Company and contractors are offered a number of additional courses.

We use animated videos to improve OHS training and remind employees about workplace safety.

GRI 403-8, 403-1

In 2024, our health and safety management system covered 100% of the Company's employees. All our employees (executives together with blue- and white-collar staff) take OHS training as required by the national laws, as well as additional training. The minimum required training is provided to each and everyone, including all visitors and representatives of contractors as part of the introductory briefing.

Transformation of safety culture and OHS management system

Since 2021, we have been running a project – Transformation of Safety Culture and OHS Management System – focused on switching to proactive OHS management.

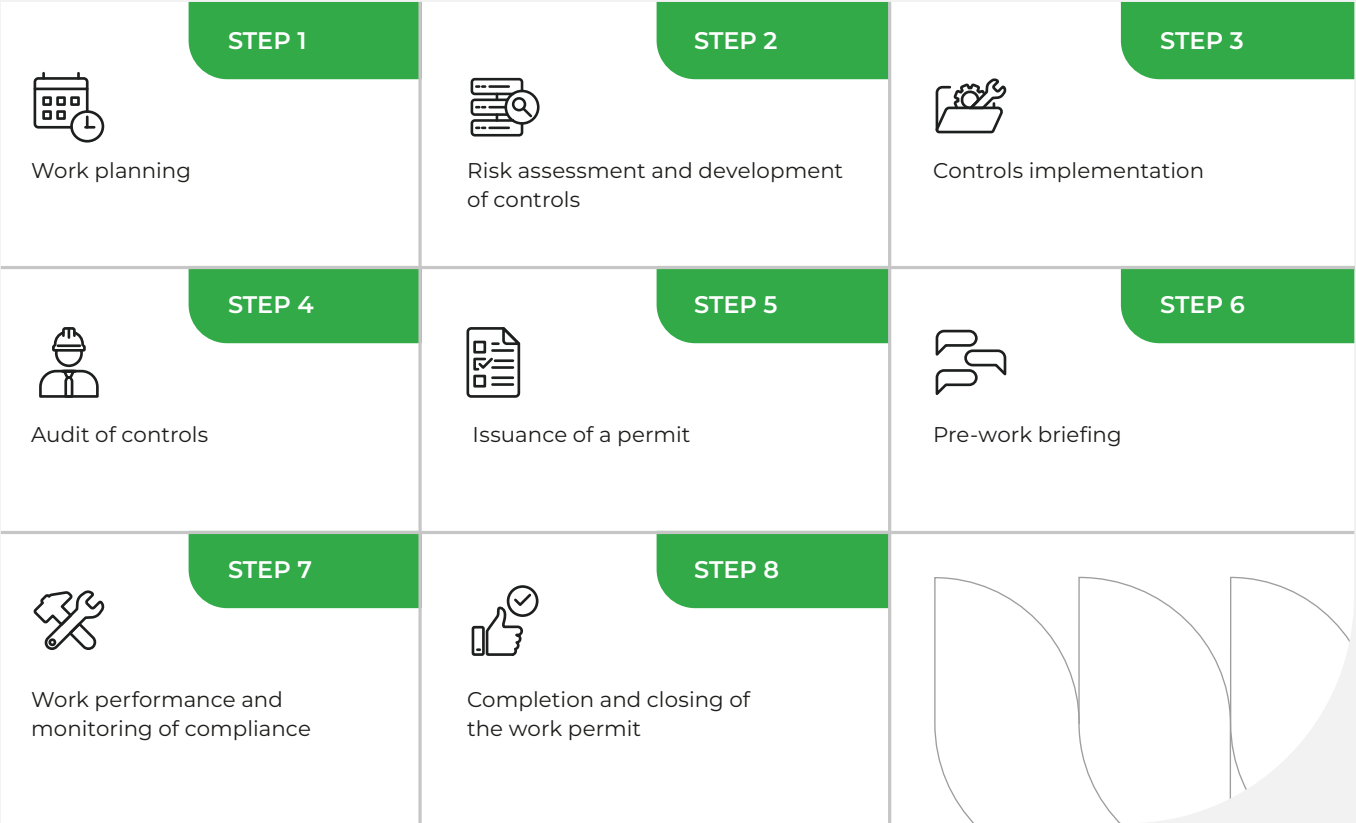
The project covers key business units of Apatit, entities under management, subsidiaries and affiliates, and key third-party contractors engaged by our production sites.

In December 2023, PhosAgro conducted an assessment of safety culture levels across all production units of Apatit and its branches. Following this evaluation, in 2024, strategic sessions were held in each structural unit to develop targeted corrective measures for enhancing safety culture performance.

In 2024, the Company decided to extend this initiative.

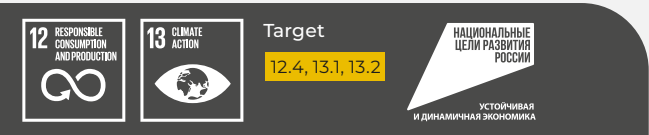
As part of project 255PB “Transformation of safety culture and OHS management system”, which aims to improve work permit system efficiency and develop safety leadership capabilities among N2–N4 level managers, the Company made a decision in 2024 to extend the project timeline into 2025. The diagnostic assessment measuring achievement of the project's target goal (safety culture level 3.1 as per the Bradley curve) has been rescheduled for late 2025.

Target model of work permit system

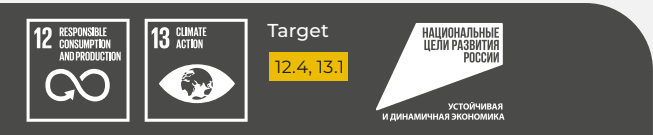
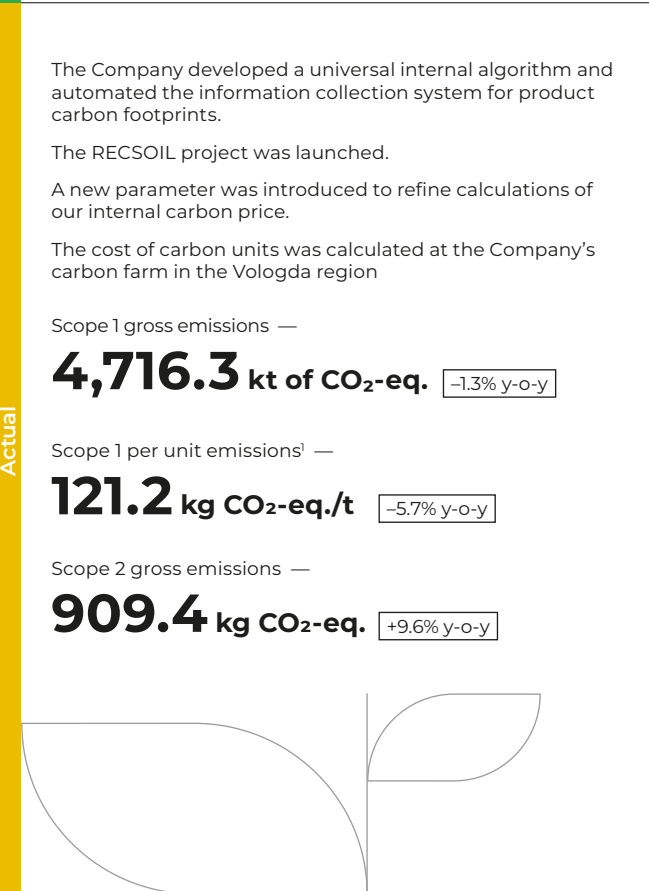
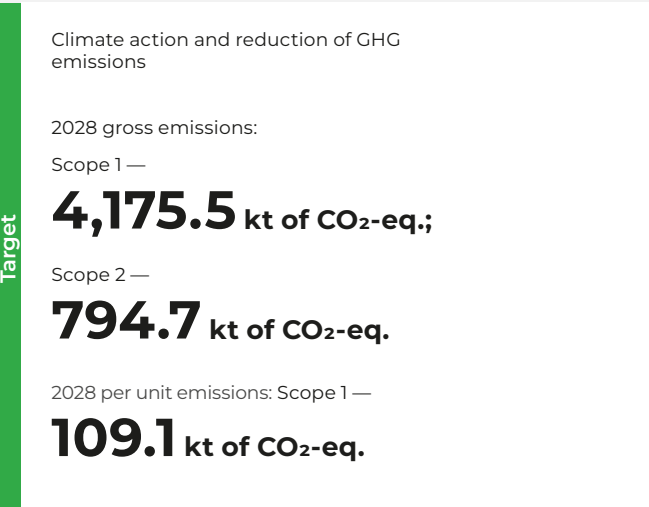


¹ Apatit, including its branches and standalone business units.

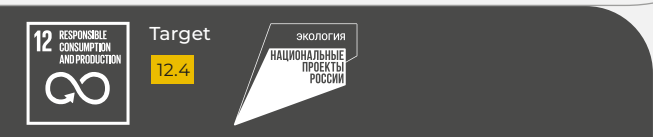
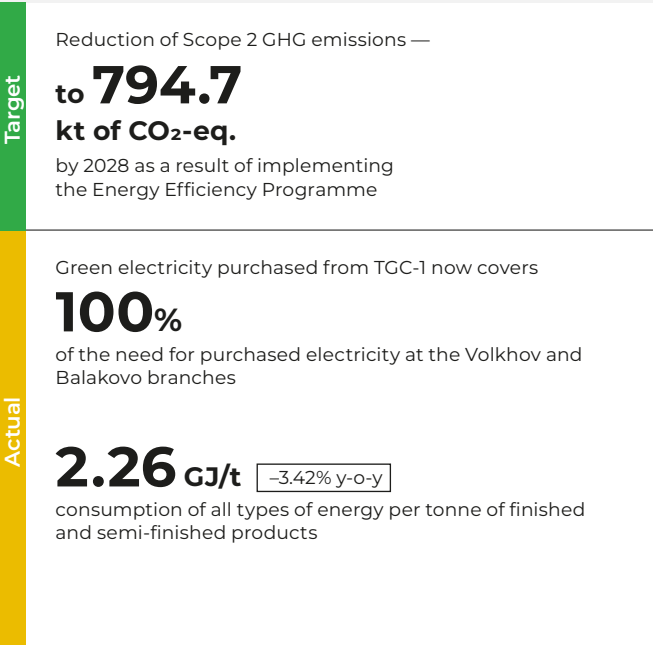
ENVIRONMENTAL review



1 CLIMATE



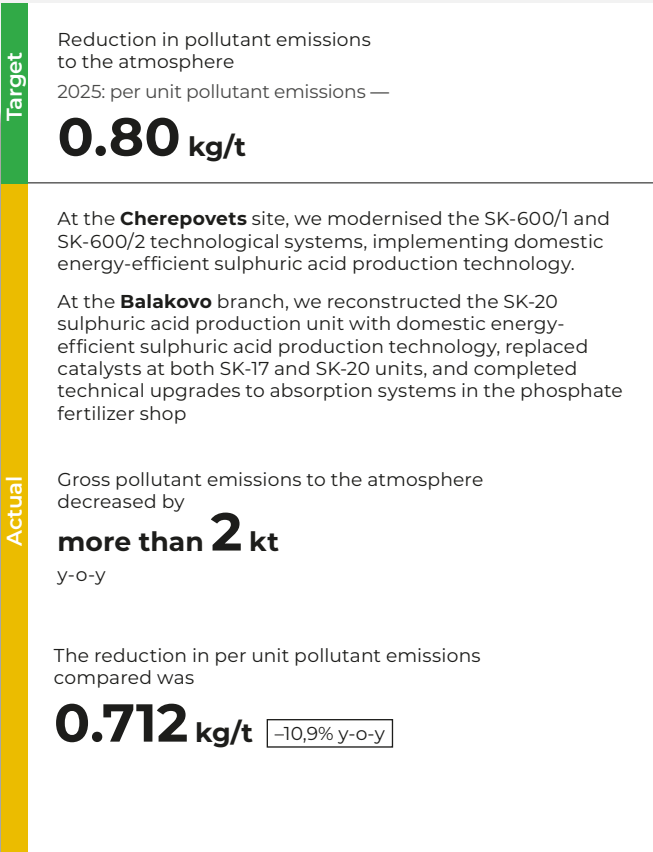
2 ENERGY EFFICIENCY



3 WASTE



4 AIR



6 BIODIVERSITY



¹ The indicator was calculated as the ratio of the (Scope 1) gross emissions under GRI 305-1 to the total output of finished and semi-finished products.

² In 2024, the Company conducted a review of per unit targets for water withdrawal and waste water discharge. The new 2025 targets account for water flows excluding mining and pit waters, which are natural in origin and flow in and out without involvement in production processes. These new targets were discussed at a meeting of the Board of Directors' Strategy and Sustainable Development Committee and subsequently approved by the Board of Directors.

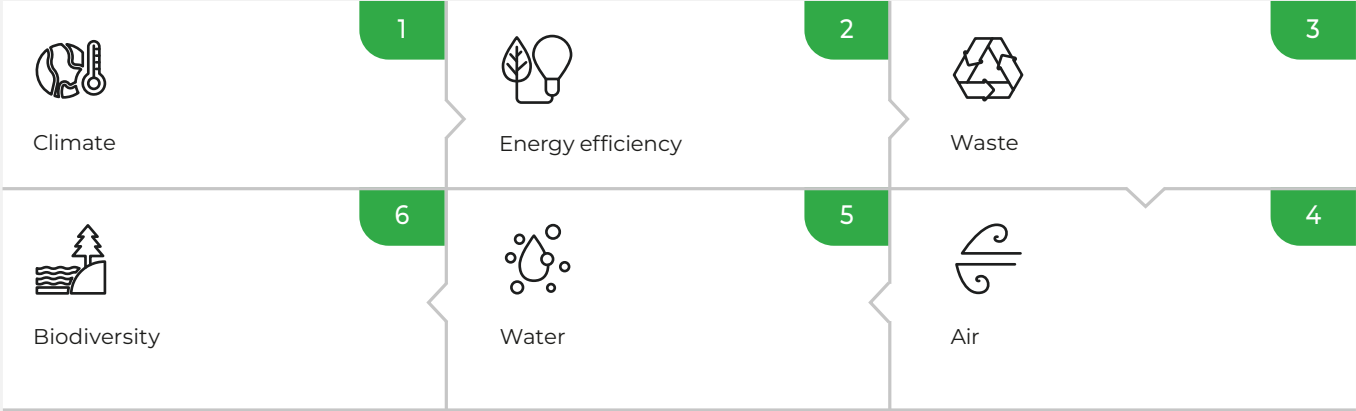
STRATEGY

SASB EM-MM-160a.1, RT-CH-410b.2

At PhosAgro Group, we attach much importance to environmental protection and safety, as well as climate risk management. Proper focus on all of these areas helps secure the Company's sustainable development and well-being of the regions across its geography. Our

Strategy to 2025 and Environmental Policy incorporate provisions to ensure strict compliance with statutory environmental requirements and minimise the environmental impact of the Company's operations across the entire fertilizer lifecycle, from ore mining to food production. We conducted a comprehensive assessment of our activities,

identifying the main areas of environmental impact, both direct and indirect. We then correlated these findings with the UN SDGs and Russia's national development goals. Based on this analysis, we mapped out six strategic focus areas of environmental protection:



We believe that our requirements should be uniform both for us and our partners engaged in PhosAgro's projects. Everything we require

of ourselves equally applies to our counterparties and is enshrined in the Code of Conduct for Counterparties.

APPROACH TO ENVIRONMENTAL MANAGEMENT

GRI 3-3, 101-1

Environmental stewardship has always been a core priority for PhosAgro Group. We operate in regions with fragile and unique ecosystems, and safeguarding their sustainable natural integrity is our unwavering commitment. Our operations undergo a stringent assessment for compliance with the Environmental Policy and the Company's internal regulations.



For the full text of PhosAgro's Environmental Policy, see the [Company's website](#)

WE ADOPTED A UNIFIED APPROACH TO ENVIRONMENTAL MANAGEMENT THAT INCLUDES:

Company-wide control.

Putting Strategy to 2025 into action and compliance with the Company's Environmental Policy are overseen by the Strategy and Sustainable Development Committee that regularly reports on the Company's progress to the Board of Directors. The Department of Ecology and Environmental Management exercises executive control over the Company's environmental activities.

A unified management system. The consistency of PhosAgro's activities aimed at environmental protection and strengthening of the Company's environmental performance results from continuous development of the environmental management system built in line with the ISO 14001 standards.

Strict compliance with applicable statutory and regulatory requirements.

STAKEHOLDER ENGAGEMENT

The effectiveness of our environmental impact management system serves as a cornerstone for PhosAgro Group's long-term business sustainability. It also reflects our fundamental commitment to responsible corporate citizenship, carefully balancing the interests of diverse stakeholders, including local residents in our regions of operation, employees and their families, and our technological partners and contractors.

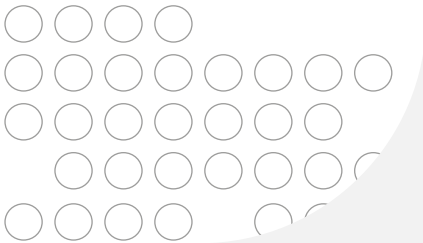
The key principle underlying our interaction with local communities is a meaningful dialogue through a variety of communication channels, from public hearings and the involvement of Company representatives in the work of local legislative and representative bodies and government authorities.

Public hearings represent one of the legitimate and effective mechanisms for establishing dialogue with stakeholders using a discussion platform to express their opinions and make suggestions on the initiatives under consideration. This mechanism has a positive impact

on the decision-making process and improves its efficiency. Engaging the general public and various groups of stakeholders in discussion plays an important role and helps ensure that all points of view are considered.



For the list of public discussions, please visit the [Company's website](#)



PhosAgro Group public discussions coverage

Item	2022	2023	2024
Number of public discussions	12	17	9
Average number of participants per discussion	6	22	7

Environmental management system

Our environmental management system is integrated in the Company's overall management framework and is a key element in our approach to managing environmental responsibility.

In 2022, the environmental management system passed a recertification audit across the Company's production sites and was found to be in full compliance with ISO 14001. In 2024, it successfully underwent an inspection audit under the same standard.



For the full text of PhosAgro's Environmental Policy, see the [Company's website](#)

PhosAgro's environmental management system embraces all management levels and all stages of the product's life-cycle, from R&D to manufacturing and finished product application by customers. This approach ensures uniform management requirements across all aspects of the Company's operations.

The facilities have also put in place a procedure to manage internal audits. Every year, they develop internal audit programmes taking into account the environmental significance of the reviewed processes, changes affecting the facility and previous audit outcomes. The audits provide input data for the Company's management to analyse environmental management efficiency.

Environmental management framework



Our strategic environmental protection goals are set out in the Company's Strategy to 2025, as well as Water and Climate strategies. Their achievement is included in the KPIs of managers and senior executives.

Compliance with statutory and regulatory requirements

Environmental compliance is key to running a responsible business.

PhosAgro Group's environmental management practices ensure our compliance with the applicable environmental and nature conservation regulations and regulators' decrees. To that end, the Company has in place an internal and external control framework, which includes internal audit and external compliance reviews, a reporting system designed in accordance with legislative requirements, and a staff training system.

All our facilities that have an adverse environmental impact are included in dedicated state registers, with relevant categories assigned to them. PhosAgro has all necessary permits in place for each of these facilities.

None of PhosAgro's enterprises uses ozone-depleting substances in the production process. A small amount (not more than 250 kg/year) of carbon tetrachloride (CCl4) is used in laboratory testing.

We do not undertake cross-border hazardous waste transportation and our production sites are not situated in protected areas. Hence, there are no significant restrictions on our operations.

Spending on environmental protection, RUB mln

MED 21

Item	2022	2023	2024
Current environmental protection expenses (form 4-OS)	6,534.600	7,394.921	8,538.425
Investments in fixed assets aimed at environmental protection (form 18-KS)	2,396.700	3,544.013	5,891.585
Environmental impact payments	192.532 ¹	204.927	187.038
Environmental fines and damages	2.464	1.584	3.002
Total	9,126.296	11,145.445	14,620.050

The Company takes steps to remedy the harm caused by an emergency in 2019 by committing RUB 3,002,000 to the reproduction of aquatic biological resources in 2024.

In 2024, our environmental investments in fixed assets increased, driven among other

things by the upgrade of absorption systems at the Balakovo branch and the establishment of dry phosphogypsum storage at the Cherepovets site, while current environmental protection expenditures also rose.

No audits of Apatit by local bodies of Rosprirodnadzor were held in 2024. There were no administrative proceedings involving the Company, and hence no fines.

¹ In subsequent periods, payment for the negative environmental impact in 2022 was adjusted following the submission of a corrective declaration.

Environmental impact payments, RUB mln

MED 21

Item	2022	2023	2024
Atmosphere			
Maximum permissible emissions	2.707 ¹	2.815	2.373
Temporarily permitted emissions	0	0	0
O-limit	2.355	1.756	0.067
Aquatic environment			
Standard permissible discharge	4.864	4.366	5.387
Temporarily permitted discharge			0
O-limit	0	0	0
Waste			
Limit	182.606	195.990	179.210
O-limit	0	0	0
Total	192.532	204.927	187.038
Including o-limit	2.355	1.756	0.067
Share of o-limit in total payments, %	1.220	0.860	0.036

The reduction in the Company's environmental impact payments was associated with decreased phosphogypsum disposal in waste facilities, achieved through its expanded application as a construction material at both the Cherepovets and Balakovo sites.

In 2024, over-limit payments accounted for 0.036% of total environmental impact payments (vs 0.86% in 2023). They resulted from exceeding the permissible

emission limit for nitrogen oxides by one of the emission sources at the Cherepovets facility.

Assessment, analysis, and monitoring

Continuous improvement is inherent in our environmental management. The Company identifies areas for improvement in its environmental management by reviewing its management system using an

effective mechanism, which combines external and internal audits, and performance monitoring and evaluation, including those by a wide range of stakeholders, with the review findings analysed and assessed by the Company's management. These efforts enable us to work out corrective action plans and proposals on how to develop and improve the system.

When assessing the Company's performance, much attention is paid to the analysis of ESG ratings and investor feedback.

¹ In subsequent periods, payment for the negative environmental impact in 2022 was adjusted following the submission of a corrective declaration.

RISKS AND OPPORTUNITIES

Environmental risk management is an integral part of the Company's risk governance framework. The following strategic risks affect our environmental protection objectives:

7

environmental risk

13

regulatory risk

19

climate risk



OPERATIONAL ENVIRONMENTAL RISKS

- non-compliance with the existing regulations on environmental impact

energy efficiency issues

To mitigate those risks, the Company develops corrective measures as necessary and unlocks opportunities:

- climate change opportunities, including the development of fertilizers with a positive climate profile, new logistics capabilities, and services for companies that embrace climate sustainability;

energy efficiency opportunities through expansion of in-house power generation, reduction of energy losses, implementation of energy saving measures, and increased utilisation of renewable energy sources;

opportunities associated with decreased waste, emissions and discharges, achieved by applying best available techniques during construction of new facilities and reconstruction of existing production sites.

The general approaches to managing risks are set out in the Strategic Risks section

p. 66–67

For more information, see the Strategic Risks section

p. 68–75

1 CLIMATE

SASB RT-CH-110a.2 / EM-MM-110a.2

OUR TARGETS

Reduce gross GHG emissions (Scope 1, 2, 3) by

14%

by 2028 vs 2018

2024 HIGHLIGHTS

Scope 1 per unit emissions

121.2 kg/t

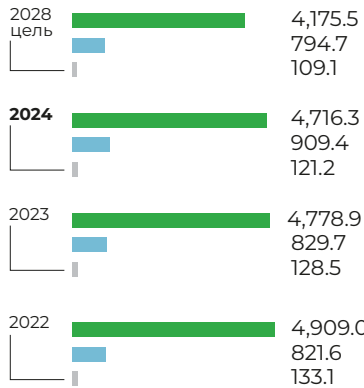
of finished and semi-finished products
-19.5% vs 2018

100%

of mineral fertilizers supplied by the Volkhov and Balakovo branches are made using carbon-free purchased electricity

The Company launched RECSOIL, a project implemented jointly with UN FAO, Lomonosov Moscow State University, and Kept on the fields of the partner AgroGard. The project focuses on recarbonisation (increasing carbon accumulation) in agricultural soils.

Gross and per unit GHG emissions (Scope 1 and 2) across the Group, CO₂-eq.



PhosAgro Group has LEAD status under the UN Global Compact and is a participant of the Climate Ambition initiative.

Starting 2021, the Company has been making annual climate disclosures in line with the TCFD logic and starting 2023, with key requirements of the new IFRS S2, which enables the most thorough disclosure of the climate-related aspects of PhosAgro Group's strategy, risks and opportunities, management approach, results, and indicators.

The Company's representatives are members of climate change and sustainable development task and expert groups instituted by government authorities and non-governmental organisations, and are actively engaged in discussions on current global challenges.

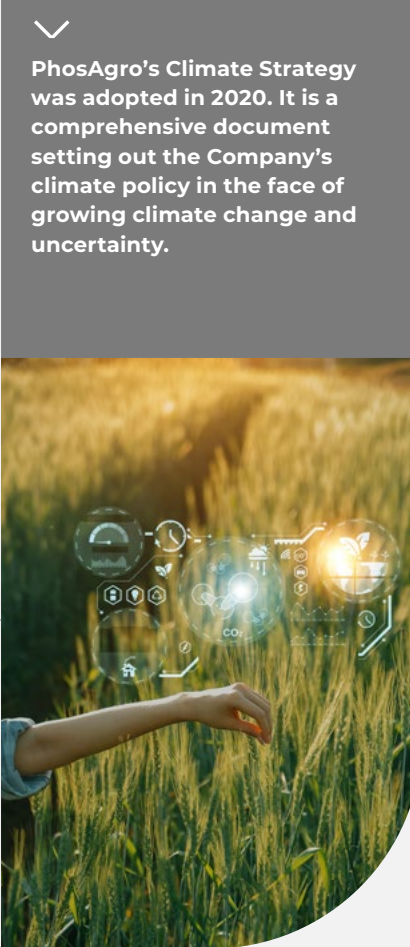
Strategy and management approach

GRI 3-3

The Company focuses on climate change in line with the double materiality principle: on the one hand, it identifies and assesses the impact of its operations on climate all along the value chain from extraction of raw materials to consumption of finished products. On the other hand, it projects how climate change affects PhosAgro's business, strategy, and financial planning.

Climate matters feature prominently in PhosAgro's strategic and investment decisions, as well as in its day-to-day management. In our evaluation of investment projects, we use internal carbon price mechanisms. The Company has identified, assessed, and prioritised climate risks, establishing their short, medium and long term consequences for its production and business processes. We make our strategic plans and day-to-day

management decisions with full awareness of the nature and extent of climate impact (both environmental and political) on the Company's business, strategy, and financial planning. The Group develops and takes consistent steps to reduce its carbon footprint and closely interacts with partners across its value chain (suppliers and consumers) and other stakeholders domestically and worldwide.



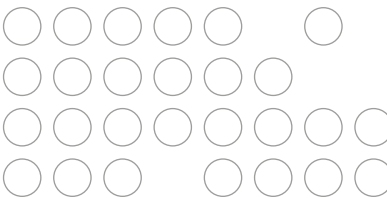
PhosAgro's Climate Strategy was adopted in 2020. It is a comprehensive document setting out the Company's climate policy in the face of growing climate change and uncertainty.

Main principles of PhosAgro Group's Climate Strategy:

- setting up targets to reduce GHG emissions in line with the Science Based Targets initiative; using climate scenario analysis;
- integrating climate risks into the comprehensive risk management framework for investment and day-to-day business activities;
- utilising technology-related measures along with proper organisation and management, as well as sound social and personnel policy, to reduce GHG emissions;
- identifying not only risks, but also attractive climate-related investment opportunities and making long-term plans for them;
- promoting awareness of the Company's climate initiatives and plans, as well as cooperation in specific areas;
- engaging stakeholders to reduce GHG emissions along the value chain.

The Climate Strategy has set the following goals:

- to minimise GHG emissions while increasing output;
- to improve energy efficiency and environmental performance of the key production processes;
- to reduce energy and carbon intensity per unit of output;
- to develop innovative fertilizers and efficient plant nutrition systems to reduce Scope 3 GHG emissions from the use of fertilizers by farmers;
- to enter into new emerging markets for green products;
- to retain and expand the existing market niches by ensuring PhosAgro Group's competitive edge in terms of energy and carbon intensity.



The Company is currently focused on creating particular metrics reflecting the impact of climate action in production and management processes on financial indicators. To that end, we assessed the impact of the carbon border adjustment mechanism (CBAM) on PhosAgro's operating expenses. The mechanism covers Russian industrial products, including, most likely, mineral fertilizers. In 2024, a cross-functional working group refined and automated our product carbon footprint assessment mechanism, among other things to ensure alignment with the CBAM requirements. The mechanism underwent evaluation by international consultants, and its methodology was validated. The mechanism helps measure carbon footprint per each tonne of fertilizer based on a transparent calculation methodology for GHG emissions, which covers production processes and semi-product flows fully in line with the CBAM guidelines.

Actions to deliver the Climate Strategy

In 2024, we continued to implement the Climate Agenda project aimed at creating the climate action management system and pushing forward the low-carbon transition plan.

IN 2024, THE FOLLOWING WORK WAS COMPLETED AS PART OF THE PROJECT:

- The international certification body conducted verification of our product carbon footprint calculation report, providing positive conclusions for 20 product types.
- We purchased certificates for electricity obtained from renewable and low-carbon sources. In 2024, carbon-free electricity from hydroelectric power stations accounted for 100% of the externally sourced carbon-free electricity for the Balakovo and Volkhov branches.

The Company's experts continued to explore options for absorbing greenhouse gases in order to select the most suitable ones across Group facilities. In 2024, we also launched the Carbon Footprint Compensation project aimed at absorbing (compensating for) GHG emissions, with a carbon footprint compensation farm being set up in the Vologda region.

- As a result of our efforts in 2024:
- Methods were developed to calculate the carbon pool of forest sites with a total absorption of 15.98 t of CO₂-eq. / year, and 5.2 carbon units / ha / year using the CDM methodology. Total sequestration: 20,092 carbon units within 40 years.

- At two 100 ha sites (Rus LLC and the Plemzavod Mayskiy agricultural complex), we tested carbon dioxide sequestration in forage grasses using the Company's fertilizers, including locally cultivated forage crop varieties.
- We achieved an additional average annual carbon sequestration of 2.6 carbon units / ha with a total accumulation of 13.69 t of CO₂-eq. / year and an increase in total yield to 11.6%. We acquired experience in using the equipment to estimate carbon gain in ecosystems and the carbon footprint of products.

For more information on our work at the carbon farm, see the Research and Education

p. 106–127

Risks and opportunities

GRI 201-2

PhosAgro identifies its climate risks and opportunities based on climate change. The process is influenced by physical (changes in natural processes or phenomena) and transitional factors of various nature (changes in the policy and regulation with a view to fulfilling low-carbon transition).

A detailed description of climate risks and opportunities, as well as corrective measures taken in 2024 remained unchanged and is presented in the TCFD report on the [Company's website](#)

Risks

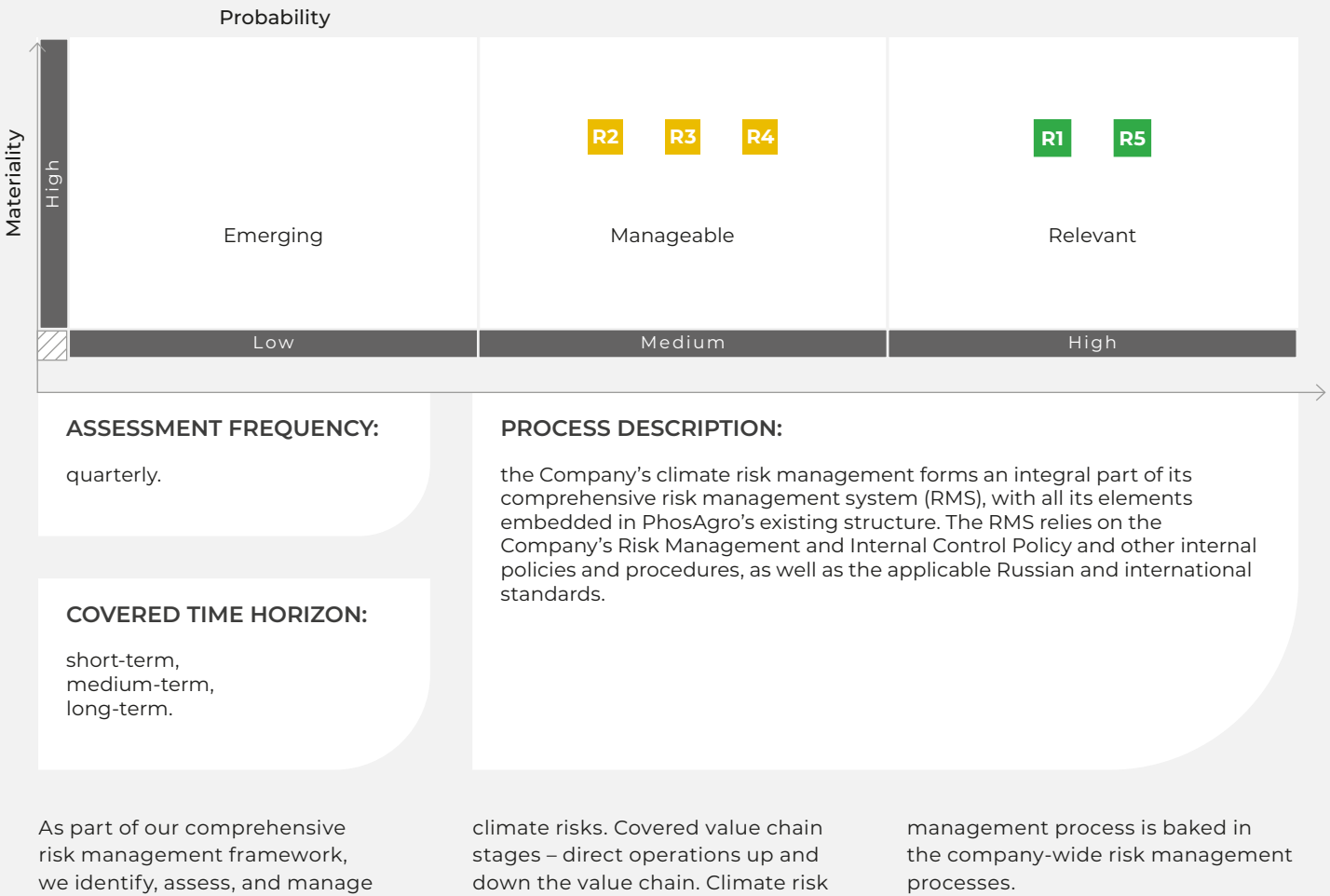
- **R1** — disruptions in production processes and logistics operations due to increasing acute climatic effects and other climate-related factors.
- **R2** — flaws in supply chains, construction design, health and safety; negative environmental footprint and reduced flows of ecosystem services; lower resilience of infrastructure and communications due to increasing climatic effects.

- **R3** — PhosAgro Group's failure to comply with regulations reducing its negative environmental footprint (following the adoption of the carbon border adjustment mechanism).
- **R4** — deterioration of the Company's sustainability reputation.
- **R5** — increased costs and losses (as a result of customers' failure to meet their obligations, rising prices for feedstock, materials and services, higher borrowing rates) and shrinking revenues (as a result of a decline in sales, customers, countries and regions of operation).

Opportunities

- **O1** — boosting PhosAgro Group's appeal as an environmentally and climatically responsible supplier of products with a positive climate profile.
- **O2** — improved logistics driven by the new export opportunities amid shortened seasonal freeze-up of rivers and lakes due to climate change.
- **O3** — new financial products that open up new sources of cheaper funding (such as green bonds) for companies that embraced environmental and climate sustainability.

Climate risk priority map



Climate scenario analysis

The Company views climate scenario analysis as a tool to make its climate strategy resilient to uncertainties and risks related to climate change. In line with that, we adopted climate scenarios and determined respective scenario parameters that are most probable and significant for the Company in the short, medium, and long term.

PhosAgro Group assessed the impact of climate-related risks and opportunities on its operations under two climate change scenarios: global warming of 2°C and 4°C. The key features of the scenarios are:

- 2°C scenario is expected to result in stringent climate policy measures that will increase market volatility (goods, services, finances, etc.). This is projected to bring about low-carbon transition, putting in place mechanisms of a low-carbon economy that will slow down physical climate-related impacts going forward;
- 4°C scenario is expected to result in less stringent climate policy measures as compared to the 2°C scenario, triggering faster physical climate-related changes.

Experts assessed the 2°C scenario as the most probable, hence it was selected as the basis for setting targets, evaluating risks and opportunities, and developing plans under the low-carbon transition.

PhosAgro identified projected changes in climate risks and opportunities under the adopted climate scenarios based on risks, opportunities, scenario parameters, and time frames. In doing so, the Company focused on its operations, strategy, and financial planning.

Processes to identify and assess climate change risks are being integrated throughout the value chain – from design, procurement and apatite-nepheline ore mining to finished product delivery.

Key initiatives in 2024

The Company is implementing a set of initiatives designed to achieve the targets of its Climate Strategy.

The Company launched RECSOIL, a joint project aimed at recarbonisation (carbon accumulation in soil) of agricultural lands. The project will not only accumulate carbon but also increase soil resilience to climate change and improve its agrophysical and agronomic characteristics. The project is implemented jointly with **UN FAO, Lomonosov Moscow State University, and Kept on the fields of the innovative partner AgroGard.** It encompasses developing low-carbon agricultural practices, conducting detailed agrochemical and soil research with expert organisations, formalising a climate project, and

developing standardised (simplified) design documentation for agricultural climate projects.

A new parameter was introduced to refine calculations of our internal carbon price. To complement our existing approach to carbon balance assessment of investment projects, we incorporated the **price per tonne of CO₂-eq. as a parameter, aligned with the EU ETS.**

The cost of carbon units was calculated at PhosAgro’s carbon farm in the Vologda region. The estimated cost of carbon units obtained from forest sites is RUB 658 per carbon unit.

The international certification body TÜV AUSTRIA Standards and Compliance conducted **verification** of our product carbon footprint calculation report.



We purchased certificates for electricity obtained from renewable and low-carbon sources. In 2024, hydroelectric power stations supplied 100% of the externally sourced electricity for the Balakovo and Volkhov branches.

Report on planned activities

Focus areas	Climate-related risk and opportunities	Description and results
Improve and implement technological measures to mitigate the negative impact of climate change on production processes	R1, R2	<p>The economic analysis of the majority of measures to reduce direct GHG emissions developed in 2021–2024 showed their insufficient ROI. The Company decided to further enhance technological solutions and keep looking for other promising technologies in this field.</p> <p>At the same time, a number of initiatives were implemented at our facilities, such as using neutralisation heat for product drying with a corresponding reduction in gas supply – this was implemented in process systems No. 1–4 of MFPU section 2 at the Cherepovets site</p>
Prepare feasibility studies (business projects) for innovative climate-resilient products based on carbon dioxide utilisation. Develop production in high-potential areas	R1, R2, R5, O1	<p>Development and testing of the Company's new products, including biological and biologised fertilizers that provide higher resilience of agricultural crops to fluctuations in climate parameters. The nitrogen loss ratio of traditional mineral fertilizers is 0.62–0.94%, compared to 0.59–0.83% for their biologised counterparts, resulting in an 8 to 35% reduction in the carbon footprint of the produce</p>
Reduce the negative impacts of climate change on operational processes such as disruptions in transportation of products and raw materials, increased consumption of water for industrial use and waste water, product dusting, failures to use equipment in accordance with operating instructions and failures to create proper workplace conditions	R1, R2, O2	<p>The Energy Efficiency Programme was reviewed and an updated one developed, aimed at reducing energy consumption and increasing resource efficiency.</p> <p>We purchase certificates for electricity obtained from renewable and low-carbon sources. In 2024, green attribute certificates for 300 mln kWh of electricity were purchased through the NP Market Council Association mechanism. As a result, in 2024, hydroelectric power stations supplied 100% of the externally sourced electricity for the Balakovo and Volkhov branches.</p> <p>Response plans are being developed and updated for natural and man-made situations at the Company's facilities that may potentially be related to climate change. Activities include liaising with the Company's personnel</p>
Introduce an automated system to collect and process primary climate data	R3, R4, O1	<p>The Company developed an automated information collection system for calculating product carbon footprints. This work was implemented as part of the carbon footprint assessment process and improving the greenhouse gas emission management system in the Company to respond to stakeholders' requests about the carbon footprint of the Company's products. The project allows for generating reports on the required product mix, including within the framework of implementing the CBAM</p>

Plans for 2025

Focus areas	Climate-related risk and opportunities	Description, current status, and expected outcomes
Review the Climate Strategy	R1, R2, R3, R4, R5, O1, O2, O3	As part of putting together the Company's Development Strategy to 2030, a review of all Climate Strategy parameters is planned
Implement a project to transfer the settlement of Titan in the Murmansk Region to a different heat supply scheme	R3, R4, R5, O1	Repair and installation is underway. Reduce Scope 1 GHG emissions to 19.204 kt of CO ₂ -eq. / year
Implement the Energy Efficiency Programme	R1, R3, R4, R5, O1	Reduction of GHG emissions
Analyse the existing approach to assessing Scope 3 GHG emissions in the Purchased Goods and Services subcategory	R3	Revision of the list of purchased goods and services included in the assessment of Scope 3 GHG emissions in order to obtain more complete information

Metrics and targets

PhosAgro's climate metrics are aligned with the goals of the Climate Strategy approved by its Board of Directors.

The Company is working to expand and enhance the quality of climate-related measurements, including both existing and prospective metrics. Most metrics are locked on targets which are aligned with the goals of the Climate Strategy and other commitments of the Company.

The metrics are monitored and reported annually to stakeholders.

The Company's primary focus is on GHG emissions (carbon dioxide CO₂, methane CH₄ and nitrous oxide N₂O)

in all three Scopes (1, 2, and 3). The Company calculates greenhouse gas emissions in accordance with the international guidelines:

- 2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines for National Greenhouse Gas Inventories;
- The Greenhouse Gas Protocol: Scope 2 Guidance;
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition);
- ISO 14064-1 – Specification with Guidance at the Organisation Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals.

Calculations are based on global warming projections of the IPCC report “Climate Change 2021: The Physical Science Basis”.

The Company's efforts include end-to-end monitoring of raw data (Scopes 1, 2, and 3) and analysis of supply chain participants' data (Scopes 2 and 3).

The targets are set in line with minimum qualitative and quantitative criteria based on RCP 2.6, a representative concentration pathway for reduction of global anthropogenic GHG emissions, in order to keep global temperature rise below 2°C by 2100.

Direct (Scope 1) GHG emissions, CO₂-eq.

GRI 305-1, 305-4, SASB RT-CH-110a.1 / EM-MM-110a.1

Assets	UoM	2022	2023	2024
Kirovsk branch	kt	690.9	657.8	625.0
Per unit emissions, Kirovsk branch	kg per tonne of finished and semi-finished products	57.7	55.9	50.1
Balakovo branch	kt	236.6	232.7	228.2
Per unit emissions, Balakovo branch	kg per tonne of finished and semi-finished products	41.5	37.9	34.8
Volkhov branch	kt	191.5	193.3	195.6
Per unit emissions, Volkhov branch	kg per tonne of finished and semi-finished products	71.8	72.4	64.3

Assets	UoM	2022	2023	2024
Cherepovets site (Apatit)	kt	3,790.0	3,695.1	3,667.5
Per unit emissions, Cherepovets site (Apatit)	kg per tonne of finished and semi-finished products	229.1	222.4	217.5
Total gross emissions	kt	4,909.0	4,778.9	4,716.3
Total per unit emissions	kg per tonne of finished and semi-finished products	133.1	128.5	121.2

Indirect (Scope 2) GHG emissions, CO₂-eq.

GRI 305-2, 305-4

Assets	2022	2023	2024
Gross emissions of the Kirovsk branch, kt	588.2	577.2	661,8
GHG emissions of the Kirovsk branch, kg per tonne of finished and semi-finished products	49.1	49.0	53.1
Gross emissions of the Balakovo branch, kt	51.9	46.0	0 ¹
GHG emissions of the Balakovo branch, kg per tonne of finished and semi-finished products	9.1	7.5	0
Gross emissions of the Volkhov branch, kt	44.6	17.8	6.7 ¹
GHG emissions of the Volkhov branch, kg per tonne of finished and semi-finished products	16.7	6.6	2.2
Cherepovets site (Apatit), gross emissions, kt	136.9	188.7	240.9
GHG emissions of the Cherepovets site (Apatit), kg per tonne of finished and semi-finished products	8.3	11.3	14.3
Total gross emissions, kt	821.6	829.7	909.4
Total GHG emissions, kg per tonne of finished and semi-finished products	22.3	22.3	23.4

Note

Greenhouse gas emissions were calculated in line with the Guidelines for Climate Impact Management of PJSC PhosAgro and other Group Entities (using the IPCC methodology).

In 2022, we changed our approach to calculating Scope 2 GHG emissions related to electricity consumption. In 2020–2021, the methodology relied on emission factors defined by the

International Energy Agency (IEA), while starting 2022, we use the energy indirect GHG emission factor for the First Synchronous Zone of the Russian Energy System defined by the Trading System Administrator of the Wholesale Electricity and Capacity Market.

In 2024, the Company purchased green attribute certificates and used them to fully offset the electricity purchased by the Balakovo and Volkhov branches of Apatit.

The results of the GHG assessment for purchased renewable electricity, using the market-based method based on the certificate data, align with the results calculated using the location-based method.

¹ The entire volume of purchased electricity is fully covered by purchases of certificates for electricity from renewable and low-carbon sources. Throughout 2024, however, the Company continued to purchase heat energy; consequently, the table reflects the greenhouse gas emissions associated with this heat consumption.

Calculation of other indirect GHG emissions

GRI 305-3

Category	GHG emissions, t of CO ₂ -eq.			Share in total other indirect emissions, %		
	2022	2023	2024	2022	2023	2024
Purchased goods and services ¹	4,231,751	4,233,076	4,750,908	28.078	27.918	30.686
Fuel- and energy-related activities not included in Scope 1 or Scope 2	350,275	427,877	476,046	2.324	2.822	3.075
Processing of sold products	720,223	642,002	631,219	4.779	4.234	4.077
Use of sold products	9,768,958	9,859,766	9,624,096	64.819	65.026	62.162
Total	15,071,207	15,162,721	15,482,269	100.000	100.00	100.00

Scope 3 greenhouse gas emissions were calculated for four categories after an expert review identified them to be the most significant emission sources for the Company.

Scope 3 GHG emissions, CO₂-eq.

GRI 305-3, 305-4, MED 20

Category	2022	2023	2024
Total gross emissions of production assets, kt	15,071,207	15,162,721	15,482,269
Total GHG emissions of production assets, kg per tonne of finished and semi-finished products	408.759	407.830	397.722

GRI 305-5

We have chosen 2018 as the base year for calculations because it was the Company's first GHG inventory year and we needed to set GHG reduction targets for all three scopes based on the available emission data. In 2018, GHG emissions were as follows:

- direct GHG emissions (Scope 1) – 4,624.6 kt of CO₂-eq.;
- indirect GHG emissions (Scope 2) – 924.1 kt of CO₂-eq.;
- and other indirect GHG emissions (Scope 3) – 12,634.4¹ kt of CO₂-eq.

Analysis of factors affecting changes in GHG emissions in 2024 compared to 2018

GRI 305-5

	Scope 1		Scope 2		Scope 3	
	2018	2024	2018	2024	2018	2024
Production volume, mt	30.73	38.93	30.73	38.93	30.73	38.93
GHG, kt	4,624.59	4,716.35	924.11	909.42	12,634.42 ¹	15,482.27
Change in GHG emissions in the reporting year vs 2018, %		1.98		-1.59		22.54
Per unit GHG emissions, kg/t	150.47	121.20	30.07	23.36	411.08	397.72
Change in per unit GHG emissions in the reporting year vs 2018, %		-19.48		-22.30		-3.25
Change in GHG emissions in the reporting year vs 2018, output growth factor, kt		1,232.77		246.34		3,367.95
Reduction in GHG emissions vs 2018 excluding the output growth factor, kt		-1,141.06		-261.03		-519.95

In 2024, per unit GHG emissions (Scope 1) declined by 29.3 kg/t or 19.5% compared to 2018, whereas gross GHG emissions (Scope 1) increased by 2% vs 2018 due to higher production volumes. With adjustments made for the output growth factor, gross emissions decreased by 1,141.1 kt compared to 2018. Improved production efficiency (primarily reduced per unit consumption of natural gas in production processes) and changes in the mix of semi-finished products used in fertilizer production had the most significant impact on the reduction of emissions, as part of direct emissions related to manufacturing of semi-finished products decreased due to replacing some of the Company's own products (for example, ammonia) with third-party feedstock.

Per unit GHG emissions (Scope 2) declined by 22.3% compared to the baseline year of 2018, while gross GHG emissions (Scope 2) (excluding the output growth factor) decreased by 261.0 kt vs 2018. The reduction was achieved thanks to procurement of green electricity, as well as energy efficiency initiatives.

Gross GHG emissions (Scope 3) increased by 22.5% relative to the baseline year, with per unit emissions down by 3.3%. The key factor affecting the growth in Scope 3 emissions was the increased production volume, which led to more purchases of feedstock and increased emissions from the application of sold products. Excluding the output growth factor, Scope 3 GHG emissions declined by 519,9 kt vs the baseline year due

to higher volumes of purchased feedstock and energy and tolling arrangements.

In 2024, we modernised our product carbon footprint data collection process through substantial automation within our Cognos information system. This technical advancement enables plant-specific carbon footprint calculations across the entire PhosAgro Group, supports more sophisticated factor analysis of changes, and generates required reporting data for the EU CBAM, with our calculation methodology validated during this reporting year.

Our enhanced data capabilities now support deeper analytics into factors driving year-on-year carbon footprint changes.

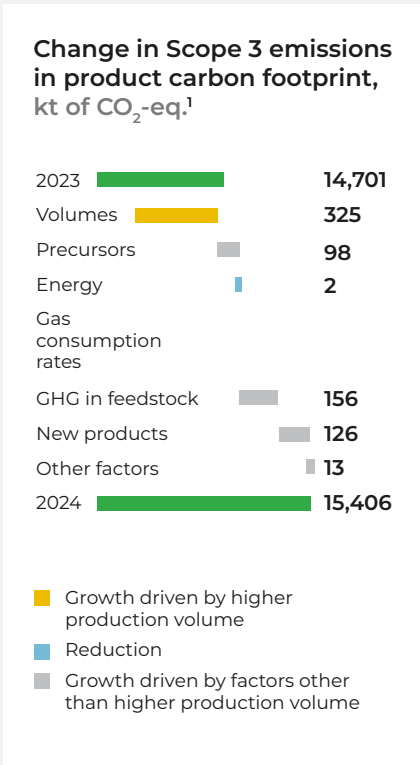
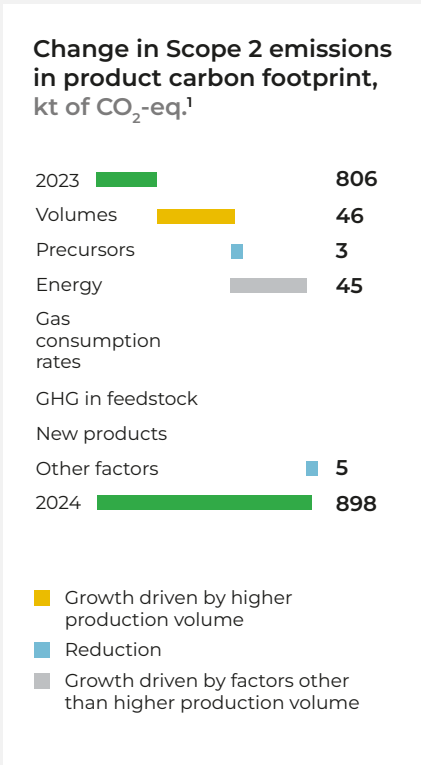
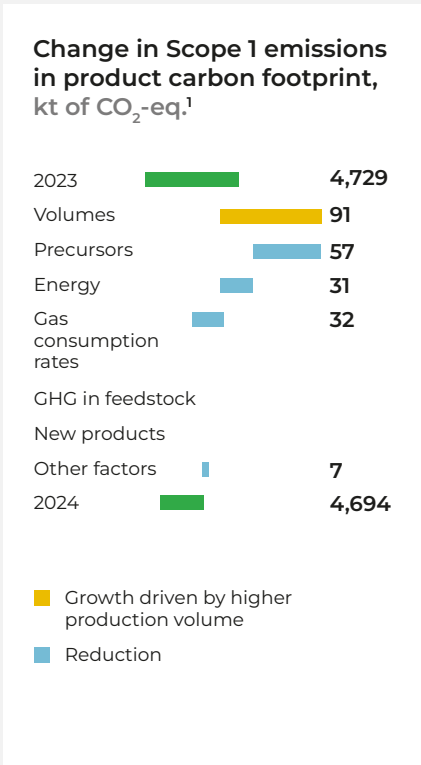
¹ The data for comparable periods, including the base year, for the purchased goods and services category have been adjusted due to adjustments to the carbon footprint data for products that the supplier previously provided.

The analysis shows that, despite higher sales volumes, Scope 1 gross emissions in 2024 decreased by 34 kt of CO₂-eq. (0.7%) y-o-y primarily due to the partial replacement of internally produced feedstock and energy with resources purchased from third parties. Production efficiency improvements also had a positive impact, as they helped reduce gas consumption rates and the associated GHG emissions.

In Scope 2, gross emissions grew by 92 kt of CO₂-eq. (11.4%). Along with higher sales, the most considerable impact on Scope 2 GHG emissions came from increased purchases of energy (electricity) from third parties.

In 2024, Scope 3 gross GHG emissions in the product carbon footprint grew by 705 kt of CO₂-eq. vs 2023. The main

factors contributing to this increase in 2024 were higher sales volumes and associated GHG emissions from the use of products, as well as the rise in per unit GHG emissions from purchased goods, changes in the consumption mix and rates of purchased feedstock, and the sale of products manufactured under tolling arrangements.



List and description of existing metrics introduced for the monitoring of performance under the Climate Strategy

Metric	2022	2023	2024
Gross global emissions (Scopes 1 and 2) per currency unit of total revenue (GRI 305-4) ² , t of CO ₂ -eq. / USD mln	693.500	1,072.400	1,025.714
Gross global emissions (Scope 1 and 2) per FTE (GRI 305-4) ³ , t of CO ₂ -eq. / FTE	288.800	256.900	238.206
Electricity purchased per unit of finished and semi-finished products, '000 kWh / t	0.062	0.065	0.067
Share of feedstock suppliers providing necessary input data on GHG emissions (Scope 3), %	7.5	9.5	13

¹ The diagrams illustrate the analysis of factors having the most significant impact on the year-on-year changes in the product carbon footprint. The product carbon footprint calculation data excludes certain items that are included in the Company's total GHG emissions. For more information on the factors, see page 372.

² The indicator was calculated as the ratio of the sum of Scope 1 and 2 gross emissions under GRI 305-1 and GRI 305-2 respectively to PhosAgro Group revenue according to consolidated financial statements converted into USD mln at monthly average USD/RUB exchange rates.

³ The indicator was calculated as the ratio of the sum of Scope 1 and 2 gross emissions under GRI 305-1 and GRI 305-2 respectively to the total number of full-time employees under GRI 2-7.

2 ENERGY EFFICIENCY

OUR TARGETS

Reduction of Scope 2 GHG emissions

to **794.7 kt of CO₂-eq.**

by 2028 as a result of implementing the Energy Efficiency Programme

2024 HIGHLIGHTS

Consumption of all types of energy per tonne of finished and semi-finished products came in at

2.26 GJ/t

down 3.42% y-o-y.

In 2024, the total amount of electricity generated internally by heat and power plants in Cherepovets, Balakovo, and Volkhov went up

1.0%

y-o-y.

300 mln kWh

of carbon-free electricity was purchased in 2024.

In 2024, PhosAgro established a new initiative to advance its Energy Management System (EnMS) in alignment with the ISO 50001 standard.

Electricity generated by the Company's own heat and power plants, mln kWh

Production site	2022	2023	2024	Change y-o-y, %
Cherepovets site	787.93	807.70	808.56	0.1
Balakovo branch	340.83	384.53	378.22	-1.7
Volkhov branch	184.89	251.86	271.00	7.6
Total	1,313.65	1,444.09	1,457.78	1.0

In 2024, the share of self-generated electricity covering the Company's production facilities reached 37.4%, down slightly compared to 2023. However, with the re-commissioning of a gas turbine power plant at the Cherepovets production site

following repairs, the self-sufficiency ratio is projected to exceed 40% in 2025.

Going forward, the Company will continue developing in-house power generation. Construction

and installation works have commenced in Balakovo for two gas-piston power plants (2 MW each) and an 18 MW exhaust gas turbine.

Strategy and management approach

GRI 3-3, 302-4

In 2024, the Company continued to follow the Climate Strategy and the Energy Efficiency and Energy Saving Policy approved by the Board of Directors. We reviewed and

updated the list of initiatives set out in the Energy Efficiency Programme, which is tightly integrated into the Company's Strategy to 2025.

The Energy Efficiency and Energy Saving Policy sets out the following key goals:

- continuously improving energy efficiency;

- using energy resources in a sustainable and efficient manner;
- streamlining the energy management process for all types of operating activities.

THE COMPANY PAYS PARTICULAR ATTENTION TO MANAGING ENERGY EFFICIENCY RISKS.

A sufficient and reliable energy supply is a material aspect and major concern for us. We thoroughly explore all opportunities to transition to renewable energy: among other things, in 2024, we continued to purchase electricity generated by hydroelectric power plants.

Risk of Scope 2 GHG emissions being included in carbon regulation in the EU and other jurisdictions. The Company's energy efficiency directly affects Scope 2 GHG emissions, which poses a potential risk, for example after full-scale implementation of carbon border adjustment mechanisms.

Market availability of electricity from renewable energy sources. The Company continuously monitors the market to ensure a sufficient supply of electricity from renewable energy sources.

STAKEHOLDER ENGAGEMENT

The Company conducts an annual analysis of the low-carbon electricity market, benchmarking its operations against leading industry players and broader industrial benchmarks. We prioritise aligning our electricity consumption with evolving requirements for electricity generation and the development of carbon-free (green) energy attribute certificate market. Through active participation in the energy industry events, the Company shares expertise with market stakeholders and gathers critical insights on energy efficiency trends and innovations in the energy transition.

In 2024, the NP Market Council Association¹ launched a mechanism and platform for transparent tracking of green electricity generation as well as certificate issuance, sales, and redemption. This mechanism ensures the traceability of the electricity origin, certification of green energy producers, and mitigation of risks linked to the sale of green attribute

certificates to sustainability-focused consumers seeking to reduce their carbon footprint through verified purchases.

The initiatives set out in the Energy Efficiency Programme are aimed at improving energy efficiency, developing energy management at each production site, and achieving strategic objectives in the following focus areas:

- in-house power generation through utilisation of sulphuric acid production steam;
- introduction of technologies aimed at loss reduction and energy savings (e.g. LED lighting, frequency converters, less heat energy losses).

In addition, the Company actively studies and tests promising solutions, including by increasing the share of renewable energy sources both as part of pilot projects at PhosAgro's own facilities and through green electricity purchases.

In 2024, we implemented comprehensive energy efficiency projects at all of our sites.

¹ A self-regulatory organisation for the wholesale energy market participants.

Key initiatives in 2024

Project	Description and results	Expenditures, RUB mln	Completion
Cherepovets	Installation of metering units for utility and drinking water	1.95	4Q 2024
Volkhov	Upgrade of the facility's street lighting system to LED. Ca. 65,000 kWh of annual reduction in electricity consumption	1.0	4Q 2024
Balakovo	Upgrade of the facility's street lighting system to LED. Ca. 80,000 kWh of annual reduction in electricity consumption	1.95	4Q 2024

Initiatives planned for 2025

Project	Description and results	Expenditures, RUB mln
Cherepovets site	Technical upgrades to the regulation system and automated process control system of turbine generator No. 6. Reducing natural gas consumption by 1,600 m³ Annual savings of ca. RUB 48 mln	83
Kirovsk branch	Developing a methodology and piloting the transition to fuel oil pressure of 12 kgf/cm2 for the drum drier furnace. Saving diesel fuel by increasing combustion completeness, target: 1%	24
Kirovsk branch	Upgrades to the heat supply infrastructure of the Titan settlement to eliminate the consumption of 6.175 ktpa of furnace fuel oil	177
Balakovo branch	Enhancement of in-house power generation from the sulphuric acid production exhaust steam. 200 mln kWh annual replacement of purchased electricity	2,820
Volkhov branch	Complementing the industrial zero-discharge solution at the Volkhov branch of Apatit with a similar zero-discharge domestic waste water system. Reduced reliance on river water by utilising the chemical water treatment of domestic waste water for the heat and power plant	287

Metrics and highlights

The energy efficiency metrics are used to monitor the Company's progress towards its energy efficiency improvement target and are set forth in PhosAgro's Energy Efficiency Programme and Action Plan, which helps keep track of electricity generation and consumption, energy intensity, etc.

The energy efficiency metrics are based on PhosAgro's raw data and are calculated in accordance with the approved statistical methodologies.

In 2024, self-generated electricity coverage for the Company's production assets stood at 37.4%, down from 2023 levels. In absolute terms, in-house electricity generation decreased by 102.3 mln kWh y-o-y due to the unavailability of critical generating equipment from foreign manufacturers impacted by international sanctions against Russia. Total electricity consumption grew by 106.2 mln kWh (2.6%) y-o-y, which is attributable to the upgrade of the processing facilities.

In 2024, Apatit used 300 mln kWh of carbon-free electricity at its production sites. This means that mineral fertilizers supplied by the Volkhov and Balakovo production sites in 2024 were manufactured using exclusively green power purchased from the hydroelectric power plants of TGC-1.

PhosAgro Group’s energy consumption

GRI 302-1, 302-3, SASB RT-CH-130a.1 / EM-MM-130a.1, MED 22

Item	UoM	Total for production assets		
		2022	2023	2024
Electricity				
Purchased electricity, including	mIn kWh	2,303.26	2,396.25	2,604.75
Purchased from renewable sources	mIn kWh	300.00	300.00	300.00
Electricity purchased per unit of finished and semi-finished products	’000 kWh / t	0.062	0.064	0.067
Heat energy				
Purchased (in hot water)	’000 Gcal	352.07	423.36	415.75
Supplied (in hot water)	’000 Gcal	187.49	104.80	84.20
Exhaust steam	’000 Gcal	8,923.70	9,229.87	9,599.12
Per unit consumption of heat energy	’000 Gcal/t	0.246	0.257	0.255
Natural gas¹				
As feedstock for ammonia production	mIn m³	1,968.06	1,969.34	1,971.45
As fuel, etc.	mIn m³	771.72	745.51	726.59
Total	mIn m³	2,739.78¹	2,715.05	2,698.05
Consumption per unit of finished and semi-finished products²	’000 m³ / t	0.021	0.020	0.019
LNG				
Consumption	t	2,380.30	2,782.06	2,667.79
Fuel oil				
Consumption	t	152,895.50	146,764.10	145,449.70
Heating oil				
Consumption	t	766.40	789.80	802.60
Diesel fuel				
Consumption	t	58,276.73	57,109.12	45,344.42

Energy consumption, GJ³
GRI 302-1, 302-3, MED 23

Item	2022	2023	2024
Internal use of electricity	8,291,723	8,626,491	9,377,112
Internal use of heat energy	38,050,823	39,977,375	41,577,704

¹ Calculations of total energy consumption include only gas consumed as fuel, whereas gas consumed as feedstock for ammonia production is provided for illustrative purposes and excluded from further calculations of total energy consumption (in GJ), as it is not used as an energy resource.
² The Company excludes natural gas used as feedstock for ammonia production from the calculation of per unit energy consumption.
³ To convert energy consumption values into joules, the coefficients on the Berkeley Institute (USA) https://w.astro.berkeley.edu/~wright/fuel_energy.html.

Item	2022	2023	2024
Internal consumption of natural gas (excluding gas consumed as feedstock during production processes)	30,097,257	29,074,904	28,337,190
Internal consumption of LNG	129,488	151,344	145,128
Internal consumption of fuel oil	6,742,692	6,472,297	6,414,332
Internal consumption of heating oil	35,407	36,489	37,080
Internal consumption of diesel fuel	2,657,419	2,604,176	2,067,705
Total internal consumption	86,004,809	86,943,075	87,956,251
Total energy consumption per unit of finished and semi-finished products, GJ/t⁴	2.33	2.34	2.26

3 WASTE

TARGET

By 2025, increase the share of recycled and decontaminated hazard class 1–4 waste

to 40%

2024 HIGHLIGHTS

40.3%

+0.13% y-o-y

of hazard class 1–4 waste recycled and decontaminated

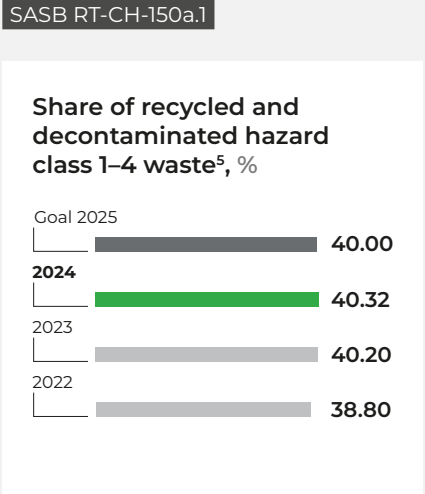
Strategy and management approach

GRI 3-3, 306-1

PhosAgro's Development Strategy to 2025 stipulates an increase in the share of recycled hazard class 1–4 waste to 40.00%.

Having developed a system for accumulating and analysing data on production and consumption waste from our operations, we are now implementing a range of projects aimed at minimising waste generation and increasing the share of recycled waste.

Metrics and highlights



⁴ The Group's specific disclosure is calculated as the ratio of class 1–4 waste recycled and decontaminated to the total volume of class 1–4 waste.

The management system covers:



PhosAgro's waste management is monitored on a regular basis and discussed by the Strategy and Sustainable Development Committee before being communicated to the Board of Directors.

Key initiatives in 2024

GRI 306-2

PhosAgro is implementing consistent efforts to increase the share of recycled and decontaminated hazard class 1–4 waste. At each production site, regular initiatives are conducted to identify potential types of materials that can be diverted for recycling.

Promoting phosphogypsum utilisation

In 2024, PhosAgro expanded the use of phosphogypsum as a construction material at Apatit's Cherepovets and

Balakovo sites. This helped reduce the volume of phosphogypsum sent to waste disposal facilities.

The Company sold a total of **95_{kt}** of phosphogypsum in 2024.

A key focus is the use of phosphogypsum as a soil ameliorant¹ in diverse agricultural landscapes across varying soil types and climatic zones. Under the guidance of Pryanishnikov All-Russian Research Institute of Agricultural Chemistry, research was initiated in 2024 on applying Apagips (neutralised phosphogypsum compliant with GOST 58820-2020) to combat soil desertification. Preliminary results have been promising.

A notable example of Apagigis application is the chemical amelioration of acidic soils across 1,000 ha at Vozrozhdenie LLC in the Ulyanovsk region. Apagigis demonstrated excellent efficacy as a soil ameliorant in pilot trials.

All contractors working at the Company's sites undergo training and are informed of waste management requirements, which are explicitly outlined in work/service agreements. Compliance with safe and proper waste handling protocols is strictly enforced.

Waste generation by hazard class, t

GRI 306-3, MED 17

Waste hazard class	2022	2023	2024
I	4.22	3.82	3.12
II	0.39	3.23	2.11
III	1,436.71	1,278.12	1,848.45
IV	195,057.45	253,064.94	247,706.29
V	120,229,531.00	94,372,377.65	99,274,182.20
Total	120,426,029.77	94,626,727.75	99,523,742.16

Waste by type and disposal method², t

GRI 306-4, 306-5, MED 18

Disposal method	2022	2023	2024
PhosAgro Group's waste reused internally	27,753,191.6	26,418,490.4	20,722,469.5
• Hazardous waste	74,456.8	99,800.9	98,311.9
• Non-hazardous waste	27,678,734.8	26,318,689.5	20,624,157.6
Total waste landfilled	93,400,262.0	65,294,928.0	80,586,785.7
• Hazardous waste	120,688.6	153,525.5	148,801.6
• Non-hazardous waste	93,279,573.4	65,141,402.5	80,437,984.1
Including landfilled at the Company's waste disposal facilities	93,390,463.8	65,285,342.7	80,579,179.0
• Hazardous waste	110,976.1	143,988.9	145,011.2
• Non-hazardous waste	93,279,487.7	65,141,353.8	80,434,167.8
Third-party recycled	63,010.9	83,219.2	24,409.6
• Hazardous waste	1,449.9	1,808.1	1,785.5
• Non-hazardous waste	61,561.0	81,411.1	22,624.1
Third-party decontaminated	299.8	612.2	539.1
• Hazardous waste	263.1	563.2	536.7
• Non-hazardous waste	36.7	49.0	2.4
Third-party processed	2,880.6	3,027.4	4,502.9
• Hazardous waste	45.1	314.2	278.7
• Non-hazardous waste	2,835.5	2,713.2	4,224.2

¹ Ameliorant is a substance of industrial or fossil origin designed to improve physical and chemical properties and enhance the fertility of acidic, sodic, and other soils.

² Hazardous means hazard class 1–4 waste; non-hazardous means hazard class 5 waste.

Disposal of beneficiation waste and overburden at Kirovsk branch

SASB EM-MM-150a.1, EM-MM-150a.2

Item	Reused			Landfilled at waste disposal facilities		
	2022	2023	2024	2022	2023	2024
Apatite-nepheline ore processing waste (tailings)	13,065,273.3	12,984,017.0	13,487,447.6	12,865,355.7	12,812,723.0	13,290,756.4
Rocks and overburden mix	11,276,148.0	9,916,198.0	4,547,241.0	72,281,414.0	43,680,591.0	60,385,005.0

Waste generation, tonne per tonne of finished and semi-finished products

Production site	2022	2023	2024
Kirovsk branch	9.100	7.000	7.211
Balakovo branch	0.900	0.900	0.697
Volkhov branch	0.001	0.001	0.001
Cherepovets site (Apatit)	0.400	0.400	0.298
Total	3.300	2.500	2.557

Waste generation (hazard class 1–4), kg per tonne of finished and semi-finished products

Production site	2022	2023	2024
Kirovsk branch	0.8	0.7	0.3
Balakovo branch	21.1	28.7	27.9
Volkhov branch	0.5	0.7	0.3
Cherepovets site (Apatit)	4.0	4.1	3.7
Total	5.3	6.8	6.4

4 AIR

OUR TARGETS

Reduce pollutant emissions by 2025 to

0.8 kg/t

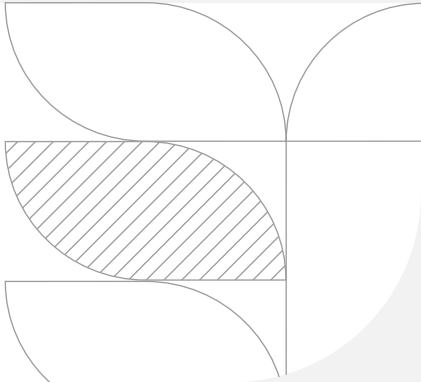
of finished and semi-finished products

2024 HIGHLIGHTS

Per unit emissions in 2024 came in at

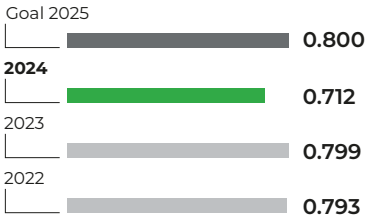
0.712

–10.9% y-o-y



Metrics and highlights

Pollutant emissions¹, kg per tonne of finished and semi-finished products



Strategy and management approach

GRI 3-3

PhosAgro Group has developed and now maintains an emissions management process that includes assessment of planned activities, discussion of relevant matters with a wide range of stakeholders, as well as monitoring and disclosing pollutant emissions. To effectively reduce its environmental impact, PhosAgro is running a programme to re-equip production facilities and cut pollutant emissions.

PhosAgro takes part in the government's Clean Air initiative, which aims to drastically reduce air pollution in major industrial cities across Russia. As part of the initiative, the Company implemented a number of measures, which helped reduce gross pollutant emissions in 2024 by 24% vs the 2017 level (project launch).

Air quality in sanitary protection areas near the Company's production sites complies with applicable hygienic requirements.



Since 2019, PhosAgro has been implementing a programme to upgrade its sulphuric acid production and adopt a domestic energy efficient and environmentally safe sulphuric acid production technology. This technology utilises the Double Contact Double Absorption (DCDA) process for sulphuric acid production, developed by the Samoilov Scientific Research Institute for Fertilizers and Insectofungicides (NIUIF), part of PhosAgro Group.



The programme covers sulphuric acid production units at the Company's Cherepovets site and its Balakovo and Volkhov branches.

Key initiatives in 2024

Apatit's Cherepovets site completed the fifth and final initiative as part of the Clean Air national project.

Modernisation of the SK-600/1 and SK-600/2 technological systems, along with the adoption of domestically developed energy efficient and environmentally safe sulphuric acid production technology, reduced atmospheric pollutant emissions and enhanced energy efficiency.

At the **Volkhov branch**, the key activities of 2021–2024 to mitigate the negative impact on the air quality were implemented as part

of an investment project to develop the Volkhov site: technical solutions to reduce per unit emissions and pollutant concentrations at the sanitary protection zone boundaries near residential areas were initially integrated into the design of new production lines and existing facility upgrades. This approach achieved a 74% reduction in per unit pollutant emissions compared to 2020 levels.

Key initiatives to reduce negative air quality impacts at the **Balakovo branch** included:

- reconstruction of the SK-20 sulphuric acid production unit, including installation of a five-layer contact apparatus and adoption of a domestic energy efficient and environmentally safe sulphuric acid production technology;
- catalyst replacement at the SK-17 and SK-20 sulphuric acid production units;
- technical upgrades to absorption systems in the phosphate fertilizers workshop.

These measures reduced per unit atmospheric emissions at the Balakovo site by 25.7% in 2024 compared to 2023.

At the **Kirovsk branch**, the 2024 activities to minimise dust emissions from tailing dumps of beneficiation facilities included:

- chemical stabilisation using binding agents (PSKh-18, bitumen emulsion) for dusty surfaces in the beach area of tailing dumps:
 - at ANBP-2² across 325.7 ha,
 - at ANBP-3 across 336 ha;
- chemical stabilisation for dusty surfaces on service roads of tailing dumps:
 - at ANBP-2 across 121 ha,
 - at ANBP-3 across 67 ha;

¹ The Group's specific disclosure is calculated as the ratio of pollutant emissions to the total output of products and semi-finished products.

² Apatite-nepheline beneficiation plant.

- biological stabilisation of the tailing dump's dam slopes and decommissioning of the tailing dump's beach area (via sowing of regionally specific plant species) across 7 ha;
- extra nutrition of crops planted in the past years on the dam slopes and in the beach area of tailing dumps across 36 ha;
- piloting four new anti-dusting agent prototypes.

To stabilise dust-emitting surfaces at the tailing dumps in the Kirovsk branch, the Company has been

conducting multi-year research in collaboration with scientific institutions to identify optimal surface stabilisation and dust control methods. Studies confirmed that specially selected plant communities, tailored to the substrate and regional climate, effectively stabilise dam slopes and inactive areas of the tailing dumps, preventing wind-driven particle dispersal. This approach has been successfully applied across the Company's operations.

Beach areas of the tailing dump, where fresh material is continuously deposited, as well as access roads, are

treated with custom binding agents. Research into more efficient solutions remains ongoing.

In 2024, the implementation of biological and chemical measures successfully prevented the emission of over 25 t of particulate matter into the atmosphere.

These initiatives reduced particulate emissions from facility surfaces by 37%.

Effectiveness of dust suppression at ANBP-2 and ANBP-3 tailing dumps

Facility	Actual solid particulate (SP) emissions, t	Prevented SP emissions to atmosphere, t	Prevented SP emissions, %
Tailing dump at ANBP-2	28.3	15.8	36
Tailing dump at ANBP-3	14.7	9.3	39
TOTAL	43.1	25.1	37

NO_x, SO_x, and other significant air emissions¹, t

GRI 305-7, SASB RT-CH-120a.1 / EM-MM-120a.1, MED 19

Pollutants	2022	2023	2024
Total			
Kirovsk branch	10,141.30	10,056.80	10,022.10
Balakovo branch	7,323.80	8,217.00	6,522.61
Volkhov branch	1,575.00	1,203.40	1,365.06
Cherepovets site (Apatit)	10,193.50	10,235.00	9,788.55
Total	29,234.60	29,712.20	27,698.32
Solids			
Kirovsk branch	5,011.10	4,969.60	3,521.84
Balakovo branch	497.10	745.50	796.20
Volkhov branch	234.90	214.60	287.11
Apatit (Vologda region)	771.70	768.00	1,250.47
Total	6,514.80	6,697.70	5,855.62

Pollutants	2022	2023	2024
Sulphur dioxide			
Kirovsk branch	3,373.40	3,273.70	3,101.61
Balakovo branch	4,227.20	4,723.70	3,066.45
Volkhov branch	320.50	351.50	493.07
Cherepovets site (Apatit)	3,770.90	3,736.60	3,776.57
Total	11,692.00	12,085.50	10,437.70
Carbon monoxide			
Kirovsk branch	798.10	908.20	1,364.66
Balakovo branch	949.40	927.60	821.47
Volkhov branch	106.30	153.40	175.87
Cherepovets site (Apatit)	1,324.20	1,332.60	893.31
Total	3,178.00	3,321.80	3,255.31
Nitrogen oxides (NOx as NO2)			
Kirovsk branch	931.20	859.50	1,831.51
Balakovo branch	765.10	759.40	915.33
Volkhov branch	330.70	224.40	223.59
Cherepovets site (Apatit)	2,491.90	2,467.60	1,971.66
Total	4,518.90	4,310.90	4,942.08
Hydrocarbons (w/o VOCs)			
Kirovsk branch	8.00	7.60	0.71
Balakovo branch	2.60	2.60	0.94
Volkhov branch	0.00	0.00	0.02
Cherepovets site (Apatit)	38.10	4.00	4.89
Total	48.70	14.20	6.56
Volatile organic compounds			
Kirovsk branch	19.00	38.10	200.68
Balakovo branch	340.00	339.50	218.20
Volkhov branch	6.20	5.80	10.59
Cherepovets site (Apatit)	2.80	12.90	12.81
Total	368.00	396.30	442.28
Other gaseous and liquid pollutants			
Kirovsk branch	0.50	0.10	1.10
Balakovo branch	542.40	718.70	704.02
Volkhov branch	576.40	253.70	174.82
Cherepovets site (Apatit)	1,793.90	1,913.30	1,878.83
Total	2,913.20	2,885.80	2,758.77

¹ Data are based on information regarding atmospheric air protection submitted to the local bodies of Rosprirodnadzor, in line with Order of the Federal State Statistics Service (Rosstat) No. 661 On the Approval of Statistical Tools for the Organisation of Federal Statistical Observation of Atmospheric Air Protection by the Federal Service for Supervision of Natural Resources dated 8 November 2018.

5 WATER

RT-CH-140a.2 / EM-MM-140a.2

OUR TARGETS

Reduction in water withdrawal, excluding mining and pit waters,

to **2.6 m³/t¹**
of products by 2025.

Reduction in waste water discharge into surface water bodies, excluding mining and pit waters

to **1.7 m³/t²**
of products by 2025.

2024 HIGHLIGHTS

The Company's water withdrawal, excluding mining and pit waters, in 2024 amounted to

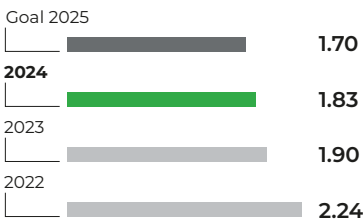
3.25 m³/t¹ +1% y-o-y
of products.

Waste water discharge into surface water bodies, excluding mining and pit waters, in 2024 stood at

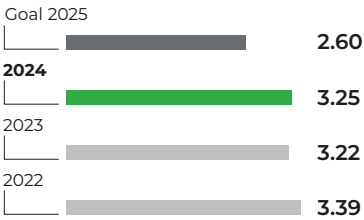
1.83 m³/t² -3.7% y-o-y
of products.

Metrics and highlights

Discharge of waste water into surface water bodies, m³ per tonne of products and semi-finished products²



Water withdrawal, m³ per tonne of products and semi-finished products¹



Strategy and management approach

GRI 3-3, 303-1

Water is an essential resource for the Company. There is no shortage of water sources in the regions where our facilities are based. According to the Water Risk Atlas and Water Risk Filter, all PhosAgro production sites are located in areas with low or moderate fresh water scarcity. However, access to clean water is a major issue facing the world.

In 2024, the Company reviewed its per unit targets for water withdrawal and waste water discharge. The new 2025 targets account for water flows excluding mining and pit waters, which are natural in origin and flow in and out without involvement in production processes. These new targets were discussed at a meeting of the Board of Directors' Strategy and Sustainable Development Committee and subsequently approved by the Board of Directors:

- reduction in water withdrawal, excluding mining and pit waters, to 2.6 m³/t of products;
- reduction in waste water discharge into surface water bodies, excluding mining and pit waters, to 1.7 m³/t of products.

Risks and opportunities

SASB RT-CH-140a.3

The main risks related to water consumption are water quality deterioration in water bodies across PhosAgro's footprint and the Company's non-compliance with statutory requirements for limiting one's negative impact on water bodies.

PhosAgro has implemented closed-loop water recycling systems at its sites in Volkhov and Balakovo to reuse water in production processes.

Going forward, we plan to improve waste water management by focusing on maximum reuse of water through closed-loop water recycling systems and better treatment of effluents discharged into water bodies in addition to ongoing monitoring of water bodies in the regions of operation.

The regulatory risks include tightened waste water quality requirements, as well as restrictions on the amount of water consumed and discharged into both water bodies and centralised waste water systems. There were no incidents of non-compliance associated with water quality permits, standards, and regulations in 2024.

To mitigate these risks, in 2020 we adopted the Water Strategy that sought to reduce water consumption and discharge and improve waste water quality.

The strategy is implemented at all PhosAgro sites, and we regularly analyse these measures to determine whether they are sufficient and effective enough to achieve our targets.

To identify the impact of the Company's operations on water bodies, we monitor these bodies in accordance with adopted programmes by engaging our own certified laboratory and external certified laboratories.

Key initiatives in 2024

At the Cherepovets site, we continued to implement the second stage of the water use optimisation programme as part of our production upgrade initiative for 2020–2025.

Phosphate facility

Design and engineering documents were finalised for a waste water treatment unit with a source water capacity of at least 400 m³/h.

Engineering documents were finalised for the technical upgrade of an acidic waste water treatment station with production capacity increase.

Nitrogen facility

Basic design development for the industrial waste water treatment system is ongoing.

Engineering surveys were conducted for the waste water reception, accumulation, transportation, and treatment at the industrial waste water neutralisation and treatment unit. Engineering documents for the project are under development, with priority measures currently being implemented.

Measures to reduce water consumption at the Kirovsk branch.

The Saami pit water is now utilised for process needs at the Kirovsky mine workings. In 2024, the volume of water substitution reached record high levels due to the integration of an additional pump into the system.

The reconstruction of the Rasvumchorrsky mine compressor station was completed, with the cooling tower removed from the circulation cycle.

¹ The Group specific disclosure was calculated as the ratio of total water withdrawn, excluding mining and pit waters, to the total output of products and semi-finished products.
² The Group's specific disclosure is calculated as the ratio of the volume of waste water discharged into surface water bodies, including mine and pit waters, to the total output of products and semi-finished products.

Total water withdrawal by source, '000 m³

GRI 303-3, SASB RT-CH-140a.1 / EM-MM-140a.1

Item	2022	2023	2024
Surface water			
Total water withdrawal from surface sources, including:	182,276	176,760	180,997
• process water	62,163	63,029	68,018
• drinking water (internal use)	1,187	1,093	1,159
• drinking water (for supplies to third parties)	632	527	399
• mining and pit waters	111,751	105,024	105,409
• drainage water	2,401	2,742	2,337
• rainwater	4,142	4,345	3,675
Ground water			
Water withdrawal from ground-water sources	3,357	3,507	3,495
Total water received from third-party suppliers, including:	51,240	44,636	47,626
• process water received from suppliers	28,644	30,359	31,478
• water from municipal supply (internal use)	8,400	7,022	7,170
• water from municipal supply (for supplies to third parties)	32	30	34
• waste water from other waste water discharge systems	14,164	7,225	8,944
Total	236,873	224,903	232,118

Measurement of total and per unit water withdrawal, including and excluding mining and pit waters

MED 16

Item	2022	2023	2024
Total water withdrawal, including mining and pit waters, '000 m³	236,873	224,903	232,117
Per unit water withdrawal, including mining and pit waters¹, m³ per tonne	6.42	6.05	5.96
Total water withdrawal, excluding mining and pit waters, '000 m³	125,122	119,878	126,708
Per unit water withdrawal from surface sources, excluding mining and pit waters², m³ per tonne	3.39	3.22	3.25

Total water discharge by source, '000 m³

GRI 303-4, MED 15

Item	Total		
	2022	2023	2024
Water discharge into surface water bodies			
Total water discharge into surface water bodies, including:	194,447	175,618	176,525
• mining and pit waters	111,751	105,024	105,409
• drainage water	2,401	2,742	2,337
• waste water from other waste water discharge systems	13,782	6,872	8,649

¹ The Group specific disclosure was calculated as the ratio of water withdrawn, including mining and pit waters, to the total output of products and semi-finished products.

² The Group specific disclosure was calculated as the ratio of water withdrawn, excluding mining and pit waters, to the total output of products and semi-finished products.

³ The Group specific disclosure was calculated as the ratio of the volume of waste water discharged into surface water bodies, including mine and pit waters, to the total volume of products and semi-finished goods manufactured.

Item	Total		
	2022	2023	2024
Supplies to third parties			
Total water supplies to third parties:	4,406	4,019	3,476
• waste water to the public water discharge system (after use)	3,219	3,109	2,748
• waste water to the public water discharge system (unused)	523	353	295
• water supplies to third parties from surface sources	632	527	399
• water supplies to third parties from municipal sources	32	30	34
Total	198,853	179,637	180,001

Measurement of total and per unit waste water discharge, including and excluding mining and pit waters

Item	2022	2023	2024
Total water discharge into surface water bodies, including mining and pit waters, '000 m³	194,447	175,618	176,525
Per unit water discharge into surface water bodies, including mining and pit waters³, m³ per tonne	5.27	4.72	4.53
Total water discharge into surface water bodies, excluding mining and pit waters, '000 m³	82,696	70,594	71,116
Per unit water discharge into surface water bodies, excluding mining and pit waters⁴, m³ per tonne	2.24	1.90	1.83

Treated effluents (reused in the production cycle)

Asset	2022	2023	2024
Total, mln m³	241.7	227.9	235.0
Share of reused water, %	86.0	83.0	81.6

The relative decrease in the share of reused water can be attributed to multiple factors, including the implementation of energy and resource

efficiency enhancement programmes and the transition from calculation-based monitoring methods to instrumentation metering. Additionally, 2024 saw arid

conditions and lower precipitation levels, resulting in deteriorated water quality and an increased reliance on fresh water in production processes.

Water consumption, '000 m³

GRI 303-5, MED 13, 14

Item	Total		
	2022	2023	2024
Total water withdrawal (all sources)	236,873	224,903	232,117
Total water discharge (all sources)	198,853	179,637	180,001
Water consumption	38,020	45,266	52,116

The rise in water consumption is driven by higher production volumes, including increased ore mining and processing, and higher output of concentrates and mineral fertilizers.

⁴ The Group specific disclosure was calculated as the ratio of total water withdrawn, excluding mining and pit waters, to the total output of products and semi-finished products.

Water discharge, mln m³

GRI 303-4, MED 15

Item	2022	2023	2024
Waste water discharge into surface water bodies			
Kirovsk branch	180.0	162.4	162.6
Balakovo branch	–	–	–
Volkhov branch	–	–	–
Cherepovets site (Apatit)	14.4	13.2	13.9
Total	194.4	175.6	176.5
Discharged without treatment (% of total water discharge)			
Kirovsk branch	0.0	0.0	0.0
Balakovo branch	0.0	0.0	0.0
Volkhov branch	0.0	0.0	0.0
Cherepovets site (Apatit)	0.0	0.0	0.0
Total	0.0	0.0	0.0

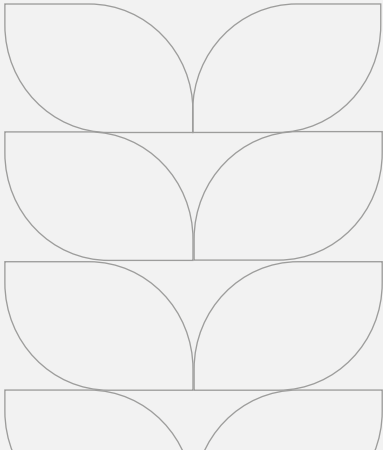
Waste water discharge

Item		Receiving water body
Kirovsk branch		
Discharge 1	Discharge from the tailing dump at ANBP-3	Zhemchuzhnaya River
Discharge 2	Discharge from the tailing dump at ANBP-2	Belaya River
Discharge 3	Rainwater at ANBP-2	Belaya River
Discharge 4	Mining waters of the combined Kirovsky, Central and Rasvumchorrsky mines	Lake Bolshoi Vudyavr
Discharge 5	Mining waters of the Koashva and Njorkpahk open pits	Lake Kitchepahk
Discharges 6, 9	Waters of water-lowering wells of the Vostochny mine	Vuonnemyok River
Cherepovets site (Apatit)		
Effluents from the phosphate facility		Rybinsk Reservoir
Effluents from the nitrogen facility		Rybinsk Reservoir

6 BIODIVERSITY

PhosAgro's Environmental Policy sets forth the Company's obligations to preserve biodiversity, natural

landscapes and habitats across its footprint and prevent its projects from causing any harm to the same.



OUR TARGETS



The Company's primary biodiversity objective is to conduct current and future activities in compliance with legal requirements and voluntary commitments. In conducting our operations, we seek to conserve biodiversity and minimise potential disruptions to natural ecosystems across the Company's footprint.

2024 HIGHLIGHTS

over 1.5 million

juvenile fish of various species and pike larvae were released into water bodies across PhosAgro's geographies in 2019–2024.

In 2024, the Company invested RUB 17,852,046 to release

204,071

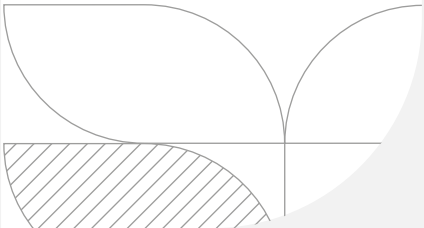
juvenile fish.

In 2024,

1,572 saplings

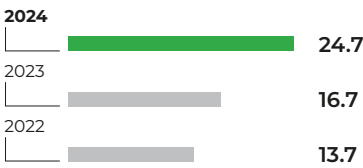
of diverse tree and shrub species (including spruce, lilac, ash, apple, and fir) were planted across the Company's operational regions.

A comprehensive environmental survey in the impact zone of the Vostochny mine (Kirovsk branch, Murmansk region)



Metrics and highlights

Investment in biodiversity protection programmes, RUB mln



Strategy and management approach

GRI 101-1, 3-3

PhosAgro's strategy for managing the conservation of biodiversity, natural landscapes, and ecosystems in its regions of operation is anchored in the provisions of the Company's Environmental Policy and is guided by legal requirements and internal documents of the environmental management system.



For a number of years, we have been working to preserve biodiversity and replenish biological resources. Since 2020, the Company has been developing comprehensive biodiversity protection programmes in partnership with research institutions. The effort is aimed at assessing and restoring environmental conditions across the Company's footprint and establishing its priorities in protecting biodiversity based on indicator species monitoring.

Key initiatives in 2024

GRI 304-2, 101-2

- The Company developed and implemented the Biodiversity Conservation and Monitoring Guidelines for Apatit to regulate biodiversity conservation and monitoring efforts across its operational regions. The guidelines define the scope, frequency, and methodology for biodiversity monitoring at production facilities.
- Compensatory afforestation was conducted on a 2.4346 ha site in the Volkhov Forestry District (Leningrad region), where 1,461 Norway spruce saplings were planted.
- The Company released young fish into water bodies across its regions of operation.
- The Company planted samplings of tree and shrub species.
- A comprehensive environmental survey was performed in the impact zone of the Vostochny mine (Kirovsk branch, Murmansk region) as part of the biodiversity protection programme development. The initiative was independently evaluated and received positive feedback from experts at the Forestry Research Institute of the Karelian Research Centre, the Russian Academy of Sciences

Comprehensive biodiversity protection programmes

GRI 304-2, 101-2, 101-4

Comprehensive biodiversity protection programmes were developed for the Volkhov branch, three of the Kirovsk branch's facilities and the Cherepovets production site.

The branch-specific monitoring programmes outline the geographic scope of monitoring zones, the nature and extent of the Company's operational impacts on ecosystems, indicator species, and metrics to assess their biodiversity status and its changes, as well as indicators to evaluate the effectiveness of biodiversity management measures.

Surveys conducted at the Volkhov branch, three Kirovsk branch facilities, and the Cherepovets production site revealed no significant adverse changes in biodiversity within the Company's operational zones. Ecosystems in these areas often exhibited higher species diversity compared to baseline zones, likely due to restricted human access preserving ecosystem integrity.

Key factors influencing biodiversity include emissions of pollutants and greenhouse gases, water withdrawal and waste water discharge, and waste disposal.

Area of disturbed and reclaimed land, ha

GRI 101-5

Item	2022	2023	2024
Disturbed land	188.39	184.49	306.30
Reclaimed land	0	0	0

In 2024, the increase in disturbed land area was attributed to the expansion of the phosphogypsum tailings disposal facility at the Balakovo branch of Apatit.

A comprehensive environmental study was conducted in the impact zone of the Vostochny mine (Kirovsk branch, Murmansk region) as part of a biodiversity conservation programme developed in collaboration with the Polar-Alpine Botanical Garden-Institute, a branch of the Kola Science Centre of the Russian Academy of Sciences.

The study revealed that the terrestrial ecosystems within the footprint of the Vostochny mine host over 800 species of fungi, liverworts, lichens, mosses, and vascular plants, as well as 65 bird and 16 mammal species.

Land disturbance resulting from the Company's operations occurs due to mineral extraction, construction of waste disposal facilities, and other construction activities. Mineral extraction is one of the Company's core activities. The expansion of open-pit and underground mining operations within permitted licence areas drives production growth and ensures stable product supply. Mining activities are conducted safely and with maximum efficiency. Reclamation for these sites is best to be implemented following resource

depletion. The Company's mining assets currently have operational lifespans extending beyond 2030.

Waste disposal is managed within pre-approved designated areas at the Company's facilities, with no involvement of additional territories. Increasing the share of waste diverted for recycling reduces pressure on these disposal sites and extends their operational lifespan.

at the Karelian Research Centre of the Russian Academy of Sciences and received a positive assessment.

In 2024, we held research at the Volkhov branch as part of the programme for environmental monitoring of biota (flora and fauna) within the sanitary protection zone.

The study of the area within the footprint of the Volkhov branch revealed that the structure of animal species across the reviewed biotopes is typical for the region in question. A total of 59 bird species were found to live within the facility's footprint and in adjacent areas.

Juvenile fish and pike larvae released into water bodies across the Company's geographies

GRI 304-3, 101-2

Water body	2022	2023	2024
Volgograd Reservoir, Saratov region	60,838	35,838	60,838
Sukhona River, Vologda region	11,743	–	–
Umba River, Murmansk region		–	21,000
Rybinsk Reservoir, Vologda and Yaroslavl regions	70,404	11,142	45,559
Saratov Reservoir, Saratov region	28,151	53,151	45,031
Lake Ladoga, Leningrad region	1,584	1,539	1,390
Sheksna Reservoir, Vologda region	3,000	–	–
Kovdozero Reservoir, Murmansk region	11,502	–	–
Imandra Reservoir		15,520	29,483
Onega River		6,725	770
Total	187,222	123,915	204,071

Tree and shrub samplings planted¹

GRI 304-3, 101-2

Site	2022	2023	2024
Cherepovets	134	30	43
Kirovsk branch	0	0	68
Balakovo branch	159	0	0
Volkhov branch	1,461	1,461	1,461
Total	1,754	1,491	1,572



¹ Since 2024, the disclosure under GRI 304-3 includes information on the results of tree and shrub planting activities, as the Company currently assesses the contribution of these activities to habitat conservation and restoration as significant.

CONTRIBUTING to local communities

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

17 PARTNERSHIPS FOR THE GOALS

Target

8.3, 9.1, 11.3, 17.17

ЖИТЬЕ И ГОРОДСКАЯ СРЕДА НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

1 OUR FAVOURITE CITIES GRI 203-1

Target	Improving the quality of urban environment and promoting sustainable development of the cities where we operate: Kirovsk, Cherepovets, Balakovo, and Volkhov. Improving public spaces and social infrastructure facilities.		
Actual	RUB 4,272 mln invested in infrastructure and development of local communities	108 new jobs created in the Murmansk region	50 projects supported under a grant competition

4 QUALITY EDUCATION

3 GOOD HEALTH AND WELL-BEING

Target

4.4, 3.4

ОБРАЗОВАНИЕ НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

ДЕМОГРАФИЯ НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

2 EDUCATION

Target	Education project Supporting scientific and educational institutions to attract highly educated, motivated and skilled young talent to innovative Russian facilities, including those of PhosAgro Group.		DROZD (Educated and Healthy Children of Russia) project Effective combination of high-quality education and physical training to facilitate moral and ethical development and promote health of the younger generation. Supporting a network of sports and patriotic clubs and creative studios.	
Actual	RUB 707 mln invested in the school–college/university–facility educational model	470+ people hired as part of career guidance and youth engagement initiatives	RUB 238.6 mln spent under the programme	2,300 children improved their health index

+6.7%
increase in the number of students over the year

4 QUALITY EDUCATION

3 GOOD HEALTH AND WELL-BEING

Target

4.4, 3.4

КУЛЬТУРА НАЦИОНАЛЬНЫЕ ПРОЕКТЫ РОССИИ

3 CONNECTING GENERATIONS

Target	Interactive education centres (museums) Preserving the history of the nation, industry or facility for all generations. Museums and educational outreach activities.		Targeted Assistance Promoting respect for traditions, the older generation, veterans, and vulnerable population groups. Supporting community organisations.	
Actual	RUB 247 mln spent under the programme	>12,000 people participated in career guidance events	RUB 94 mln spent under the programme	>70 veteran and disability organisations and charities received support

3 GOOD HEALTH AND WELL-BEING

Target

3.4

4 SPIRITUAL REVIVAL

Target	Preserving and promoting orthodox values, ideas of humanity and spirituality, respect for our legacy and motherland. Supporting the Patriarchate, churches, and parish communities.		
Actual	RUB 704.3 mln allocated for support programmes	904 events held by the Andreyevsky Spiritual and Educational Centre in Volkhov	The Church of the Acheiropaeic Image of the Saviour Lord Jesus Christ reconstructed in Kirovsk

3 GOOD HEALTH AND WELL-BEING

Target

3.4

5 PROMOTION OF SPORTS

Target	Promoting high-performance and mass sports in the regions where the Group operates. Supporting sports federations and amateur clubs.
Actual	> RUB 501 mln allocated for support programmes

6 FEDERAL PROJECTS

Target	Supporting nationwide infrastructure projects that benefit both PhosAgro Group and the broader agricultural sector.
Actual	Timiryazev Centre, a training and exhibition venue Research and Development Centre at the Kola Science Centre of the Russian Academy of Sciences

PUBLIC RECOGNITION



Responsible Business Leadership national award

In 2024, PhosAgro won the highest prize of the Responsible Business Leadership national award for the second time. The award was established in 2023 by the Russian Union of Industrialists and Entrepreneurs upon the instruction of the President of the Russian Federation. The Company scored the highest among all participants, with three of its programmes taking top spots in individual award categories. The Connecting Generations programme became the winner in the category Contribution to Sustainable Regional Development and Creating a Favourable Living Environment in the Company's Regions of Operation.



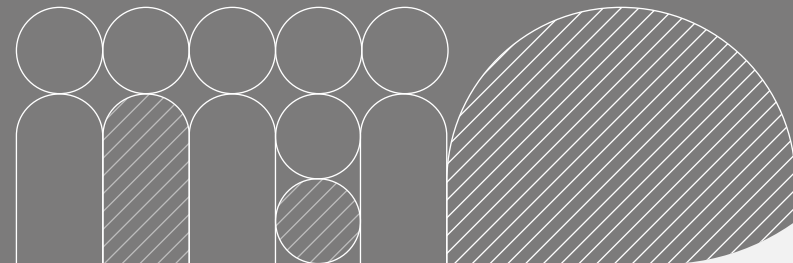
Russian Leaders in Corporate Philanthropy 2024

PhosAgro Group made it to the A+ Leaders category of Donors Forum's Russian Leaders in Corporate Philanthropy 2024 rating. The Company joined the ranks of 18 most efficient Russian businesses in terms of charitable activity.

- At the programme competition of the Russian Leaders in Corporate Philanthropy award, PhosAgro's Our Favourite Cities social initiative became the winner in the category for the Best Corporate Social

Investment Programme for Sustainability and Business Strategy.

- PhosAgro's School Laboratory – a Forge for Engineering Talent project earned the second place in the category for the Best Programme (Project) Promoting the Development of Science and Education in the Russian Federation.



STRATEGY

While expanding its business, the Company aims to contribute to sustainable development of the regions where it operates, foster steady economic growth, and promote well-being and social stability for the sake of local communities.

To achieve that, we create new jobs, make investments in urban infrastructure, and run a programme for social investments. Our strategy is focused on long-term social and economic development programmes in the regions, cities, towns and rural communities in which our key production units operate. All our

programmes and initiatives involving social investments are aligned with the goals and objectives set in the Group's Strategy to 2025 (as approved by the Board of Directors in March 2019) and comply with Russia's national development goals and the key UN Sustainable Development Goals.

MANAGEMENT APPROACH

GRI 3-3

PhosAgro Group's social investment programmes are based on the notion of public benefit and aligned with best Russian and international

sustainability practices. As part of our social investment strategy, we strive to build effective and lasting partnerships with a wide variety of stakeholders, including

local communities, regional and local government authorities, non-governmental organisations, educational institutions and others.

KEY POLICIES AND REGULATIONS



Policy for Managing Community Social Programmes of Apatit



Regulations on Managing Community Social Programmes of Apatit (the "Regulations")



Assessment criteria for Apatit's programmes



Code of Ethics of PhosAgro



Government Relations Policy of PhosAgro



Charity and Sponsorship Policy of PhosAgro



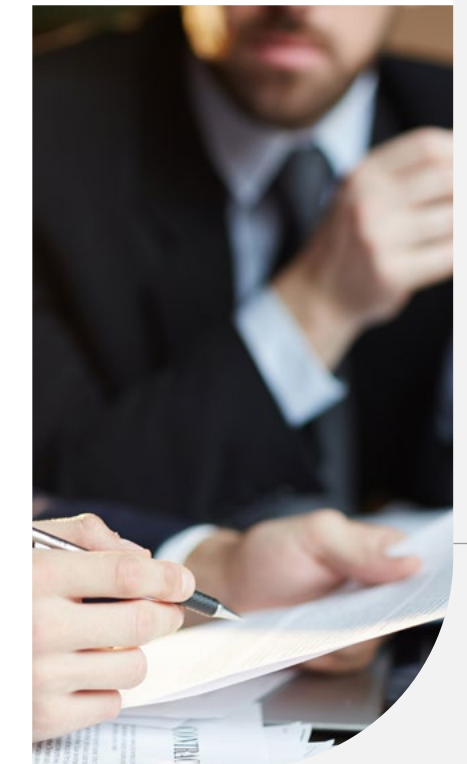
The Group's social projects and initiatives also fully comply with the applicable laws and regulations of the Russian Federation, including:

- Federal Law on Charitable Activities and Volunteering;;
- Unified Plan to Achieve the National Development Goals of the Russian Federation until 2024 and for the Planning Period until 2030.



Key focus areas of the Policy for Managing Community Social Programmes (2022 version) include:

- unlocking the social and economic potential in the regions of operation, enhancing their environmental resilience;
- improving the living standards of employees, their families, PhosAgro veterans and local communities;
- supporting culture;
- strengthening corporate culture through employee engagement in socially significant projects;
- offering career guidance for school and university students;
- promoting advanced corporate social responsibility standards.



Management of social investment programmes

Corporate level

Board of Directors of PJSC PhosAgro

Reviews reports on the implementation of social investment and charitable programmes during meetings of the relevant Committees of the Board of Directors, and grants final approval for the programmes.

Management Board of PJSC PhosAgro

Approves the overall budget for external social projects, reviews and approves the budget performance report and general year-end report.

Chief Executive Officer of PJSC PhosAgro

Considers proposals for supporting external social investment, charitable and sponsorship projects and programmes within the approved budget. Approves relevant by-laws of the Company.

Deputy Chief Executive Officer of PJSC PhosAgro

Oversees and coordinates activities related to external social investments, charity and sponsorship.

Office for Community Social Projects

Annually compiles the registry of charitable programmes, conducts sociological research, collects and analyses other relevant data and feedback from all production sites, evaluates the efficiency of ongoing projects and programmes, provides relevant information to the Company's management, initiates the development and adoption of appropriate by-laws, prepares proposals for inclusion in the Company's overall budget, compiles reports, etc.

Operations

- Government Relations Department
- Information Policy Department
- HR and Social Policy Department
- Commission for Social Issues and Charity

- Register charity project data sheets;
- ensure compliance with project participation conditions;
- exercise control over the appropriate use;
- submit and review draft amendments to the project participation and financing terms;
- track the project's budget performance and budget adjustments;
- administrate the donation agreement;
- make requests for relevant reports;
- review the submitted financial reports;
- prepare the annual report.

Managers of charity and sponsorship projects at Apatit and its branches

Monitor and adjust programmes, track performance and reporting, submit proposals on continued project implementation and inclusion of projects in the charitable budget for the following fiscal year.

Commissions for Social Issues and Charity across the branches of Apatit

- Review other requests for charitable support;
- verify requests and prepare required documentation;
- make decisions on approving support requests within the budget allocated for designated purposes by each of the Company's business units.

RISKS AND OPPORTUNITIES

SASB RT-CH-210a.1, EM-MM-210b.1

Our social investment objectives are affected, among other things, by the following strategic risks:

3

social risk

4

HR risk

15

reputational risk



SOCIAL INVESTMENT SPECIFIC RISKS ARE LISTED BELOW:



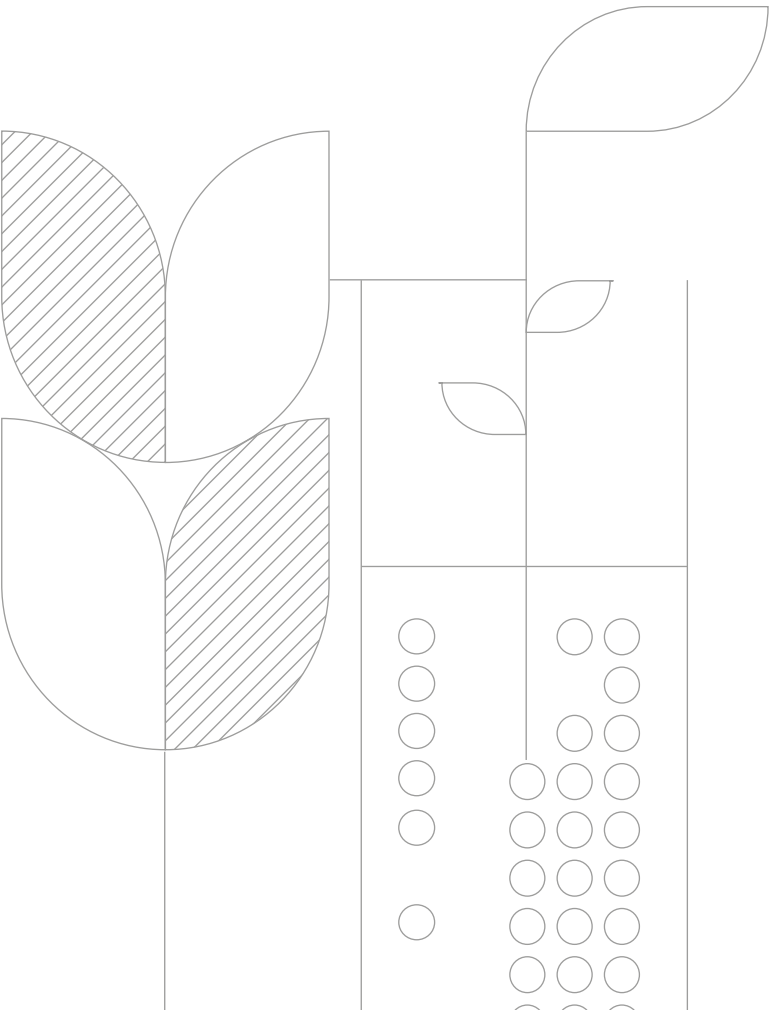
regulation of social investment management processes;



performance evaluation of social investment programmes;



evolution of public priorities of social and economic development.



The Company develops corrective measures as necessary and unlocks opportunities to mitigate those risks. Below you can find more information about what we do on this front, including:



strengthening the talent pool in the Company's regions of operation through investments in regional development;



enhancing the Company's reputation through the successful implementation of regional and federal social projects;



boosting interest in the Company's products and services through agricultural education and awareness-raising initiatives.

See also the Risk Management section

p.

281

For more information, see the Strategic Risks section

p.


66–75

Performance assessment and feedback, stakeholder engagement

GRI 413-1

In line with the Regulations on Managing Community Social Programmes, each programme has a dedicated data sheet outlining its key aspects, an officer responsible for its implementation, and appropriate internal control tools (primarily managed by the Commission for Social Issues and Charity, and the Office for Community Social Projects). The monitoring and performance assessment procedures were also approved through the relevant Regulations.

From time to time, the Company engages external experts to audit its social programmes and revises internal documents as needed.

Each programme is evaluated using a specific set of performance indicators, typically encompassing from 2 to 20 mostly quantitative metrics. The Company tracks year-on-year evolution of each indicator and uses the analysis to make management decisions on improving the programme efficiency. The current criteria for each programme are available the Company's website. The monitoring and performance assessment procedures were approved through the relevant Regulations. Some of the performance indicators are included in this report and marked with .

The Company also collects a considerable amount of data used for analysing the effectiveness of its social investment programmes from ongoing stakeholder feedback. Tracking stakeholder opinions helps the Company stay attuned to evolving public priorities of social and economic development.

To that end, the Company engages in a constructive dialogue with local communities, employing a variety of communication channels ranging from public hearings to community liaison offices and other venues for meetings with people.

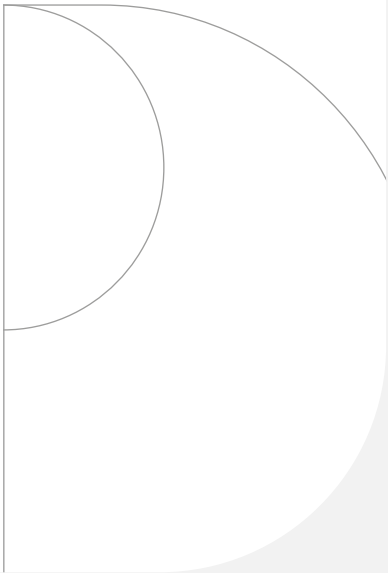
More details will be provided in PhosAgro Group's Social Report for 2024.

ENGAGING WITH GOVERNMENT AUTHORITIES TO FOSTER REGIONAL DEVELOPMENT

PhosAgro Group has a long-standing tradition of successful engagement on sustainable development matters with the authorities in the regions, cities, towns, and rural settlements where the Company's main facilities operate.

Interactions with locally elected officials provide valuable insights into the most pressing social needs of each municipality (region).

Much of this collaboration is built on the well-established practices for responsible conduct exhibited by our industrial facilities, paired with adaptability to the emerging challenges. With that in mind, each year PhosAgro Group signs cooperation agreements that help strengthen partnerships focused on social and economic development, and implementation of investment and social programmes in relevant regions. In 2024, we signed such agreements with the governments of the Vologda, Leningrad and Saratov regions. A similar agreement was concluded with the government of the Murmansk region in 2022 and covered the period through 2024.



2024 HIGHLIGHTS

RUB 11,729 mln
worth of social investments

RUB 29,986 mln
in tax contributions to regional and local budgets

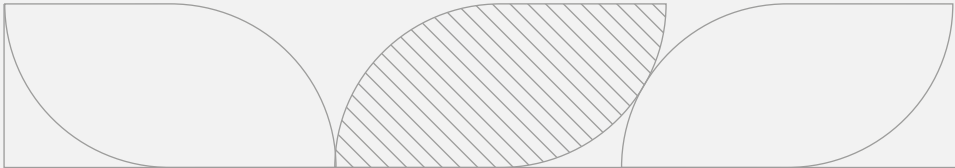
Social investments, RUB mln



In the reporting year, total spending on social and charitable projects increased by 25%. In 2024, expenses in this area exceeded RUB 8 bln, accounting for nearly 70% of total social investments. The second largest spending item is large-scale

nationwide projects: their share grew substantially over the year from 2.6% to 9.5%, with allocated funding increasing by 3.4 times. The share of expenses on education and sports in the reporting year did not differ materially from the previous year

despite an increase in funding, especially in the domain of sports (up 17.5%). Allocations for supporting non-governmental organisations also grew by nearly 2.5 times.



Annually

- Financial and non-financial audits by external experts
- Employee surveys
- Questionnaire-based surveys for participants who are not employees of the Company
- Monitoring and performance assessment against the approved criteria



Once every two years

- Public presentations of external social projects with the participation of beneficiaries in the cities of operation
- Surveys for local residents



Once every five years

- Expert review of the regulatory framework for programme implementation

STAKEHOLDERS FEEDBACK CHANNELS:



participation in the activities of advisory and consultative bodies under regional and local public authorities;



collaboration with non-governmental organisations and representatives of religious communities;



organising and hosting citywide public events, including festivals for charitable projects;



engagement through social media, the Company's website and the mass media;



public hearings on the Company's projects and public opinion research, including through feedback on completed projects;



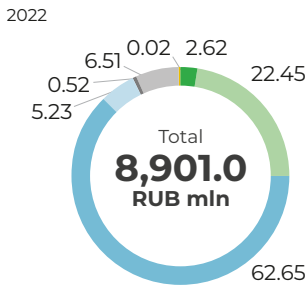
partnerships in implementing projects such as DROZD, PhosAgro Schools, projects run with colleges, universities, hospitals, sports clubs/teams, and charity foundations;



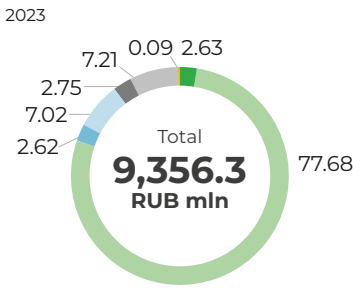
questionnaires filled in by beneficiaries of the Company's initiatives.

Breakdown of social expenses, %

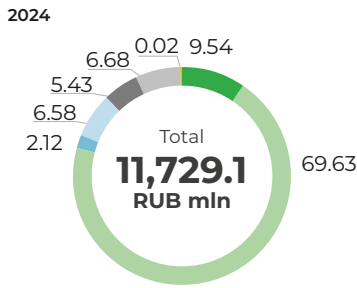
GRI 203-1, MED 34



- 233.1 Nationwide projects¹
- 1,998.4 Infrastructure facilities²
- 5,576.5 Educational expenses
- 465.7 Sports expenses
- 45.8 Expenses on organisations of war veterans and disabled people
- 579.4 Expenses to promote spiritual values
- 2.129 Membership fees

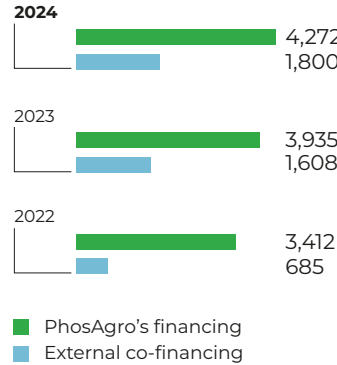


- 245.8 Nationwide projects
- 7,267.6 Infrastructure facilities
- 244.8 Educational expenses
- 656.8 Sports expenses
- 257.5 Expenses on organisations of war veterans and disabled people
- 675.2 Expenses to promote spiritual values
- 8,579 Membership fees

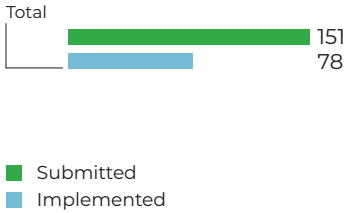


- 1,118.9 Nationwide projects
- 8,167.9 Infrastructure facilities
- 248.3 Educational expenses
- 771.5 Sports expenses
- 636.9 Expenses on organisations of war veterans and disabled people
- 783.0 Expenses to promote spiritual values
- 2,607 Membership fees

Funds allocated by PhosAgro Group to finance Our Favourite Cities, RUB mln



Number of urban improvement initiatives submitted by local authorities, public institutions, non-profit organisations and residents in 2024



In the reporting year, both PhosAgro Group and external partners increased their funding for the Our Favourite Cities programme, with the Company's allocations rising by 8.6%. Despite a slight decline in the number of partners involved, total external co-financing (including for projects implemented in partnership with regional and local authorities) grew by 11.9%.



109 partners were engaged



151 urban improvement initiatives

were submitted by government authorities and local communities in 2024, with 78 of them implemented with support from PhosAgro Group



980

citywide events were held in partnership with other companies

As part of Our Favourite Cities, the Company also hosts mass cultural and sporting events, including those staged in partnership with other companies.

RECONSTRUCTION OF THE Khibiny AIRPORT

In 2024, we completed the second stage of the Khibiny Airport reconstruction. This large-scale project financed by PhosAgro Group began in 2023, with total investments reaching RUB 708.5 mln. The reconstruction will significantly improve passenger safety and comfort, while also helping to expand the airport's route network. Following the upgrade, the airport features revamped departure and arrival halls. The departure hall now has more check-in counters, which will

significantly accelerate the check-in and baggage drop processes. The airport also has a new baggage claim area with a larger conveyor belt.

In 2024, the Khibiny Airport earned the Air Gate of Russia industry award, coming in second in the nomination for the Best Small Airport of the Year (for airports serving fewer than 500,000 passengers annually).



KEY SOCIAL INVESTMENT PROGRAMMES

GRI 203-2

1 Our Favourite Cities programme

The programme seeks to create a comfortable urban environment that fosters comprehensive personal development for the benefit of PhosAgro Group's employees and residents of all the cities where the Company operates (Kirovsk, Apatity, Cherepovets, Balakovo, and Volkhov).

By building social infrastructure and promoting commitment to healthy lifestyle, the Company partners with regional and local authorities in ensuring balanced regional development, and offering high quality of life comparable to living standards in large cities or even surpassing them in terms of accessibility for an average resident.

PhosAgro Group enhances urban spaces and supports healthcare, invests significant resources in upgrading equipment in local hospitals, renovates and re-equips

schools and colleges under its patronage, and builds or reconstructs sports facilities.

Through ongoing dialogue with stakeholders and close cooperation with regional authorities that have deep insights into the most pressing local needs, the Company makes sure that allocated funds are used in an effective and consistent way to address social issues. Moreover, broad-based partnerships and co-financing models help foster stronger engagement in residents, local authorities and the business community.



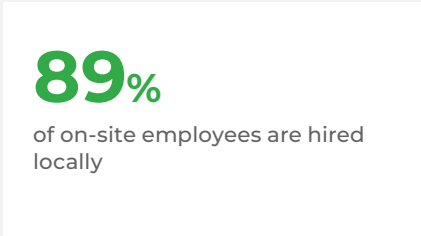
According to a sociological survey conducted in the reporting year and feedback collected in social networks, residents of the Vologda, Saratov, Leningrad and Murmansk regions are generally satisfied with urban improvements currently taking place in these regions. For example, in Volkhov, the residents' satisfaction score reached 85%. Comments of city residents regarding the need to maintain improved areas in due state are taken into account when creating PhosAgro Group's municipal and charitable initiatives.

¹ Including expenses associated with membership fees.
² Including spending on refurbishing educational institutions.

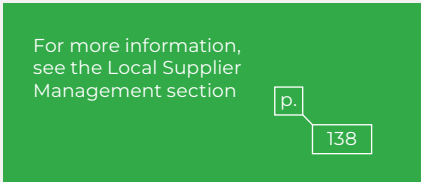
Unlocking regional potential and supporting local businesses

GRI 203-2

PhosAgro Group makes a significant contribution to the social and economic development of the regions where it operates. The Company is one of the largest taxpayers for regional and local budgets. In Kirovsk, Apatity and Volkhov, PhosAgro’s facilities are the only source of income for local economies, while in Balakovo the Group leads the charge by the volume of social programmes, despite the presence of other major companies.



PhosAgro also provides orders to regional businesses, including small and medium enterprises. Local procurement accounts for up to one fourth of all goods and services purchased by the Company’s production sites.



The Company supports a wide range of SME development initiatives and thus offers additional employment opportunities for local communities.

Khibiny mountain tourism cluster

One of PhosAgro’s key social investment projects is the development of the infrastructure of the Khibiny mountain tourism cluster. The cluster includes Bolshoi Vudyavr Ski Resort in Kirovsk, the largest facility of its kind in Northwestern Russia, Tirvas Health Resort, Apatit Museum and Exhibition Centre, Khibiny Airport, and two municipal facilities (ski arena and the Apatit-Arena Sports Centre).

✓
In 2024, PhosAgro Group’s initiative to develop the Khibiny mountain tourism cluster was highly praised during a meeting on investment projects in the Murmansk region chaired by Yuri Trutnev, Deputy Prime Minister and Plenipotentiary Representative of the Russian President in the Far Eastern Federal District.

The Company’s total investments in the cluster came in at around RUB 9 bln. Over the past five years, the tourist flow to Khibiny has quadrupled, leading to higher

demand for services provided by local businesses. During the 2023–2024 winter season, the resort welcomed over 405,000 guests, a 21% increase compared to the previous season. The southern slope of the Bolshoi Vudyavr Ski Resort unveiled a new cable car line. In the reporting year, overall spending by tourists in Kirovsk increased by 46% y-o-y.

The Company partnered with the municipal authorities of Kirovsk to create on a parity basis Tourism and Entrepreneurship Development Agency, an autonomous non-profit organisation contributing to the emergence of new hospitality facilities, development of the hotel business, job creation, and higher household incomes and tax revenues. Over the past ten years, the unemployment rate in Kirovsk has decreased nearly tenfold, with the number of small and medium businesses growing by almost 2.5 times.

To promote youth tourism and engage teenagers in tourist activities, the Tourism and Entrepreneurship Development Agency has been running the Young Tour Guide School for the second year now. The additional training programme includes both theoretical and practical components and lasts 72 hours spread over the school year. In 2024, the project made it to the list of the Top 100 best practices compiled by the Russian Ministry of Economic Development.

2024 highlights



PhosAgro Group’s social project to improve the infrastructure and recreational appeal of the Khibiny mountain tourism cluster won the Company of the Future 2024 award from the Russian Ministry of Economic Development and Company magazine.



Kirovsk took the top spot in the international PRO Brand competition sponsored by the Eurasian Community of Tourism Industry Experts for its project on Branding the Khibiny Tourism and Recreation Cluster.



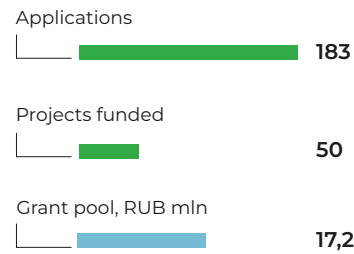
Grant competitions

Regional grant competitions constitute one of the key elements of the Our Favourite Cities programme. The Group has long supported social, cultural and educational institutions, stepping in with funding whenever needed. Over the past three years, the Company has moved to a competitive framework for distributing this support with a view to making the process more efficient and transparent. These social project competitions are held in all cities

where PhosAgro operates and adhere to the unified approach, while also considering local singularities. Eligible applicants include kindergartens and schools, institutions of additional education, social, cultural and sports organisations, NGOs and local self-government associations. The participating projects must address a specific social issue and aim to improve the quality of life for local residents. A mandatory condition is the provision of co-financing at the applicant’s own expense or from the

municipal budget. For organisations with no prior competition experience, the Company holds introductory training sessions to teach the basics of project development and application preparation. Applications are reviewed by expert commissions, which include representatives of PhosAgro Group and local authorities. The process has two stages, with applicants pitching their ideas in person to the panel during the second stage. We are witnessing growing interest, as more applications are coming in each year.

Results of the grant competition in 2024



183 projects

submitted across PhosAgro's footprint, with 50 of them winning financing

RUB 17.2 mln

allocated for the competition's grant pool

To get even more people involved, PhosAgro organises mass community events with grant recipients. In February–March 2024, Apatity and Kirovsk hosted Living in the North – Doing Good!, the festival of the Company's social and volunteering projects, with attendance reaching 2,000 people.

School → College → University → Career with PhosAgro

PhosAgro Schools

The first stage of the school–college/ university–facility career guidance model operates across six PhosAgro Schools based in Volkhov, Balakovo, Apatity, Kirovsk and Cherepovets, with more than 6,000 students enrolled. In the 2024–2025 academic year, 343 students of PhosAgro Classes pursue advanced studies of mathematics, computer science, physics, and chemistry. Once the studies are completed, the students will have an opportunity to enrol in one of the Company's 24 partner universities or in its affiliated colleges.

342 teachers from educational institutions involved in the programme benefit from ongoing professional development and additional incentives. The Company provides financial support to its affiliated PhosAgro Schools, helping them with building renovations and equipping their classrooms and research labs.

PhosAgro also runs career guidance projects to help students, teachers and parents better understand the Company's operations and corporate culture. At summer science schools, 8th and 9th graders are encouraged to continue their studies in dedicated high-school PhosAgro Classes so that they could eventually enrol in Russia's top-tier vocational and higher education institutions. Students from the 10th and 11th grades of PhosAgro Classes can take part in summer intensive training programmes to deepen their passion for chemistry, go beyond the school curriculum, and get prepared for academic competitions and Olympiads in chemistry. These efforts help spark a broader interest in technical careers.

2024 highlights

RUB 237 mln

allocated for school support programmes (including school refurbishments)

37 graduates

of PhosAgro Schools in 2024 joined in various divisions of the Company



113 out of 127

PhosAgro School graduates were admitted to universities in 2024, including 74 students pursuing technical majors (of them 12 were enrolled under Company-sponsored and scholarship agreements)



The average score of students from PhosAgro Classes on the unified state exams in core subjects exceeded the national average.

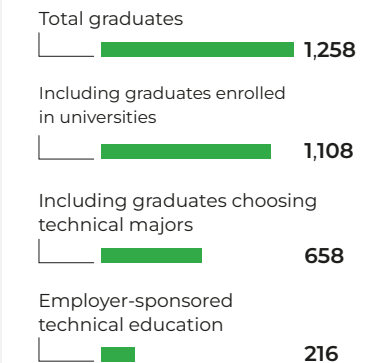


Three PhosAgro Schools from Balakovo, Cherepovets and Apatity made it to the list of Top 10 most successful educational institutions in their respective regions, according to RAEX.

59.4%

of graduates have chosen technical majors at universities since the programme's inception

Number of programme participants enrolled in universities in 2015–2024



2 Education

Healthy, educated and professionally trained population is a critical driver of any region's social appeal and investment case. The Company is deeply involved in the development of human potential in the regions of its operation, in particular, by helping to address the outflow of young people from small towns.

The Russian Federation Council Committee on Science, Education and Culture recommended that the Government incorporate the experience of PhosAgro Group in training qualified engineers and skilled workers into the Professionalism federal project, and educational and production clusters across key industries.

Over RUB 14 bln

invested by the Company in educational initiatives over the past ten years

over 3,500

graduates of the corporate educational system employed by the Company

School–college/university–facility educational model

PhosAgro Group runs a unique in-house educational model focused on fostering engineering talent as a way to address workforce challenges amid growing competition in the labour market. The multi-tiered programme for training qualified employees spans all stages of education. The Company supports school education, runs career guidance projects for young people, and cooperates with institutions of secondary vocational and higher education in the cities of operation, but also in Moscow, St Petersburg, Ivanovo, Kazan, and other university hubs. Programme experts help students define their career interests while still in school and provide ongoing support through every stage of their education journey up to the point of employment.

Financing of the school–college/university–facility educational model, RUB mln¹



¹ Including expenses associated with refurbishments of educational facilities.

College/university

College

At the next stage, we provide the country’s leading technical universities with funds for equipment and supplies and participate in adapting educational programmes to the needs of modern production facilities.

THE COMPANY HAS BEEN CONSISTENTLY PARTNERING WITH VOCATIONAL SCHOOLS ACROSS ITS FOOTPRINT, INCLUDING:

✓
Kirovsk branch of Murmansk Arctic State University (Murmansk region);

✓
Cherepovets College of Chemistry and Technology;

✓
Volkhov Multidisciplinary Technical College;

✓
Volga Region College of Technology and Management;

✓
Golovanov Apatity Polytechnic College.


Cherepovets College of Chemistry and Technology and Volga Region College of Technology and Management participate in the Professionalism federal project and 70% of the teaching time is devoted to practical training, which takes place, among other things, in the workplace.


In 2024, the Company helped Volkhov Multidisciplinary Technical College introduce two new specialities:


Chemical Technology of Inorganic Materials and Inorganic Production Operator to train professionals for the Volkhov branch of Apatit. Students can enter into a training agreement with the Company and receive social support, with 24 technical school students benefiting from such scholarship as of today.


There is unwaveringly strong demand for training in technical professions, especially in Cherepovets and Kirovsk. In the reporting year, the number of applicants per place in the colleges was seven and five, respectively.

Our collaboration with vocational schools covers:


setting up testing grounds and labs for students to acquire hands-on experience using real equipment;


running internship programmes at PhosAgro’s facilities with mentors;


supporting students in undergraduate and graduate thesis research;


organising and engaging students in sports, educational, and research initiatives, competitions, Olympiads.

941 students

(up 11.3% y-o-y) obtained a blue-collar profession at partner colleges in 2024

48% of 885

graduates were employed in their profession

2024 highlights

RUB 354 mln

allocated for partner college support programmes

12 mentors

received basic pedagogical training at Cherepovets College of Chemistry and Technology



The Exciting Holidays programme of Cherepovets Chemical Technology College was among the finalists in the Best Additional Training Project' category of Russia – My Horizons, a national vocational guidance award. Kirovsk branch of Apatit was on the shortlist in the Best Corporate Employer category.

University

Cooperation with universities as part of the school–college/university–facility educational model serves to fill the most relevant jobs by attracting and retaining talented graduates. Today, the Company actively collaborates with 24 universities that offer courses relevant to its core activities, creating an environment, conditions, and opportunities for affordable and quality education, while also supporting scientific research.

AS PART OF ITS COLLABORATION WITH UNIVERSITIES, PHOSAGRO GROUP:

✓
invites students for hands-on training;

✓
offers scholarships to the most successful students (based on exam results);

✓
invites university students to take a career guidance tour of the Company’s facilities;

✓
offers students a job in one of the Company’s popular specialisations after they graduate;

✓
provides financial assistance for the reconstruction and re-equipment of laboratories at the relevant universities;

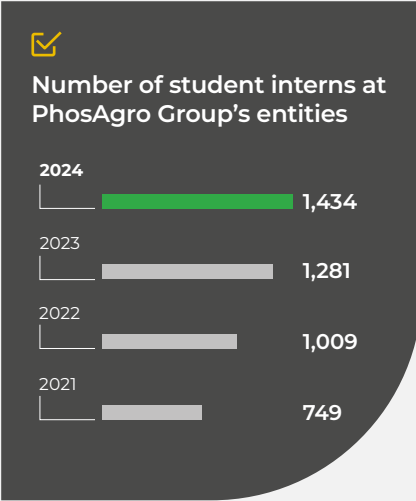
✓
takes part in job fairs, graduate recruitment events, open days, and other university activities, while also attending student graduation thesis defence.

Students of specialised universities who have chosen targeted training enter into agreements with one of Apatit’s branches. The Company offers them paid internships starting the third year of education, pays additional scholarships, and guarantees employment after graduation.

We have cooperation agreements and roadmaps with many universities. The Company established the Laverov scholarship programme at Mendeleyev University of Chemical Technology, with annual scholarship awarded following a competition to ten best students who do research in ecology, environmental management, new materials and substances. In the reporting year, scholarships for young chemists were conferred for the sixth time. In 2024, the branch of Mendeleyev University of Chemical Technology in Tashkent hosted the first similar Sadykov scholarship contest initiated by PhosAgro Group.

In 2024, it was resolved to establish a Higher School for Mining Engineer Training at the branch of Murmansk Arctic State University in Apatity. The Company’s investment in this project is estimated at almost RUB 3 bln.

In 2024, a training laboratory for mineral processing and a student café were opened with the Company’s support at the Apatity branch of Murmansk Arctic State University.



PhosAgro-START programme

The PhosAgro START programme (formerly High-Potential Graduates) is aimed at attracting young professionals and has been implemented in cooperation with universities for the past 12 years.

PhosAgro offers young talents comprehensive professional development and hands-on training, and nurtures their personal and management competencies via corporate training sessions, workshops and project presentations, all under the supervision of seasoned mentors. Those enrolled in the programme enjoy competitive remunerations, assistance with relocation and settling in their new environment, and are offered accommodation. Additionally, every young professional is partnered with a well-versed mentor colleague.

The programme prepares future leaders (Leader career track) and experts with a focus on a specific domain (Expert career track).

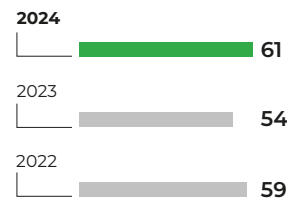
694 graduates

have joined the Company since the programme was launched

460

of them still work for the Company. Over 50% of them received promotions and were included in our talent pool

Number of PhosAgro-START participants, persons



2024 highlights

RUB **116** mln

allocated for university support programmes

61

young professionals recruited by the Group facilities in 2024

50.5%

of the PhosAgro START participants received promotions and were included in our talent pool (47% in 2023)

Cooperation with Russian agricultural universities

An important part of the Company's education initiatives is to share its personnel training practices with the educational system in the agribusiness sector. A joint programme with the Ministry of Agriculture for the promotion of agricultural education already covers three colleges and 47 agricultural universities.

PhosAgro's educational centres have been opened in 21 of them to promote the Company's From Mine to Plate educational programme.

Together with the Russian Ministry of Agriculture, we launched the Pro Agro Lectorium, an e-learning platform featuring more than 420 video lectures on various aspects of agronomy and agriculture

For more information, see the Research, Innovations and Education, Customers and Product Management sections



2024 highlights



Cherepovets State University opened a Fertilizer Technology and Comprehensive Research Laboratory with the Company's support.



PhosAgro Group and St Petersburg State University announced the start of cooperation in research and development.



ProAgro Lectorium educational project won the international BRICS Solutions Awards.

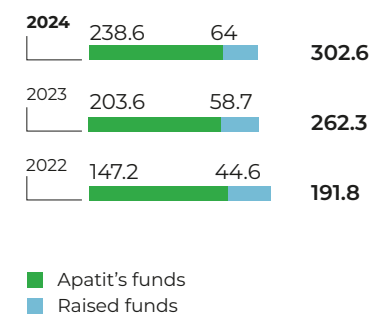
DROZD (Educated and Healthy Children of Russia)

Since 2001, Educated and Healthy Children of Russia (DROZD) has been PhosAgro Group's key social programme in engaging young people. The programme is aimed at a balanced development of young people in the cities where we operate. This is a comprehensive system of long-term interactions with children aged 4 to 18 that combines sports, spiritual, intellectual, and patriotic education.

To facilitate the DROZD programme, similar independent non-profit organisations have been established in five cities where the Group operates. The coordination council defines the strategy of their operation. They all work closely with partner organisations.

In 2024, raised funds accounted for 21% of total programme expenditures, roughly flat y-o-y, which indicates the popularity and great interest in the project not only from the region's local communities, but also from the regional authorities.

Programme expenditures, RUB mln

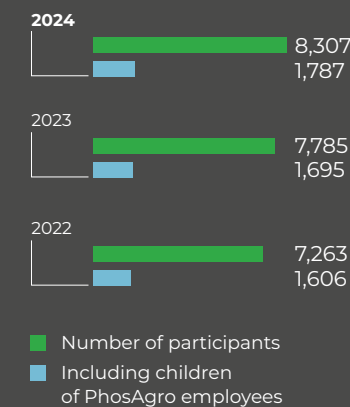


As at the end of 2024, 84 sports clubs (vs 78 in 2023) were operating in Kirovsk, Apatity, Cherepovets, Volkhov and Balakovo as part of the DROZD programme, covering 31 different sports. Alongside these, the Company launched several creative studios and additional education classes. More than 8,500 children, including children of the Company's employees (21.5%), attend them free of charge on a regular basis

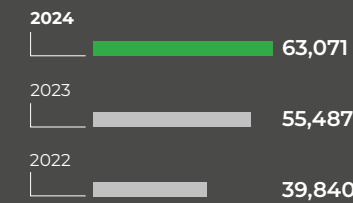
- 14.4% increase in the number of the programme participants in 2024 compared to 2022
- More than 150,000 students have taken part in the DROZD programme over the last 22 years



Number of DROZD participants, persons



Total number of participants in public events, corporate festivals, and celebrations staged by DROZD, persons



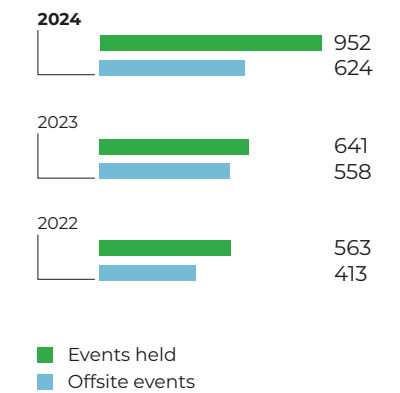
In addition to sports clubs, hobby groups for popular science were organised. Their number almost doubled over the year, reaching 20.

In 2024, a total of 63,000 children were engaged in DROZD project activities – competitions in various sports, educational programmes, and artistic festivals (up 13.6% y-o-y).



Media, including PhosAgro Group's print outlets and social media, actively spotlight DROZD's endeavours. 2024 saw some 6,000 publications and posts in the printed media and online about various events of the programme.

Total number of events



Events for children with disabilities

The DROZD programme also covers more than 110 kids with disabilities. In Balakovo, a rehabilitation sledge hockey club was organised for children and teenagers with musculoskeletal disabilities and cerebral palsy, with a group of children with disabilities established in a kindergarten in Volkhov to exercise using Chinese jump rope. DROZD-Cherepovets successfully implements the GTO Without Borders project. In 2024, 11 sports facilities of the city's organisations were accessible for pre-school and school-age children with disabilities. As part of the project implementation in 2024, nine clubs were established. Another eight GTO clubs for children with disabilities are to be opened in spring 2025.

93 students

with disabilities were trained and 60 of them successfully passed the GTO fitness test

DROZD Village programme

DROZD goes far beyond city limits. Since 2016, DROZD-Balakovo has been promoting healthy lifestyles among young people in rural locations. The DROZD Village programme covers 15 villages across the Balakovsky district, with 650 people engaged in seven sports. In the Cherepovetsky district, the DROZD-Village programme helped establish karate clubs in Suda and Shulma, while the district centre of Kaduy boasts a polyathlon club, full-fledged training grounds at the local sports facility, and a skiing track with a shooting range. In 2024, DROZD-Volkhov opened a basketball club in Syasstroy. The Company covers all expenses for equipment and repair of gyms, purchase of sportswear, necessary sports goods, and remuneration of coaches.



FEEDBACK

To obtain feedback, each entity conducts an annual survey of children and their parents to identify strengths and weaknesses. In the reporting year, 88% of parents surveyed in Balakovo were satisfied with the organisation of education and sports training, while in Cherepovets 91.3% of respondents gave positive feedback (vs 90.1% in 2023). In Volkhov, training conditions tend to improve, and the qualifications of coaches were rated as "excellent".

Health monitoring

For teachers and parents to be able to adjust the types of activities to the best of each child's abilities, there is a health monitoring procedures in place for kids. In the reporting year, 43% of all children participating in the programme were examined using the Health Navigator methodology. Nearly two-thirds of them increased their Health Index score, with the average Health Index rising from 4.5 to 4.7 over the year.

In 2024, DROZD-Cherepovets won the Top 100 Russian Companies competition.



Total number of children who improved their health index, persons



Sports achievements of DROZD students

	2022	2023	2024
Winners and runners-up of competitions			
International competitions	10	6	16
National competitions	71	86	164
Regional competitions	1,158	1,476	1,259
Municipal competitions	3,406	3,874	3,989
Candidate Masters of Sports	13	30	41
Masters of Sports	2	4	3

3 Spiritual revival

The main objective of the programme is to preserve and promote orthodox values, spiritual ideas, and respect for our legacy and motherland.

The programme has been underway since 2001 and is implemented in cooperation with the Russian Orthodox Church, local government authorities, non-governmental organisations, and local communities.

In 2024, the Company continued to support the Moscow Patriarchate, dioceses of the Russian Orthodox Church and 47 churches in the regions

of operation and in other domestic and international locations. Orthodox churches (14 in total) were erected at each of the Company's production sites, as well as in Moscow.

The Church of St Andrew at the Volkhov branch of Apatit hosts the Andreyevsky Spiritual and Educational Centre supported by the Company. The Centre has a library, various

creative groups and educational courses for children and adults on both secular and Orthodox topics.

2024 highlights

MURMANSK <ul style="list-style-type: none">At the end of 2024, the construction of the Transfiguration of the Saviour Sea Cathedral of St Nicholas began, with PhosAgro Group acting as the lead sponsorSix churches received support from the Company	KIROVSK <ul style="list-style-type: none">The Church of the Acheiropaeic Image of the Saviour Lord Jesus Christ opened after reconstruction supported by the Company	CHEREPOVETS <ul style="list-style-type: none">The youth choir of the Cherepovets Diocese took part in the Winter Garden of Arts festival of Russian culture in ItalyThe Company sponsored a documentary titled "Athanasius and Theodosius of Cherepovets. Devotees of the Russian North"As part of the Chemist's Day celebrations, the Company supported the Family Festival of Spiritual CreativityThe Company provided assistance to the Cherepovets Diocese and nine churches in the Vologda region.7,500 people attended spiritual education events
VOLKHOV <ul style="list-style-type: none">904 events hosted by the Andreyevsky Spiritual and Educational Centre were attended by over 4,000 people	BALAKOVO <ul style="list-style-type: none">The Company provided assistance to the Balakovo Diocese and three churches	

4 Connecting Generations

The main goal of the programme is to preserve memory of the history of the nation, industry, or facility for all generations; maintain traditions of respect for the older generation, veterans, and vulnerable population groups.

Interactive Education Centres (Museums) project

Corporate public spaces created and supported by PhosAgro Group are integral to the vocational guidance programme targeting schoolchildren, students, and young professionals. The association of museum and exhibition centres and centres for interactive learning in the cities of the Company's operations is a part of PhosAgro's Interactive Education Centre, a private institution of additional education.

PROJECT PARTICIPANTS:



Apatit museum and exhibition centre for interactive education in Kirovsk (since 1932);



Fifteenth Element, a museum and exhibition centre in Volkhov (since 2016);



Academy of Fertility, a centre for interactive learning in Balakovo (since 2008);



Green Planet, a centre for interactive learning in Cherepovets (since 2017).

All these sites have permanent exhibitions with multimedia and interactive equipment on chemistry, geology, ecology, and history of the Company's assets. In addition to sightseeing tours, they run educational programmes, hold chemical and geological workshops, scientific lectures, and creative master classes. The interactive education centres provide information about specialised educational programmes, such as Talent Pool, PhosAgro-START, and PhosAgro Schools. Schoolchildren and students are invited to participate in bespoke vocational guidance tests and offered insights into professions in high demand at the Company's facilities. 118 PhosAgro School students were trained in interviewing, video and photo editing, and social media as part of the Media School project, creating over 140 publications, articles, and videos.

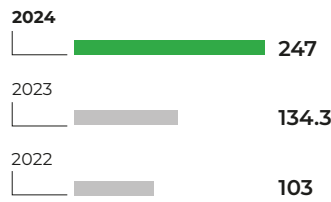
Museum and exhibition centres

Corporate museums not only provide schoolchildren and students with essential career guidance, initiating them into the history and modernity of the Company's assets and people who work at them, but also play a major role in the local community engagement. They become centres of cultural life in their cities, key tourist and educational hubs.

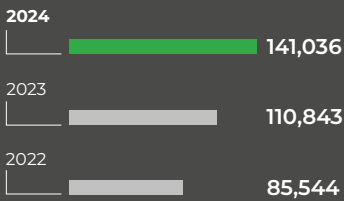
In 2024, the Fertility Academy centre for interactive learning reopened in Balakovo after renovation, the exhibitions of the Green Planet centre for interactive learning in Cherepovets were upgraded, and modernisation and restoration work is underway in Kirovsk and Volkhov. The centres

offer more than 150 programmes in various areas. Accessibility of services for visitors and high quality of information, diversity of events and use of new technologies all contribute to the growing attendance at the centres in the cities where the Company operates.

Funding of museum and exhibition centre, RUB mln



Total visitors to the Company's museum and exhibition centres, people



In 2024, more than 140,000 participants aged 6 to 18 attended career guidance, cultural, and educational events at museum and exhibition centres.

The online audience totalled

300,000



Number of events held



2024 highlights



2,661

+11% y-o-y

kids, schoolchildren, and university students visited museums of PhosAgro's Interactive Education Centre

12,506

+24% y-o-y

people took part in career guidance programmes

27%

and 20% increases in the number of visitors and events, respectively



97.3%

of surveyed visitors were satisfied with the professional educational programmes, free excursions and events



Apatit museum and exhibition centre in Kirovsk was ranked among Top 25 by the Corporate Museum National Award



The Green Planet interactive educational centre was awarded an honorary diploma of the winner at the 2024 Top 100 Russian Companies award in the category for the Best Museum and Exhibition Centre.

Security Agents project

In 2024, the Company completed its Security Agents project, which it started in 2020. The efforts were initiated by Apatit's Economic Security Department and the Ministry of Internal Affairs' Office in Cherepovets and then rolled out across the regions of our operation. The project is aimed at promoting a responsible attitude towards safe behaviour and raising awareness in children, young people, and their parents.

The project relied on the resources of PhosAgro Group's museum and exhibition centres and included excursions and classes in permanent interactive spaces, lectures and consultations by external experts, mobile exhibitions, sporting events and festivals.

Over the four years of the project, more than 19,000 safety-related events were organised, with more than 38,000 teenagers participating.

Five permanent and seven mobile exhibitions were organised in the cities where the Company operates, with 10 festivals, 65 thematic games and more than 2,000 events held. The 2024 festival brought together a record number of participants – 170 children from five regions.

Thanks to the Company's financial support, participation in the events was free of charge for all categories of visitors. The project was highly praised by participants and the expert community. One of the important project deliverables is the reduction of juvenile delinquency.

IN 2024:

with the Company's support, a renovated Museum of the History of the Vologda Police was opened in Vologda, which, in addition to the traditional historical part, has new spaces such as the Security Laboratory and the Legal Affair mobile exhibition;

a set of teaching packages was produced for the Security Agents additional general education programme;

Cybersecurity Lab, a new information space, was created in Cherepovets, where the basics of security in the digital space are explained to the target audience in a comprehensible form.

Targeted Assistance project

In 2024, the Company continued to provide targeted assistance to NGOs and support volunteer initiatives in the regions where it operates. PhosAgro Group supported more than 70 non-governmental organisations of veterans and disabled people, as well as charity foundations.

Vologda region

In the Name of Good charity foundation provides assistance to children with disabilities and serious diseases. In 2024, 63 children received assistance for taking treatment, examination, and rehabilitation courses, with another 27 children provided with other types of assistance.

The Company collaborates with the Future Exists, Vologda's regional organisation supporting families with disabled members. In 2024, Pottery, a rehabilitation and career guidance platform for children with disabilities, continued to operate in Cherepovets. The organisation's teenage centre in Cherepovets launched the region's first street service for teenagers. The inclusive centre has created a safe space for communication and development, organised meaningful leisure activities, and provided sessions with a psychologist. The Company assisted in renovation of the premises. Now the centre is attended by 76 children, including 23 with special needs.

In Cherepovets, the Company cooperates with I CAN, a local organisation that helps people with special needs and implements a project of supported employment for people with disabilities.

Murmansk region

In the Kirovsk and Apatity municipal districts, assistance was provided to 24 volunteer movements/ organisations that offer targeted support and assistance to veterans, the older generation, and vulnerable population groups. In remote areas, veterans' and elderly people's clubs operate in the format of volunteer centres.



90% of visitors are satisfied with the facilities at the volunteer centres and the care they receive from PhosAgro.

The Company offers support to volunteer centres in Kirovsk's microdistrict of Kukisvumchorr and in Koashva, and the Dobrodeya and Rodnik volunteer clubs in Titan and Kirovsk, respectively. Support also goes to the Veterans of War and Labour organisation. In Apatity, two pensioners' associations and the Children of War organisation operate with the Company's support.

Thanks to the Company's financial support, 60 people were trained under the IT Cube digital education programme in 2024.

A 22.8%

increase in the number of elderly people who go to volunteer centres

Saratov region

The main activities of the Targeted Assistance programme in Balakovo were focused on members of the corporate veterans' organisation. Two groups regularly visit the NON-STOP fitness cub and a fitness centre and take part in sports competitions. The Company provided funding to host lectures by medical professionals and organise medical tests, home visits and presentation of gifts to veterans. We also supported the facility's Youth Council.

About 3,000

visits to sports events

About 2,800

visits to cultural and entertainment events

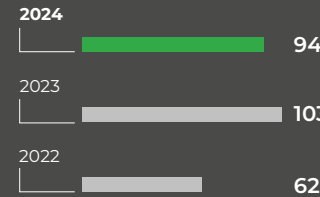
Leningrad region

For the fourth year running, Volkhov hosts the Veterans' Backyard gardening competition under the Company's auspices. As part of the Targeted Assistance programme, PhosAgro pays for health resort vouchers for veterans, makes various social payments, holds festive city parties, and distributes fertilizers among households.

We also support Valimsky Rubezh, a war history non-governmental organisation from the Leningrad region with a focus on the patriotic education of young people, preserving historical memory, and engaging schoolchildren in war relic search.



Funding for the Targeted Assistance programme, RUB mln



Corporate volunteering development

Our corporate volunteering has a long history and traditions. The Company's volunteers joined the #WeAreTogether federal initiative. Corporate volunteers assist in arranging and holding corporate events, festivals of the Company's social and volunteering projects, patriotic activities, and various festivities.

2024 highlights

14%

of employees took part in some corporate charity projects in 2024, with another 35% demonstrating interest and willingness to join future projects

over 900

corporate volunteers took part in 91 events in the regions where the Company operates

More than 500

volunteers contribute to the DROZD volunteering movement

5 Promotion of sports

PhosAgro Group is committed to the development of youth sports and physical culture among its employees, their families, and local communities in which we operate.

The Company has sports facilities available free of charge at all our assets, while also building and reconstructing sports venues in the cities of operation.

The Company is a sponsor of Avtodor Basketball Club (Saratov), Proton and Severyanka Volleyball Clubs (Cherepovets), and Turbina speedway team (Balakovo).

The Company traditionally supports competitive sports and has been a long-time general partner of several national sports federations.

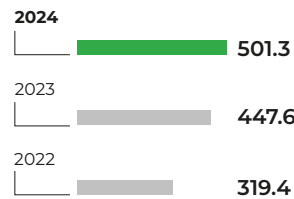
PhosAgro's support at the federal level went to:

- Russian Olympians Foundation;
- Russian Gymnastics Federation;
- Russian Cross-Country Skiing Federation;
- Russian Chess Federation;
- Russian Rugby Federation;
- Federation of Blind Footballers.

The Company's support at the regional level went to:

- Moscow Rhythmic Gymnastics Federation;
- St Petersburg Regional Judo Federation;
- Proton Volleyball Club (Saratov region);
- Avtodor Basketball Club (Saratov region);
- Turbina speedway team (Saratov region);
- Severyanka Volleyball Club (Vologda region);
- Kovrovets Motoball Club (Vladimir region);
- Fellowship of Support and Development of Children and Youth Biathlon of Russia – Kid's Cup

Programme expenses, RUB mln



PhosAgro Group is a long-standing partner of the Russian Cross-Country Skiing Federation, organising the final stage of the Russian Cup at the Tirvas Ski Resort in Kirovsk. In 2024, PhosAgro Group and the Russian Cross-Country Skiing Federation agreed to expand their strategic partnership. In 2025, the Company will act as the title sponsor of the federation and raise payouts for the winners of the Bolshoi Vudyavr tour. In addition, as part of Our Favourite Cities programme, the Company will continue to develop the Tirvas Ski Stadium and the sports and tourist infrastructure of the Khibiny Mountains.

PhosAgro Group is also a partner of the Russian Paralympic Committee. In 2024, the Company supported the Committee in organising the participation of Russian athletes in the 17th Summer Paralympic Games in Paris. In addition, PhosAgro Group was the general sponsor of the first international friendly football tournament for professional teams of blind players from BRICS countries held in Moscow in late December 2024.

2024 highlights

KIROVSK

Bolshoi Vudyavr Ski Resort won in two nominations of the Ski Business Awards (Best Ski Resort in the Northwestern Federal District, and Russia's Best Restaurant at a Ski Resort) held as part of the business programme of the 2nd Forum of Tourist Areas

APATITY

The second Sergei Fedorov Cup, a New-Year hockey tournament with prizes provided by PhosAgro, was played in December by teams of young hockey players born in 2013–2014 from Kirovsk, Apatity, Murmansk, and the Kolsky district of the Murmansk region

The Company provides support to

20

sports organisations operating on the federal, regional and municipal levels

6 Nationwide projects

PhosAgro Group allocates significant funds to support agribusiness infrastructure at the federal level:



In October 2024, Timiryazev Agricultural Academy unveiled the Timiryazev Centre, Russia's first specialised training and exhibition venue for the agribusiness sector. The project spans an area of over 40,000 sq m and was sponsored by the Company, which invested some RUB 5 bln in it, including RUB 1.8 bln in 2024.



The Company contributed to the financing of a project to establish the Research and Development Centre at the Kola Science Centre of the Russian Academy of Sciences. The project focuses on developing technologies to increase the depth of processing apatite-nepheline ores, taking into account the variability of their mineral composition at the beneficiation plants of the Kirovsk branch of Apatit. The Centre was launched in Apatity in March 2024.



CORPORATE GOVERNANCE

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- 279 Corporate controls
- 286 Ethical practices



Key initiatives
in 2024

p.

249

Fertile ground for partnership

The sustainability principles are brought to life throughout the Company, uniting employees in the drive towards a sustainable future. Open and responsible corporate governance is key to creating a favourable environment for nurturing a new generation of leaders.

H₂SO₄

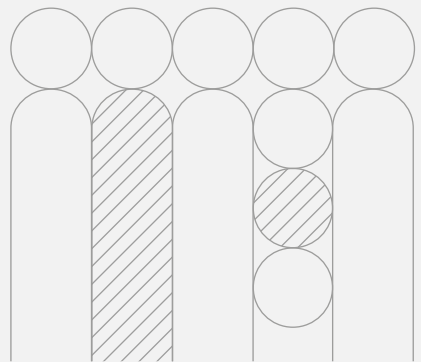
sulphuric acid
[Lat. Acidum sulphuricum H₂SO₄]

Corporate governance framework

CORPORATE GOVERNANCE PRINCIPLES

PhosAgro's corporate governance principles, structure, practices and procedures are set forth in its Charter and Corporate Governance Code.

Provisions of the Company's Corporate Governance Code do not contradict the Corporate Governance Code recommended by the Bank of Russia's Letter dated 10 April 2014 (the "CGC") and the UK Corporate Governance Code (UK CGC, FRC, 2024).



Basic principles of PhosAgro's corporate governance:



Accountability of management bodies



Transparency of operations



Equal rights of shareholders



Responsibility to society, the state, and stakeholders



For the full text of PhosAgro's Charter, please visit [our website](#)



For the full text of PhosAgro's Corporate Governance Code, please visit [our website](#)

SUSTAINABLE DEVELOPMENT GOVERNANCE

GRI 2-12, 2-13

Our governance framework for sustainable development (SD) relies on a number of internal and external drivers.



For more information on the six main components of the sustainable development governance framework, please visit the Sustainability section on the [official website](#)

INTERNAL DRIVERS

The Company's mission and values supported by our Corporate Strategy.

EXTERNAL DRIVERS

Regulations and stakeholder expectations.

2024 initiatives

GRI 2-14

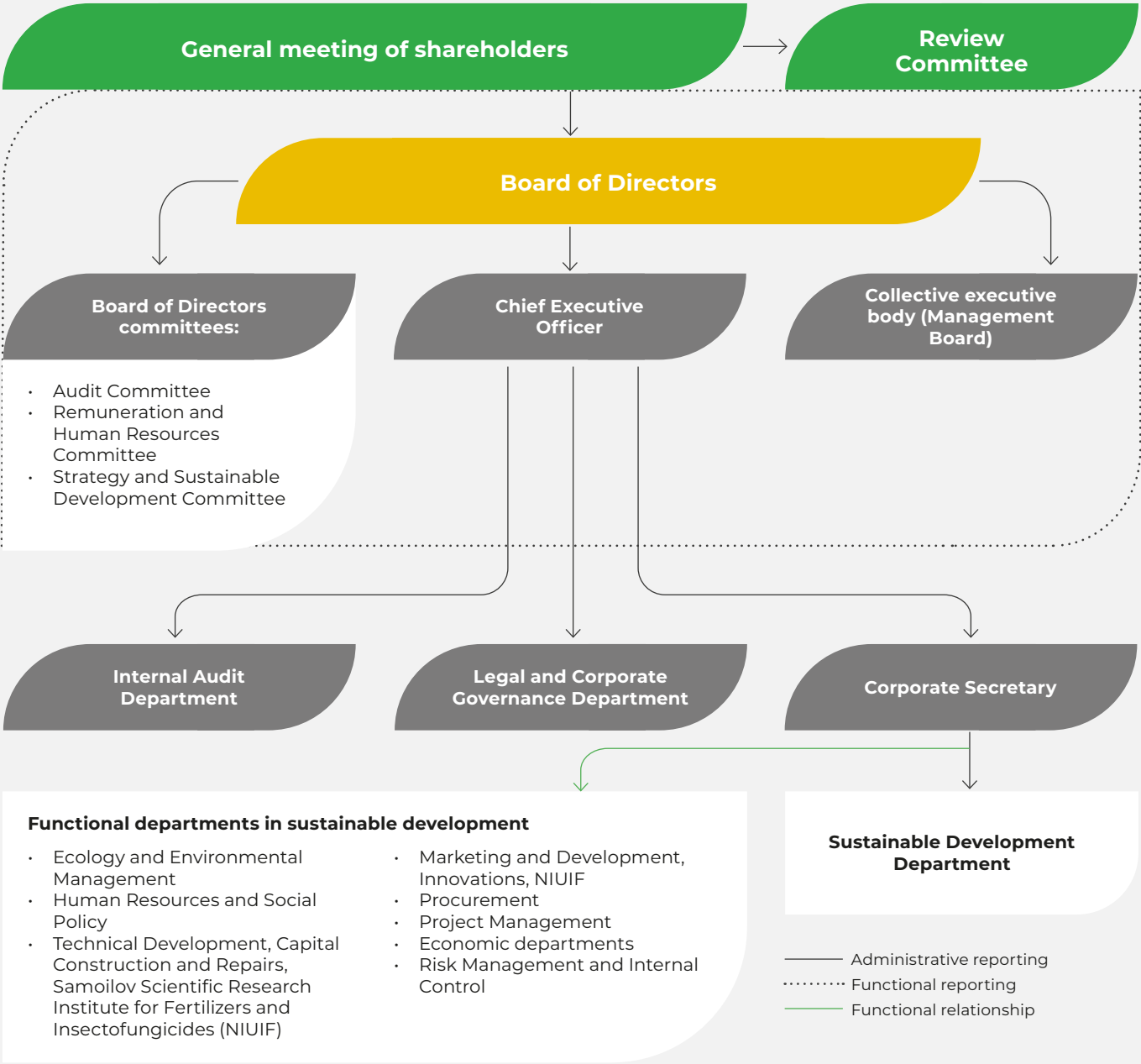


¹ Carbon Border Adjustment Mechanism.

Corporate governance practices

Structure of corporate governance and sustainability management

GRI 2-9



CORPORATE GOVERNANCE ASSESSMENT

To assess corporate governance, PhosAgro relies on the Corporate Governance Code recommended by the Bank of Russia, the UK Corporate Governance Code (UK CGC, FRC, 2024), and criteria from key corporate governance and ESG ratings as best practice benchmarks. The actual compliance with the CGC is evaluated on an annual basis

and disclosed in a dedicated report (CGC Report), which is subject to review by the Audit Committee of the Board of Directors and approval by the Board of Directors, and forms a part of PhosAgro's annual report.

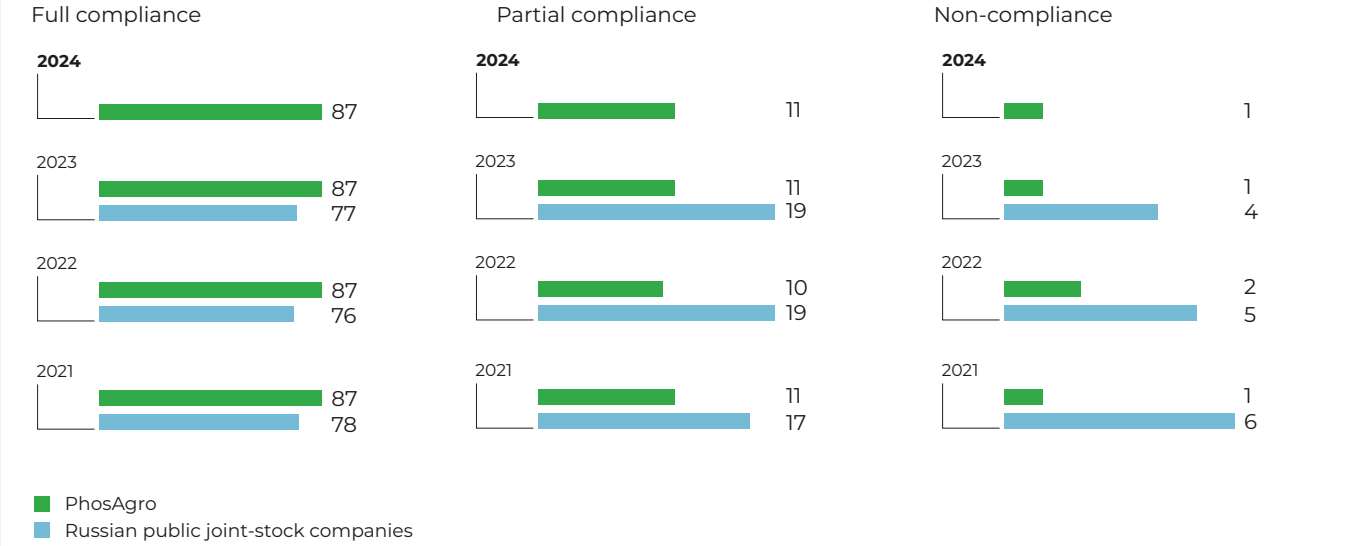
In February 2025, the Board of Directors reviewed the 2024 CGC Report and the performance

of the 2024 improvement plan. The Board scrutinised the evolution of compliance with the Code's principles and trends in the quality of explanations for non-compliance or partial compliance. Post-review, the Board of Directors approved the 2024 CGC Report, and issued a positive assessment of compliance with the CGC recommendation.

Compliance with the CGC recommendations

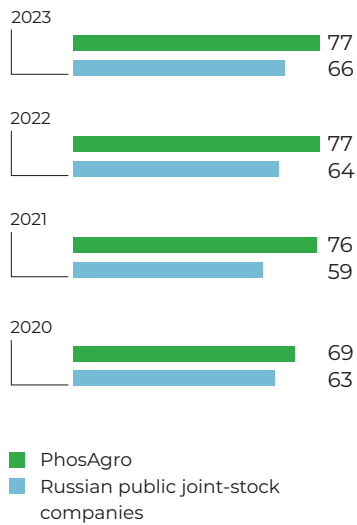
CGC section	Total number of matters	Full compliance			Partial compliance			Non-compliance		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
1. Shareholders' rights	13	11	11	11	1	1	1	1	1	1
2. Board of Directors	36	30	30	30	5	6	6	1		
3. Corporate Secretary of PhosAgro	2	2	2	2						
4. Remuneration	10	8	8	8	2	2	2			
5. Risk management and internal control	6	6	6	6						
6. Information disclosure	7	7	7	7						
7. Material corporate actions	5	5	5	5						
Total	79	69	69	69	8	9	9	2	1	1
Percentage of compliance with the CGC principles, %		87	87	87	10	11	11	3	1	1

Compliance with CGC principles at PhosAgro and other Russian companies, %¹



¹ The data on Russian public companies comes from the annual Review of Corporate Governance Practices in Russian Public Companies compiled by the Central Bank of Russia based on reports assessing compliance with the CGC principles and recommendations for 2023.

Degree of disclosure to explain non-compliance (partial compliance) with CGC principles at PhosAgro and other Russian companies¹, %



For every case of partial compliance or non-compliance, PhosAgro specifies the measures taken to mitigate the associated risks in the CGC Report. In 2023, the quality of PhosAgro's disclosure to explain the non-compliance (partial non-compliance) with the recommendations of the Code, according to the Bank of Russia, remained unchanged at 77%, while the average level in the Russian Federation grew from 64% to 66%.

Plans for 2025

Key initiatives to further enhance compliance with the Code, along with the factors that will impact decisions on their implementation in 2025, are provided in the table “Changes in self-assessment as regards compliance with corporate governance principles”.

For detailed analysis of changes in self-assessment as regards compliance with corporate governance principles in 2024 vs 2023

Additionally, PhosAgro plans to implement the recommendations submitted following the Board of Directors' self-assessment for 2024



Changes in self-assessment as regards compliance with corporate governance principles

Number and brief description of the principle	Compliance status	Comments
1.1.2. Publishing of a general meeting notice on the company's website at least 30 days prior to the date of the general meeting of shareholders	2023	In 2023, criterion 1 was partially complied with. A notice on one of the three General Meetings of Shareholders held in 2023 was published 22 days (not 30 days) before the Meeting date. In 2024, notices on General Meetings of Shareholders were published 30 days prior to the Meeting date. In 2024, criterion 3 was partially complied with, as in the run-up to the Annual General Meeting of Shareholders PhosAgro did not disclose on its website information about nominees to the Company's Board of Directors (biographies, the Remuneration and Human Resources Committee's assessment of professional qualifications, experience and skills of Board candidates against the Company's present and future needs, and information on the candidate's compliance with the independence criteria). PhosAgro considered that publishing such information could lead to the imposition of restrictive measures against the Company and/or other parties. Going forward, PhosAgro will continue to strive for full disclosure of all mandatory information, except for cases where the release of specific details could result in restrictive measures against PhosAgro and/or other parties.
	2024	
1.1.5. Ability for shareholders to freely exercise their rights to vote	2023 2024	Formally speaking, the criterion is not complied with, as PhosAgro's Charter does not provide for online ballot completion on the website. However, the vast majority s shareholders of the Company hold their shares through nominee shareholders (with the exception of only 56 out of 276,000 shareholders, or 0.02%) and can take advantage of remote voting by instructing their nominees accordingly (proxy voting) and thus freely exercise their voting rights in a simple and convenient way. Going forward (for example, if the number of shareholders who do not use nominee shareholding services increases drastically), PhosAgro may once again consider an option of electronic voting.

Number and brief description of the principle	Compliance status	Comments
2.3.2. Availability of information on nominees to the company's board of directors to shareholders	2023 2024	In 2023, the criterion was partially complied with, as, due to the tight timeframe of the Annual General Meeting, the shareholders were not provided with the findings of the assessment completed by the Board of Directors or its Remuneration and Human Resources Committee to determine whether the professional qualifications, experience and skills of nominees to the Board of Directors meet the present and future needs of PhosAgro. In 2024, the criterion was partially complied with, as in the run-up to the Annual General Meeting of Shareholders PhosAgro did not disclose on its website information about nominees to the Company's Board of Directors (biographies, the Remuneration and Human Resources Committee's assessment of professional qualifications, experience and skills of Board candidates against the Company's present and future needs, and information on the candidate's compliance with the independence criteria). PhosAgro considered that publishing such information could lead to the imposition of restrictive measures against the Company and/or other parties. Going forward, PhosAgro will continue to strive for full disclosure of all mandatory information, except for cases where the release of specific details could result in restrictive measures against PhosAgro and/or other parties.
2.8.2. Performance of the remuneration committee	2023 2024	The description of partial non-compliance in 2023 and 2024 is identical. Criterion 1 was only partially complied with, as one of the members of the Remuneration and Human Resources Committee does not meet the independence requirements. Once the General Meeting of Shareholders elects new members of PhosAgro's Board of Directors in 2025, the Board will seek to staff the Remuneration and Human Resources Committee with independent directors only. Criterion 2 was only partially complied with, as the Chairman of the Remuneration and Human Resources Committee does not meet the independence requirements. Upon the re-election of the Remuneration and Human Resources Committee in 2025, the Board of Directors will seek to elect an independent director as the Chairman of the Remuneration and Human Resources Committee. Criterion 3 was not met with respect to the failure to define in the Company's internal documents the conditions (events) upon the occurrence of which the Remuneration and Human Resources Committee of the Board of Directors considers the revision of PhosAgro's policy on remuneration of the Board members, members of executive bodies, and other key executives. The Company proceeded from the fact that the responsibility to regularly revise the policy, which is specified in the Regulations on the Remuneration and Human Resources Committee of the Board of Directors, implies ensuring that it is updated and meets the current needs of the Company. When deliberating on amendments to the Regulations on the Remuneration and Human Resources Committee or the adoption of a new version of the Regulations (anticipated in 2025–2026), specific triggers (events) for reviewing the above policy will be incorporated into the draft documents.
2.8.5. Composition of committees of the Board of Directors	2023 2024	Criterion 1 was not complied with to the extent that the Remuneration and Human Resources Committee is chaired by a director who does not meet the independence requirements. However, the director's competencies, professional experience and dedicated skills enable him to run the Committee in the most efficient manner. Upon the re-election of the Remuneration and Human Resources Committee in 2025, the Board of Directors will seek to elect an independent director as the Chairman of the Remuneration and Human Resources Committee.
2.9.1. Assessment of the Board of Directors' performance	2023 2024	The description of partial non-compliance in 2023 and 2024 is identical. Criterion 2 was not met with respect to the failure to conduct individual assessment of each member of the Board of Directors in 2024 (for 2023), 2023 (for 2022) and 2022 (for 2021). Given the substantial 70% renewal of the Board's composition since July 2022, the Remuneration and Human Resources Committee found it irrelevant to carry out an individual assessment. In this context, the Board identified no significant risks associated with not proceeding with an individual assessment. In 2025, the Company will resume the practice of assessing each Board member individually, as part of the Board's overall performance assessment exercise

¹ The data on Russian public companies comes from the Review of Corporate Governance Practices in Russian Public Companies compiled by the Central Bank of Russia based on reports assessing compliance with the CGC principles and recommendations for 2023.

General Meeting of Shareholders

The activities of PhosAgro’s supreme governing body – the General Meeting of Shareholders – are governed by the Regulations on the General Meeting of Shareholders. In June 2024, the Annual General Meeting of Shareholders was held in absentia to elect new members of the Board of Directors and Review Committee, determine the Board of Directors’ remuneration, and resolve on other matters within the Meeting’s remit.

The reporting year also saw two extraordinary General Meetings of Shareholders convened to vote on interim dividends.



Full text of the Regulations on the General Meeting of Shareholders of PhosAgro is available on the [official website of the Company](#)

Board of Directors

✓
In 2024, the Board of Directors continued to oversee strategic focus areas and key decision-making within its scope of functions. Throughout the year, the Board focused on maintaining the seamless operation of the Company’s production assets, supporting established supply chains and building new ones.

year the Board recognised the achievement of strategic goals across the majority of the indicators. In December 2024, the Board reviewed the main aspects and status of the development of the Strategy to 2030, including a set of investment initiatives, made recommendations regarding the structure and content of the document, and plans to review progress in mid-2025.

In the reporting year, the Board of Directors continued the practice that had proven effective in 2022 and 2023, and addressed anti-crisis management issues related to planning and evaluating measures to ensure stable and sustainable operation of the Company’s production sites under current conditions, primarily in the areas of procurement and sales activities.

Strategy and global challenges

2025 is the final year of the Company’s development strategy approved back in 2019, and in the reporting

Sustainable development and corporate governance

In the reporting year, the Board of Directors continued to analyse the compliance of the Company’s practices with the Bank of Russia’s recommendations on the consideration of ESG and sustainable development matters by the board of directors of a public joint-stock company. The Board’s performance has been assessed since 2021 onwards in line with the regulator’s recommendations, including with the involvement of third-party experts. The post-assessment steps were also largely based on this significant document of the Bank of Russia, which reasserted that the Company’s sustainable development and high-quality corporate governance are intertwined.

Information technologies and information security

The Board of Directors reviewed the quality of countering information security threats twice during the reporting year. One of the important topics on the agenda was the Company’s IT strategy and preparedness to replace software products that are no longer supported in Russia due to sanctions.

Ongoing tasks

Apart from the key activities above, in 2024, the Board of Directors also focused on the following traditional areas:

- assessment and quarterly monitoring of the risk management process;
- assessment and quarterly monitoring of subsidiary activities with a focus on workplace health and safety, industrial safety and environmental protection;
- assessment of compliance with the Inside Information Regulations;

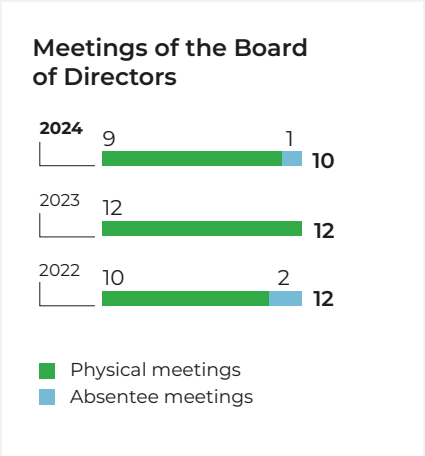
- assessment of the quality of investment and organisational project management at PhosAgro’s subsidiaries;
- appointment and evaluation of the performance of PhosAgro’s Management Board;
- oversight over management relations with shareholders, investors and other stakeholders;
- monitoring the implementation of priority areas of PhosAgro’s activities in 2024 and determining priority areas of its activities for 2025;
- reviewing PhosAgro’s budget for 2025, as well as quarterly follow-up on the 2024 budget utilisation;
- performance, work plans, and budget of the Internal Audit Department;
- quarterly review and approval of financial statements;
- convening General Meetings of Shareholders of PhosAgro;
- assessing the quality of non-financial reporting and approving the Company’s annual report.

Participation in the Board meetings

During the year, the Board of Directors held

10 meetings

and considered a total of 68 agenda items.



Participation in the Board meetings

MED 36, 38

	Board of Directors	Audit Committee	Remuneration and Human Resources Committee	Strategy and Sustainable Development Committee
Victor Ivanov	9/9 (100%)			3/3 (100%)
Yuri Krugovykh	9/9 (100%)			
Siroj Loikov	9/9 (100%)		4/4 (100%)	
Natalia Pashkevich	7/9 (78%)			
Vladimir Trukhachev	7/9 (78%)	5/5 (100%)	4/4 (100%)	
Alexander Seleznev	8/9 (89%)			
Victor Cherepov	9/9 (100%)	5/5 (100%)		
Mikhail Rybnikov	9/9 (100%)			
Alexander Sharabaika	9/9 (100%)			3/3 (100%)
Andrey Sharonov	9/9(100%)	5/5 (100%)	4/4 (100%)	3/3 (100%)

COMPOSITION OF THE BOARD OF DIRECTORS

GRI 2-9, 2-10, 405-1

In accordance with PhosAgro's Charter, shareholders with at least 2% of PhosAgro's voting shares may submit applications to form the Board of Directors within 60 days after the end of the calendar year. Additionally, the current Board of Directors has the right to nominate candidates for the new Board of Directors. In both cases, the number of nominees may not exceed the number of Board members (10). In preparation for the Annual General Meeting for 2023, candidates for the new

composition of the Board of Directors were nominated by both substantial shareholders and the Board of Directors. The current members of the Board of Directors were elected at the Annual General Meeting of Shareholders by cumulative voting, meaning the candidates with the highest number of votes were elected.

The Company should aim for a well-balanced composition of its Board of Directors, where the qualifications, experience, knowledge, business

acumen, and independence of members are harmonised. Board members should have a recognised, including among investors and shareholders, good business reputation and no conflicts of interest with PhosAgro.

Characteristics of PhosAgro's Board of Directors are benchmarked against those from the analytical research by the National Corporate Secretaries Association (NCSA) Review of Corporate Governance Practices. Picture of the Board of Directors¹.

Twice during the reporting year, the characteristics of candidates, and subsequently those elected to the Board, were evaluated at meetings of the Remuneration and Human Resources Committee, as well as by the Board of Directors itself. The Committee also traditionally assesses whether a candidate or elected Board member has sufficient time available for effective work on the Board of Directors, taking into account all of their external appointments. The Committee's findings on these matters are compiled as part of the documents for the General Meeting of Shareholders whenever elections to the Board are on the agenda.

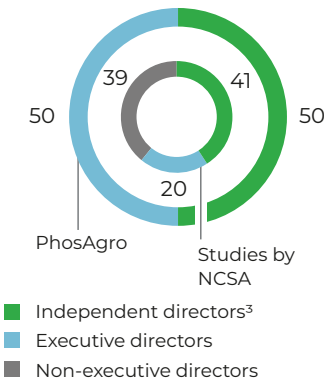
Each year, the Board of Directors assesses its composition, as well as the experience, professional knowledge, competencies, and skills of its members to ensure alignment with the Company's strategic goals and objectives. This evaluation, which also factors in risks, is carried out by the Board members themselves, either through self-assessment or with the involvement of an external expert. The Chairman of the Remuneration and Human Resources Committee reports the results of this evaluation, along with other pertinent aspects, to the Board of Directors as part of the Committee's quarterly activities report.

In May 2024, PhosAgro's Remuneration and Human Resources Committee reviewed the alignment of the competencies of the members of the Board of Directors with PhosAgro's needs during its review of the succession of governance bodies and key executives.

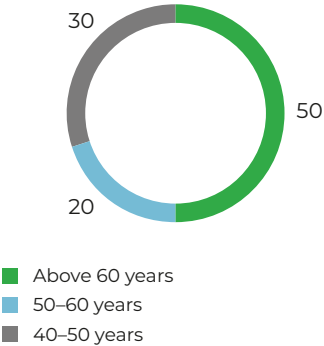
In the reporting year, there were no changes in the Board of Directors composition.

MED 37

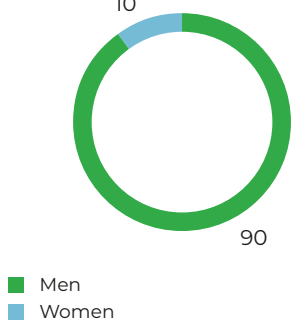
Board of Directors: independence, %



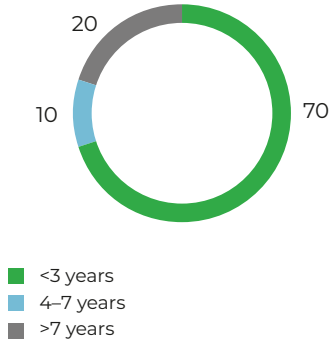
Board of Directors: age, %



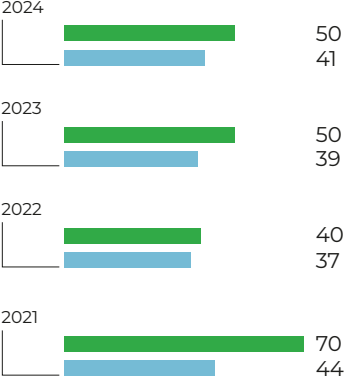
Board of Directors: gender split, %



Board of Directors: length of continuous service, %



Board of Directors independence in 2021-2024², %



■ PhosAgro
■ NCSA research

Russian Federation

place of residence of all Board members

Key competencies of Board members

GRI 2-17

Members of the Board of Directors	Status	Key competencies (based on professional experience)									Equity interest, %
		Information policy and public relations	Strategy and innovation	Finance and audit	Risk management	Law and corporate governance	Chemistry and mining engineering	Personnel management	Corporate governance and sustainable development (ESG) ²	International cooperation	
Victor Cherepov	Chairman, independent	✓		✓					✓		none
Victor Ivanov	Independent						✓	✓			0.0013
Natalia Pashkevich	Independent ¹						✓	✓			none
Andrey Sharonov	Independent ¹			✓	✓	✓		✓	✓		none
Vladimir Trukhachev	Independent						✓	✓			none
Yuri Krugovykh	Executive	✓						✓			none
Alexander Sharabaika	Executive		✓	✓			✓	✓	✓	✓	none
Alexander Seleznev	Executive		✓	✓							none
Siroj Loikov	Executive							✓		✓	none
Mikhail Rybnikov	Executive		✓	✓	✓		✓		✓		0.024

¹ The research was conducted in 2024 among Russian public companies whose shares or depositary receipts are traded on the A1 quotation list of the Moscow Exchange. Sample size – 45 companies; data was collected in November 2024. Data sources for 2021, 2022 and 2023: Korn Ferry Russia study, Annual Review of Russian Board Practices 2021; joint analytical studies by NCSA and KFR for 2022 and 2023, Review of Corporate Governance Practices. Board of Directors Index.
² PhosAgro data as at the end of each reporting year.

³ On 7 November 2024, the Board of Directors recognised Natalia Pashkevich and Andrey Sharonov as independent, despite their formal affiliation with the Company after serving for over seven years on its Board of Directors.
⁴ Including competencies in environment, health and safety.

ROLE OF INDEPENDENT DIRECTORS

Independent directors make a valuable contribution to the Board's decision-making as their opinions rely solely on professional skills and expertise, as well as a comprehensive study of the matter. Their position is unbiased, independent and free from the influence of other members of the Board and PJSC PhosAgro's management. Five of the ten members of PhosAgro's Board of Directors are independent, and one of the three committees is chaired by an independent director.

The independence of Board members and nominees is assessed biannually by the Remuneration and Human Resources Committee. The assessment is based on the criteria set out in PhosAgro's Regulations on the Board of Directors, Clause 2.4 of the Code, Clause 2 of Appendix 2 (2.18) and Appendix 4 of the Listing Rules of the Moscow Exchange, and Clause 10 of the UK Corporate Governance Code (FRC, 2024). In 2024, the Board recognised five members of the Board of Directors

(Victor Ivanov, Natalia Pashkevich, Vladimir Trukhachev, Victor Cherepov, and Andrey Sharonov) as independent, including two members (Andrey Sharonov and Natalia Pashkevich) who were recognised as independent despite their formal affiliation with the Company after serving for over seven years on its Board of Directors.

D&O LIABILITY INSURANCE

The Company has been taking out D&O liability insurance every year since 2012. Under the current insurance contract (insurance period from 1 June 2024 to 31 May 2025),

liability for third-party losses incurred in the exercise of duties by directors and officers of PhosAgro is covered up to USD 50 mln in rouble equivalent, with an extension of the aggregate

liability limit for all independent directors by USD 2 mln. Apart from directors' liability, the above contract includes the liability of the Company's officers.

ASSESSMENT OF THE BOARD OF DIRECTORS' PERFORMANCE

GRI 2-18

In accordance with the Code recommendations, PhosAgro assesses the performance of its Board of Directors on an annual basis, with external experts engaged for this purpose once in three years. In January 2023, IDA – Association of Professional Directors conducted an external assessment of the Board of Directors' – performance for 2022.

The external assessment confirmed that the Board and its committees were functioning in accordance with the recommendations of PhosAgro's Corporate Governance Code and the Listing Rules of the Moscow Exchange. Corporate governance practices in such areas as the organisation of activities and operation of the Board of Directors, interaction with committees,

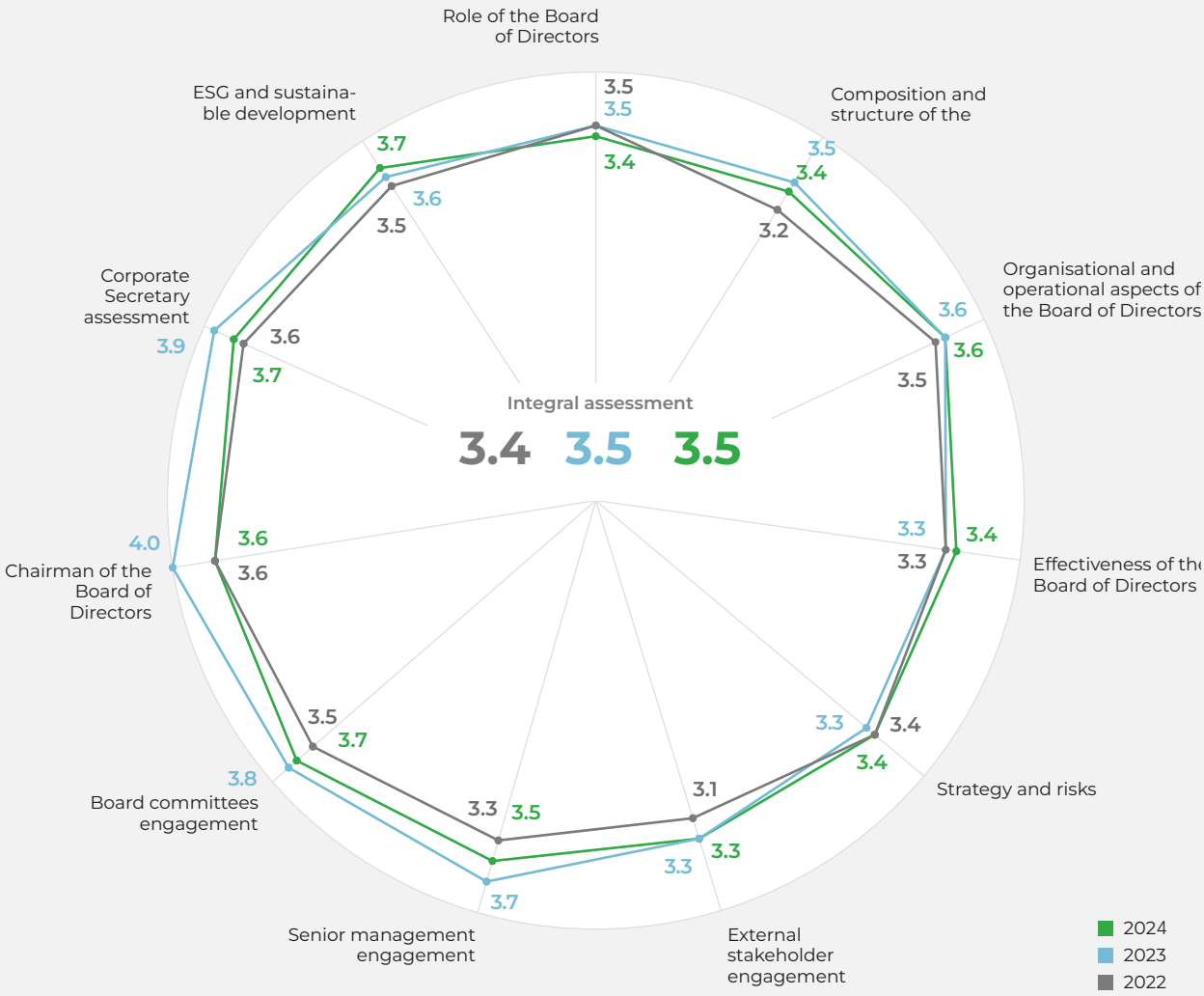
the role of the Board Chairman, the performance of the Corporate Secretary, and the Company's ESG and sustainability activities were noted as highly effective.

The assessment methodology applied in 2023 by external experts was used for the Board's self-assessment in 2024.

The self-assessment of the Board's performance for 2024 (completed in early 2025) used the questionnaire method, with the questions remaining unchanged compared to the external assessment of the Board's performance for 2022. Thus, the assessments in different periods are deemed comparable, and evolution of results can be analysed.

According to the Board of Directors, the composition and structure of the Board comply with PhosAgro's Corporate Governance Code and the Listing Rules of the Moscow Exchange. The organisation of the Board's activities and its interaction with committees have been traditionally appreciated. The consistent improvement in the Board's ESG and sustainability performance is noteworthy. Interaction with external stakeholders remains an area for development. Board members emphasise the need for a broader perspective on the Company and the context in which the Group operates, including through channels unrelated to the management team, such as external experts, partners, and customers.

Board of Directors' self-assessment (scale 1 to 4)



✓

The assessment identified the following general areas of improvement for the Board of Directors:

1

Expanding the range of employees with whom Board members communicate, including the heads of PhosAgro Group's regional entities, particularly during off-site meetings of the Board and its committees

2

Intensifying communication between Board members and the Company's external partners (primarily customers), as well as consultants and experts

3

Enhancing the professional development of Board members through lectures, seminars, analysis of research papers in relevant fields, and discussions on their application by the Company

4

Board members' participation in public events organised by the Company in the regions where it operates

MEMBERS OF THE BOARD OF DIRECTORS

Information on the members of the Board of Directors



Victor Cherepov

Chairman of the Board of Directors at PhosAgro, independent director

Year of election: 2022
Date of birth: 15 January 1951



Alexander Sharabaika

Deputy Chairman of the Board of Directors at PhosAgro, Deputy CEO for Finance and International Projects at PhosAgro

Year of election: 2022
Date of birth: 25 February 1977



Professional experience

2024 – Pr. – NPF Blagosostoyanie, Advisor

2023 – Pr. – Social Fund of Russia, Member of the Management Board

2022 – Pr. – PhosAgro, Chairman of the Board of Directors, Chairman of the Audit Committee

2022 – Pr. – Kompaniya Ust-Luga, Member of the Board of Directors

2022–2023 – Kashira Steel Structures and Boiler Building Plant, Member of the Board of Directors

2021 – Pr. – RC Novotrans, Advisor

2021 – Pr. – Russian Union of Industrialists and Entrepreneurs, Vice President for Social Policy and Labour Relations

2021–2022 – HC Novotrans, Member of the Board of Directors

2020 – Pr. – Public Council under the Ministry of Health of the Russian Federation, Deputy Chairman of the Public Council

2019–2024 – NPF Blagosostoyanie, Chairman of the Human Resources and Remuneration Committee, Member of the Strategic Planning Committee

2018–2024 – NPF Blagosostoyanie, Member of the Board of Directors

2018–2023 – AB Energo, Member of the Board of Directors

2016–2023 – Krasnoyarskii Kotelnii Zavod, Member of the Board of Directors

2016–2020 – Public Council under the Ministry of Health of the Russian Federation, Member of the Board of Directors

2015 – Pr. – Pharmaceutical and Medical Industry Investors Club, President

2010–2022 – Machine-Building Factory of Podolsk, Member of the Board of Directors

2010 – Pr. – National Medical Chamber, Member of the Council for Professional Qualifications in Healthcare

2008 – Pr. – Federal Compulsory Health Insurance Fund, Member of the Management Board

2005–2021 – Russian Union of Industrialists and Entrepreneurs, Executive Vice President, Managing Director of the Department of Relations with Regional and Industrial Associations

2002 – Pr. – State University of Management, Head of the Department of Healthcare and Sport Industry Management



Education

Karaganda State Medical Institute, Degree in General Medicine

School of Medicine, Boston University School of Public Health, USA

Euromanagement Institute, Germany

MD, Professor, Member of the Russian Academy of Medical and Technical Sciences, Member of the International Academy of Energy Information Sciences



Professional experience

2024 – Pr. – HC ExOil Group, Member of the Management Board, independent director

2022 – Pr. – PhosAgro, Deputy Chairman of the Board of Directors, Chairman of the Strategy and Sustainable Development Committee

2019 – Pr. – PhosAgro, Deputy CEO for Finance and International Projects

2018–2022 – PhosAgro, Member of the Management Board

2017–2019 – Apatit, Member of the Management Board

2015 – Pr. – PhosAgro-Region, Member of the Management Board

2014–2019 – PhosAgro, Director for Economic Affairs and Finance

2014 – Pr. – Apatit, Advisor to the CEO (part-time)



Education

Belarus State Economic University, Degree in Finance and Credit

University of Nottingham (UK), Bachelor's degree in Finance

Moscow School of Management SKOLKOVO, Executive Coaching for the Development of Leaders, Project Management



Victor Ivanov

Member of the Board of Directors at PhosAgro, independent director

Year of election: 2022
Date of birth: 17 January 1943



Professional experience

2023 – Pr. – PhosAgro, Member of the Strategy and Sustainable Development Committee

2022–2023 – PhosAgro, Member of the Remuneration and Human Resources Committee

2022 – Pr. – PhosAgro, Member of the Board of Directors

2017 – Pr. – Reatex, Member of the Board of Directors

2017 – Pr. – Agrochiminvest, Chairman of the Board of Directors

2013 – Pr. – Pigment, Member of the Board of Directors

2012 – Pr. – Russian Chemists Union, President



Education

Tomsk Polytechnic Institute, Degree in Chemical Process Engineering

Academy of National Economy under the USSR Council of Ministers



Natalia Pashkevich

Member of the Board of Directors at PhosAgro, independent director¹

Year of election: 2017
Date of birth
5 November 1939



Professional experience

2024 – Pr. – St. Petersburg Mining University, First Vice Rector

2022 – Pr. – PhosAgro, Member of the Board of Directors

2021 – Pr. – Priority 2030 Strategic Academic Leadership Programme, Head of the programme

2017–2022 – PhosAgro, Member of the Board of Directors, Member of the Environmental, Health and Safety Committee

2009 – Pr. – National Research University, Head of the development programme

1999–2024 – St Petersburg Mining University, First Vice Rector



Education

Leningrad Mining Institute, Degree in Mining Engineering and Economics

PhD in Economics, professor



Andrey Sharonov

Member of the Board of Directors at PhosAgro, independent director²

Year of election: 2017
Date of birth:
11 February 1964



Professional experience

2022 – Pr. – PhosAgro, Member of the Board of Directors, Member of the Audit Committee, Member of the Remuneration and Human Resources Committee, Member of the Strategy and Sustainable Development Committee

2022–2022 – PhosAgro, Chairman of the Board of Directors

2022 – Pr. – ESG Alliance, CEO

2021 – Pr. – Profilum, Chairman of the Board of Directors

2021–2022 – Sberbank, Vice President

2020 – Pr. – Foundation for Development of the Centre for Elaboration and Commercialisation of New Technologies (Skolkovo Foundation), Member of the Board of Directors, Chairman of the Human Resources and Compensation Committee

2019 – Pr. – En+ Group, independent non-executive director, Member of the Audit Committee, Chairman of the Corporate Governance and Nominations Committee

2019–2022 – Rosseti, Member of the Board of Directors (independent director), Member of the Personnel and Remuneration Committee

2018 – Pr. – Medicina, Chairman of the Board of Directors

2017–2022 – PhosAgro, Member of the Board of Directors, Member of the Audit Committee, Member of the Remuneration and Human Resources Committee, Member of the Sustainable Development Committee

2016–2022 – SKOLKOVO Endowment Fund, Director

2016–2022 – Association for the Development of Moscow School of Management SKOLKOVO, Managing Director

2016–2021 – Moscow School of Management SKOLKOVO, President

2015 – Pr. – Sovcomflot, Chairman of the Audit Committee, Member of the Compensation Committee

2014–2022 – International Business Leaders Forum, Chairman of the Board of Trustees

2014 – Pr. – MC NefteTransService, Chairman of the Board of Directors

2014 – Pr. – Sovcomflot, Member of the Board of Directors (independent director), Member of the Innovative Development and Technical Policy Committee

2009–2020 – National Research University Higher School of Economics, Professor (part-time) at the School of Finance of the Faculty of Economic Sciences



Education

Ufa Aviation Institute, Degree in Aviation Instrument Making

Institute of Socio-Political Research under the Russian Academy of Sciences, PhD in Sociology

Russian Academy of Public Administration under the President of the Russian Federation, Degree in Law

INSEAD international business school, France/Singapore, Leadership Excellence through Awareness and Practice (LEAP) programme

Moscow School of Management SKOLKOVO, Executive Coaching for the Development of Executives, Top Management Teams and Organisations

Bocconi University, Italy, DBA



Vladimir Trukhachev

Member of the Board of Directors at PhosAgro since 24 March 2023, independent director

Year of election: 2023
Date of birth:
16 July 1955



Professional experience

2023 – Pr. – PhosAgro, Member of the Board of Directors, Member of the Remuneration and Human Resources Committee, Member of the Audit Committee

2020 – Pr. – Russian Professors' Assembly, Head of Agriculture section

2019 – Pr. – Russian State Agrarian University – Moscow Timiryazev Agricultural Academy, Rector

2018 – Pr. – Agroeducation Association of Agrarian Universities of Russia, Chairman

2018 – Pr. – Member of the Russian Academy of Sciences



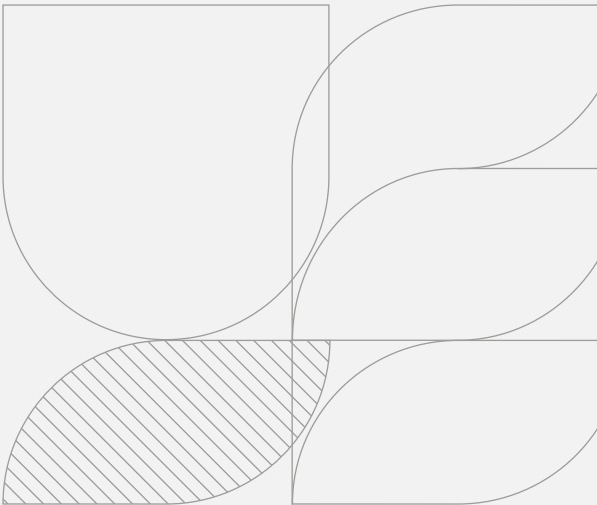
Education

Stavropol Agriculture Institute, Degree in Veterinary

Russian Academy of Sciences, PhD in Agriculture, PhD in Economics, Professor

¹ On 7 November 2024, the Board of Directors recognised Natalia Pashkevich as independent, despite her formal affiliation with the Company after serving for over seven years on its Board of Directors.

² On 7 November 2024, the Board of Directors recognised Andrey Sharonov as independent, despite his formal affiliation with the Company after serving for over seven years on its Board of Directors.





Alexander
Seleznev

Member of the Board of Directors, Chief of Staff for the CEO of PhosAgro

Year of election: 2022
Date of birth:
6 July 1984



Professional experience

2022 – Pr. – PhosAgro, Member of the Board of Directors

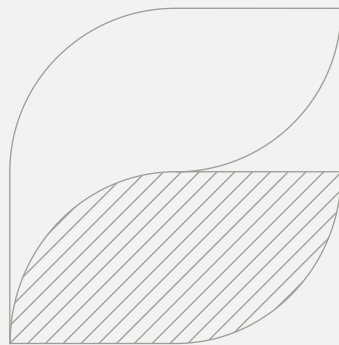
2019 – Pr. – PhosAgro, Chief of Staff for the CEO

2019–2022 – PhosAgro, Member of the Management Board



Education

Bauman Moscow State Technical University, Degree in Comprehensive Information Security of Automated Systems



Yuriy
Krugovykh

Member of the Board of Directors, First Deputy CEO of PhosAgro, Deputy General Director for Information Policy of Apatit

Year of election: 2022
Date of birth:
29 May 1955



Professional experience

2022 – Pr. – PhosAgro, First Deputy CEO of PhosAgro, Member of the Board of Directors

2022–2022 – PhosAgro, Member of the Management Board

2015 – Pr. – Apatit, Deputy CEO for Information Policy (part-time)

2013 – Pr. – PhosAgro-Region, Member of the Management Board

2010–2022 – PhosAgro, Deputy CEO



Education

Moscow University for the Humanities, Degree in History



Siroj
Loikov

Member of the Board of Directors, First Deputy CEO of PhosAgro

Year of election: 2022
Date of birth:
9 September 1972



Professional experience

2023 – Pr. – PhosAgro, Chairman of the Remuneration and Human Resources Committee

2022 – Pr. – PhosAgro, Member of the Board of Directors

2020 – Pr. – PhosAgro, First Deputy CEO

2020 – Pr. – Apatit, Advisor to the CEO (part-time)

2018–2020 – PhosAgro, Deputy CEO

2018–2020 – Apatit, Deputy CEO (part-time)

2013–2022 – PhosAgro, Member of the Management Board



Education

Tashkent State University of Economics, International Economic Relations

University of Nottingham (UK), Bachelor's degree in Business Management

Diplomatic Academy of the Russian Ministry of Foreign Affairs, Degree in World Economy and International Economic Relations



Professional experience

2022–2023 – PhosAgro, Member of the Strategy and Sustainable Development Committee

2022 – Pr. – PhosAgro, Deputy CEO

2022 – Pr. – PhosAgro, Member of the Board of Directors, Chairman of the Management Board

2021–2022 – PhosAgro, Deputy CEO

2020–2021 – PhosAgro, Managing Director

2018 – Pr. – NIUIF, Member of the Board of Directors

2018–2022 – Apatit, Adviser to the CEO (part-time)

2018–2020 – PhosAgro, First Deputy CEO

2016–2022 – PhosAgro, Member of the Board of Directors, Chairman of the Environmental, Health and Safety Committee, Member of the Strategy Committee, Member of the Sustainable Development Committee

2016 – Pr. – PhosAgro-Region, Member of the Management Board

2013–2022 – PhosAgro, Member of the Management Board



Education

Lomonosov Moscow State University, Master's degree in Economics

Moscow School of Management SKOLKOVO, Executive Coaching for the Development of Executives, Leadership In Action

CORPORATE SECRETARY

The Corporate Secretary is responsible for day-to-day interactions with the shareholders, coordination of the Company's efforts to protect shareholder rights and interests, and support provided to the Board of Directors to ensure its efficient

performance. The Corporate Secretary is appointed by the Board of Directors. The operating procedures of the Corporate Secretary are governed by the Regulations on the Corporate Secretary approved by the Company's Board of Directors.



For the full text of PhosAgro's Regulations on the Corporate Secretary, please visit [our website](#)



Sergey Samosyuk

Year of appointment: 2016
Date of birth: 1 October 1976

Professional experience

- 2023 – Pr.** – PhosAgro-Region, Corporate Governance Advisor to the CEO (part-time)
- 2022 – Pr.** – PhosAgro, Advisor to the Deputy CEO for Sales and Marketing (part-time)
- 2021 – Pr.** – AgroGard-Finance, Member of the Board of Directors
- 2017 – Pr.** – Apatit, Advisor to the CEO (part-time)
- 2016 – Pr.** – PhosAgro, Corporate Secretary

Education

- St Petersburg State University of Economics, Degree in Engineering and Economics
- St Petersburg University, Degree in Law
- National Research University Higher School of Economics, Executive MBA

Achievements

- Professional award of the Semyonov National Corporate Secretaries Association (NCSA) in the Cutting-Edge Practices in Corporate Governance for Board of Directors' Support and Exemplary Disclosure Leadership categories (2023)
- 2020 and 2023 Director of the Year National Award for the best corporate governance directors / corporate secretaries.

COMMITTEES OF THE BOARD OF DIRECTORS

The committees of the Board of Directors are advisory and consultative bodies made up of the current Board members with relevant experience and expertise in specific focus areas.

The committees can also engage external experts and consultants in their work. The primary role of the committees is the preliminary consideration of key issues submitted for review by the Company's Board of Directors.

In the reporting year, the Board of Directors had three committees:


Audit Committee


Remuneration and Human Resources Committee


Strategy and Sustainable Development Committee

At the meeting held on 3 July 2024, the Board of Directors decided to keep the existing committee structure.



Information on committees' performance

Audit Committee

The Committee's activities are governed by the Regulations on the Audit Committee.



For the full text of PhosAgro's Regulations on the Audit Committee, please visit the [Company's website](#)

Committee members as at 31 December 2024



Victor Cherepov
Committee Chairman, independent director



Vladimir Trukhachev
Committee member, independent director

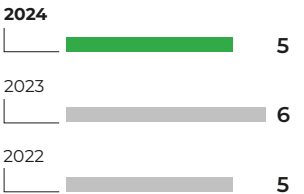


Andrey Sharonov
Committee member, independent director¹

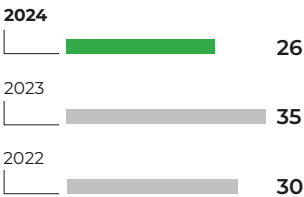
The Committee's statistics

MED 38

Meetings Including in person



Matters



Key highlights in 2024

In the reporting year, the Committee focused on the quality, reliability and timeliness of financial and non-financial corporate reporting.

Based on the 2024 results, the Committee is happy to report an invariably high quality of financial reporting, observance of previously established release deadlines, and the growing scope and improved quality of non-financial reporting.

Ongoing tasks

The Committee focused on the following:

- analysis, review and discussion of the Company's annual financial and operating performance based on the IFRS consolidated financial statements, including reasons for deviations from the previous periods;
- review of quarterly IFRS condensed consolidated financial statements, along with ensuring the adequacy of disclosures;
- review and discussion of the results of the annual audit and quarterly reviews by the external auditor in accordance with RAS and IFRS;
- review of the external auditor plan for the assurance of 2024 financial statements;
- approval of the plan and budget, and assessment of the Internal Audit Department's performance;
- analysis of the Company's compliance with Russian and European legislation on the protection and use of insider information;
- analysis of the quality of the PhosAgro's corporate governance, including compliance with the Corporate Governance Code;
- discussion with legal and tax department heads about ongoing issues that may have an impact on financial statements.
- development of non-financial reporting regulations, analysis of quality and completeness of ESG reporting in 2023 as compared to previous periods.

External auditor

The approach to assessing external audit's independence and efficiency, as well as appointment and re-appointment of the external auditor is set out in the External Auditor Selection and Cooperation Policy of PhosAgro as approved by the Board of Directors in August 2023.



For more information, please visit [our website](#)

All additional services related and unrelated to audit were duly approved by the audit partner, as well as by the Chairman of the Audit Committee, with due regard to appropriate independence considerations.

Victor Cherepov
Chairman of the Audit Committee

¹ On 7 November 2024, the Board of Directors recognised Andrey Sharonov as independent, despite his formal affiliation with the Company after serving for over seven years on its Board of Directors.

Remuneration and Human Resources Committee

The Remuneration and Human Resources Committee (within this section, the “Committee”) is governed by the Regulations on the Remuneration and Human Resources Committee.



For the full text of PhosAgro's Regulations on the Remuneration and Human Resources Committee, please visit the [Company's website](#)

Committee members as at 31 December 2024



Siroj Loikov
Committee Chairman, executive director



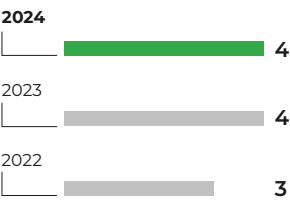
Vladimir Trukhachev
Committee member, independent director



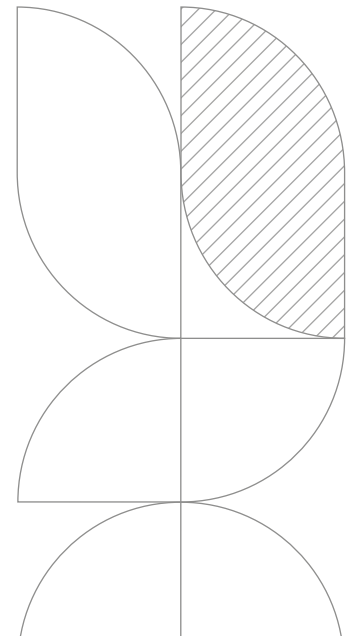
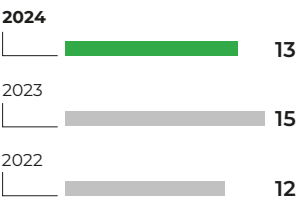
Andrey Sharonov
Committee member, independent director¹

The Committee's statistics

Meetings Including in person



Matters



Key highlights in 2024

Twice a year, initially when assessing nominations to the Board of Directors and subsequently when appraising its final composition, the Committee analyses the adequacy of the Board members' skills, experience, expertise, and business acumen for their service on the Board of Directors, assesses the Board members against independence criteria, and identifies reasons (if any) that could disqualify them from serving on the Board of Directors.

The Committee's conclusions with respect to the nominees to the Board of Directors are included in the materials for the General Meeting of Shareholders voting on the election of Board members.

While preparing the shareholder information for the Annual General Meeting, the Committee, among other factors, analysed the effect of important external nominations of independent directors on their ability to duly discharge their responsibilities as the Company's Board members.

Independent directors' external nominations as at 31 December 2024:

- Victor Cherepov: Russian Union of Industrialists and Entrepreneurs, State University of Management, Pharmaceutical and Medical Industry Investors

- Club, Novotrans Repair Company, NPF Blagosostoyanie, Kompaniya Ust-Luga;
- Victor Ivanov: Russian Chemists Union, AgroChimInvest, Reatex, Pigment;
- Andrey Sharonov: ESG Alliance, Sovcomflot, MC NefteTransService, Profilum, En+ Group, Medicina;
- Natalia Pashkevich: St Petersburg Mining University, Priority 2030 Strategic Academic Leadership Programme, National Research University at the St Petersburg Mining University;
- Vladimir Trukhachev: Russian State Agrarian University – Moscow Timiryazev Agricultural Academy, Agroeducation Association of Agrarian Universities, Russian Academy of Sciences.

The Committee found that the above external appointments did not prevent the Board members from duly discharging their responsibilities, while also maximising their contribution to the Company's growth.

The Committee expanded its scope to include reviewing a report on the implementation of vocational guidance projects in the cities where the Company's facilities operate.

Ongoing tasks

The Committee focused on the following:

- assessment of professional skills, independence, engagement and important external nominations or appointments to the Board of Directors;
- performance assessment of the Company's executive bodies, other key employees, and the Corporate Secretary;
- assessment of the incentive system for the members of executive bodies and other key employees;
- succession planning for members of the management bodies and other key executives;
- assessment of social and employee training programmes, including the progress towards a sustainability target approved in the Strategy to 2025 – the number of employee training hours;

- review of the outcomes following the annual staff loyalty and satisfaction survey, including progress towards a sustainability target approved in the Strategy to 2025 – integrated employee loyalty index;
- best practice guidance and analysis following the self-appraisal of the Board of Directors' performance.



Siroj Loikov
Chairman of the Remuneration and Human Resources Committee

¹ On 7 November 2024, the Board of Directors recognised Andrey Sharonov as independent, despite his formal affiliation with the Company after serving for over seven years on its Board of Directors.

Strategy and Sustainable Development Committee

The Strategy and Sustainable Development Committee (within this section, the “Committee”) is governed by the Regulations on the Strategy and Sustainable Development Committee.



For the full text of PhosAgro's Regulations on the Strategy and Sustainable Development Committee, please visit the [Company's website](#)

Committee members as at 31 December 2024



Alexander Sharabaika
Committee chairman, executive director



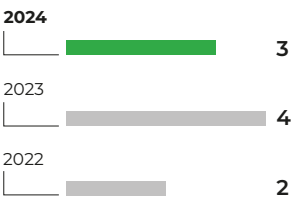
Victor Ivanov
Committee member, independent director



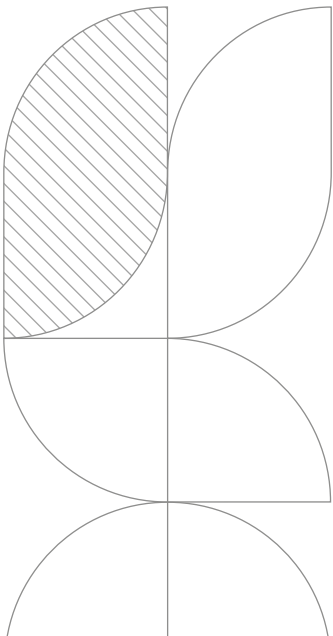
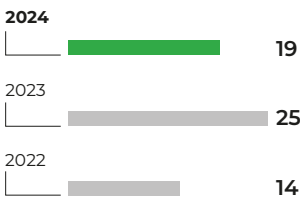
Andrey Sharonov
Committee member, independent director¹

The Committee's statistics

Meetings Including in person



Matters



Key highlights in 2024

As a successor to the Strategy Committee since 2022, the Committee focuses on monitoring the progress against the Strategy to 2025. The Committee regularly checks such actual metrics as production volumes, sales in priority markets, expansion of sales and transport infrastructure and ESG metrics, including the targets of the Climate and Water strategies, against the goals set by the Strategy.

Monitoring the activities under the Climate Strategy and the low-carbon transition plan continues to be an essential part of the Committee's agenda.

The Committee takes over from the dissolved Sustainable Development Committee to monitor and regularly update the action plan set to deliver on the strategic sustainability goals.

Sustainability reporting and non-financial disclosure supervision were among key agenda items as well. In April 2024, the Committee reviewed the status of the 2023 integrated Annual Report, including the alignment of the material topics for disclosure approved by the Committee in November 2023, with the concept of the Report and the standards applied in its development. Also, in December 2024, the Committee traditionally reviewed the quality of disclosure and feedback on the integrated Annual

Report, and praised the Company's non-financial disclosure practices in the 2023 Report.

Following proposals received from the Board of Directors as part of the external assessment, the Committee invited other Board members and relevant experts to discuss such items as challenges and trends in agriculture and allied industries, report on the carbon farm project in the Vologda region, and PhosAgro's innovations.

In the reporting year, the Committee began reviewing the matters related to NIUIF's activities in developing new products and processes, as well as cooperation with suppliers on ESG assessment.

The Committee members also remained focused on HSE compliance by reviewing, among others, draft laws, which are yet to be considered and approved.

Ongoing tasks

- The Committee focused on the following:
 - implementation status of the Company's Development Strategy to 2025;
 - creation and analysis of PhosAgro's framework for sustainable development bylaws, control over their drafting process, relevance, effectiveness and quality;
 - control over progress against internal sustainability objectives;
 - review of sustainability reporting and supervision of disclosures on the Company's sustainability activities;
 - analysis of the Company's practices and bylaws in terms of compliance with sustainable development rating and competition requirements and management of efforts to maintain and improve the Company's standing in ratings/competitions;
 - monitoring of compliance with HSE laws and progress in reducing negative climate impact from the Company's production activities;
 - assessment of environmental, social, technological, climate, and industrial risks associated with the Company's production activities;
- review of investigation records on industrial accidents and incidents, environmental law violations, and breach of climate impact regulations;
- consideration of proposals on improving working conditions, complying with safety regulations, reducing injury frequency rates, greenhouse gas emissions, pollutant discharges, waste generation and disposal, and enhancing energy efficiency;
- analysis of progress on programmes and initiatives to introduce resource and energy efficiency solutions and climate protection technologies.

Alexander Sharabaika
Chairman of the Strategy and Sustainable Development Committee

¹ On 7 November 2024, the Board of Directors recognised Andrey Sharonov as independent, despite his formal affiliation with the Company after serving for over seven years on its Board of Directors.

Executive bodies

In charge of PhosAgro's day-to-day operations are two executive bodies accountable to the Board of Directors:

- the collegial body (Management Board) and
- the sole executive body (CEO).

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In 2024, the Management Board held seven meetings and reviewed ten matters, most of which were related to the budget discipline.

At least twice a year, at the end of six months and full calendar year, the CEO submits a report on the performance of the Company's executive bodies to the Board of Directors for review and approval. The report traditionally includes highlights of the Company's production, sales, logistics, and procurement operations, and data on progress against key investment and target projects. It also focuses heavily on the executive team's environmental and occupational safety performance, social support for employees, and external social investments.

ESG

✓

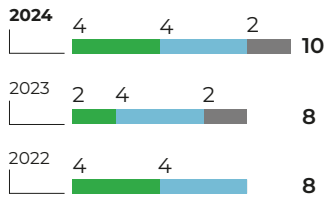
In the reporting year, the Company delivered robust HSE results, ticking off most relevant KPIs. In addition to that, PhosAgro continued to honour all its social commitments to develop the regions of operation, keeping its support for social and charitable projects unchanged from the previous year's record level. The Board of Directors praised the performance of executive bodies and key executives for their due consideration of ESG factors and addressing sustainability issues.

The executive bodies and management team of the Company focuses on PhosAgro's strategy and long-term sustainable business development for the benefit of shareholders and other stakeholders by linking executive remuneration to the Company's goals, including those in the realm of ESG.

For more information, see the Remuneration Report section

p. 276

Breakdown and number of matters considered



- Revision and approval of PhosAgro's quarterly and annual budgets
- Review of operating and financial reports
- Approval of internal regulations

In May 2024, the number of Management Board members was approved at three. Since that date and as at 31 December 2024, members of the Management Board are Mikhail Rybnikov, Alexei Sirotenko, and Dmitry Morozov.

For more information on Mikhail Rybnikov see the Board of Directors section

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INFORMATION ON MEMBERS OF THE MANAGEMENT BOARD



Mikhail Rybnikov

Member of the Management Board, Member of the Board of Directors and CEO at PhosAgro

Year of election: 2022
Date of birth: 30 November 1975



Alexei Sirotenko

Member of the Management Board, Deputy CEO of PhosAgro for Corporate and Legal Affairs, Legal Affairs Director at Apatit

Year of election: 2013
Equity interest / stake of ordinary shares: none
Date of birth: 3 January 1969



Professional experience

2017 – Pr. – Apatit, Legal Affairs Director

2013 – Pr. – PhosAgro, Member of the Management Board

2010 – Pr. – PhosAgro, Deputy CEO for Corporate and Legal Affairs (part-time)



Education

Lomonosov Moscow State University, Degree in Jurisprudence, Lawyer



Key competencies

- Law and corporate governance



Dmitry Morozov

Member of the Management Board, Advisor to the CEO of PhosAgro

Year of election: 2022
Equity interest / stake of ordinary shares: none
Date of birth: 5 June 1964



Professional experience

2022 – Pr. – PhosAgro, Member of the Management Board

2022 – Pr. – PhosAgro, Advisor to the CEO (part-time)

2019 – Pr. – Apatit, Director for Economic Affairs

2019–2022 – PhosAgro, Director for Economic Affairs



Education

Moscow State Institute of International Relations (Russia), Degree in International Economic Relations, Economist for International Economic Relations



Key competencies

- Strategy and innovation
- Economics, finance and audit

Remuneration report

BOARD OF DIRECTORS REMUNERATION

GRI 2-19, 2-20

When deciding on the Board composition, the General Meeting of Shareholders approves the amount and the rules for determining and paying remuneration and compensation to the Board members. The Board remuneration shall be in line with current market conditions and shall be sufficient

to enable the Company to attract, motivate and retain highly skilled professionals to help drive the future growth and performance.

remuneration and compensation to the Board members were approved by the General Meeting of Shareholders on 30 June 2024.

At the same time, the Company avoids higher-than-necessary remuneration. The existing amounts and rules for determining and paying

Board of Directors’ remuneration, RUB

Full name of the member of the Board of Directors:	2022	2023	2024
Sven Ombudstvedt	12,171,879.00	–	–
James Rogers	10,143,232.50	–	–
Marcus Rhodes	10,143,232.50	–	–
Xavier Rolet	5,717,786.80	–	–
Irina Bokova	5,115,232.97	–	–
Ivan Rodionov	9,581,287.50	5,781,472.50	–
Andrey Sharonov	14,418,297.00	15,805,053.00	16,762,783.5
Victor Cherepov	12,746,475.00	42,146,808.00	44,700,756
Victor Ivanov	5,748,772.50	15,805,053.00	16,762,783.5
Vladimir Trukhachev	–	12,336,169.50	16,762,783.5
Total	85,786,195.77	91,874,556.00	94,989,106.50

REMUNERATION OF THE MANAGEMENT

Remuneration principles

PhosAgro’s remuneration policy for executive bodies and other key employees is determined by the Board of Directors based on the recommendations of the Remuneration and Human Resources Committee.

The Remuneration and Human Resources Committee conducts a detailed bi-annual review of the incentive system, evaluating

its effectiveness and, if necessary, making recommendations for its improvement.

The remuneration due to the Company’s senior executives consists of a monthly base salary plus additional compensation payable twice a year. Additional remuneration is linked to achieving the Company’s KPIs and completeness and quality of accomplishment of additional tasks, as determined by the Board of Directors and

the CEO for the reporting period, as well as the Company’s achievement of the EBITDA target.

All KPIs are aligned with the Company’s strategic goals defined in its Strategy to 2025 and oriented towards their achievement.

The amount of additional remuneration ranges from 30% to 150% of the annual base salary and depends on the level of the position held and the functional area of the manager. The Remuneration and Human Resources Committee of the Board of Directors, during its annual evaluation of the incentive system, ensures an effective proportion of fixed and variable components of remuneration.

KPIs for each senior manager are set annually and take into account metrics related to operational efficiency and individual contribution to the corporate growth and strategic performance.

To assess the performance of Phosagro’s CEO, a number of indicators are used, which aim to improve the efficiency of investments and sales, control costs, and reduce employee injury rates for the Company and its contractors.

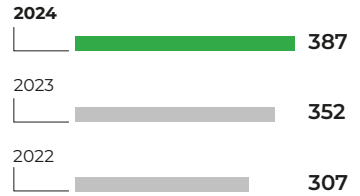
Values of the CEO KPIs in the range of base case / target / challenge, as well as their actual values at the end of the reporting period are approved by the Chairman

of the Board of Directors. Taken together, these indicators contribute to the achievement of the Company’s strategic goals and serve the interests of shareholders both in terms of the Company’s development and in terms of minimising the risks arising from incentivising excessively risky management decisions.

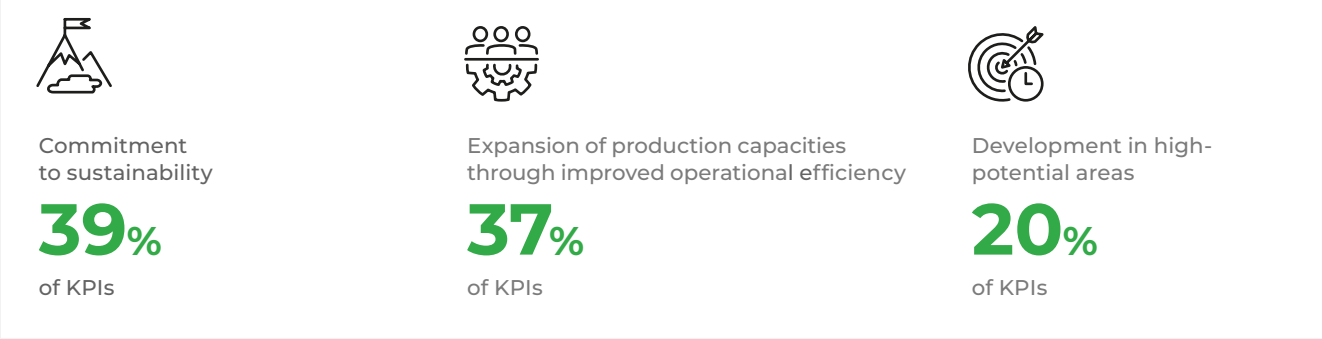
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KPIs of the CEO and N-1 level managers, including sustainable development indicators, are cascaded down and decomposed into KPI scorecards of lower-level management. The indicators themselves and their weights are modified depending on the nature of a particular manager’s focus area with due regard to their strategic fit. Specific KPI wordings and their weights are established by PhosAgro’s KPI Committee, taking into account the opinion of the KPI holder and their immediate supervisor.

In 2024,
387 officers
of PhosAgro Group were
benchmarked against 2,126 KPIs.

Number of officers holding KPIs by year



TOP 3 KPI DRIVEN AREAS



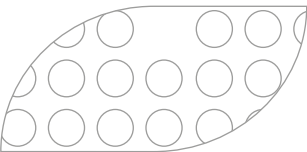
COMMITMENT TO SUSTAINABILITY: KPIS



As can be seen from the above statistics, PhosAgro Group is focused on sustainable development, and the KPI framework includes the following indicators:

- reduction of unit emissions to the atmosphere;
- share of waste recycling, neutralisation, and processing;
- efficiency of the second line of defence in the area of negative environmental impact facilities (discharges, emissions, waste);
- implementation of a programme to improve the energy efficiency of Apatit's facilities and branches;

- growth in subscriptions to the ProAgro Lectorium communication platform (online lectures and training from leading agricultural technology experts and consultants);
- work under the Carbon Farm project;
- implementation of key social projects;
- % of completion of the programme to improve social and working conditions;
- increase in the number of employees involved in healthy lifestyle programmes;
- industrial safety indicator within the framework of the Safety Culture Transformation Project;



- percentage of staff covered with methods and tools implemented under the Safety Culture Transformation Project;
- zero accidents;
- zero occupational injuries among the Company and contractor employees.
- reduction in the number of accidents (incident, fire, ignition, road traffic accident, railway transport accident).



For information on total remuneration paid to all members of the Company's executive bodies over the year with a breakdown by type of remuneration, see [the issuer's report for the reporting year](#)



No loans were extended to members of the Board of Directors or the Management Board as at 31 December 2024.

Remuneration of members of executive bodies

The amount of remuneration and additional compensation

due to PhosAgro's CEO is regulated by a contract between them and the Company, which is signed by the Chairman of the Board of Directors. The total remuneration

reflects the CEO's qualifications and their personal contribution to the Company's financial results.

EXTERNAL AUDITOR'S REMUNERATION

PhosAgro engaged independent auditor JSC Technologies of Trust – Audit to audit its IFRS consolidated financial statements for 2023 and 2024. The actual remuneration paid to the auditor for the audit of the IFRS consolidated financial statements of PJSC PhosAgro and the RAS accounting statements of the entities controlled by PJSC PhosAgro amounted to RUB 28.2 mln for 2024 (vs RUB 24.9 mln for 2023), net of VAT and overhead costs.

In addition to that, in 2024 JSC Technologies of Trust – Audit and its affiliated companies performed review of the IFRS consolidated financial statements of PJSC PhosAgro and the entities controlled by it and provided other services for the total amount of RUB 25.5 mln (vs RUB 21.4 mln in 2023), net of VAT. All additional services provided by the external auditor were duly approved by the Chairman of the Audit

Committee of PhosAgro's Board of Directors in line with the applicable independence requirements.

The actual remuneration of JSC Unicon to audit PhosAgro's RAS financial statements for 2024 was RUB 883,700 (vs RUB 752,100 in 2023), net of VAT.

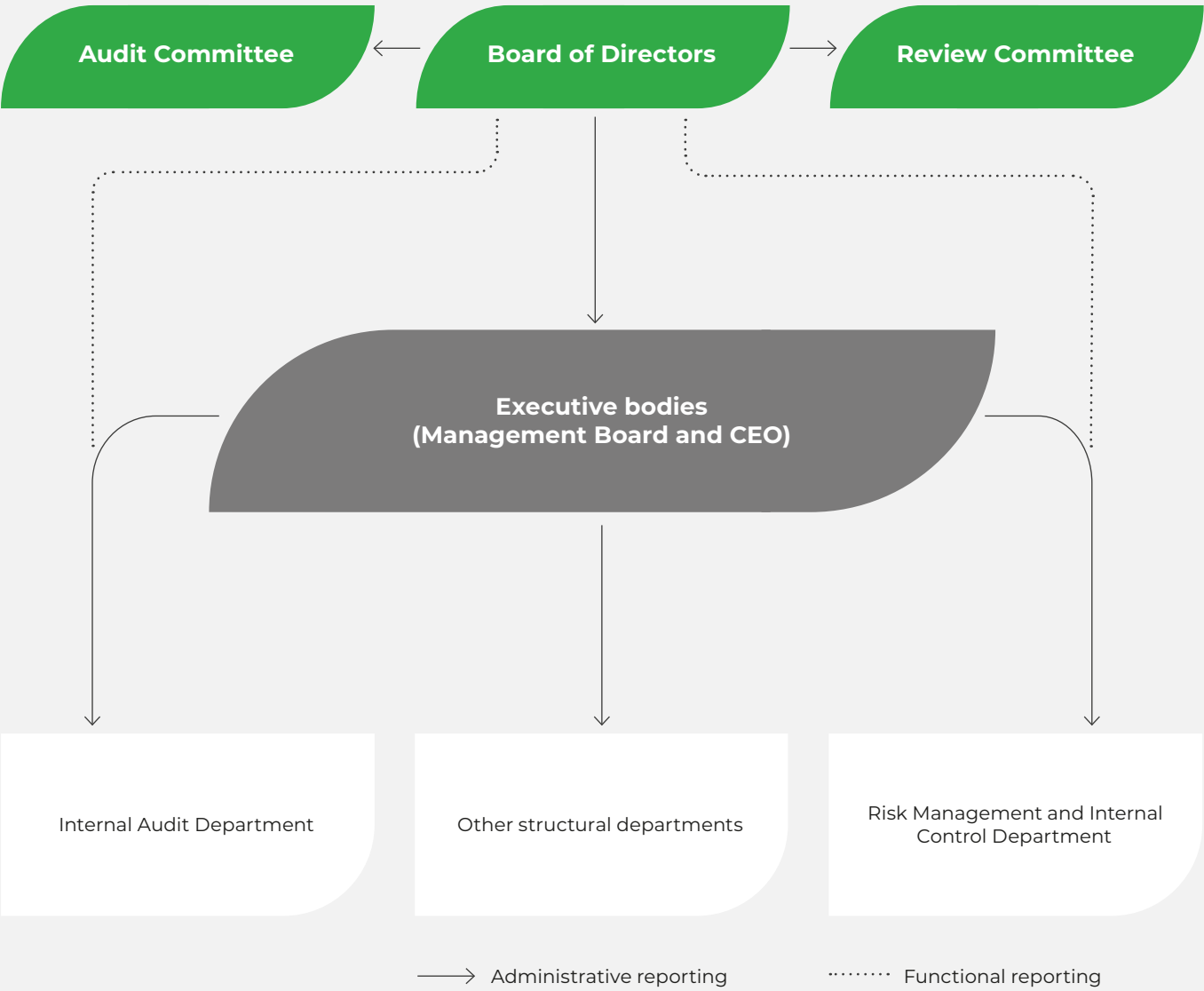
Additionally, in 2023 JSC Unicon provided tax consulting services to PJSC PhosAgro and the entities controlled by it for the total amount of RUB 200,000 net of VAT.

Corporate controls

RISK GOVERNANCE AND INTERNAL CONTROL

Organisational structure of the risk management and internal control framework

GRI 2-12



The risk management and internal control framework is a set of organisational measures, methods, practices and standards of corporate culture. It also embraces actions taken by the Company to strike the right balance between value growth, profitability and risks, support sustainable development, and ensure efficient operations, protection of its assets, compliance with applicable laws and internal documents, along with timely and accurate reporting.



The **Board of Directors** defines the key principles of, and approaches to, risk management and internal controls, oversees the Company's executive bodies, and performs other key functions, including setting the overall risk appetite and reviewing material risks and ways to manage them.



The **Board's Audit Committee** focuses on assessing and making proposals to improve the risk management and internal controls. On top of that, its members supervise the preparation of accounting (financial) statements and the measures taken to prevent fraudulent behaviour of the Company's employees or third parties.



The **Review Committee** elected by the General Meeting of Shareholders exercises control over the financial and business operations of the Company.

The Annual General Meeting of Shareholders held in June 2024 elected the following members to the Review Committee:

- Lusine Agabekyan, Deputy Head of Group Financial Control and Management Reporting at PhosAgro;
- Ekaterina Viktorova, Deputy Head of Treasury at PhosAgro;
- Olga Lizunova, head of unit (functional in other areas), budgeting office, Economics Department at Apatit.

The Review Committee's goals, objectives and powers are outlined in the Regulations on the Review Committee of PhosAgro as approved by the General Meeting of Shareholders on 12 May 2011.

The Committee endorsed PhosAgro's financial statements for 2024, with its report dated 4 March 2025 included in the materials for the shareholders to prepare for the Annual General Meeting of Shareholders.



For the full text of PhosAgro's Regulations on the Review Committee, please visit [our website](#)



The **executive bodies** establish and maintain an efficient risk management and internal control framework. To this effect, they have set up a Risk Commission that monitors the status and effectiveness of risk management initiatives. The monitoring results serve as a basis for the relevant proposals issued by the Commission to executive bodies and the Board of Directors.



Following the audits, the **Internal Audit Department** provides the Board of Directors and executive bodies with recommendations and reports, including, among other things, the assessment of the current status, reliability and effectiveness of the corporate governance, risk management and internal control framework.



The **Risk Management and Internal Control Department** is charged with the general supervision of risk management, including related activities, and consolidated reporting to the executive bodies and the Board of Directors.



As part of their duties, **heads of other organisational units** are responsible for building, documenting, implementing, monitoring and developing the risk management and internal control framework in their respective functional areas. The framework requires the Company's employees to identify and assess relevant risks and efficiently implement the controls and risk management initiatives.

RISK MANAGEMENT

In 2024, PhosAgro's risk management and internal control framework performed strongly thanks to timely identification and assessment of risks, as well as development and implementation of risk management measures. On a quarterly basis, the Board of Directors reviewed reports on the management of PhosAgro's key risks. PhosAgro's executives paid special attention to managing these key risks. The Risk Commission continuously monitored the status of risk management activities and, when necessary, initiated changes to improve those related to key risks.

Development of the risk management and internal control framework in 2024

The Company is making a consistent effort to develop its risk management and internal control framework. In February 2025, the Board of Directors reviewed the results of the framework's assessment, which showed that it was on par with those adopted by the industry's leading companies, including:

- compliance with applicable regulatory requirements;

- adoption of most of the leading risk management practices such as alignment with the Company's development strategy, risk appetite, key risk indicators, automation and robotisation in risk management, as well as integration into the Company's incentive system and governance framework.

The reporting year saw both the production sites and PhosAgro Group as a whole complete a full-year cycle of risk management and internal control, including:

- ongoing risk monitoring;
- analysis of key risk indicators;
- development of corrective actions;
- follow-up control and review.

In 2024, the Company sustained its focus on addressing risks across certain business areas, including the continuity of procurement, logistics, and software and IT infrastructure operation, in response to geopolitical developments. We also continued work to develop risk management competencies among managers at different levels, alongside further implementation of a risk-oriented approach within certain functions and business units.

Plans for 2025

PhosAgro Group looks to maintain and further develop the existing elements of its risk management framework based on best practices, while also taking into account the changing external and internal factors.

For more information on key risks and risk management, see the Strategic Risks section

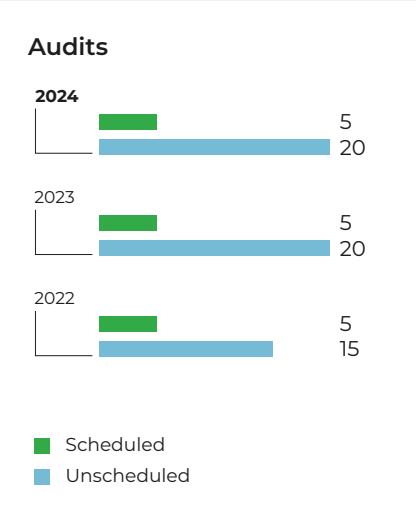
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INTERNAL AUDIT

PhosAgro's Internal Audit Department assists the Company's governance bodies in improving the management of business processes and enhancing the risk management and internal control framework. In doing this, it uses a risk-oriented approach and works closely with the Risk Management, Internal Control and Economic Security Departments, and the Company management.

The Company's internal audit procedure is defined by the Internal Audit Department's management.



Audit of business processes

The audit plan for the calendar year is subject to review, discussion and approval by the Audit Committee and the Board of Directors. Audits are performed at the Group level, as well as at specific subsidiaries and their standalone business units. In addition, the Internal Audit Department monitors the effectiveness and efficiency of corrective actions taken by the management following the audit, and reports to the Audit Committee on a quarterly basis and to the Board of Directors annually.

In 2024, the Internal Audit Department fully met the annual action plan, conducting audits of business processes related to the management of logistics, repairs, health and safety, IT, and insider information handling. Based on the audit findings, recommendations were issued to improve the efficiency of logistics and repair management and enhance health and safety. The management developed and approved corrective action plans, with the progress monitored by the Internal Audit Department.

The 2025 audit plan covers business processes related to managing production capacity expansion, procurement of materials and equipment, review of repair efficiency, IT, and corporate governance.

Team development

In order to achieve the strategic goals in internal audit, we continue working to develop and diversify the competencies of our team by holding regular training sessions, which focus on sourcing data from information systems and further processing and visualising it. Training initiatives addressing this focus area are scheduled for 2025.

Self-assessment and external assessment

The internal audit quality is assured through regular external independent assessments and self-assessment.

EXTERNAL AUDIT

A key element of the Audit Committee's operations is ongoing interaction with external auditors and development of recommendations for the Board of Directors regarding the choice and approval of auditors. When selecting an auditor, we evaluate the following factors in addition to the cost of their services:

- composition of the audit team (in terms of experience and qualifications), which should ensure that the statements are audited within acceptable deadlines and with adequate quality;
- the auditor's independence evaluated based on a variety of factors, including assessment of the scope of non-audit services provided to us by the candidate company during the relevant periods. Each offer from the current auditor for non-audit services requires confirmation by the audit partner to make sure there is no risk to independence and is submitted to the Company's Audit Committee for consideration and approval. The Committee consents to the contract only if the scope

of the non-audit services does not call into question the ability to perform the audit service independently and impartially. The Committee's assessment of the auditor's independence is also significantly influenced by the auditor's internal procedures for controlling the impartiality and professional ethics of the auditor's staff, including requirements for periodic rotation of the audit partner, training arranged in this area and the use of specialised software to perform the respective audits;

- balance between the benefits of long-term cooperation with the auditor and the need for a fresh look at the Company's financial statements and preparation procedures;
- the auditor's performance over the previous period. The Committee may form its opinion on the quality of the external auditor's work during in-person Committee meetings, where the external auditor's mandatory participants are a manager and a partner,

as well as during meetings between the audit team and the Chairman of the Audit Committee held prior to the Committee meetings.

PhosAgro's auditor performs the audit of its financial and business operations in compliance with Russian laws and regulations and the agreement signed with the Company. The auditor is approved by the Company's General Meeting of Shareholders. The Company engaged JSC Technologies of Trust – Audit (14/3 Krzhizhanovsky street, bldg. 5/1, Moscow, Russia) to audit its 2024 IFRS financial statements, while the Company's 2024 RAS accounting statements were audited by JSC Unicon (8 Preobrazhenskaya Ploshchad, Preo 8 Business Centre, Moscow, Russia).

The approach to assessing external audit's independence and efficiency, as well as appointment and re-appointment of the external auditor is set out in the External Auditor Selection and Cooperation Policy of PhosAgro as approved by the Board of Directors on 30 August 2023.



Internal audit goals, objectives and powers are outlined in the Internal Audit Policy as approved by the Board of Directors on 18 May 2021 (for the full text of the document, please visit [our website](#))



For the full text of the External Auditor Selection and Cooperation Policy of PhosAgro, please visit [our website](#)



For more information on the auditors, their selection procedure and independence evaluation, see [the Company's semi-annual reports](#), as well as the respective sections of this Report that discusses the Audit Committee's activities and the Remuneration Report

INSIDER INFORMATION

PhosAgro has adopted an Insider Information Regulations compliant with the Russian laws and the EU Market Abuse Regulation (MAR).


In accordance with its provisions, the Corporate Secretary's office keeps a list of insiders, persons discharging managerial responsibilities (PDMR) and persons closely associated with them (PCA). The Regulations define the scope of responsibilities for each insider group, which the Corporate Secretary Office from time to time communicates to respective persons.

First and foremost, these include the limitations on the use of insider information and trading in the Company's securities. Depending on the group, an insider may be prohibited from such transactions or obliged to notify the Company or obtain its consent for such transactions. Every quarter, the Corporate Secretary Office checks the list of shareholders to identify transactions that may have been executed in breach of such limitations.


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In 2024, the Internal Audit Department held an audit to evaluate the Company's insider information practices, which revealed the following:

- **there are no regulatory fines and complaints;**
- **the Company fully discloses material developments;**
- **the Company put in place all the necessary insider information regulations.**



For the full text of the Insider Information Regulations, please visit [our website](#)



The list of insider information is available on [our website](#)

INFORMATION SECURITY

GRI 3-3

The Information Security Policy is the Company's fundamental document defining the general provisions and principles for ensuring information security. Its adoption ensues from the risks and hazards faced by the Group companies in their operations and the respective need to respond to the hazards and minimise the risks.

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.

Information security issues are submitted for consideration by the Board of Directors every six months.



For the full text of the Information Security Policy, please visit the [Company's website](#)

2024 highlights

✓

In 2024, the Company implemented the following initiatives to enhance information security:

- recording of around 3.6 million events and avoiding some 1.3 thousand information security incidents;
- performance monitoring and support of 15 security equipment items;
- raising employee awareness of information security;
- improving processes to comply with legal requirements: a total of 59 internal regulations were issued, with measures taken to ensure their implementation;
- enhancing protection of the automated process control system: replacement of foreign firewalls with domestically developed ones, organising drills for employees responsible for the operation and support of the system;
- improving the management of access to information resources, transition to the shared system for access rights management;
- improving processes for managing security events and incidents, establishing a 24/7 service at the operations centre;
- assessing the security of the Group's information resources, putting into action plans to enhance security safeguards;
- identifying and blocking 39 fraudulent IT resources linked to the generation of fake commercial offers on behalf of the Group.

GRI 410-1

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



Stakeholder engagement in information security

✓

Ensuring information security is the responsibility of each employee. To this end, the Group regularly holds events to raise employee awareness of information security issues and develop practical skills to deal with modern threats.

In 2024, the Company held drills on responding to computer incidents for production staff and employees in charge of the automated process control system.

Over 13 thousand employees completed courses and testing on the corporate platform. Corporate media published 23 materials on various aspects of information security.

The counterparties of the Group companies that are engaged in an electronic information exchange and whose employees have access to the Group's internal information resources contribute to information security. Dedicated regulations apply to interactions with external parties, and contracts contain provisions on personal data processing, confidential information, and penalties in case of violations.

Counterparty employees take part in training, testing and drills in information security.

Today information protection goes beyond workplaces. The Group pays special attention to creating a stable social environment in the cities of operations, and works with local residents to enhance information security and cyber hygiene. To that effect, we conduct regular classes and interactive events for school students of various ages and their parents, organise lectures for regional administrations, teachers and non-governmental organisations, and publish articles in corporate and local media.

This, together with the use of modern information security tools and well-coordinated work of the department, helped avoid information security incidents in 2024 and in previous periods that could have caused tangible material or reputational damage.

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 has been 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 violations of human rights, corrupt practices, and other instances of non-compliance with corporate ethical principles. This helps us enhance and protect our reputation as an honest, open, and bona fide company among shareholders, investors, employees, and clients, while minimising the risk of legal consequences or sanctions against the Group companies and their officers. Elimination of any possible occurrences bearing the signs of the above, 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 fully covering all areas of operation. We developed and adopted a set of corporate, legal, information and educational measures to strengthen our shared corporate culture underpinned by high ethical standards and maintain an atmosphere of trust, mutual respect and integrity among employees. All controlled entities of PhosAgro approved anti-corruption standards. Our implemented anti-corruption measures were in line with the Anti-Corruption Plan for 2022–2024.

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 other employees must comply with. Employees who have violated them are subject to the respective sanctions, including social condemnation, public censure through publication in the corporate 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 regulations governing the compliance of the Company with the key principles and standards of ethical conduct are currently in effect:

SASB EM-MM-510a.1, 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




Corporate Governance Code

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




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




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



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




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 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



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




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




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




Apatit’s Procurement Policy

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




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



Government Relations Policy

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



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

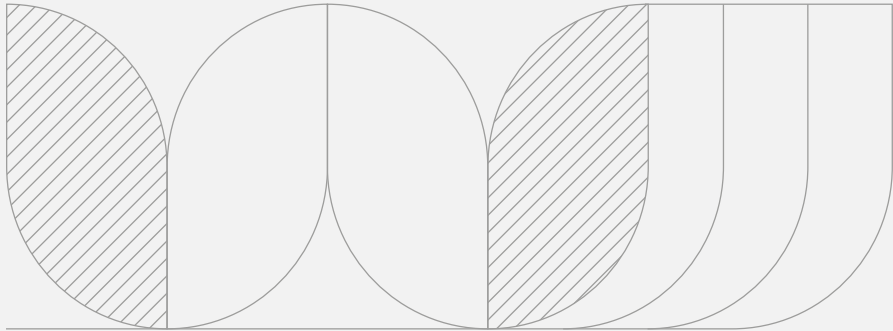


PhosAgro Hotline Regulations

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

ORGANISATIONAL AND INFORMATIONAL MECHANISMS IN PLACE TO ENSURE COMPLIANCE WITH ETHICAL PRINCIPLES AND STANDARDS

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.



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

GRI 2-25, 2-26

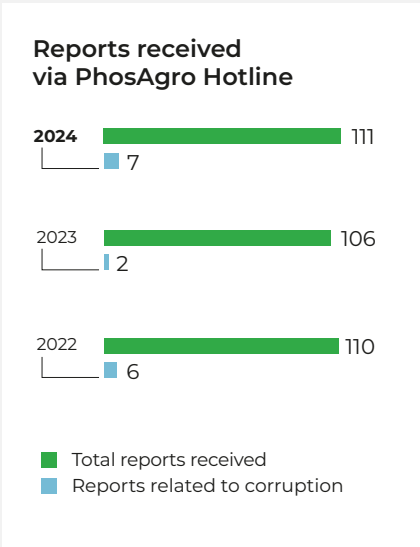
Tool	Description
Obligation	<p>Any Company employee , as well as any member of the Board of Directors, who has become aware of any actual or potential violation of law or PhosAgro's internal regulations is obliged to give a prompt notice of the same in writing.</p> <p>This also applies to any inducement to corruption or violations showing signs of corruption committed with respect to other employees, counterparties or other parties interacting with the Group.</p>
Communication	<p>The procedures for reporting and reviewing violation reports are defined in the Anti-Corruption Policy, the Code of Ethics, the Regulations on Conflict of Interest, and the Anti-Corruption Agreement¹, as well as Apatit's Order No. 9-U On Improving the Procedure for Reporting Economic Security Violations to Management of Apatit, its Subsidiaries and Affiliates dated 10 January 2024.</p>
Confidentiality and protection	<p>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.</p>
Advice	<p>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 and/or respective business units (officers) of the Company in line with their remit.</p>
PhosAgro Hotline	<p>The Hotline is in place to improve the efficiency of measures taken to prevent fraud, corruption, theft, and conflict of interest, as well as to mitigate compliance and reputational risks resulting from the violation of professional and ethical standards by PhosAgro Group's employees. There are several ways to report to the Hotline:</p> <ul style="list-style-type: none">• by phone at +8 8202 59 32 32;• by e-mail help@phosagro.ru;• by regular mail at the following address: Economic Security Department, 75 Severnoye Highway, Cherepovets, Vologda Region, 162625, Russia.

¹ Appendix No. 1 to the Anti-Corruption Policy.

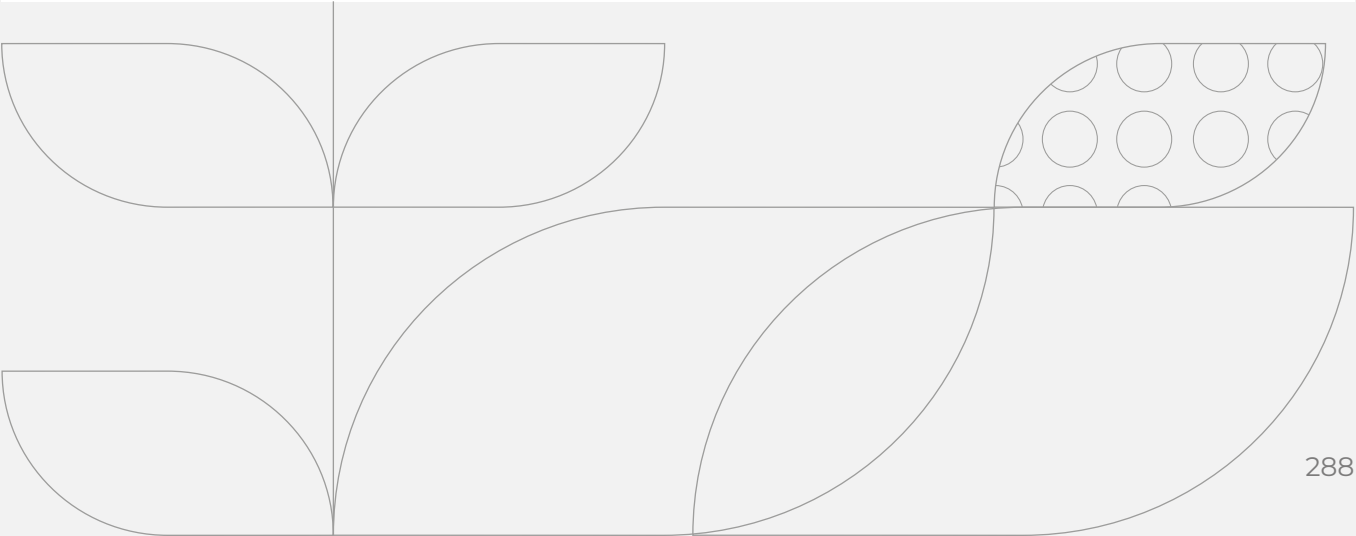
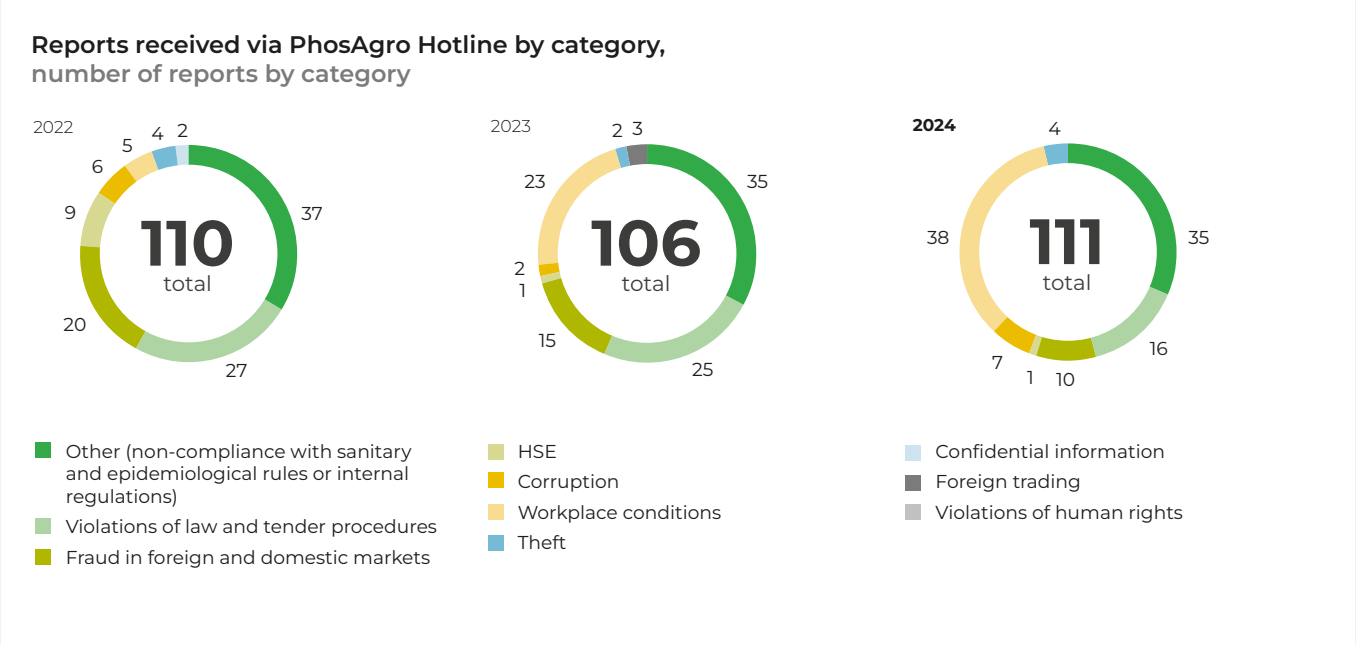
PHOSAGRO HOTLINE

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.



✓ In 2022–2024, there were no employee reports or complaints about violations of labour practices, human rights, or discrimination.



The register of submissions received via the PhosAgro Hotline over the past three years shows that there has been no increase in the total number of reports received. 29% of submissions came from Company employees, with their concerns primarily focused on labour issues, workplace relationships, and interactions with business unit management that all fall under Workplace Conditions category. 15% of the submissions were from Company contractors providing feedback on the potential inefficiencies in the tender committee performance. These were typically submitted following unsuccessful

attempts to participate in bids for providing services or work. 9% of the submissions originated from potential buyers of the Company's products (mineral fertilizers), who had encountered fraudulent activities by unidentified individuals falsely representing the PhosAgro Group brand.

The review of submissions received in 2024 revealed that in 55 cases, the information provided could not be reliably verified. In 41 cases, the reported information was confirmed, while 15 cases were subject to ongoing verification

activities. The number of anonymous submissions increased 2.5 times (from 9 to 23), but only three of them were found to be substantiated, all related to misconduct by managers. In all cases, discussions were held with the workforce, and employee surveys were conducted by the HR and Social Policy Department.

✓

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.

HUMAN RIGHTS

<div></div> <p>PhosAgro's Code of Ethics recognises labour rights as integral part of human rights. In its operations, PhosAgro Group respects labour rights of employees as provided by law, recognises the right of employees to decent remuneration, helps prevent any form of discrimination and forced labour, and supports employee participation in key matters pertaining to the Group's development.</p> <p>The Company implements personnel development programmes that provide for employee training and personal growth and offer social benefits, incentives, and leisure and recreation opportunities.</p>	<div></div> <p>PhosAgro Group encourages family generations of employees and corporate traditions that help retain teams, improve labour discipline, performance, and morale.</p> <p>The Group supports professional and personal growth of its employees. The key goal here is to create a talent pool of professionals with strong knowledge of theory and practical skills required to support the operations of PhosAgro Group's sites.</p>	<div></div> <p>PhosAgro is committed to respecting employees' rights as required by the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, including zero discrimination, not using child or forced labour, respecting their right to exercise freedom of association and collective bargaining, and creating a safe and favourable working environment for both its own employees and the employees of its contractors, which are also expected to comply with such requirements and regulations.</p>	<div></div> <p>The Company's internal documents that govern human rights compliance include the following documents:</p> <ul style="list-style-type: none">• <u>Code of Ethics</u> (clauses 3.3, 4.1 and 5.2);• <u>Personnel Management Policy</u> (clause 5.8);• <u>Code of Conduct for Counterparties (in terms of requirements related to human rights compliance)</u>;• <u>UK Modern Slavery Act Transparency Statement</u>.	<div></div> <p>PhosAgro Group appreciates and encourages diversity among its employees. We provide equal opportunities for them to unlock their potential and do not tolerate any restriction of a person's or a group's natural rights and freedoms or any conduct violating privacy of our employees. Each year, the Board of Directors and the Remuneration and Human Resources Committee reviews human rights, focusing on staff diversity and equality of genders.</p> <p>Any decisions regarding promotion, hiring, remuneration, benefits or compensations are based solely on the employee's qualifications, performance, skills and experience assessed impartially and fairly.</p>	<p>We expect our employees to treat their colleagues and everybody else, including customers, suppliers and other stakeholders, with due professionalism, respect and fairness.</p> <p>We consider unacceptable any restriction of employee rights or freedoms, whether at workplace or in any other job-related environment.</p> <p>Since 2013, we have been conducting annual employee surveys enabling each employee to give feedback on the performance of the Company and its management. Throughout the history of such surveys, we have not received any negative feedback or reports of violations of human rights. This clearly indicates that all obligations to PhosAgro's staff are respected and met.</p>
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ANTI-CORRUPTION

GRI 3-3, MED 41

We consider it unacceptable for PhosAgro Group’s executives and employees at all levels to take advantage of their official position. 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 also regularly prepares and 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.

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. PhosAgro¹ and its key controlled entity Apatit² have lists of positions exposed to corruption risks. The activities of employees in these positions are closely monitored by the Economic Security Department and the heads of relevant business units. They evaluate whether these employees adhere to high ethical standards and comply with internal

anti-corruption regulations that outline these standards. Specifically, there is continuous monitoring of compliance with prohibitions and restrictions related to anti-corruption efforts, as well as measures to prevent and address conflicts of interest.

In 2022–2024

0.3136%

of PhosAgro Group employees held positions exposed to high corruption risks

PhosAgro Group seeks to identify and assess corruption risks on a regular basis to update the list of functions and positions exposed to such risks. These efforts entail three key components:



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. The corruption risk is assessed by an independent unit

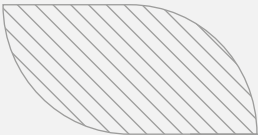
– the Risk Management Methodology Department. For 2024, the corruption risk was assessed as minimal.

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

MED 42



Target audience

Managers of levels N-1, N-2, N-3, N-4, N-5, as well as managers without assigned levels, white-collar workers, 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



Training results

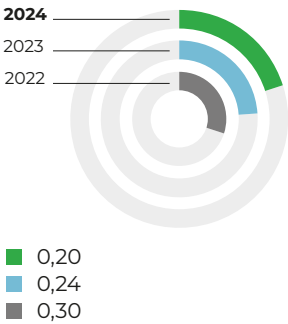
Upon completion of the anti-corruption training, a student should have an understanding of the theory of counteracting corruption in the Group; factors, causes, essence and consequences of corruption; Russian anti-corruption laws and regulations, as well as anti-corruption standards adopted in the Company;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



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

The average duration of anti-corruption training per employee across PhosAgro Group, hours



✓
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 remit (job duties) of business units (employees) and the established system of anti-corruption standards.

¹ Order No. 39 dated 7 April 2022.
² Order No. 486-U dated 10 December 2022.

Completed training programmes

Training period	Completed programmes
2022	Main Goals and Principles of the PhosAgro Group Code of Ethics
2023	Training and Testing of Employees of Apatit, its Branches and Companies Managed by Apatit, in Preventing and Resolving Conflict of Interest
2024	Training and Testing of Apatit Employees on the Principles of the PhosAgro Hotline Operation in line with PhosAgro Group's Anti-Fraud and Anti-Corruption Policy

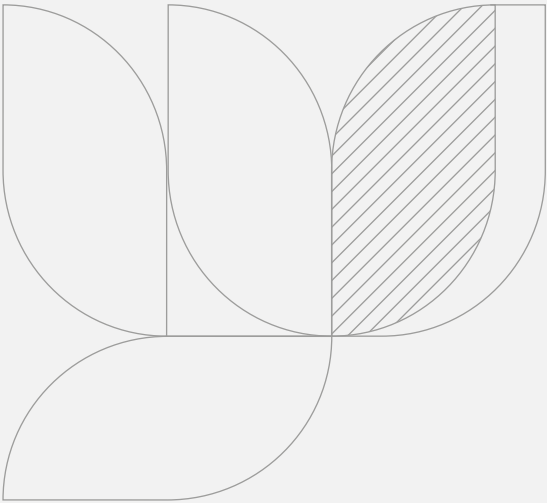
Total number and share of members of governance bodies and employees familiarised with the Company's Anti-Corruption Policy and procedures, by region

Region	Total number of members of governance bodies			Share of members of governance bodies, %			Total number of employees			Share of employees, %		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Saratov region	234	307	218	83	98	88	747	961	980	88	99	87
Murmansk region	718	861	939	81	79	82	2,275	2,671	7,096	87	86	77
Moscow region	68	91	83	78	71	86	181	215	193	80	78	91
Leningrad region	209	260	21	79	84	88	636	751	128	83	90	74
Vologda region	910	946	992	97	96	98	3,206	3,415	4,135	96	97	94
Other	102	0	2	77	0	100	335	0	36	82	0	90
Total	2,241	2,465	2,255	86	88	90	7,380	8,013	12,568	90	92	83

To implement anti-corruption measures, PhosAgro's Economic Security Department drafts an annual training plan. It includes periodic updates for employees regarding existing internal regulations on anti-corruption, anti-corruption standards, responsibility for failure to comply with them, as well as any amendments and additions to these documents. The Group's management actively engages in these periodic communications, underscoring the importance of adhering to established anti-corruption standards. 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 Hot Line). 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 Hot Line 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. Employees and counterparties can inquire about the Company's anti-corruption standards through PhosAgro's hotline portal, where they can obtain professional legal assistance and expert clarification.



Total number and share of members of governance bodies, employees and business partners trained in anti-corruption measures, by region

Region	Total number of members of governance bodies			Share of members of governance bodies, %			Total number of employees				Share of employees, %			Total number of business partners			Share of business partners, %		
	2022	2023	2024	2022	2023	2024	2022	2023	2024		2022	2023	2024	2022	2023	2024	2022	2023	2024
Saratov region	283	307	218	33	98	88	852	961	980		67	99	87	104	98	102	100	100	100
Murmansk region	888	861	939	34	79	82	2,621	2,671	7,096		66	86	77	71	85	88	100	100	100
Moscow region	87	91	83	39	71	86	225	215	193		61	78	91	898	852	789	100	100	100
Leningrad region	266	260	21	35	84	88	770	751	128		65	90	74	487	410	435	100	100	100
Vologda region	943	946	992	28	96	98	3,346	3,415	4,135		72	97	94	167	170	174	100	100	100
Other	132	0	2	32	0	100	408	0	36		68	0	90	1,401	1,386	1,951	100	100	100
Total	2,599	2,465	2,255	32	88	90	8,222	8,013	12,568		68	92	83	3,128	3,001	3,539	100	100	100

PhosAgro Group’s participation in collective efforts to combat corruption

PhosAgro Group’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). PhosAgro Group actively engages with the business community to prevent and combat corruption through participation in various public associations.

PHOSAGRO IS A MEMBER OF RSPP’S SOCIAL CHARTER OF THE RUSSIAN BUSINESS.

PhosAgro and Apatit are listed in the Register of Parties to the Anti-Corruption Charter of the Russian Business.

PhosAgro features in RSPP’s annual Anti-Corruption Rating, which assesses compliance with best business conduct practices both in Russia and globally.

Russian Union of Industrialists and Entrepreneurs (RSPP)

PhosAgro Group’s participation in RSPP initiatives is essential for engaging with government authorities in the regions where it operates and for contributing to the development and implementation of regional economic policy programmes and projects. Through its collaboration with the RSPP, the Group conducts monitoring and self-assessment of its own anti-corruption programmes and practices. These efforts go beyond the Company’s internal activities

to encompass relationships with business partners, engagement with government agencies, procurement processes through open bidding, financial controls, and anti-corruption training for employees.

Anti-Fraud Working Group of the Russian Association of Fertilizer Producers (RAFP)

PhosAgro Group actively participates in the development and implementation of initiatives by RAFP’s Anti-Fraud Working Group, which address illegal activities conducted by unidentified individuals misusing the brands of major mineral fertilizer producers.

Each year, as the preparation for seasonal fieldwork begins, RAFP observes a rise in the activities of unscrupulous organisations established to mislead consumers and unlawfully obtain their funds. To combat this, RAFP proactively informs agricultural producers about fraudulent schemes involving supply contracts for mineral fertilizers that are never fulfilled – often in the names of non-existent entities. Additionally, RAFP clarifies the legitimate purchasing process through the official websites of mineral fertilizer manufacturers, which are listed on the association’s main online platform.

Chamber of Commerce and Industry of Russia (CCI)

As a CCI member, PhosAgro Group actively engages in a dialogue between the business community and the government to forge social, economic, and industrial policies, remove administrative hurdles, improve the business and investment climate, promote entrepreneurship, and ensure adherence to ethical business practices.

Annual anti-corruption legislation knowledge assessment

Each year, employees of PhosAgro Group participate in the All-Russian Anti-Corruption Dictation organised by the Chamber of Commerce and

Industry. This educational initiative aims to raise public awareness about anti-corruption efforts in an engaging and interactive way. The dictation is held annually and consists of 40 questions to be completed within 30 minutes. It includes both general knowledge questions and practical cases that assess participants’ understanding of anti-corruption practices. For Company employees, this serves as an excellent opportunity to evaluate their understanding of anti-corruption laws.

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.

Informing business partners of 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.

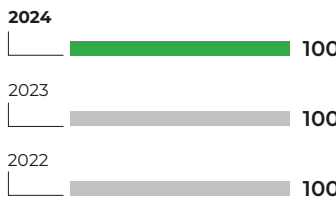
We have improved the registration process at the electronic bidding platform (PhosAgro’s official website – Procurement – Tenders – Supplier Registration Form). Every potential supplier of goods or services interested in establishing a business relationship with PhosAgro Group is required to read the 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.

We ensure that all potential counterparties seeking to do business with the Company complete anti-corruption training on the electronic bidding platform.

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



Share of business partners in this category, %

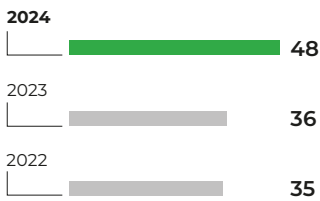


Incidents of corruption identified and actions taken

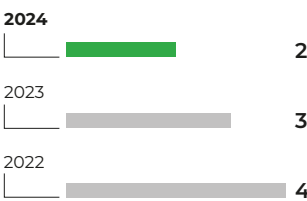
GRI 205-1

Internal investigations into reported corrupt behaviour

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



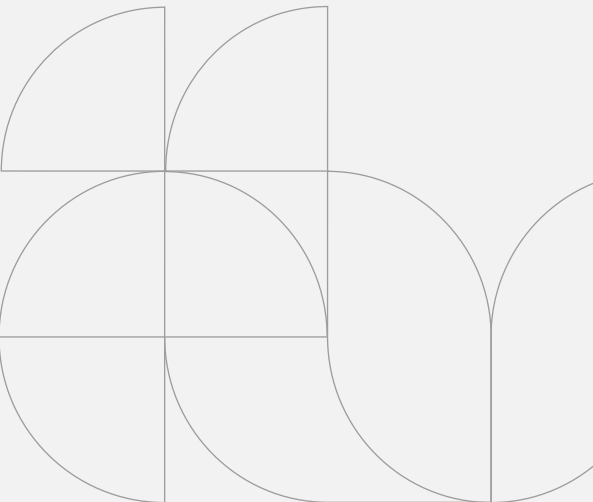
Including corruption-related violations



GRI 205-3

In 2024, a total of 48 internal investigations were carried out to address failures in compliance with the internal regulations. Two of them pertained to the following alleged instances of corruption and fraud:

- illegal receipt of RUB 1,669,000 by the head of section of the Procurement Department at Apatit in exchange for exercising their official powers for the benefit of a contractor (the investigation was launched in 2023 and is still ongoing); the internal investigation has not yet been finalised, with a criminal case opened under Part 8, Article 204 of the Criminal Code of the Russian Federation and investigative actions ongoing;
- illegal receipt of RUB 3.882 mln by the head of section of the OHS Department at Apatit in exchange for unlawful actions; a criminal case has been opened under Part 8, Article 204 of the Criminal Code of the Russian Federation regarding the illegal receipt of RUB 3,882 mln by the head of the fire safety section of the OHS Department in exchange for unlawful actions; investigative actions are ongoing, and the employment contract with the employee has been terminated.



Confirmed incidents of corruption and actions taken

GRI 205-3

Indicator	2022	2023	2024
Total number of confirmed incidents of corruption	4	5	1
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	3	1	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	2	1	0
Public legal cases ¹ regarding corruption brought against the organisation or its employees	2	3	1

PhosAgro Group’s commitment to upholding anti-corruption standards is evidenced, among other

things, through its active engagement with law enforcement authorities, which includes:

- publicly pledging to report to the relevant law enforcement authorities any instances or signs of corruption the Group

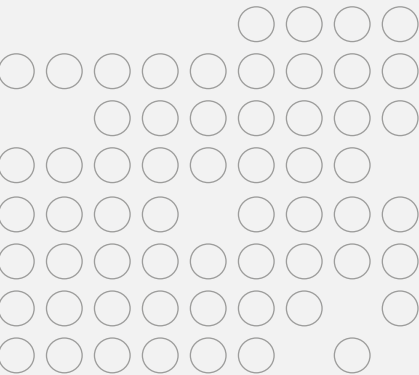
or its employees become aware of;

- ensuring no retaliation against employees who report to law enforcement authorities any actual or potential corruption incidents that they become aware of in the course of their employment.

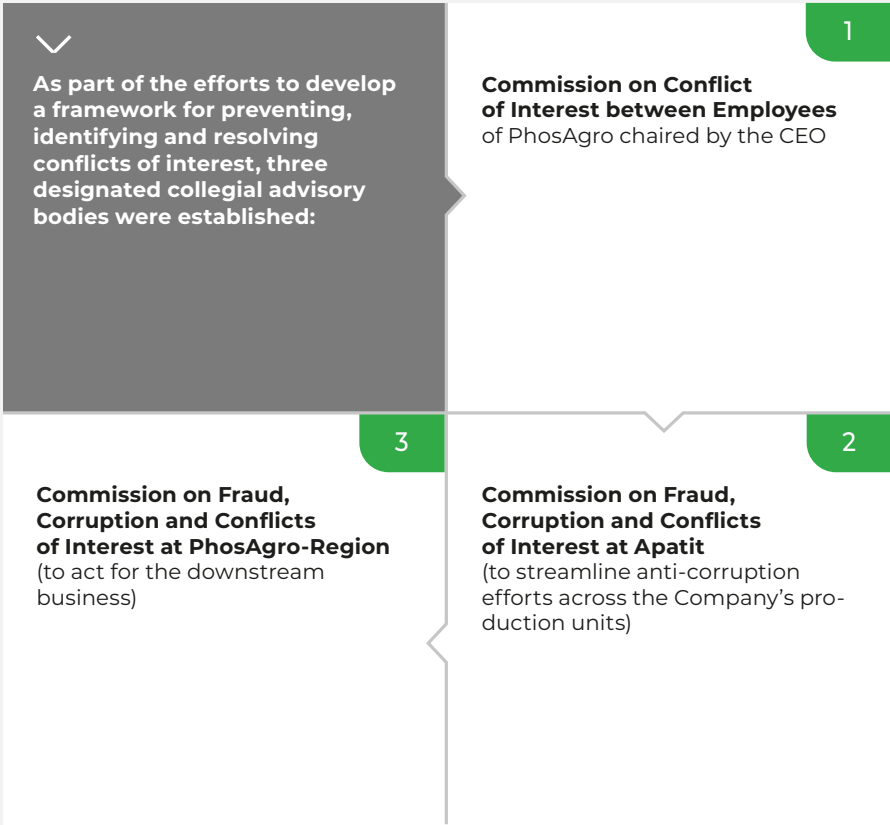
CONFLICTS OF INTEREST

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.



¹ All corruption-related cases are included in the official statistics of law enforcement agencies.



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 regularly conducts anti-corruption review of its internal regulations, including orders, directives, contracts, standards, etc. to detect and remedy factors that may lead to anti-corruption law breaches or pose risks to its interests.

The Risk Management and Internal Control Department, an independent body, performs annual internal control exercises to ensure adherence to corruption prevention procedures and frameworks, in accordance with the CEO’s order. The assessment of Apatit’s anti-corruption efforts confirmed alignment with the Anti-Corruption Charter of the Russian Business.

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

✓
In 2024, a total of 12 potential conflict of interest situations were reviewed. Signs of an actual conflict of interest were confirmed in three cases. As a result, one notice was issued to the management of a business unit regarding possible disciplinary action against an employee, one employee received a reprimand for failing to report an existing conflict of interest, and one member of the Board of Directors was required to resign from their position in the collective governing body of a subsidiary. In the remaining nine cases, no credible evidence of a conflict of interest was found.

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

Indicator	2022	2023	2024
Total number of conflict of interest cases pertaining to joint ownership with suppliers and other stakeholders	0	0	0
Total number of conflict of interest cases pertaining to controlling shareholders	0	0	0
Total number of conflict of interest cases pertaining to related parties and their relations, transactions and outstanding balances	0	0	0
Total number of conflict of interest cases pertaining to membership in the Board of Directors	0	0	1
Total number of potential conflict of interest cases	15	10	12
Number of conflict of interest cases considered at the meeting of the Commission on Fraud, Corruption and Conflicts of Interest	9	6	9

LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOUR, ANTI-TRUST, AND MONOPOLY PRACTICES

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.

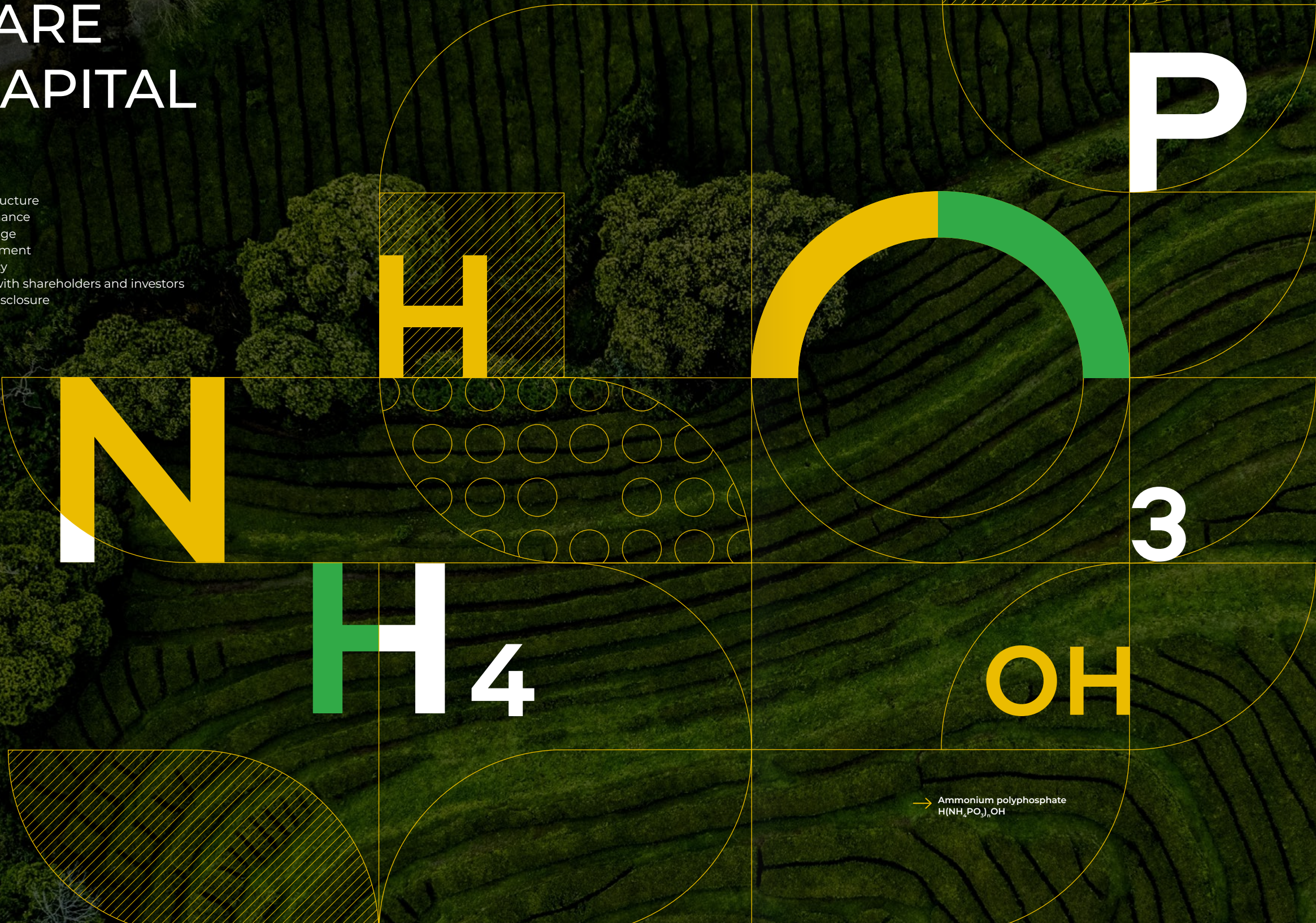
There are no pending lawsuits filed on charges of breach of applicable antitrust laws, or any similar lawsuits settled in 2022–2024 to which the Company could be identified as a party.



The respective documents are available in the Our Products section of the [Company’s website](#)

SHARE CAPITAL

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→ Ammonium polyphosphate
 $H(NH_4PO_3)_nOH$

Despite the reduction in dividends per share for 2024, shareholders firmly endorsed PhosAgro's strategic focus on sustainable development and debt reduction in the coming year.

RUB 75 BLN
of investments
(17% vs 2023)

Formula of confidence

PhosAgro is committed to delivering consistent returns for its shareholders. The Company's record-breaking growth in production, sales volumes, and investments establishes a solid foundation for future dividend payments.



Share performance in 2024

OWNERSHIP structure

The authorised capital of PhosAgro as at 31 December 2024 amounted to RUB 323,750,000 consisting of 129,500,000 ordinary shares with a par value of RUB 2.5 per share.

The register of holders of PhosAgro's securities is maintained by Joint-Stock Company Reestr.



Share performance

PhosAgro's shares are traded on the A1 quotation list of the Moscow Exchange under the ticker symbol PHOR (ISIN: RU000A0JRK8T8), CFI code: ESVXFR.

Global depository receipts (GDR; three GDRs represent one share) are admitted to listing on the London Stock Exchange under the ticker symbol PHOR. On 3 March 2022, trading in the Company's GDRs was suspended.

Citigroup Global Markets Deutschland AG acts as the depository for the Company's GDR programme.

Shares of PhosAgro are included in the following indices of the Moscow Exchange:

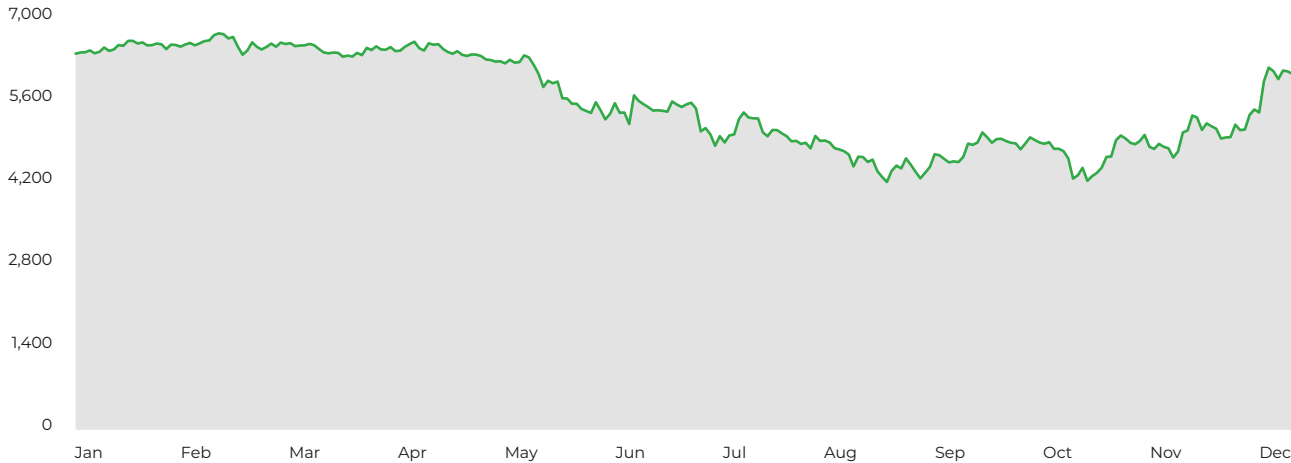
- MOEX Russia;
- RTS.

Tickers

Stock exchange	Bloomberg	Reuters	ISIN
Moscow Exchange	PHOR RU	PHOR.MM	RU000A0JRK8T8
London Stock Exchange	PHOR LI	PHORq.L	US71922G3083 US71922G4073

Codes for Global Depository Receipts	Under Regulation S	Under Regulation S	Under Rule 144A
CUSIP	71922G308	71922G407	71922G100
ISIN	US71922G3083	US71922G4073	US71922G1004
Common code	065008939	065008939	065008939
SEDOL	0B62QPJ1	0B62QPJ1	0B5N6Z48
RIC	PHOSq.L	PHOSq.L	GBB5N6Z48.L

Share performance on MOEX in 2024



Key factors affecting PhosAgro's share performance in 2024 include:



Strong demand for phosphate and nitrogen-based fertilizers over the year



Recovery in fertilizer prices over the year



Availability of fertilizers to farmers remaining at an acceptable level



Low fertilizer stocks in the Group's key sales markets



Strong operational and financial performance of the Company and regular dividend payments



Market expectations regarding shifts in the fiscal burden on sector companies following tax legislation revisions



PhosAgro's active engagement with retail investors (who currently account for over 70% of trading volume) through participation in specialised conferences (Smart Lab, Profit), webcasts, and investor calls

Share performance

Item	As at 30 December 2021	As at 30 December 2022	As at 29 December 2023	As at 30 December 2024
Weighted average trading price of a share on the Moscow Exchange, RUB	5,857.00	6,390.00	6,592.00	6,408.00
GDR price on the London Stock Exchange ¹ , USD	21.58	–	–	–
Market capitalisation ² , RUB mln	758,611.00	827,505.00	853,664.00	829,836.00

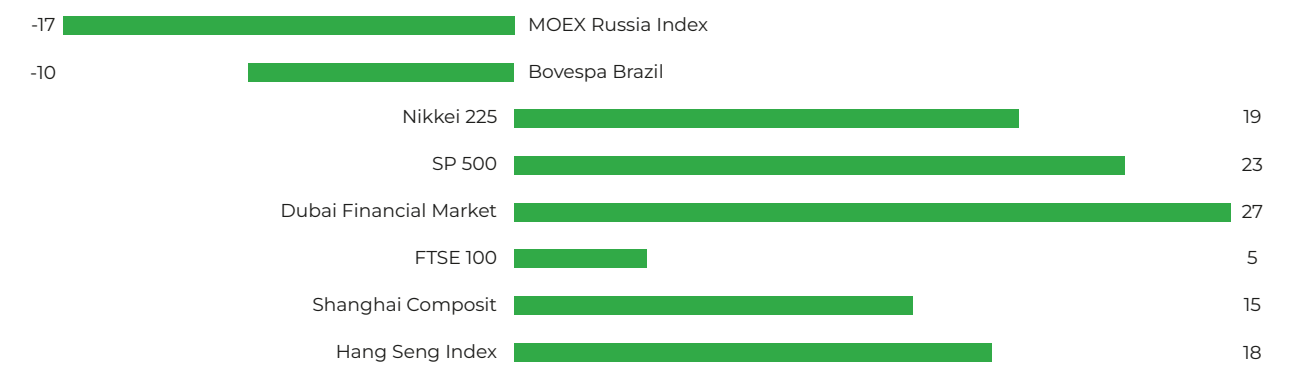
¹ Trading in PhosAgro's GDRs on the London Stock Exchange was suspended starting 3 March 2022.

² Based on the weighted average share price.

Capitalisation vs peers in 2020–2024, %



Global stock indices, %



Moscow Exchange sector indices, %



For more information on our historical share performance, please visit the [Company's website](#)

Analyst coverage

PhosAgro is covered by analysts from leading Russian and international brokers.

Company	Analyst	Tel.
ATON	Andrey Lobazov	+7 (495) 213-03-37
Alfa Bank	Boris Krasnojenov	+7 (495) 795-36-12
BCS Global Markets	Kirill Chuyko	+7 (495) 213-15-26
Sberbank CIB	Georgiy Ivanin	+7 (495) 665-56-00
Sinara Financial Corporation	Dmitriy Smolin	+7 (916) 555-79-97
Veles Capital	Vasily Danilov	+7 (495) 258-19-88, ext. 728
Euler	Nikanor Khalin	nikanor.khalin@euler.team
Finam	Alexey Kalachev	+7 (495) 796-93-88, ext. 2357
T-Bank	Alexander Alekseevsky	+7 (993) 960-15-00

EXCERPTS FROM RESEARCH REPORTS COVERING PHOSAGRO SHARES



Fertilizer producers Rouble depreciation enhances sector appeal

We have increased our target price for PhosAgro shares by 23% to RUB 7,750, reflecting the downward revision of the rouble exchange rate forecast (export revenue growth) and incorporating the impact of proposed tax initiatives affecting mineral extraction tax and gas excise tax calculations. The positive effects of these factors were partially offset by rising capital costs. The principal risk to fertilizer producers' investment case remains potential government intervention to capture additional revenues generated from rouble depreciation, which we have accounted for through an elevated risk premium. Our revised target price suggests PhosAgro offers growth potential exceeding 30% alongside a projected dividend yield of approximately 15% for 2025, prompting us to upgrade our recommendation from "hold" to "buy".



PhosAgro Exchange rate and reduced tax burden already priced in

The elimination of export duties beginning in 2025 combined with rouble depreciation creates favourable conditions for PhosAgro's EBITDA to grow by 46% y-o-y in rouble terms for 2025. Based on our projections of modest fertilizer price normalisation, the current market environment positions PhosAgro to generate a foreign currency free cash flow (FCF) yield of 14% this year, which we consider appropriate at prevailing exchange rates. We initiate coverage on PhosAgro with a "hold" recommendation and a target price of RUB 7,100 per share (representing a total return of 17%).



In our view, PhosAgro maintains its position as the world's most efficient producer of phosphate fertilizers.

The recovery of phosphate fertilizer prices to above USD 500 per tonne (DAP Baltic) in the current year has provided significant support to the company's earnings performance.

The company faces minimum logistical constraints by utilising low-tonnage vessels for its export operations, including those from "friendly" states. Brazil and India represent PhosAgro's primary export markets.

Currently, PhosAgro trades at 5.5x EV/EBITDA 2026P, offering a substantial discount compared to global industry peers and the company's own historical valuation multiples.

Debt management

The Company uses a conservative approach to leverage and believes that a comfortable net debt/EBITDA ratio should be below 2x. As at 31 December 2024, the Company’s leverage was comfortable, with the net debt/ EBITDA ratio standing at 1.84x.

When determining its borrowing requirements, the Company assesses the cost of borrowing from banks and public debt markets, the amount and maturity available while striving to ensure that this fits into the Group’s long-term debt reduction strategy. The choice of the currency of borrowings is based on the availability of currencies and the structure of the Company’s revenue, with almost 67% of total amount denominated in foreign currency in 2024.

In line with the investment policy designed to meet PhosAgro’s investor obligations and strengthen its investment case, the investment budget shall not exceed 50% of planned EBITDA.

One of the events after the reporting date that had an impact on the Company’s debt profile was the January 2025 redemption of the USD 500 mln Eurobond issue. This redemption was executed in full across both the Russian perimeter and outside of it.

The record high capital investments and charitable expenses in 2024 did not affect the Company’s leverage, which remained comfortably below the net debt/EBITDA target.

Eurobonds

ISIN	XS2099039542	XS2384719402
Borrower	PJSC PhosAgro	PJSC PhosAgro
Issuer	PhosAgro Bond Funding Limited	PhosAgro Bond Funding Limited
Currency	USD	USD
Offering date	23 January 2020	16 September 2021
Maturity date	23 January 2025 (redeemed)	16 September 2028
Issue value, USD mln	500	500
Including replacement bonds, USD mln	RU000A106G31 356.915	RU000A106G56 383.470

RUB-denominated exchange bonds

ISIN	RU000A106516	RU000A109K40	RU000A10A4S7
Series	BO-P01	BO-P02	BO-02-01
Issuer	PJSC PhosAgro	PJSC PhosAgro	PJSC PhosAgro
Currency	RUB	RUB	RUB
Offering date	21 April 2023	18 September 2024	22 November 2024
Maturity date	17 April 2026	8 August 2026	12 November 2026
Coupon rate	9.4%	Key rate + 1.10%	Key rate + 2.00%
Coupon payments	Semi-annual	Monthly	Monthly
Issue value, RUB mln	20,000	35,000	60,000

CNY-denominated exchange bonds

ISIN	RU000A1063Z5
Series	BO-P01-CNY
Issuer	PJSC PhosAgro
Currency	CNY
Offering date	13 April 2023
Maturity date	9 April 2026
Coupon rate	China Loan Prime Rate (LPR 1Y) + 1.2%
Coupon payments	91 days
Issue value, CNY mln	2,000

USD-denominated exchange bonds

ISIN	RU000A108LP2
Series	BO-P01-USD
Issuer	PJSC PhosAgro
Currency	USD
Offering date	6 June 2024
Maturity date	31 May 2029
Coupon rate	6.25%
Coupon payments	91 days
Issue value, USD mln	100

In 2024, we successfully completed three bond offerings, generating strong interest from both institutional and private investors.

In June, PhosAgro issued a USD 100 mln five-year exchange-traded bond with settlements in roubles. Despite heightened volatility in the Russian capital market, which saw several other issuers cancel their offerings, we managed to reduce the initial coupon guidance by 25 bps to 6.25%. This transaction aligned perfectly with PhosAgro’s debt policy of securing financing in foreign currencies.

In September, we launched our debut issue of rouble-denominated exchange-traded bonds with a variable coupon, totalling RUB 35 bln with a two-year maturity. The coupon rate was set as the Bank of Russia’s key rate plus a spread of 110 bps. Strong investor demand enabled us to reduce the initial spread guidance by a total of 30 bps, achieved through three consecutive reductions. This offering became the largest placement among corporate issuers in the Russian market.

In November, we completed another bond offering – a five-year exchange-traded bond totalling RUB 20 bln, with a variable coupon and a put option in two years. The coupon rate was set as the Bank of Russia’s key rate plus a spread of 200 bps. We secured these terms thanks to our established track record of successful public offerings and our premium credit rating.

All offerings were executed on the most favourable terms aligned with prevailing market conditions. The proceeds were used to support our investment programmes and refinance our existing loan portfolio.

Alexander Sharabaika

Deputy CEO for Finance and International Projects at PhosAgro



Dividend policy

PhosAgro is committed to striking an effective and reasonable balance between the payment of dividends and reinvestment of profit in further development.

Higher transparency and predictability of dividend payments are a priority for the Company as it seeks to ramp up its growth and strengthen its investment case.

All resolutions on the payment of dividends and the timing and amount of such payment are subject to approval by the General Meeting of Shareholders, based on recommendations provided by PhosAgro’s Board of Directors.

When preparing recommendations for the General Meeting of Shareholders on any dividend payout (declaration), in addition to the current financial standing assessment, the Board of Directors takes into account the relevant provisions of PhosAgro’s dividend policy whereby the amount of distributed dividends may range from 50% to over 75% (subject to PhosAgro’s leverage ratio) of PhosAgro’s consolidated free cash flow for the respective year under IFRS. At the same time, the amount of declared dividends should not be lower than 50% of adjusted net profit for the year under IFRS.

At its meeting on 13 February 2025, PhosAgro’s Board of Directors recommended that the Annual General Meeting of Shareholders approve the distribution of profits and losses of PhosAgro for 2024 and use part of PhosAgro’s net profit for 2024 to pay out dividends of RUB 171 per ordinary registered uncertificated share.



The full text of PhosAgro’s Dividend Policy is available on the [Company’s website](#)

Report on dividends declared and paid

	Dividend per share, RUB	Dividend per GDR, RUB	Governance body deciding on the payment of dividends	Date of the General Meeting of Shareholders where the relevant resolution on the payment of dividends was adopted and No. of the minutes	Dividend payment timeframes ¹
2021					
Retained earnings as at 31 March 2021	105	35	●	22 June 2021	No later than 6 July 2021/9 August 2021
Retained earnings as at 30 June 2021	156	52	●	13 September 2021	No later than 8 October 2021/29 October 2021
Retained earnings as at 30 September 2021	234	78	●	8 December 2021	No later than 21 December 2021/1 February 2022
Retained earnings as at 31 December 2021 (based on 2021 results) ²	390 (no resolution passed)	130 (no resolution passed)	●	30 June 2022	No later than 25 July 2022/15 August 2022
2022					
Retained earnings as at 30 June 2022	780	260	●	21 September 2022	No later than 17 October 2022/8 November 2022
9M 2022	318	106	●	8 December 2022	No later than 9 January 2023/30 January 2023
FY 2022	465	155	●	24 March 2023	No later than 18 April 2023/12 May 2023

¹ For nominee holders and trustees who are securities market professionals and are on PhosAgro’s register of shareholders / other persons on PhosAgro’s register of shareholders.

² The General Meeting of Shareholders did not approve profit distribution for FY 2021, including payment of dividends.

³ The General Meeting of Shareholders did not approve profit distribution for 1H 2023, including payment of dividends.

	Dividend per share, RUB	Dividend per GDR, RUB	Governance body deciding on the payment of dividends	Date of the General Meeting of Shareholders where the relevant resolution on the payment of dividends was adopted and No. of the minutes	Dividend payment timeframes ¹
2023					
1Q 2023	216	72	●	30 June 2023	No later than 25 July 2023/15 August 2023
Retained earnings as at 30 June 2022	48	16	●	30 June 2023	No later than 25 July 2023/15 August 2023
1H 2023 ³	126 (no resolution passed)	42	●	30 September 2023	No later than 25 October 2023/16 November 2023
9M 2023	291	97	●	14 December 2023	No later than 16 January 2024/6 February 2024
FY 2023	294	98	●	30 June 2024	No later than 25 July 2024/15 August 2024
2024					
1H 2024	15	5	●	30 June 2024	No later than 25 July 2024/15 August 2024
1H 2024	117	39	●	11 September 2024	No later than 4 October 2024/25 October 2024
9M 2024	126	42	●	11 December 2024	No later than 14 January 2024/4 February 2024

● Extraordinary General Meeting of Shareholders ● Annual General Meeting of Shareholders

Results of the vote held by the Annual General Meeting of Shareholders on the distribution of profits (including payout (declaration) of dividends) and losses of the Company

For more information on the Company's dividend payment history, please visit the [Company's website](#)

of 30 June 2022	of 24 March 2023	of 30 June 2024
For 38,088,321	For 94,790,985	For 76,585,045
Against 56,540,778	Against 0	Against 555
Abstained 0	Abstained 0	Abstained 221


Relationship with shareholders and investors

At PhosAgro, we are committed to transparency and consistency, and maintain an ongoing dialogue with the investor community. This dialogue is conducted through all available communication channels with participation from PhosAgro Group's senior management team.


In 2024, PhosAgro continued to strengthen its engagement with retail investors by holding webinars and conference calls with assistance of major Russian brokers, taking part in conferences for retail investors, and organising site visits for investors.

SMART-LAB[®] **БКК**

The Company launched its pages on investment-focused social networks SmartLab and BCS Profit, where it publishes information materials featuring performance overview, descriptions of key production processes, updates on significant corporate developments, etc. Within specialised forum discussions, the Company maintains dialogue with the investment community, providing responses to investor inquiries.




For more information on our initiatives and their accompanying presentations, please visit the [Company's website](#)




OUR STRONG ENGAGEMENT PROGRAMME ENABLES US TO:

- Raise investor awareness of the Company's potential value and long-term sustainability
- Update investors on PhosAgro's strategic priorities and progress we have made
- Attract a wider pool of investors to improve liquidity, share price and borrowing costs
- Increase our access to a variety of capital market instruments
- Provide transparency on how our corporate governance systems work
- Seek and generate new ideas through dialogue with investors
- Clarify the Company's contribution to the UN Sustainable Development Goals



WHY WE INTERACT


- Provide investment community with reliable and relevant information on the key aspects of the Company's operations, its development plans and long-term goals
- Identify risks and opportunities for the Company as seen from the perspective of members of the investment community after they have analysed the provided information
- Communicate investor feedback to the management to form the internal position and tweak/work out a development strategy that would mitigate major risks and unlock the Company's potential
- Monitor the progress against the Company's development strategy and present its results to the public



HOW WE INTERACT

The Company interacts with the investment community in a variety of ways

- Virtual non-deal roadshows covering general topics for broader investor audiences and deal roadshows relating to Eurobond offerings and ESG disclosures, etc.
- One-on-one calls with investors
- Online investor conferences
- Selective communication with members of the analyst community to raise their awareness of the Company's operations
- Interaction with credit and ESG rating agencies
- Regulatory press releases
- Annual General Meetings of Shareholders and formal reporting
- Corporate website of the Company
- Corporate pages on investment-focused social media platforms
- A dedicated in-house investor relations team



KEY TOPICS AND OUTCOMES IN 2024

- In 2024, closer contacts of the Company with shareholders, debt investors and analysts (in the form of one-on-one and online meetings) were of critical importance due to the impact of external challenges.
- The Company's credit ratings were affirmed at the highest level of AAA.
- The Company offered several exchange bond issues on the Moscow Exchange denominated in RUB and USD. All the issues were rated on par with the Company's rating at AAA.
- 115 publications were made in line with Russian disclosure regulations via the Interfax Corporate Disclosure Centre

Information disclosure


In its declarations and disclosures, PhosAgro strictly follows the requirements imposed by Russian securities market laws, as well as rules for the companies traded on the LSE. The Company publicly discloses all required information to shareholders and investors in a timely manner through authorised newswires, the corporate website, PhosAgro's official disclosure page on the Interfax portal, and on the LSE webpage.

In 2023 and 2024, the Company exercised its right to disclose and/or provide only some of the information that must be disclosed and/or provided under federal laws On Joint-Stock Companies and On the Securities Market, guided by Russian Government Resolution No. 1102 dated 4 July 2023 On Details of Disclosure and/or Provision of Information that Must be Disclosed and/or Provided under Federal Law On Joint-Stock Companies, and by the Federal Law On the Securities Market.


FINANCIAL CALENDAR FOR 2025

Financial results disclosure


IV / 2025	4Q and FY 2024 13 February 2025
I / 2025	1Q 2025 13 May 2025 (TBD)
II / 2025	2Q and 6M 2025 7 August 2025 (TBD)
III / 2025	3Q and 9M 2025 13 November 2025 (TBD)



Disclosure on the [Company's official website](#)



The Company's page on the [official LSE website](#)



PhosAgro's official disclosure page on the [Interfax portal](#)

ADDITIONAL INFORMATION

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Na

2

B4

7

→ Sodium tetraborate,
sodium borate
[Lat. Borax $\text{Na}_2\text{B}_4\text{O}_7$,]

The consolidated financial statements



Joint-Stock Company
"Technologies of Trust – Audit"
("Technologies of Trust – Audit" JSC)

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Independent Auditor’s Report

To the Shareholders and Board of Directors of Public Joint Stock Company “PhosAgro”:

Qualified opinion

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section of our report, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Public Joint Stock Company “PhosAgro” (PJSC “PhosAgro”) and its subsidiaries (together – the “Group”) at 31 December 2024, and the Group’s consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group’s consolidated financial statements comprise:

- the consolidated statement of profit or loss and other comprehensive income for 2024;
- the consolidated statement of financial position at 31 December 2024;
- the consolidated statement of cash flows for 2024;
- the consolidated statement of changes in equity for 2024; and
- the notes to the consolidated financial statements, which include material accounting policy information and other explanatory information.

Basis for qualified opinion

The Group’s management did not disclose segment information for the year ended 31 December 2024 and for the year ended 31 December 2023 in the notes to the consolidated financial statements as required by IFRS 8, Operating Segments. Disclosing the omitted segment information within this Basis for qualified opinion section is not practicable as it would be unduly voluminous in relation to this auditor’s report.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Auditor’s Professional Ethics Code and Auditor’s Independence Rules that are relevant to our audit of the consolidated financial statements in the Russian Federation. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Recoverability of deferred tax assets</p> <p><i>Refer to Note 16 to the consolidated financial statements of the Group</i></p> <p>In the consolidated statement of financial position at 31 December 2024, the Group recognised deferred tax assets of RUB 15,189 million in respect of the Group companies’ accumulated tax losses carried forward.</p> <p>Under IAS 12, <i>Income Taxes</i>, a deferred tax asset in respect of unused tax losses shall be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.</p> <p>The Group’s management analysed probability of receiving future taxable profits by the Group companies and concluded that the deferred tax assets are recoverable. This analysis was based on management’s plans in respect of recoverability of the Group’s deferred tax assets and projections of the future taxable profit.</p> <p>We pay special attention to verifying the existence of sufficient evidence that the Group’s deferred tax assets are recoverable as the Group’s management applies significant judgements and estimates in respect of the size of the future taxable profit, timing when it would be available, and available mechanisms to recover the deferred tax assets.</p>	<p>We performed the following audit procedures to address the key audit matter:</p> <ul style="list-style-type: none">• We received and analysed the management’s plan in respect of recoverability of the deferred tax assets.• We assessed the current status of implementation of the management’s plan to recover the deferred tax assets.• We received the projection of the future taxable profit prepared by the Group’s management and reviewed, on a sample basis, the assumptions related to future income and expenses reflected in the projection, including their comparison to the industry and market trends. We also assessed the quality of the Group’s management projections by comparing the previous periods projections to actual results.• We assessed, on a sample basis, the mathematical accuracy of calculations applied by the Group’s management.• We assessed whether the management used reasonable judgements related to applying the mechanisms available to the Group to recover the deferred tax assets, among other things, by engaging our taxation experts.• We analysed written representations of the Group’s management in relation to their assessment of recoverability of deferred tax assets. <p>Acceptability of the management’s current estimates in relation to the deferred tax assets recoverability for the purpose of the consolidated financial statements of the Group for 2024 does not guarantee that future events which are inherently uncertain will not lead to a significant change in these estimates.</p> <p>We also assessed a compliance of the information disclosed in Note 16 to the consolidated financial statements with the IFRS Accounting Standards disclosure requirements.</p>
<p>Compliance with debt and bonds covenants</p> <p><i>Refer to Notes 23 and 27 to the consolidated financial statements of the Group</i></p> <p>At 31 December 2024, the Group had RUB 331,623 million of current and non-current loans and borrowings. Loan and bonds agreements include financial and non-financial covenants, including cross-default provisions, which in case of breach result in creditors obtaining the right to claim early repayment. At 31 December 2024, the Group did not have a right to defer the settlement of certain outstanding loans if creditors would claim early repayment after the reporting period (Note 27 (e)).</p>	<p>We performed the following audit procedures in respect of the key audit matter:</p> <ul style="list-style-type: none">• We updated our understanding of long-term and short-term debt and bonds covenants, including additions and amendments.• We tested compliance with financial covenants by recalculating the ratios and comparing our results with the thresholds set by the loan agreements and issue prospectuses.• We tested, on a sample basis, compliance with non-financial covenants by inspecting the supporting documents and confirming the relevant facts.

Key audit matter	How our audit addressed the key audit matter
We consider this as a key audit matter due to the volume of the loans and borrowings and materiality of the effect which short-term or long-term classification of loans and borrowings has on the consolidated statement of financial position.	<ul style="list-style-type: none">We reviewed the bank's waiver letter regarding the identified non-compliance of loan agreement covenant.We verified loans and borrowings classification in the consolidated statement of financial position, assessed necessity and completeness of classification of non-current loans and borrowings as current and additional disclosure requirements. <p>Additionally, we assessed whether the information disclosed in Notes 23 and 27 to the consolidated financial statements is sufficient in accordance with IFRS 7 "Financial Instruments: Disclosures" and IAS 1 "Presentation of Financial Statements" presentation and disclosure requirements.</p>

Other matter – Materiality and Group audit scope

Overview

Materiality	Overall Group materiality: Russian Roubles ("RUB") 5,450 million, which represents 5% of profit before tax.
Group scoping	<ul style="list-style-type: none">We conducted audit procedures covering all financial information of the significant components.Our audit scope addressed 99.9% of the Group's revenues and 97% of the Group's absolute value of underlying profit before tax.

Materiality

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.

Overall Group materiality	RUB 5,450 million (2023: RUB 5,730 million)
How we determined it	5% of profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We selected components based on the assessment of risk of material misstatement of the Group's consolidated financial statements associated with components, taking into account a relative significance of the components for the Group. The Group auditor performed further audit procedures for the selected components on their entire financial information not engaging the component auditors. We also included information systems and tax specialists in our engagement team.

By performing the above audit procedures at the components, combined with the centralized audit procedures and audit procedures with respect to the process of preparation of the consolidated financial statements, we have obtained sufficient and appropriate audit evidence regarding the consolidated financial statements of the Group as a whole.

Other information

Management is responsible for the other information. The other information comprises Integrated annual report of PJSC "PhosAgro" for 2024 (but does not include the consolidated financial statements and our auditor's report thereon) and the Securities issuer's report for the 12 months 2024, which are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the Integrated annual report of PJSC "PhosAgro" for 2024 and the Securities issuer's report for the 12 months 2024, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

- As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The certified auditor responsible for the audit resulting in this independent auditor's report is Fegetsin Alexey Iakovlevich.

13 February 2025
Moscow, Russian Federation



Fegetsin Alexey Iakovlevich is authorised to sign on behalf of the General Director of Joint-Stock Company "Technologies of Trust – Audit" (Principal Registration Number of the Record in the Register of Auditors and Audit Organizations (PRNR) – 12006020338), certified auditor (PRNR – 21906101957)

PJSC “PhosAgro”
Consolidated Statement of Profit or Loss and Other Comprehensive Income for 2024

RUB million	Note	2024	2023
Revenues	6	507,689	440,304
Cost of Group products sold	7	(293,484)	(235,560)
Cost of products for resale		(12,675)	(16,056)
Gross profit		201,530	188,688
Administrative and selling expenses	8	(41,620)	(32,282)
Taxes, other than income tax	9	(15,489)	(12,779)
Other expenses, net	10	(10,414)	(7,557)
Foreign exchange gain from operating activities, net	27 (c)	6,452	14,686
Operating profit		140,459	150,756
Finance income	11	6,497	3,353
Finance costs	11	(15,694)	(7,881)
Gain from revaluation of investments in equity instruments measured at fair value through profit or loss	17	137	1,025
Foreign exchange loss from financing activities, net	27 (c)	(22,355)	(32,650)
Profit before tax		109,044	114,603
Income tax expense	12	(24,575)	(28,462)
Profit for the year		84,469	86,141
Attributable to:			
Shareholders of the Company		84,430	86,084
Non-controlling interests*		39	57
Basic and diluted earnings per share (in RUB)	22	652	665
Other comprehensive income/(loss) Items that will never be reclassified to profit or loss			
Actuarial gains/(losses)	25	132	(35)
Other comprehensive income/(loss) for the year		132	(35)
Total comprehensive income for the year		84,601	86,106
Attributable to:			
Shareholders of the Company		84,562	86,049
Non-controlling interests*		39	57

*Non-controlling interests are the minority shareholders of the subsidiaries of PJSC “PhosAgro”

The consolidated financial statements were approved on 13 February 2025:

Chief executive officer
M.K. Rybnikov

Deputy CEO for Finance and International Projects
A.F. Sharabaiko

PJSC “PhosAgro”**Consolidated Statement of Financial Position at 31 December 2024**

<i>RUB million</i>	<i>Note</i>	31 December 2024	31 December 2023
Assets			
Property, plant and equipment	13	357,577	308,663
Deferred tax assets	16	14,081	9,751
Non-current spare parts		13,564	8,059
Advances issued for property, plant and equipment		8,818	10,140
Right-of-use assets	14	6,419	7,240
Intangible assets		2,991	2,773
Catalysts		2,987	2,667
Other non-current assets	17	1,310	8,262
Investments in associates and joint ventures	15	715	636
Non-current assets		408,462	358,191
Trade and other receivables	19	104,653	66,274
Inventories	18	56,105	48,468
Cash and cash equivalents	20	10,398	29,163
VAT and other taxes receivable		9,628	7,611
Other short-term assets	17	3,125	5,083
Income tax receivable		99	1,703
Security payment for windfall tax	1(b)	-	6,355
Current assets		184,008	164,657
Total assets		592,470	522,848
Equity			
Share capital	21	372	372
Share premium		7,494	7,494
Retained earnings		157,590	144,658
Actuarial losses		(871)	(1,003)
Equity attributable to shareholders of the Company		164,585	151,521
Equity attributable to non-controlling interests		137	84
Total equity		164,722	151,605
Liabilities			
Loans and borrowings	23	169,962	161,710
Deferred tax liabilities	16	17,031	13,603
Lease liabilities	24	3,056	2,818
Defined benefit obligations	25	1,029	1,129
Non-current liabilities		191,078	179,260
Loans and borrowings	23	161,661	86,429
Trade and other payables	26	48,394	40,705
Dividends payable		19,779	54,919
Income tax payable		3,128	208
VAT and other taxes payable		2,633	1,954
Lease liabilities	24	1,075	1,413
Windfall tax payable	1(b)	-	6,355
Current liabilities		236,670	191,983
Total equity and liabilities		592,470	522,848

The consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 322 to 354.

PJSC “PhosAgro”**Consolidated Statement of Cash Flows for 2024**

<i>RUB million</i>	<i>Note</i>	2024	2023
Cash flows from operating activities			
Operating profit		140,459	150,756
Adjustments for:			
Depreciation and amortisation	7, 8	36,546	32,282
(Gain)/loss on disposal of property, plant and equipment and intangible assets	10	(70)	365
Cash flows from operations before changes in working capital		176,935	183,403
(Increase)/decrease in trade and other receivables ¹		(45,712)	6,063
Increase in inventories, catalysts and non-current spare parts		(13,263)	(11,624)
Increase/(decrease) in trade and other payables ¹		10,380	(46)
Cash flows from operations before income tax and interest paid		128,340	177,796
Income tax paid		(20,953)	(29,777)
Finance costs paid		(14,670)	(7,378)
Windfall tax security payment	1 (b)	-	(6,355)
Cash flows from operating activities		92,717	134,286
Cash flows from investing activities			
Finance income		4,958	2,000
Acquisition of property, plant and equipment and intangible assets		(75,152)	(64,232)
Borrowing cost capitalised paid	13	(4,702)	(1,896)
Loans issued		(2,577)	43
Advances issued for right-of-use assets		(136)	(94)
Other		13,878	101
Cash flows used in investing activities		(63,731)	(64,078)
Cash flows from financing activities			
Proceeds from borrowings, net of transaction costs	23	212,336	172,906
Repayment of borrowings	23	(154,961)	(155,306)
Dividends paid to shareholders of the Company	21	(109,169)	(94,487)
Repayment of dividends previously refunded to shareholders of the Company		(587)	(182)
Refund of dividends paid ²		3,132	17,416
Dividends paid to non-controlling interests		-	(131)
Lease payments	24	(1,448)	(1,416)
Cash flows used in financing activities		(50,697)	(61,200)
Net (decrease)/increase in cash and cash equivalents		(21,711)	9,008
Cash and cash equivalents at 1 January		29,163	13,356
Effect of exchange rates fluctuations		2,946	6,799
Cash and cash equivalents at 31 December	20	10,398	29,163

¹ Changes in trade and other receivables and changes in trade and other payables include effect of foreign exchange differences from operating activities.

² The Group received cash refund from depositories paid as dividends to parties who were entitled to receive them, but didn't receive dividends due to reasons beyond the depositories' control.

The consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 322 to 354.

PJSC “PhosAgro”
Consolidated Statement of Changes in Equity for 2024

RUB million	Note	Attributable to shareholders of the Company				Attributable to non-controlling interests		Total equity
		Share capital	Share premium	Retained earnings	Actuarial (losses)/ gains	Total		
Balance at 1 January 2023		372	7,494	190,664	(968)	197,562	158	197,720
Total comprehensive income/(loss)								
Profit for the year		-	-	86,084	-	86,084	57	86,141
Actuarial losses	25	-	-	-	(35)	(35)	-	(35)
Transactions with owners recognised directly in equity								
Dividends	21	-	-	(132,090)	-	(132,090)	(131)	(132,221)
Balance at 31 December 2023		372	7,494	144,658	(1,003)	151,521	84	151,605
Balance at 1 January 2024		372	7,494	144,658	(1,003)	151,521	84	151,605
Total comprehensive income/(loss)								
Profit for the year		-	-	84,430	-	84,430	39	84,469
Actuarial gains	25	-	-	-	132	132	-	132
Transactions with owners recognised directly in equity								
Dividends	21	-	-	(71,484)	-	(71,484)	-	(71,484)
Increase of non-controlling interests in a subsidiary		-	-	(14)	-	(14)	14	-
Balance at 31 December 2024		372	7,494	157,590	(871)	164,585	137	164,722

The consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 322 to 354.

PJSC “PhosAgro”
Notes to the Consolidated Financial Statements for 2024

1 BACKGROUND

(a) Organisation structure and operations

PJSC “PhosAgro” (the “Company” or the “Parent”) is a public joint stock company registered in accordance with Russian legislation. PJSC “PhosAgro” and its subsidiaries (together referred to as the “Group”) comprise Russian legal entities. The Company was registered in October 2001. The Company’s address is Leninsky prospekt 55/1 building 1, Moscow, Russian Federation, 119333.

The Group’s principal activity is production of apatite concentrate and mineral fertilisers at plants located in the cities of Kirovsk (Murmansk region), Cherepovets (Vologda region), Balakovo (Saratov region) and Volkhov (Leningrad region), and their distribution across the Russian Federation and abroad.

At 31 December 2024 and at 31 December 2023, the Company’s major shareholder is the entity registered in Russia – ILLC Adorabella holding approximately 23.35% of the ordinary shares. As of 31 December 2024, and 31 December 2023, the Parent does not have the ultimate controlling party in accordance with the definition of control described in IFRS 10 *Consolidated financial statements*.

(b) Russian business environment

The Group’s operations are primarily located in the Russian Federation. Consequently, the Group is exposed to the economic and financial conditions of the Russian Federation, which display certain characteristics of an emerging market. Its economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory frameworks continue development, and are subject to varying interpretations and frequent changes (note 29). The Russian economy continues to be negatively impacted by ongoing political tension in the region and international sanctions against certain Russian companies and individuals.

Geopolitical tension caused by the Ukrainian case in February 2022 continued in 2024. Geopolitical situation escalation resulted in significant exchange rates fluctuations and increased volatility in financial and commodity markets. Sanctions and restrictions have been and continue to be imposed towards a number of Russian entities such as access termination to European and USA financial markets, SWIFT international system and others. Price cap on Russian oil and gas and embargo on Russian petrochemicals were introduced. In June 2024, restrictive measures were introduced by the USA against Moscow Stock Exchange Group, which led to USD and EUR trading interruption and short-term delays in official exchange rate determination of these currencies against the rouble.

At the end of 2023, Central Bank of Russian Federation increased key rate to 16% per annum with subsequent increase up to 18% on 29 July 2024, up to 19% on 16 September 2024 and up to 21% on 28 October 2024.

There is no way to determine how long the increased volatility will continue and when the above factors will stabilise. The future effects of current economic situation and the above measures are difficult to predict. Management’s current expectations and estimates could differ from actual results.

The Russian Government Resolution that came into effect starting from 2023 introduced export duties on mineral fertilisers followed by the subsequent changes to the customs duty calculation method and rates. From 1 October 2023 to 31 December 2024, the following customs duty rates depending on the official exchange rate of US dollar to Russian Rouble set by the Central Bank of Russia are applied:

- on nitrogen-based fertilisers – 7% of their customs value, but not less than RUB 1,100 per tonne, if the average US dollar exchange rate over the monitoring month is below RUB 80, or 10% of their customs value, but not less than RUB 1,100 per tonne, if the average US dollar exchange rate over the monitoring month is above RUB 80;
- on phosphate-based and compound fertilisers – 7% of their customs value, but not less than RUB 2,100 per tonne, if the average US dollar exchange rate over the monitoring month is below RUB 80, or 10% of their customs value, but not less than RUB 2,100 per tonne, if the average US dollar exchange rate over the monitoring month is above RUB 80.

From 13 December 2024 to 31 December 2024, 7% rate of customs duties was applied. From 1 January 2025 0% customs duties rate depending on the official exchange rate of US dollar to Russian Rouble is applied due to the termination of the Russian Government Resolution.

On 4 August 2023, the President of Russian Federation signed Federal Law No. 414-FZ On Excess Profits Tax (the so-called “Windfall Tax”) effective from 1 January 2024. The law introduces 10% tax rate applied to the excess of the arithmetic average profits for 2021-2022 over the arithmetic average profits for 2018-2019. In November 2023, the Group made a windfall tax security payment. At 31 December 2023, the Group’s windfall tax liability was calculated at 5% tax rate considering security payment of RUB 6,355 million.

1

BACKGROUND (CONTINUED)

The security payment and liability for windfall tax were reflected in the consolidated statement of financial position at 31 December 2023. In January 2024, the Group exercised its right to a tax deduction for the above security payment, and offset asset and liability for this tax.

Management of the Group has considered events and conditions that could give rise to material uncertainties and concluded that the range of possible outcomes does not cast significant doubt over the Group’s ability to continue as a going concern.

2

BASIS OF PREPARATION

(a)

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The Group additionally prepares IFRS Accounting Standards consolidated financial statements in the Russian language in accordance with the Federal Law No. 208-FZ *On consolidated financial reporting*.

(b)

Basis of measurement

The consolidated financial statements are prepared on the historical cost basis, except for financial instruments initially recognised at fair value with subsequent revaluation through profit or loss.

(c)

Functional and presentation currency

The national currency of the Russian Federation is the Russian Rouble (“RUB”), which is the functional currency of the Parent and its subsidiaries.

These consolidated financial statements are presented in RUB. All financial information presented in RUB has been rounded to the nearest million, except per share amounts.

(d)

Use of estimates and judgments

The preparation of consolidated financial statements in accordance with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 3 (b) (iii) – estimated useful lives of property, plant and equipment;
- Note 16 - recognition of deferred tax assets: availability of future taxable income for offsetting with appropriate tax losses.

(e)

Adoption of new and revised standards and interpretations

The following revised standards, issued by the International Accounting Standards Board (IASB) and approved for use on the territory of Russian Federation, became effective from January 1, 2024, but didn’t have a material impact on the Group, except for the disclosure of information about the covenants related to the non-current liabilities in accordance with Amendments Non-current Liabilities with Covenants to IAS 1 (note 23).

- Classification of liabilities as current or non-current – Amendments to IAS 1 (issued on 23 January 2020 and effective for annual periods beginning on or after 1 January 2022, the effective date subsequently modified to 1 January 2024).
- Classification of liabilities as current or non-current, deferral of effective date – Amendments to IAS 1 (issued on 15 July 2020 and effective for annual periods beginning on or after 1 January 2023, the effective date subsequently modified to 1 January 2024).

2

BASIS OF PREPARATION (CONTINUED)

- Lease Liability in a Sale and Leaseback Amendments to IFRS 16 – Amendments to IFRS 16 (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024).
- Non-current Liabilities with Covenants – Amendments to IAS 1 (issued on 31 October 2022 and effective for annual periods beginning on or after 1 January 2024).
- Supplier Finance Arrangements – amendments to IAS 7 and IFRS 7 (issued on 25 May 2023 and effective for annual periods beginning on or after 1 January 2024).

(f)

New standards and interpretations not yet adopted

A number of new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2025 and which the Group has not early adopted, but is in process of assessing the impact on the Group’s consolidated financial statements.

- Sale or Contribution of Assets between an Investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).
- Lack of exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).
- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027).
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).
- Annual Improvements to IFRS Accounting Standards – Volume 11 (issued on 18 July 2024 and effective for annual periods beginning on or after 1 January 2026).

3

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

(a)

Foreign currencies

Foreign exchange gains and losses that relate to loans and borrowings as well as cash and cash equivalents are presented in the consolidated statement of profit or loss and other comprehensive income within the line item “Foreign exchange loss/gain from financing activities, net”. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income within the line item “Foreign exchange gain/loss from operating activities, net”.

(b)

Property, plant and equipment

(i)

Initial recognition

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment at the date of transition to IFRS Accounting Standards (January 1, 2005) was determined by reference to its fair value at that date (“deemed cost”) as determined by an independent appraiser.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

PJSC “PhosAgro”*Notes to the Consolidated Financial Statements for 2024***3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(ii) Subsequent expenditure**

Expenses related to current repairs and maintenance of property, plant and equipment are recognised within profit or loss and other comprehensive income as incurred.

The Group recognises expenses related to current repairs and maintenance of property, plant and equipment incurred less than once per 12 months with the cost of more than RUB 100 thousand as assets, and depreciates these assets on a straight-line basis until the next repair.

Expenses related to the replacement of major spare parts and renewal of property, plant and equipment are capitalised and depreciated in the ordinary course.

(iii) Depreciation

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of the individual assets. Depreciation commences on the month of acquisition or, in respect of internally constructed assets, from the month when an asset is completed and ready for use. Land is not depreciated.

Tangible fixed assets are depreciated over the following useful lives:

Buildings	10 to 60 years;
Plant and equipment	5 to 35 years;
Fixtures and fittings	2 to 25 years.

(iv) Capitalisation of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial time to get ready for intended use or sale (qualifying assets) are capitalised as part of the costs of those assets.

Capitalisation of borrowing costs continues up to the date when the assets are substantially ready for their use or sale.

The Group capitalises borrowing costs that could have been avoided if it had not made capital expenditure on qualifying assets. Borrowing costs capitalised are calculated at the Group's average funding cost (the weighted average interest cost is applied), except to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. Where this occurs, actual borrowing costs are capitalised.

Borrowing costs capitalised are presented as part of cash flows from investing activities in the consolidated statement of cash flows.

(v) Advances issued for property, plant and equipment

A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition.

(c) Financial instruments**Non-derivative financial instruments**

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, long-term accounts receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

The Group's financial assets measured at amortised cost include trade and other receivables (excluding receivables measured at fair value under provisionally priced sales agreements), long-term receivables, cash and cash equivalents, and loans issued.

The Group's financial assets measured at fair value through profit or loss include receivables under provisional pricing agreements and investments in equity instruments.

The Group's financial liabilities measured at amortised cost include loans and borrowings, lease liabilities, trade and other payables, dividends payable.

PJSC “PhosAgro”*Notes to the Consolidated Financial Statements for 2024***3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(d) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Bank deposits held for longer than three months that are repayable on demand within several working days without penalties or that can be redeemed/withdrawn, subject to the interest income forfeited, are classified as cash equivalents if the deposits are held to meet short-term cash needs and there is no significant risk of a change in value as a result of an early withdrawal.

(e) Inventories

In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventory (finished goods and goods for resale) for distribution companies is determined on the first-in, first-out (FIFO) basis. The cost of inventories for production companies is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Spare parts to be used for construction and in repairs capitalised are classified as non-current assets and are included in line item “Non-current spare parts”.

Catalysts to be used in production during the period of more than 1 year are classified as part of non-current assets and written-off to the production cost based on the volume of goods produced. Catalysts to be used in production within 1 year are classified as part of inventories.

(f) Impairment**Financial assets**

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The Group estimates loss allowances either based on ECLs that result from default events possible within 12 months after the reporting date or based on lifetime ECLs that result from all possible default events over the expected life of a financial instrument.

For purposes of measuring probabilities of default, the Group defines default as a situation when the exposure meets one or more of the following criteria:

- the debtor is more than 90 days past due on its contractual payments;
- the debtor meets the unlikelihood-to-pay criteria listed below:
- the debtor is insolvent;
- the debtor is in breach of financial covenant(s);
- it is becoming likely that the debtor will enter bankruptcy.

The Group estimates loss allowance for trade receivables using the simplified approach in the amount equal to the lifetime ECL of the financial instrument. To calculate expected credit losses, the Group segments counterparties based on their geographic location and considers their credit rating, adjusted for current and future factors specific to the debtors, historical credit loss experience and economic environment in which they operate.

The Group estimates loss allowances for other financial assets either based on ECLs that result from default events possible within 12 months after the reporting date or until contract maturity, if shorter, until there has been a significant increase in credit risk since the initial recognition of the asset. In assessing ECL and credit risk, the Group considers quantitative and qualitative information and performs an analysis that is based on the Group's actual credit loss experience and considers forward-looking information. A significant increase in credit risk is presumed if a debtor is more than 30 days past due.

If credit risk has increased significantly since the initial recognition or there is evidence that a financial asset is impaired, the expected credit losses for that asset are measured based on the lifetime ECLs. If the fair value of an impaired financial asset subsequently increases and such increase can be objectively attributed to an event occurring after the impairment loss was recognised in profit or loss for the period, the amount written off as a loss is reversed and the reversed amount is recognised in profit or loss for the period.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Leases

As a lessee

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and making certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise fixed payments.

The Group separates lease cash flows into principal lease payments (financing activities) and interest lease payments (operating activities) in the consolidated statement of cash flows.

Lease liability is measured at amortised cost using the effective interest method. It is revalued when there is a change in future lease payments arising from adjusted interest rate, extension or termination option and other events.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 *Impairment of Assets*.

For short-term leases (lease term of 12 months or less) and leases of low-value assets the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within cost of sales, administrative expenses and selling expenses in the consolidated statement of profit or loss and other comprehensive income.

(h) Employee benefits

(i) Defined benefit plans

The Group’s net obligation in respect of defined benefit post-employment plans, including pension plans, is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group’s obligations. The calculation is performed using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised immediately as an expense in the consolidated statement of profit or loss and other comprehensive income. To the extent the benefits vest immediately, the expense is recognised immediately in the consolidated statement of profit or loss and other comprehensive income.

All actuarial gains and losses are recognised in full as they arise in other comprehensive income.

(ii) Long-term service benefits other than pensions

The Group’s net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group’s obligations. All actuarial gains and losses are recognised in full as they arise in other comprehensive income.

(iii) Defined contribution plans

The Group makes mandatory contributions to the Social Fund of Russian Federation (until January 1, 2023 – Russia’s State pension fund). These amounts are written off as expenses in the period when the Group’s employees provided services related to these accruals.

(i) Income tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws in force or put into force by the reporting date.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred tax assets and liabilities are offset if they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(j) Windfall tax

Windfall tax is within the scope of IAS 12 Income taxes, it is recognised as a current income tax and is subject to respective income tax accounting policy.

Windfall tax is a one-off tax. Windfall tax liability and expenses are recognised in the consolidated financial statements starting from the moment when the Federal Law has been substantively enacted.

Windfall tax liability and expenses are measured at the amount calculated using the tax rates considering security payment made.

The security payment and liability for windfall tax were reflected in the consolidated statement of financial position at 31 December 2023. In January 2024, the Group exercised its right to a tax deduction for the above security payment, and offset asset and liability for this tax (note 12).

(k) Revenues

Revenue from contracts with customers is recognised when control of the goods or services is transferred to a customer. The amount of revenue recognised reflects the consideration the Group expects to be entitled in exchange for goods or services, taking into account any trade, volume and other discounts.

The selling price for goods or services can be fixed or provisionally priced, with subsequent determination of the final price within the period established by the contract (provisionally priced contracts). Revenue under such contracts is initially recognised at a predetermined price. Accounts receivable under provisionally priced contracts are measured at fair value through profit or loss with appropriate adjustments recorded in revenue until the final price is determined.

Advances received before the control passes to a customer are recognised as the contract liabilities. The amount of consideration does not contain a significant financial component as payment terms for the majority of contracts are less than one year. No information is provided about remaining performance obligations at the reporting date that have an original expected duration of one year or less, as allowed by IFRS 15.

Contracts with customers for the supply of goods use a variety of delivery terms. The Group determined that under the terms of the certain contracts for the supply of goods the Group undertakes to provide delivery and the related delivery services after the transfer of control over the goods to the buyer at the loading port. Under IFRS 15, these services are a separate performance obligation, which revenue must be recognised during the period of delivery as revenue from logistics activities. The Group recognises revenue from these logistics services at the time of delivery, due to the fact that the potential difference is calculated and recognised as insignificant.

Group’s revenue include the proceeds from transportation services. Transportation services costs are mainly represented by logistics costs and included in cost of Group products sold.

(l) Export customs duties

Starting from January 1, 2023, customs duties were introduced on export revenue of mineral fertilisers (note 1), which are considered by the Group as an additional fee and are recognised as logistics expenses as part of the cost of products sold.

(m) Taxes, other than income tax

The Group presents taxes, other than income taxes in a separate line item in the consolidated statement of profit or loss and other comprehensive income “Taxes other than income taxes” (note 9). The Group does not classify these expenses according to their function in the line items of cost of sales, administrative and selling expenses. According to the Group’s management opinion the presentation in a separate line item in the consolidated statement of profit or loss and other comprehensive income, transparently and fully presents information about taxes, other than income tax impact on the financial results of the Group.

PJSC “PhosAgro”*Notes to the Consolidated Financial Statements for 2024***3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(n) Finance income and finance costs**

Finance income comprises interest income, dividend income, unwinding of discount on financial assets and share of profit of associates and foreign exchange gains on financing activities. Interest income is recognised as it accrues in profit or loss. Dividend income is recognised in profit or loss on the date that the Group’s right to receive payment is established.

Finance costs comprise interest expense on borrowings, interest expense on lease liabilities, bank fees, interest expense on defined benefit obligations, securitisation fees, increase in credit loss for financial investments, share of loss of associates and foreign exchange losses on financing activities.

Foreign currency gains and losses, arising from operations with foreign currency and share of profit and losses of associates are reported on a net basis.

(o) Overburden removal expenditure

In open pit apatite rock mining operations, it is necessary to remove the overburden and other waste in order to access the economically recoverable resources.

According to the Group’s approach to stripping, the ore, which becomes accessible after the overburden removal, is extracted within no more than four months. Therefore, the stripping ratio (volume of overburden removed over the volume of resources extracted) is expected to stay relatively constant over the future periods and stripping costs incurred during the production phase of the open pit mine are recognised in the profit or loss as incurred.

4 CHANGE IN THE ACCOUNTING POLICY AND RECLASSIFICATIONS

Starting from 1 January 2024, the Group disclosed advances issued and received net of VAT in the consolidated statement of financial position.

The table below reconciles carrying amounts of assets and liabilities as presented in accordance with the previous accounting policy and the new amounts after the changes were adopted

Extract from the Consolidated Statement of Financial Position:

RUB million	31 December 2023 (as previously reported)	Adjustment / reclassification	31 December 2023 (as presented)
Assets			
Advances issued for property, plant and equipment	10,337	(197)	10,140
Non-current assets	358,388	(197)	358,191
Trade and other receivables	66,362	(88)	66,274
VAT and other taxes recoverable	10,119	(2,508)	7,611
Current assets	167,253	(2,596)	164,657
Total assets	525,641	(2,793)	522,848
Liabilities			
Trade and other payables	42,653	(1,948)	40,705
VAT and other taxes payable	2,799	(845)	1,954
Current liabilities	194,776	(2,793)	191,983
Total equity and liabilities	525,641	(2,793)	522,848

PJSC “PhosAgro”*Notes to the Consolidated Financial Statements for 2024***5 FAIR VALUE DETERMINATION**

When measuring a fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels of a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- *Level 3*: inputs for the asset and liability that are not based on observable market data (unobservable inputs).

If inputs used to measure a fair value of an asset or a liability might be categorised into different levels of fair value hierarchy, then fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Fair values have been determined for measurement and / or disclosure purposes based on the methods described below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Financial assets and liabilities measured at amortised cost

The fair value of financial assets and liabilities represented by short-term loans issued, trade and other receivables (except for receivables measured at fair value under provisional pricing agreements), cash and cash equivalents, trade and other payables is categorised into level 3 of fair value hierarchy and approximate their carrying amounts at the reporting date.

Bonds’ fair value is measured based on quoted market prices for disclosure purposes and categorised into level 1 of the fair value hierarchy. Loans and borrowings and non-current receivables fair value is categorised into level 3 of the fair value hierarchy.

(b) Financial instruments measured at fair value

The fair value of investments measured at fair value through profit or loss and receivables under provisionally priced sales agreements measured at fair value through profit or loss is determined using the valuation techniques and categorised into level 3 of the fair value hierarchy.

Investments value measured at fair value through profit or loss is estimated based on the model of discounted cash flows from the investee’s operating activities.

Receivables fair value under provisionally priced sales agreements is calculated based on mineral fertiliser market prices expected at the date when the price is finalised. These assumptions are based on consensus prices forecasts prepared by independent analytical agencies, adjusted in accordance with price calculation formulas specified in existing delivery contracts.

PJSC “PhosAgro”
Notes to the Consolidated Financial Statements for 2024

6 REVENUES

<i>RUB million</i>	2024	2023
Phosphate-based and nitrogen-based products	492,450	421,690
Other	15,239	18,614
Revenues	507,689	440,304

7 COST OF GROUP PRODUCTS SOLD

<i>RUB million</i>	2024	2023
Production expense for Group goods sold	(227,713)	(197,783)
Salaries and social contributions	(35,169)	(26,265)
Depreciation	(33,207)	(29,374)
Materials and services	(26,097)	(22,158)
Repair and maintenance expenses	(19,382)	(15,865)
Potash	(17,574)	(22,444)
Natural gas	(16,948)	(15,033)
Transportation of phosphate rock	(16,739)	(13,468)
Ammonia	(14,343)	(11,533)
Sulphur and sulphuric acid	(12,255)	(11,507)
Electricity	(8,340)	(7,317)
Fuel	(7,215)	(5,754)
Feedstock processing services	(6,269)	(4,341)
Anti-clodding agent	(3,909)	(3,785)
Reagents	(3,564)	(3,020)
Ammonium sulphate	(3,550)	(2,818)
Drilling and blasting operations expenses	(3,152)	(3,101)
Logistics expenses for Group goods sold	(65,771)	(37,777)
Customs duties	(34,139)	(13,207)
Russian Railways infrastructure tariff and operators' fees	(19,306)	(14,047)
Freight, port and stevedoring expenses	(11,441)	(9,924)
Other services and materials	(885)	(599)
Cost of Group products sold	(293,484)	(235,560)

In 2024, the Group's contributions to Russian Social Fund of RUB 8,203 million (2023: RUB 6,116 million) were included in salaries and social contributions line.

PJSC “PhosAgro”
Notes to the Consolidated Financial Statements for 2024

8 ADMINISTRATIVE AND SELLING EXPENSES

<i>RUB million</i>	2024	2023
Administrative expenses:	(35,547)	(27,185)
Salaries and social contributions	(24,260)	(18,684)
Professional services	(2,546)	(2,197)
Security and fire safety services	(2,033)	(1,539)
Depreciation and amortisation	(1,874)	(1,561)
Representative and travel expenses	(1,095)	(831)
Office equipment and stationery	(1,086)	(866)
Repair and maintenance services	(691)	(362)
Insurance	(462)	(174)
Advertising and brand promotion	(400)	(206)
Utilities	(386)	(281)
Other services	(714)	(484)
Selling expenses:	(6,073)	(5,097)
Salaries and social contributions	(3,089)	(2,476)
Depreciation and amortization	(1,465)	(1,347)
Advertising and brand promotion	(456)	(458)
Repair and maintenance services	(438)	(322)
Other services	(625)	(494)
Administrative and selling expenses	(41,620)	(32,282)

In 2024, the Group's contributions to Russian Social Fund of RUB 4,847 million (2023: RUB 3,841 million) were included in salaries and social contributions line.

9 TAXES, OTHER THAN INCOME TAX

<i>RUB million</i>	2024	2023
Mineral extraction tax	(12,288)	(10,026)
Property tax	(2,296)	(2,030)
Land tax	(372)	(184)
VAT included in expenses	(221)	(206)
Environment pollution payment	(183)	(225)
Using water objects payment	(86)	(67)
Other taxes	(43)	(41)
Taxes, other than income tax	(15,489)	(12,779)

10 OTHER EXPENSES, NET

<i>RUB million</i>	2024	2023
Social expenditures	(11,189)	(7,720)
Increase in credit loss allowance	(302)	(76)
(Increase)/decrease in allowance for inventory write-down	(202)	6
Fines, penalties and compensations received	810	173
Gain on disposal of inventories	454	485
Reversal/(accrual) of contingent liabilities	102	(108)
Gain/(loss) on disposal of property, plant and equipment and intangible assets	70	(365)
Other (expenses)/income, net	(157)	48
Other expenses, net	(10,414)	(7,557)

PJSC “PhosAgro”*Notes to the Consolidated Financial Statements for 2024***11 FINANCE INCOME AND FINANCE COSTS**

<i>RUB million</i>	2024	2023
Interest income	5,383	1,967
Unwinding of discount (note 17)	890	1,308
Other finance income	224	78
Finance income	6,497	3,353
Interest expense on borrowings (note 23)	(14,530)	(7,179)
Interest expense on lease liabilities (note 24)	(429)	(284)
Bank fees	(279)	(171)
Interest expense on defined benefit obligations	(130)	(103)
Other finance costs	(326)	(144)
Finance costs	(15,694)	(7,881)

12 INCOME TAX EXPENSE

The Company's applicable corporate income tax rate is 20% (2023: 20%).

<i>RUB million</i>	2024	2023
Current tax expense	(25,477)	(28,172)
Deferred tax effect from the increase in the tax rate to 25%	370	-
Deferred income tax - origination and reversal of temporary differences	532	6,065
Windfall tax expense	-	(6,355)
Income tax expense	(24,575)	(28,462)
Reconciliation of income tax:		
<i>RUB million</i>	2024	2023
Profit before tax	109,044	114,603
Income tax at applicable tax rate	(21,809)	(22,921)
Tax effect of items which are not deductible/taxable	(3,949)	(1,818)
Tax effect on foreign exchange differences on receivables recognised from disposal of Phosint Group	167	475
Deferred tax effect from the increase in the tax rate to 25%	370	-
Tax effect from reduced tax rate	646	2,157
Windfall tax	-	(6,355)
Income tax expense	(24,575)	(28,462)

On 12 July 2024, Federal Law No. 176-FZ "On amendments to parts one and two of the Tax Code of the Russian Federation, certain legislation acts of Russian Federation and consideration of certain legislation acts provisions of Russian Federation to have lost force" was adopted. This Law provides income tax increase from 20% to 25% since 1 January 2025. At 31 December 2024, the Group revalued deferred tax assets and liabilities using 25% tax rate. This resulted in increase of deferred income tax by RUB 370 million.

PJSC “PhosAgro”*Notes to the Consolidated Financial Statements for 2024***13 PROPERTY, PLANT AND EQUIPMENT**

<i>RUB million</i>	Land and buildings	Plant and equipment	Fixtures and fittings	Construction in progress	Total
Gross book value at 1 January 2023	137,820	234,836	23,414	44,001	440,071
Additions	4,693	11,657	3,235	47,392	66,977
Transfers	6,102	19,577	-	(25,679)	-
Disposals	(1,924)	(6,236)	(451)	(123)	(8,734)
Gross book value at 31 December 2023	146,691	259,834	26,198	65,591	498,314
Additions	5,076	9,757	5,043	63,154	83,030
Transfers from right-of-use assets (note 14)	-	1,973	-	-	1,973
Transfers	18,945	25,883	-	(44,828)	-
Disposals	(2,269)	(6,614)	(272)	(18)	(9,173)
Gross book value at 31 December 2024	168,443	290,833	30,969	83,899	574,144
Accumulated depreciation at 1 January 2023	(36,708)	(114,368)	(14,473)	-	(165,549)
Depreciation	(8,572)	(21,512)	(2,191)	-	(32,275)
Disposals	1,889	5,844	440	-	8,173
Accumulated depreciation at 31 December 2023	(43,391)	(130,036)	(16,224)	-	(189,651)
Depreciation	(9,939)	(22,594)	(2,693)	-	(35,226)
Transfers from right-of-use assets (note 14)	-	(529)	-	-	(529)
Disposals	2,105	6,471	263	-	8,839
Accumulated depreciation at 31 December 2024	(51,225)	(146,688)	(18,654)	-	(216,567)
Net book value at 1 January 2023	101,112	120,468	8,941	44,001	274,522
Net book value at 31 December 2023	103,300	129,798	9,974	65,591	308,663
Net book value at 31 December 2024	117,218	144,145	12,315	83,899	357,577

During the year ended 31 December 2024, the Group capitalised borrowing costs of RUB 4,702 million (2023: RUB 1,896 million) in the value of property, plant and equipment using the weighted average interest rate of 6.37 % per year (2023: 4.43% per year).

At 31 December 2024, the most significant construction in progress balances were represented by the following investment projects:

- Kirovsk branch of Apatit, JSC: Kirovsk mine extension and modernization of RUB 11,712 million at 31 December 2024 and RUB 18,674 million at 31 December 2023;
- Kirovsk branch of Apatit, JSC: Rasvumchorrskiy mine extension and modernization of RUB 9,635 million at 31 December 2024 and RUB 6,903 million at 31 December 2023;

PJSC “PhosAgro”**Notes to the Consolidated Financial Statements for 2024****13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

- Kirovsk branch of Apatit, JSC: apatit-nepheline beneficiation plants extension and modernization of RUB 4,501 million at 31 December 2024 and RUB 3,835 million at 31 December 2023;
- Balakovo branch of Apatit, JSC: phosphate-based fertilisers facilities modernization of RUB 11,260 million at 31 December 2024 and RUB 3,211 million at 31 December 2023;
- Balakovo branch of Apatit, JSC: sulphuric acid facilities extension and modernization of RUB 7,148 million at 31 December 2024 and RUB 5,605 million at 31 December 2023;
- Balakovo branch of Apatit, JSC: phosphoric acid facilities support and modernization of RUB 2,812 million at 31 December 2024 and RUB 1,416 million at 31 December 2023;
- Balakovo branch of Apatit, JSC: feed monocalcium phosphate production facilities modernization of RUB 2,362 million at 31 December 2024 and RUB 1,903 million at 31 December 2023;
- Apatit, JSC, Cherepovets: sulphuric acid facilities support and modernization of RUB 5,756 million at 31 December 2024 and RUB 1,831 million at 31 December 2023;
- Apatit, JSC, Cherepovets: phosphoric acid facilities support and modernization of RUB 7,231 million at 31 December 2024 and RUB 2,909 million at 31 December 2023;
- Apatit, JSC, Cherepovets: tailing pond modernization for transition to dry method of phosphogypsum storage of RUB 3,397 million at 31 December 2024 and RUB 2,077 million at 31 December 2023;
- Apatit, JSC, Cherepovets: ammonia production facilities support and modernization of RUB 2,276 million at 31 December 202 and RUB 3,198 million at 31 December 2023.

14 RIGHT-OF-USE ASSETS

The Group has the following types of right-of-use assets: railway wagons, production equipment, containers for bulk cargo, offices. The leases typically run for a period of 5 years, with an option to renew the lease after that date.

<i>RUB million</i>	Buildings	Plant and equipment	Fixtures and fittings	Total
Net book value at 1 January 2023	148	4,129	-	4,277
New lease contracts or modification on existing lease contracts	216	1,102	2,851	4,169
Depreciation	(63)	(978)	(88)	(1,129)
Disposals	(15)	(62)	-	(77)
Net book value at 31 December 2023	286	4,191	2,763	7,240
New lease contracts or modification on existing lease contracts	139	1,384	65	1,588
Transfers to property, plant and equipment (note 13)	-	(1,444)	-	(1,444)
Depreciation	(92)	(543)	(198)	(833)
Disposals	(17)	(115)	-	(132)
Net book value at 31 December 2024	316	3,473	2,630	6,419

PJSC “PhosAgro”**Notes to the Consolidated Financial Statements for 2024****14 RIGHT-OF-USE ASSETS (CONTINUED)**

Amounts recognised in the consolidated statement of profit or loss and other comprehensive income:

<i>RUB million</i>	2024	2023
Depreciation expense on right-of-use assets	833	1,129
Expenses relating to leases with variable payments	670	562
Expenses relating to short-term leases	609	387
Interest expense on lease liabilities	429	284

Amounts recognised in the consolidated statement of cash flows:

<i>RUB million</i>	2024	2023
Principal lease payments (note 24)	(1,448)	(1,416)
Expenses relating to leases with variable payments	(670)	(562)
Expenses relating to short-term leases	(609)	(387)
Interest payments (note 24)	(429)	(284)
Total payments	(3,156)	(2,649)

15 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Carrying values of the Group's investments in associates and joint ventures are as follows:

<i>RUB million</i>	31 December 2024		31 December 2023	
	Carrying value	Share of ownership	Carrying value	Share of ownership
JSC Khibinskaya Teplovaya Kompaniya (Russia)	607	50%	534	50%
JSC Giproruda (Russia)	61	25%	62	25%
JSC Soligalichskiy izvestkovyi kombinat (Russia)	47	26%	39	26%
LLC VC Temiryazev	-	48%	-	-
LLC Avrora-Khibiny (Russia)	-	50%	1	50%
Total	715		636	

16 DEFERRED TAX ASSETS AND LIABILITIES**(a) Deferred tax assets and liabilities by type of temporary difference**

Deferred tax assets and liabilities are attributable to the following items:

<i>RUB Million</i>	Assets	Liabilities	Net	Assets	Liabilities	Net
	31 December 2024			31 December 2023		
Property, plant and equipment	75	(25,096)	(25,021)	85	(16,866)	(16,781)
Right-of-use assets and intangible assets	-	(1,605)	(1,605)	-	(1,448)	(1,448)
Other non-current assets	48	(3,635)	(3,587)	39	(3,147)	(3,108)
Current assets	1,249	(4,706)	(3,457)	716	(2,307)	(1,591)
Liabilities	15,625	(94)	15,531	6,413	(49)	6,364
Tax loss carryforwards	15,189	-	15,189	12,712	-	12,712
Deferred tax assets/(liabilities)	32,186	(35,136)	(2,950)	19,965	(23,817)	(3,852)
Offset	(18,105)	18,105	-	(10,214)	10,214	-
Net deferred tax assets/(liabilities)	14,081	(17,031)	(2,950)	9,751	(13,603)	(3,852)

PJSC “PhosAgro”**Notes to the Consolidated Financial Statements for 2024****16 DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)**

The deferred tax assets on tax loss carryforwards relate to the Russian entities of the Group. In accordance with Russian tax legislation tax losses accumulated at 31 December 2024 can be carried forward without limitation of utilisation period.

Management has developed a tax strategy to utilise the above tax losses. In assessing the tax losses recoverability, management considers a forecast of the Group's future taxable profits and the Group's tax position to make sure it is probable that relevant taxable profit will be received based on restructuring arrangements available to the Group to utilise the accumulated losses. During 2024, part of the tax loss carryforwards with previously recognized deferred tax asset of RUB 1,735 million was utilised against the taxable income.

At 31 December 2024, the Group revalued deferred tax assets and liabilities using the rate of 25% in accordance with Federal Law No. 176-FZ "On amendments to parts one and two of the Tax Code of the Russian Federation, certain legislation acts of Russian Federation and consideration of certain legislation acts provisions of Russian Federation to have lost force" (note 12).

At 31 December 2024, no deferred tax liability on taxable temporary differences of RUB 101,896 million from investments in subsidiaries was recognised (31 December 2023: on taxable temporary differences of RUB 88,627 million), either because the Parent can control recovery period of temporary differences and it is probable that these temporary differences will not recover in the foreseeable future, or because applicable income tax rate on intragroup dividends is expected to be 0%.

(b) Movement in temporary differences during the year

<i>RUB million</i>	31 December 2024	Recognised in profit or loss	Deferred tax effect from the increase in the tax rate to 25%	1 January 2024
Property, plant and equipment	(25,021)	(3,236)	(5,004)	(16,781)
Right-of-use assets and intangible assets	(1,605)	164	(321)	(1,448)
Other non-current assets	(3,587)	238	(717)	(3,108)
Current assets	(3,457)	(1,175)	(691)	(1,591)
Liabilities	15,531	6,062	3,105	6,364
Tax loss carry-forwards	15,189	(1,521)	3,998	12,712
Net deferred tax (liabilities)/assets	(2,950)	532	370	(3,852)

<i>RUB million</i>	31 December 2023	Recognised in profit or loss	1 January 2023
Property, plant and equipment	(16,781)	(1,754)	(15,027)
Right-of-use assets and intangible assets	(1,448)	(593)	(855)
Other non-current assets	(3,108)	(2,338)	(770)
Current assets	(1,591)	(795)	(796)
Liabilities	6,364	7,761	(1,397)
Tax loss carry-forwards	12,712	3,784	8,928
Net deferred tax (liabilities)/assets	(3,852)	6,065	(9,917)

PJSC “PhosAgro”**Notes to the Consolidated Financial Statements for 2024****17 OTHER NON-CURRENT AND CURRENT ASSETS**

<i>RUB million</i>	31 December 2024	31 December 2023
Other non-current assets		
Investments in equity instruments measured at fair value through profit or loss	1,167	1,025
Loans issued to employees, at amortised cost	99	65
Long-term accounts receivable	30	45
Loans issued to third parties, at amortised cost	9	9
Financial assets, at fair value through profit or loss	5	11
Receivable accrued as a result of Phosint Group disposal	-	7,178
Allowance for expected credit losses	-	(71)
Total other non-current assets	1,310	8,262
Other current assets		
Loans issued to third parties, at amortised cost	2,051	59
Interest receivable	466	42
Loans issued to employees, at amortised cost	47	91
Other assets	578	-
Short-term part of receivable accrued as a result of Phosint Group disposal	-	4,959
Allowance for expected credit losses	(17)	(68)
Total other current assets	3,125	5,083
The following information shows the movements of the Group's receivables recognised as a result of Phosint Group disposal during the reporting period:		
<i>RUB million</i>	2024	2023
Balance at 1 January	12,137	8,454
Unwinding of discount (note 11)	890	1,308
Foreign currency translation difference	834	2,375
Receivables redeemed	(13,861)	-
Balance at 31 December	-	12,137

At 31 December 2024, fair value of the Group's 5% investment in Phosint Limited (currently PUREFERT LIMITED) measured at fair value through profit or loss was determined based on the model of discounted cash flows from the investee's operating activities and amounted to RUB 1,162 million (at 31 December 2023: RUB 1,025 million).

PJSC “PhosAgro”*Notes to the Consolidated Financial Statements for 2024***18 INVENTORIES**

<i>RUB million</i>	31 December 2024	31 December 2023
Raw materials and spare parts	26,450	23,767
<i>Finished goods:</i>		
Chemical fertilisers	16,130	12,641
Apatite concentrate	868	698
Other products	1,057	1,066
<i>Work-in-progress:</i>		
Chemical fertilisers and other products	8,220	8,250
Chemical fertilisers and other products for resale, purchased from third parties	3,347	1,965
Other goods	331	177
Allowance for inventory write-down	(298)	(96)
Total inventories	56,105	48,468

19 TRADE AND OTHER RECEIVABLES

<i>RUB million</i>	31 December 2024	31 December 2023
Financial assets		
Trade accounts receivable	86,958	51,403
Other receivables ¹	2,983	430
Credit losses allowance	(599)	(474)
Non-financial assets		
Advances issued	14,524	9,870
Advances issued on custom duties	654	4,816
Deferred expenses	106	204
Receivables from employees	34	40
Provision for doubtful accounts and expected credit losses allowance	(7)	(15)
Total trade and other receivables	104,653	66,274

¹At 31 December 2024, other receivables include advances on export duties of RUB 2,256 million, which will be fully repaid at 0% export duties rate depending on the official exchange rate of US dollar to Russian Rouble since 1 January 2025 as a result of the Russian Government Resolution termination.

At 31 December 2024 and at 31 December 2023, the Group performed revaluation of receivables under provisionally priced sales agreements measured at fair value through profit or loss and recognised an adjustment within revenue.

The following information shows the movement of the Group's receivables under provisionally priced sales agreements:

<i>RUB million</i>	2024	2023
Balance at 1 January	33,586	2,711
Receivables recognised	131,612	90,813
Receivables redeemed	(116,746)	(62,097)
Foreign exchange gain, net	5,785	2,233
Gain/(loss) from revaluation at fair value (unrealised)	206	(74)
Balance at 31 December	54,443	33,586

PJSC “PhosAgro”*Notes to the Consolidated Financial Statements for 2024***19 TRADE AND OTHER RECEIVABLES (CONTINUED)**

A 5% increase/(decrease) in forecasted market prices, with all other variables held constant, will lead to increase/(decrease) fair value of the Group's receivables under provisionally priced sales agreements at 31 December 2024 by RUB 2,002 million (at 31 December 2023: RUB 1,493 million).

The movements of credit losses allowance are as follows:

<i>RUB million</i>	2024	2023
Balance at 1 January	(489)	(492)
Increase in credit losses allowance	(331)	(28)
Reversal of allowance	29	16
Use of allowance	185	15
Balance at 31 December	(606)	(489)

See note 27 (e) for the analysis of overdue trade and other accounts receivable.

20 CASH AND CASH EQUIVALENTS

<i>RUB million</i>	31 December 2024	31 December 2023
Cash in bank	10,139	9,095
Call deposits	251	20,058
Petty cash	8	10
Total cash and cash equivalents	10,398	29,163

At 31 December 2024 and 31 December 2023, the most significant cash and cash equivalent balances (more than 95%) are kept with large Russian banks rated at AA+ and AAA by independent Russian rating agencies (ACRA, Expert RA).

21 EQUITY**(a) Share capital**

At 31 December 2024 and 31 December 2023, the Company's share capital consists of 129,500,000 ordinary shares with par value of RUB 2.5 per share. All issued ordinary shares are fully paid. Each ordinary share carries one vote.

At 31 December 2024 and 31 December 2023, the number of ordinary shares authorised for additional issue is 994,977,080, with a par value of RUB 2.5 per share.

(b) Dividend policy

The Group's dividend policy is based on the following principles:

- balanced approach to the distribution of profits between shareholders and investment needs of the Company;
- dividend payments should support investment profile of the Company.

PJSC “PhosAgro”*Notes to the Consolidated Financial Statements for 2024***21 EQUITY (CONTINUED)**

Amount of such payment is subject to approval of the General Shareholders’ Meeting, based on recommendations provided by the Company’s Board of Directors. The Board of Directors’ recommendations depend on such factors as the Company’s earnings for the reporting period and its financial position. To calculate the amount of dividend payments, the Board of Directors considers the Company’s consolidated free cash flow for the reporting period (quarter, six months, first nine months or year) under IFRS Accounting Standards. Free cash flow is defined as cash flows from operating activities less cash flows from investing activities based on the consolidated statement of cash flows. Interim dividends payment decision is made at the General Shareholders’ Meeting within three months after the relevant reporting period end. The payment period for dividends payable to a nominal holder or a trustee, which is a professional participant of the securities market, who are registered in the share register, shall be not more than 10 business days. The payment period for dividends payable to other parties registered in the shareholders register shall not exceed 25 business days after the date when the parties entitled to receive dividends are determined. Holders of PhosAgro GDRs are also entitled to receive dividends on shares in accordance with Depositary Agreements terms. In accordance with dividend policy, the Board of Directors shall seek to make sure that the amount of distributed dividends ranges from 50% to over 75% (subject to the Company’s debt leverage) of the Company’s consolidated free cash flow for the respective period under IFRS Accounting Standards. At the same time, the amount of declared dividends shall not be lower than 50% of net profit for the relevant period under IFRS Accounting Standards adjusted by the amount of unrealised exchange rate difference.

(c) Dividends

In accordance with Russian legislation the Company’s distributable reserves are limited to the balance of accumulated retained earnings as recorded in the Company’s financial statements prepared in accordance with Russian Accounting Standards. At 31 December 2024, the Company had cumulative retained earnings of RUB 41,635 million (31 December 2023: RUB 38,453 million).

Proposed by the Board of Directors in	Approved by shareholders in	Amount per share RUB	Amount of dividends RUB million
May 2024	June 2024	309	40,015.5
August 2024	September 2024	117	15,151.5
November 2024	December 2024	126	16,317.0
Total			71,484.0

Proposed by the Board of Directors in	Approved by shareholders in	Amount per share RUB	Amount of dividends RUB million
March 2023	March 2023	465	60,217.5
May 2023	June 2023	264	34,188.0
November 2023	December 2023	291	37,684.5
Total			132,090.0

PJSC “PhosAgro”*Notes to the Consolidated Financial Statements for 2024***22 EARNINGS PER SHARE**

Basic earnings per share are calculated based on the weighted average number of ordinary shares outstanding during the year. Basic and diluted earnings per share are the same, as there is no effect of dilution.

	2024	2023
Weighted average number of ordinary shares in issue	129,500,000	129,500,000
Profit for the year attributable to shareholders of the Company, RUB million	84,430	86,084
Basic and diluted earnings per share, RUB	652	665

23 LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group’s loans and borrowings. For more information about the leases, see note 24. For more information about the Group’s exposure to foreign currency risk, interest rate risk and liquidity risk, see note 27.

RUB million	31 December 2024	31 December 2023
Current loans and borrowings		
Unsecured bank loans	96,684	84,610
Replacement bonds	36,291	-
Eurobonds	26,398	-
Interest payable	2,588	1,819
Bank commission (short-term)	(300)	-
Total current loans and borrowings	161,661	86,429
Non-current loans and borrowings		
Bonds RUB-denominated	75,000	20,000
Replacement bonds	38,991	66,404
Bonds CNY-denominated	26,854	25,152
Unsecured bank loans	19,117	27,231
Bonds USD-denominated	10,168	-
Eurobonds	-	23,284
Bank commission (long-term)	(168)	(361)
Total non-current loans and borrowings	169,962	161,710
Total loans and borrowings	331,623	248,139

In April 2023, the Company issued two series of 3-year bonds on the Moscow Stock Exchange:

- CNY 2,000 million, with a coupon period of 91 days and coupon income China Loan prime rate (LPR 1Y) + 1.2%;
- RUB 20,000 million, with a coupon period of 182 days and coupon income 9.4%.

In accordance with the Russian President Decree from 5 July 2022 № 430 On repatriation of foreign currency and Russian Federation currency by the residents as a foreign economic activity participants, in July 2023 the Company issued replacement bonds of ZO25-D series for USD 356.9 million and ZO28-D series for USD 383.5 million in exchange for Eurobonds with maturity in 2025 and 2028 respectively. Replacement bonds have the same terms as Eurobonds including rate, coupon payment terms, par value and maturity date. Bonds repayment during issue was made by the Eurobonds, rights on which are registered by Russian depositaries. Repayment of ZO25-D and ZO28-D series bonds and appropriate coupon is made in Russian roubles applying Bank of Russia exchange rate at the repayment date.

In June 2024, the Company issued USD 100 million in BO-P01-USD series 5-year bonds on the Moscow Stock Exchange with quarterly coupon rate of 6.25% per year.

PJSC “PhosAgro”*Notes to the Consolidated Financial Statements for 2024***23 LOANS AND BORROWINGS (CONTINUED)**

In September 2024, the Company issued RUB 35,000 million in BO-P02 series 2-year bonds on the Moscow Stock Exchange with a floating coupon rate of key rate of Central Bank of Russia plus 1.1% per year.

In November 2024, the Company issued RUB 20,000 million in BO-02-01 series 5-year bonds on the Moscow Stock Exchange with floating coupon rate of Russian Central Bank key rate plus 2% per year with early repayment offer available after two years.

Information on the Group's bond loans is presented below:

<i>RUB million</i>			31 December 2024		31 December 2023		
Currency	Expiry date	Rate, %	Carrying value	Fair value	Rate, %	Carrying value	Fair value
<i>RUB-denominated bonds</i>							
RUB	08.09.2026	22.10%	35,000	34,885	-	-	-
RUB	17.04.2026	9.40%	20,000	18,492	9.40%	20,000	19,589
RUB	12.11.2026 ¹	23.00%	20,000	20,250	-	-	-
<i>Replacement bonds</i>							
USD	23.01.2025	3.05%	36,291	36,443	3.05%	32,011	31,531
USD	16.09.2028	2.60%	38,991	33,649	2.60%	34,393	31,261
<i>CNY-denominated bonds</i>							
CNY	09.04.2026	4.55%	26,854	25,592	4.65%	25,152	25,190
<i>Eurobonds</i>							
USD	23.01.2025	3.05%	14,549	12,221	3.05%	12,833	10,877
USD	16.09.2028	2.60%	11,849	7,958	2.60%	10,451	6,994
<i>USD-denominated bonds</i>							
USD	31.05.2029	6.25%	10,168	9,800	-	-	-
Total bonds			213,702	199,290		134,840	125,442

¹ The date of early repayment offer

The breakdown of the loans and borrowings denominated in different currencies is as follows:

<i>RUB million</i>	31 December 2024	31 December 2023
USD-denominated	134,256	117,677
RUB-denominated	109,639	47,254
CNY-denominated	85,383	80,280
EUR-denominated	2,345	2,928
Total	331,623	248,139

The maturity of the loans and borrowings is as follows:

<i>RUB million</i>	31 December 2024	31 December 2023
Less than 1 year	161,961	86,429
1-2 years	120,971	53,298
2-3 years	-	61,225
3-4 years	38,991	2,704
4-5 years	10,168	44,844
Bank commission	(468)	(361)
Total	331,623	248,139

PJSC “PhosAgro”*Notes to the Consolidated Financial Statements for 2024***23 LOANS AND BORROWINGS (CONTINUED)**

Analysis of Group's loans and borrowings changes related to cash and non-cash movements is presented below:

<i>RUB million</i>	2024	2023
Balance at 1 January	248,139	190,758
Cash inflows	212,336	172,906
Cash outflows	(154,961)	(155,306)
Foreign exchange differences	25,251	39,316
Interest accrued	14,530	7,179
Interest paid	(13,851)	(6,840)
Amortisation of bank commission	179	126
Balance at 31 December	331,623	248,139

Under the terms of the Group's long-term bank loans and bonds with a carrying amount of RUB 19,117 million at 31 December 2024 (at 31 December 2023: RUB 50,360 million), the Group is required to comply with certain financial and non-financial covenants at the end of each annual and interim reporting period.

Financial covenants include the following:

- the ratio of consolidated total debt to EBITDA of the Group at the end of each reporting period must be not more than 3.5:1;
- the ratio of consolidated net debt to consolidated EBITDA of the Group at the end of each reporting period must be not more than 3:1;
- the ratio of consolidated net debt to equity of the Group at the end of each reporting period must be not more than 1.5:1;
- the ratio of consolidated EBITDA to interest expense/ net interest expense of the Group at the end of each reporting period must be not less than 3:1.

Financial covenants are calculated by the Group in accordance with definitions stipulated in the respective agreements.

Non-financial covenants include compliance with a set of conditions, for example, intended use of loans, providing the documents specified in the respective loan agreements and financial statements, restriction on significant assets disposal, pledge of property, reorganisation and other.

In 2024, the Group exceeded the net debt to equity ratio of 1.5 set by the loan agreement with one of the foreign banks. At 31 December 2024, the carrying amount of this loan was RUB 11,301 million, including interest payable. In January 2025, the Group received a waiver letter from the bank in relation to exceeding this ratio.

As a result, at 31 December 2024, the Group did not have unconditional right to defer settlement of a non-current portion of certain loans for at least twelve months after the reporting period (note 27 (e)).

PJSC “PhosAgro”*Notes to the Consolidated Financial Statements for 2024***24 LEASE LIABILITIES**

<i>RUB million</i>	Lease liability without subsequent asset buyout	Lease liability with subsequent asset buyout	Total
Balance at 1 January 2023	731	2,205	2,936
New lease contracts or modification of existing lease contracts	581	2,064	2,645
Principal lease payments	(401)	(1,015)	(1,416)
Interest expense on lease liabilities	66	218	284
Interest lease payments	(66)	(218)	(284)
Disposal	(63)	(4)	(67)
Foreign exchange differences	(2)	135	133
Balance at 31 December 2023	846	3,385	4,231
New lease contracts or modification of existing lease contracts	463	979	1,442
Principal lease payments	(474)	(974)	(1,448)
Interest expense on lease liabilities	137	292	429
Interest lease payments	(137)	(292)	(429)
Disposal	(144)	-	(144)
Foreign exchange differences	1	49	50
Balance at 31 December 2024	692	3,439	4,131

25 DEFINED BENEFIT OBLIGATIONS

<i>RUB million</i>	31 December 2024	31 December 2023
Pension obligations, long-term	773	308
Post-retirement obligations other than pensions	256	821
Total defined benefit obligations	1,029	1,129

The Group has defined benefit plans at JSC “Apatit”, including all the branches, which stipulate payment of a lump sum allowance to employees who have a specified period of service in this company upon their retirement. The movement in the present value of the defined benefit obligations is as follows:

<i>RUB million</i>	2024	2023
Defined benefit obligations at 1 January	1,129	1,050
Benefits paid	(136)	(101)
Current service costs and interest	168	145
Actuarial (gain)/loss in other comprehensive income	(132)	35
Defined benefit obligations at 31 December	1,029	1,129

The key actuarial assumptions used in measurement of the defined benefit obligations are as follows:

	31 December 2024	31 December 2023
Discount rate	17.78%	12.0%
Future pension increases	7%	5.7%

PJSC “PhosAgro”*Notes to the Consolidated Financial Statements for 2024***26 TRADE AND OTHER PAYABLES**

<i>RUB million</i>	31 December 2024	31 December 2023
Financial liabilities		
Trade accounts payable	30,506	22,130
including accounts payable for property, plant and equipment and intangible assets	10,277	7,661
Other payables	121	870
Non-financial liabilities		
Advances received (liabilities under the contracts with customers)	10,705	11,055
Payables to employees	6,618	5,990
Accrued expenses and provisions	247	349
Other payables	197	311
Total trade and other payables	48,394	40,705

Contract liabilities balance at the beginning of the year was fully recognised in revenue during the reporting period.

27 FINANCIAL RISK MANAGEMENT**(a) Overview**

In the normal course of its operations, the Group has exposure to market, credit and liquidity risks.

This note presents information about the Group’s exposure to each of the above risks, the Group’s objectives, policies and processes for measuring and managing risk, and the Group’s management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group’s risk management framework. The Group’s risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities.

(b) Market risk

Market risk is the risk that changes in market conditions, such as foreign exchange rates, interest rates and equity prices will affect the Group’s profit or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(c) Foreign currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currency of Group entities. The currencies giving rise to this risk are primarily USD, CNY and EUR.

In respect of monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The Group implemented a natural hedge approach (policy) aiming at reducing its exposure to foreign currency risk by means of borrowing in the same currencies in which the Group’s sales agreements are denominated.

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group has the following net monetary position on financial assets and liabilities denominated in foreign currencies:

<i>RUB million</i>	31 December 2024			31 December 2023		
	USD denominated	CNY denominated	EUR denominated	USD denominated	CNY denominated	EUR denominated
Non-current assets	-	-	-	7,178	-	-
Current assets	84,217	20	4,043	64,290	-	1,667
Non-current liabilities	(59,519)	(33,380)	-	(108,875)	(28,937)	(2,185)
Current liabilities	(80,461)	(53,300)	(3,943)	(12,822)	(51,959)	(1,910)
Net position of the Group companies	(55,763)	(86,660)	100	(50,229)	(80,896)	(2,428)

Management estimates that a 10% strengthening/(weakening) of RUB against USD, CNY and EUR, based on the Group's total net position in USD, CNY and EUR at the reporting date would have increased/(decreased) the Group's profit for the year by RUB 14,232 million, before any tax effect (2023: would have increased/(decreased) the Group's profit for the year by RUB 13,355 million). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2023.

The net foreign exchange loss recognised in profit or loss of RUB 15,903 million (net foreign exchange loss of RUB 17,964 million for the comparative period) resulted from Russian rouble depreciation against major currencies during the reporting period (Russian rouble appreciation against major currencies during the comparative period).

The breakdown of the net foreign exchange loss by nature is presented below:

<i>RUB million</i>	2024	2023
Foreign exchange gain from trade and other receivable	8,228	13,072
Foreign exchange gain from other current assets	834	-
Foreign exchange loss from trade and other payables	(749)	(403)
Foreign exchange gain from other non-current assets	-	2,376
Other	(1,861)	(359)
Foreign exchange gain from operating activities, net	6,452	14,686
Foreign exchange gain from cash and cash equivalents	2,946	6,799
Foreign exchange loss from lease liabilities	(50)	(133)
Foreign exchange loss from loans and borrowings	(25,251)	(39,316)
Foreign exchange loss from financing activities, net	(22,355)	(32,650)

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely impact the financial results of the Group. Management does not have a formal policy of determining how much of the Group's exposure should be to fixed or variable rates. However, at the time of raising new loans or borrowings management uses its judgment to decide whether it believes that a fixed or variable rate would be more favourable to the Group over the expected period until maturity.

The interest rate profile of the Group's interest-bearing financial instruments at their carrying values is as follows:

<i>RUB million</i>	31 December 2024	31 December 2023
<i>Fixed rate instruments</i>		
Call deposits and other financial assets	322	20,208
Other non-current assets	108	74
Lease liabilities	(4,131)	(4,231)
Short-term borrowings	(123,472)	(75,107)
Long-term borrowings	(85,852)	(132,309)
Total fixed rate instruments	(213,025)	(191,365)
<i>Variable rate instruments</i>		
Call deposits and other financial assets	2,027	-
Long-term borrowings	(84,278)	(29,762)
Short-term borrowings	(38,489)	(11,322)
Total variable rate instruments	(120,740)	(41,084)

Sensitivity analysis for financial instruments with variable interest rates

At 31 December 2024, 2 percentage points increase/(decrease) in interest rate, with all other variables held constant, would have decreased/(increased) the Group's profit for the year and equity by RUB 2,415 million (31 December 2023: RUB 822 million).

(e) Credit risk

Credit risk is the risk of financial loss to the Group if a customer and supplier or counterparty to a financial instrument fails to meet its contractual obligations, and arises from the Group's receivables from customers, current and non-current financial assets and cash and cash equivalents.

At 31 December 2024, the Group's maximum exposure to credit risk is represented by the carrying amount of its financial assets and amounted to RUB 103,008 million (31 December 2023: RUB 92,842 million) and is presented in the tables below by class of asset.

The Group's financial assets measured at amortised cost is presented below:

<i>RUB million</i>	Note	31 December 2024	31 December 2024
Trade receivables excluding receivables under provisionally priced sales agreements	19	32,515	17,817
Cash and cash equivalents	20	10,398	29,163
Other receivables	19	2,983	430
Loans issued to third parties, at amortised cost	17	2,060	68
Other assets	17	1,074	87
Loans issued to employees, at amortised cost	17	146	156
Receivable accrued as a result of Phosint Group disposal	17	-	12,137
Allowance for expected credit losses	17,19	(616)	(613)
Total		48,560	59,245

At 31 December 2024, 96% of the Group's trade receivables is represented by one counterparty (31 December 2023: 95%).

PJSC “PhosAgro”

Notes to the Consolidated Financial Statements for 2024

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group’s financial assets measured at fair value through profit or loss are presented below:

<i>RUB million</i>	Note	2024	2023
Trade receivables under provisionally priced sales agreements	19	54,443	33,586
Financial assets measured at fair value through profit or loss	17	5	11
Total		54,448	33,597

Trade and other receivables

The Group’s exposure to credit risk is influenced mainly by the individual specific characteristics of each customer. The general characteristics of the Group’s customer base, including the default risk of the industry and country, in which customers operate, have less of an influence on credit risk.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group’s standard payment and delivery terms and conditions are offered. The Group’s review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represent the maximum amount of outstanding receivables; these limits are reviewed quarterly. Customers that fail to meet the Group’s benchmarks of creditworthiness may transact with the Group only on a prepayment basis.

The majority of the Group’s customers have been transacting with the Group for several years, and losses have occurred infrequently. In monitoring customer credit risk, customers are grouped according to their credit characteristics. Trade and other receivables relate mainly to the Group’s wholesale customers.

The Group does not require collateral in respect of trade and other receivables, except for new customers who are required to work on a prepayment basis or present an acceptable bank guarantee or set up letter of credit with an acceptable bank.

The Group establishes an allowance for expected credit losses that represents its estimate of the expected credit losses in respect of trade and other receivables and other financial assets. The Group estimates the allowance for expected credit losses for trade receivables in the amount equal to lifetime expected loss allowance of the financial instrument. In the terms of calculating the expected credit loss, the Group considers the credit rating of counterparties, adjusted with forward-looking factors specific to the debtors and economic environment in which they operate, and historical credit loss experience.

Exposures within each credit risk grade are segmented by geographic region classification and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past years.

The allowance for expected credit losses on accounts receivable has been accrued in accordance with the risk matrix presented in the table below:

<i>RUB million</i>	31 December 2024					Total
	Not past due	Past due 0-90 days	Past due 91-180 days	Past due 181-365 days	More than one year	
Loss rate	0.1-5%	0.1-10%	11.39%	16.70%	100%	
Gross carrying amount	87,491	1,122	729	491	108	89,941
Lifetime ECL	(273)	(53)	(83)	(82)	(108)	(599)
Net carrying value	87,218	1,069	646	409	-	89,342

PJSC “PhosAgro”

Notes to the Consolidated Financial Statements for 2024

27 FINANCIAL RISK MANAGEMENT (CONTINUED)

<i>RUB million</i>	31 December 2023					Total
	Not past due	Past due 0-90 days	Past due 91-180 days	Past due 181-365 days	More than one year	
Loss rate	0.1-6%	0.1-10%	8.62%	10.53%	100%	
Gross carrying amount	50,148	1,338	58	57	232	51,833
Lifetime ECL	(165)	(66)	(5)	(6)	(232)	(474)
Net carrying value	49,983	1,272	53	51	-	51,359

Current and non-current financial assets

The Group lends money to related parties and to third parties, who have good credit standing. Based on the prior experience, management believes that there is no significant credit risk in respect of related party and third party loans.

Cash and cash equivalents are primarily held with large banks with high credit rating and minimal risk of default, which provides high-level credit risk limits. All bank account balances and term deposits are not overdue or impaired.

(f) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Group maintains several lines of credit in various Russian and international banks.

At 31 December 2024, Group’s current liabilities exceeded current assets by RUB 52,662 million. The Group manages its liquidity and ensures timely fulfilment of its obligations using Group’s own and borrowed funds. In January – February 2025, the Group obtained long-term financing of RUB 40,000 million from additional bonds issue and repaid RUB 58,277 million of loans and bonds.

At 31 December 2024, the Group recognised non-current portion of certain borrowings of RUB 20,059 million within current borrowings (note 23) as the Group did not have unconditional right to defer settlement of liabilities for at least twelve months after the reporting period. Total amount of borrowings for which early repayment might be demanded by lenders in accordance with loan agreements was RUB 46,255 million as at 31 December 2024. There were no such claims by the date of issue of these consolidated financial statements and the Group’s management does not expect to receive them. In January 2025, the Group received the bank’s letter waiving a breach of net debt to equity ratio (note 23).

The table below illustrates the contractual maturities of financial liabilities, including interest payments, which are converted at the closing exchange rates, where applicable. The amounts disclosed in the maturity table are the contractual undiscounted cash flows:

<i>RUB million</i>	31 December 2024							Over 5 yrs
	Carrying value	Contractual cash flows	0-1 year	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs	
Loans and borrowings	332,091	364,781 ¹	180,793 ²	133,243	634	39,626	10,485	-
Lease liabilities	4,131	6,114	1,609	1,261	868	645	577	1,154
Trade and other payables	30,627	30,627	30,627	-	-	-	-	-
Dividends payable	19,779	19,779	19,779	-	-	-	-	-
Total	386,628	421,301	232,808	134,504	1,502	40,271	11,062	1,154

PJSC “PhosAgro”*Notes to the Consolidated Financial Statements for 2024***27 FINANCIAL RISK MANAGEMENT (CONTINUED)**

<i>RUB million</i>	31 December 2023							
	Carrying value	Contractual cash flows	0-1 year	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs	Over 5 yrs
Loans and borrowings	248,500	267,696	94,081	59,358	64,308	3,939	46,010	-
Lease liabilities	4,231	5,823	1,770	1,003	758	522	355	1,415
Dividends payable	54,919	54,919	54,919	-	-	-	-	-
Trade and other payables	23,000	23,000	23,000	-	-	-	-	-
Total	330,650	351,438	173,770	60,361	65,066	4,461	46,365	1,415

¹For bonds with early repayment offer cash flow is indicated by the offer date (note 23).

²The category "0-1 year" includes short-term loans and borrowings of RUB 46,255 million, for which lenders could demand early repayment in accordance with loan agreements terms (note 23).

(g) Capital management

The Group's Board of Directors pursues a policy aimed at maintaining high capital levels to keep investor, lender and market confidence and to provide future sustainable business development. The Board of Directors keeps under control the return on invested capital and dividends paid to shareholders. To maintain and adjust the capital structure, the Group may adjust periods of dividend payment to shareholders, revise its investment programme and obtain new or repay existing loans and borrowings. There were no changes in the Board's approach to capital management during the year.

The Group defines capital under management as the amount in "Equity attributable to shareholders of the Company" line item in the consolidated statement of financial position. At 31 December 2024, the Group's capital under management amounted to RUB 164,585 million (31 December 2023: RUB 151,521 million).

The Group's management regularly reviews external capital requirements and indicators of the Company and its subsidiaries including requirements established by the law and loan agreements (note 23 and 27 (f)).

28 COMMITMENTS

At 31 December 2024, the Group had contractual commitments for the purchase of property, plant and equipment for RUB 48,972 million (31 December 2023: RUB 52,917 million), including VAT where applicable.

29 CONTINGENCIES**(a) Litigation**

The Group has a number of small claims and litigations relating to regular business activities and small fiscal claims. Management believes that none of these claims, individually or in aggregate, will have a material adverse impact on the Group.

(b) Tax contingencies

Russian tax and customs legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Group. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged tax authorities. Russian tax administration is gradually strengthening, including the fact that there is a higher risk of review of tax transactions without a clear business purpose or with tax incompliant counterparties. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year when decisions about the review was made. Under certain circumstances reviews may cover longer periods.

PJSC “PhosAgro”*Notes to the Consolidated Financial Statements for 2024***29 CONTINGENCIES (CONTINUED)**

Russian transfer pricing (TP) legislation is generally aligned with the international TP principles developed by the Organisation for Economic Cooperation and Development (OECD), although it has specific features.

The TP legislation provides for the possibility of additional tax assessment for controlled transactions (transactions between related parties and certain transactions between unrelated parties) if such transactions are not on an arm's-length basis. The management has implemented internal controls to comply with current TP legislation.

Tax liabilities arising from controlled transactions are determined based on their actual transaction prices. It is possible, with the evolution of the interpretation of TP rules, that such prices could be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the Group's operations.

As Russian tax legislation does not provide definitive guidance in certain areas, the Group adopts, from time to time, interpretations of such uncertain areas that reduce the overall tax rate of the Group. While management currently estimates that the tax positions and interpretations that it has taken can probably be sustained, there is a possible risk that an outflow of resources will be required should such tax positions and interpretations be challenged by the tax authorities. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group.

(c) Environmental contingencies

The enforcement of environmental regulation in the Russian Federation is evolving and the enforcement posture of government authorities is continually being reconsidered.

The Group is involved in chemical production, which is inherently exposed to significant environmental risks. The Group companies record environmental obligations as they become probable and reliably measurable. The Group companies are parties to different litigations with the Russian environmental authorities. The management believes that based on its interpretations of applicable Russian legislation, official pronouncements and court decisions no provision is required for environmental obligations. However, the interpretations of the relevant authorities could differ from management's position and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

30 RELATED PARTY TRANSACTIONS

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Other related parties include entities controlled by the Company's key shareholders, having significant influence on the Group.

The balances and transactions with related parties are usually unsecured and denominated in RUB.

(a) Transactions with related parties

<i>RUB million</i>	Nature of relationship	2024	2023
Sales of goods and services	Associates	28	27
Purchases of goods and services	Associates	(1,018)	(879)
Other expenses, net	Associates	(178)	-
Sales of goods and services	Other related parties	1,362	1,082
Other expenses, net	Other related parties	(512)	(400)
Financial expenses, net	Other related parties	(404)	-
Purchases of goods and services	Other related parties	(4)	(60)

In 2024, the Company declared dividends, including RUB 31,209 million (2023: RUB 77,113 million) to the shareholders holding more than 20% of the Company's shares.

In 2024, the Group received and repaid unsecured loans of RUB 17,100 million from the related party. The loans were received at interest rate of 16.65% per annum.

In 2023, the Group received and repaid unsecured loan of RUB 10,000 million from the related party. The loan was received at interest rate of 13.65 – 15.65% per annum.

30 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Balances with related parties

RUB million	Nature of relationship	31 December 2024	31 December 2023
Trade and other receivables	Associates	17	57
Trade and other payables	Associates	(91)	(60)
Trade and other receivables	Other related parties	506	-
Trade and other payables	Other related parties	(11)	(2)

(c) Remuneration of key management personnel and Board of Directors members

Remuneration of key management personnel consists of monthly compensation, annual performance bonus contingent on operating results, termination benefits and social security costs. The remuneration of the Board of Directors and key management personnel recognised as part of administrative and selling expenses amounted to RUB 3,964 million (2023: RUB 3,553 million).

31 SIGNIFICANT SUBSIDIARIES OF THE GROUP

Subsidiary	Country of incorporation	Effective ownership (rounded)	
		31 December 2024	31 December 2023
Apatit, JSC (including Balakovo, Volkhov and Kirovsk branches)	Russia	100%	100%
Mekhanik, LLC	Russia	100%	100%
NIUIF, JSC	Russia	94%	94%
PhosAgro-Region, LLC	Russia	100%	100%
PhosAgro-Belgorod, LLC	Russia	100%	100%
PhosAgro-Don, LLC	Russia	100%	100%
PhosAgro-Kuban, LLC	Russia	100%	100%
PhosAgro-Kursk, LLC	Russia	100%	100%
PhosAgro-Lipetsk, LLC	Russia	100%	100%
PhosAgro-Oryol, LLC	Russia	100%	100%
PhosAgro-Stavropol, LLC	Russia	100%	100%
PhosAgro-Volga, LLC	Russia	100%	100%
PhosAgro-SeveroZapad, LLC	Russia	100%	100%
PhosAgro-Tambov, LLC	Russia	100%	100%
PhosAgro-Sibir, LLC	Russia	100%	100%

32 SUBSEQUENT EVENTS

In 2025, the Group obtained long-term financing of RUB 40,000 million from additional bonds issue and a short-term loan of RUB 20,000 million from a related party, and repaid loans and borrowings of RUB 68,277 million, including short-term loan to a related party of RUB 10,000 million.

In February 2025, the Company made a decision to issue CNY 1,000 million in BO-02-02 series bonds with a fixed coupon rate of 10.4% per annum and maturity period of 1.5 years.

MANAGEMENT RESPONSIBILITY STATEMENT

The PhosAgro’ management hereby confirms that, to the best of its knowledge, the financial statements prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole.

The management report includes a fair review of the development and performance of the business and the position of the PhosAgro and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

This integrated report was reviewed and approved at PhosAgro’s Board of Directors meeting on 17 April 2025. The consolidated financial statements for the year ended 31 December 2024 were approved by the Board of Directors on 13 February 2025.

Mikhail Rybnikov

Chief Executive Officer and Chairman of the Management Board of PhosAgro

Additional information to the sections

DEFINING MATERIAL TOPICS

GRI 3-1

Approach to defining material topics

In 2022 and 2023, PhosAgro Group revised the Regulations on Collecting, Processing and Presenting Non-Financial Reporting Data in accordance with GRI standards, including the GRI Universal Standards updated in 2021. The Regulations include GRI-compliant data collection forms for the Report and establish approach to defining material topics based on double materiality. This approach relies on the review of the impact that social, economic, regulatory and governance and/or environmental factors or aspects have on the Company and vice versa.

In 2023, the Company added the following new sources of information to the materiality analysis process: feedback and comments received during the RSPP public assurance process, as well as opinions of external experts on the quality of the Company’s reports and its compliance with the best market practices, in particular, opinions of experts from Telegram channels.

In 2024, the Company determined financial materiality: it assessed the potential impact of strategic risks on its activities (weight 80%) and the international ESG rating (weight

20%) and, by comparing the two lists, identified the highest priority topics: the most significant impacts and the highest risks (double materiality).

The Group compared material topics against its strategic priorities and risk profile. The impact of material aspects on our value chain from mine to plate (for more information, see the Business Model section on page 21-23) was rated as high, medium or low. When assessing the degree of impact on processes under our control such as product development and manufacturing, purchase and mining of mineral resources, logistics and sales, we took into account the scale of an actual and potential impact and the nature of the assessed topic with due regard to industry specifics. With the application of our products seen as an important stage in value creation, we assessed the effect of this element on the selection of material topics by analysing both the Company’s impact on the end consumer and customer needs, expectations and requirements with regard to our products and practices.

To illustrate our approach to impact assessment, let us look at the GRI 404 Training and Education. For this topic, we rated the impact as high at every stage of the value chain due to an important role our highly

qualified staff plays along the way from product development to sales. As regards the application stage, we assume that the customer gets a 2-in-1 product, including a fertilizer and our service expertise (training, agronomic advice and support). Employees are also directly interested in improving their professional qualifications as a means of facilitating their career development in the Company and obtaining a competitive edge in the labour market. Personal development tools help employees to harmoniously develop their skills in other areas of interest. Hence, relevant competencies and skills acquired, in particular, as part of the provided training are highly relevant.

For more information on approaches and steps to select material topics in 2024, see the Material Topics section

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KEY ASPECTS OF 2024 REPORTING THAT DESERVE A SPECIAL MENTION

1. Material topics disclosed in the 2023 Annual Report are still relevant in 2024.

2. To assess them, we applied a double materiality principle.

3. 45 GRI indicators underwent external independent audit by Technologies of Trust – Audit JSC providing limited assurance.
- Notably, we did not receive any communications from stakeholders via the hot line and email (esg@phosagro.ru and ir@phosagro.ru) in 2024.

For more information, see the GRI Content Index section

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Impact degree	
High	H
Medium	M
Low	L

№	Material topics	Corresponding GRI standard	Impact on the value chain						Average score (impact materiality)	Risks	Related risks	UN SDGs
			Product development	Mineral resources	Production	Logistics	Sales	Application				
1	Economic impact	201 Economic performance	H	H	H	H	H	M	4.80	3.43	Strategic planning, production, project, sanctions, interest rate, credit, currency risks	<div><div>2 ZERO HUNGER</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY INNOVATION AND INFRASTRUCTURE</div><div>13 CLIMATE ACTION</div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>
2	Share capital	201 Economic performance	H	H	H	M	H	L	4.80	3.43	Strategic planning, production, project, sanctions, interest rate, credit, currency risks	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>
3	Climate	305 Emissions	H	H	H	M	M	H	4.76	3.33	Climate, environmental, regulatory risks	<div><div>3 GOOD HEALTH AND WELL-BEING</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>13 CLIMATE ACTION</div></div>
4	Air	305 Emissions	H	H	H	M	M	H	4.76	3.33	Climate, environmental, regulatory risks	<div><div>3 GOOD HEALTH AND WELL-BEING</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>13 CLIMATE ACTION</div></div>
5	Industrial safety	403 Occupational health and safety	H	H	H	H	H	H	4.67	4	HR, health and safety, infectious diseases risks	<div><div>3 GOOD HEALTH AND WELL-BEING</div><div>4 QUALITY EDUCATION</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div></div>
6	Waste	306 Waste	M	H	H	L	H	H	4.67	3	Environmental, regulatory risks	<div><div>3 GOOD HEALTH AND WELL-BEING</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>
7	Energy efficiency	302 Energy	M	H	H	M	L	L	4.65	3.5	Production, climate risks	<div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>13 CLIMATE ACTION</div></div>
8	Contributing to local communities Economic impact	203 Indirect economic impacts	L	L	H	H	H	H	4.54	4	Failure to deliver on SDGs and ESG, climate, sanctions risks	<div><div>3 GOOD HEALTH AND WELL-BEING</div><div>4 QUALITY EDUCATION</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY INNOVATION AND INFRASTRUCTURE</div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>

Nº	Material topics	Corresponding GRI standard	Impact on the value chain						Average score (impact materiality)	Risks	Related risks	UN SDGs
			Product development	Mineral resources	Production	Logistics	Sales	Application				
9	Supply chain	204 Procurement practices	L	H	H	H	H	L	4.43	3.67	Commodity, corruption, sanctions risks	
10	Water	303 Water and waste water	H	H	H	L	L	H	4.43	3	Production, climate risks	
11	Personnel development and human rights Economic impact	202 Market presence	H	M	M	M	H	H	4.40	4.5	Strategic planning, sanctions risks	
12	ESG evaluation of suppliers	308 Supplier environmental assessment	L	H	H	H	L	L	4.35	3	Failure to deliver on SDGs and ESG, climate, sanctions risks	
13	Biodiversity	304 Biodiversity	H	H	H	L	L	H	4.33	3	Production, climate risks	
Double	Personnel development and human rights	402 Labour/management relations	H	H	H	H	H	L	4.31	3.5	HR, business process risks	
Double	Contributing to local communities	413 Local communities	M	H	H	L	L	H	4.31	3	Social risks	
14	Employment	401 Employment	H	H	H	H	H	M	4.18	3	Social, HR risks	
Double	Personnel development and human rights	405 Diversity and equal opportunity	H	M	H	M	H	H	4.12	3	HR, business process risks	
15	Motivation and training	404 Training and education	H	H	H	H	H	H	4.05	3	HR, business process risks	
	ESG evaluation of suppliers	414 Supplier social assessment	L	H	H	H	L	L	4.01	3	Failure to deliver on SDGs and ESG, climate, environmental risks	

Nº	Material topics	Corresponding GRI standard	Impact on the value chain						Average score (impact materiality)	Risks	Related risks	UN SDGs
			Product development	Mineral resources	Production	Logistics	Sales	Application				
16	Anti-corruption	205 Anti-corruption	H	H	H	H	H	H	3.96	2	Corruption risks	
17	Anti-competitive behaviour	206 Anti-competitive behaviour	H	H	H	H	H	H	3.96	2	Reputational risks	
18	Tax policy	207 Taxes	L	H	H	L	H	L	3.81	3	Tax risk	
19	Information security	410 Security practices	H	H	H	M	M	M	3.75	2.5	Information and economic security risks	
20	Product management	417 Marketing and labelling	L	L	L	L	H	H	3.59	4	Commodity risks	
Additional material topics mandatory for disclosure:												
21	Corporate governance principles	–	H	H	H	H	H	H	3	2	Corruption, reputational risks	
22	Research and education	–	H	H	H	M	H	H	4	3.67	Strategic planning, regulatory, climate risks	

Risk assessment scale

Impact degree		Impact	Probability		
High	H		3	4	5
Medium	M		2	3	3
Low	L		1	2	3

Impact of risks and opportunities on the business model and value chain of the Company

Stage of the business model	Opportunities	Risks
Development	<ul style="list-style-type: none">Development of proprietary technologies and import substitution.Introduction of new types of fertilizers offering enhanced environmental safety and improved biological availability.Development of fertilizers adapted to the climate change.	<ul style="list-style-type: none">SanctionsStrategic planning
Mining	<ul style="list-style-type: none">Development of logistics infrastructure to simplify the delivery of raw materials to processing facilities.Development of conveyor lines for transporting ore from open pits to beneficiation plants.Use of remotely operated machinery to improve the efficiency and safety of mining and transportation.	<ul style="list-style-type: none">ProductionHealth and safetyEnvironmental
Fertilizer production	<ul style="list-style-type: none">Introduction of energy efficient technologies.Development of water-saving technologies for production purposes, including the reuse of industrial waste water.Automation and digitalisation of production	<ul style="list-style-type: none">ProductionHealth and safetyEnvironmental
Application and service	<ul style="list-style-type: none">Growing demand for fertilizers due to declining soil fertility.Development of special fertilizers tailored to different climate conditions.Development of educational programmes to teach customers how to use fertilizers effectively.	<ul style="list-style-type: none">Business processes and systems
Transportation and logistics	<ul style="list-style-type: none">Investments in digital solutions for cargo tracking.Entering into long-term contracts with port operators and carriers to reduce costs and increase logistics reliability.	<ul style="list-style-type: none">Business processes and systems
Marketing and sales	<ul style="list-style-type: none">Launch of educational programmes and workshops for foreign farmers, demonstrating the advantages of PhosAgro fertilizers.Expanding the range of special fertilizers tailored to different regional climates.Use of the ESG approach in marketing to emphasise the environmental safety of PhosAgro fertilizers.	<ul style="list-style-type: none">Business processes and systemsCredit

Charitable giving and community and infrastructure development investment, RUB ‘000

GRI 203-1

Allocations	2022	2023	2024
Contributions to charities, NGOs and research institutions (not related to the organisation’s commercial research and development)	3,083,504	802,874	2,302,684
Funds allocated to support community infrastructure (recreational facilities, etc.)	1,838,886	7,335,597	7,945,884
Direct spending on social programmes, including arts and educational activities	3,978,562	1,217,822	1,480,575
Total	8,900,952	9,356,293	11,729,143

GRI 403-10

Employee category	Main types of occupational diseases	Causes
Employees	Lumbosacral radiculopathy of occupational aetiology	Prolonged exposure to a harmful production factor: physical exertion and functional overstrain of individual organs and systems in respective locations
	Cervical radiculopathy of occupational aetiology	
	Reflex lumbosacral muscular-tonic syndrome of occupational aetiology	
	Reflex cervical muscular-tonic syndrome of occupational aetiology	
	Lumbosacral radiculopathy (vascular compression syndrome)	
	Persistent bilateral sensorineural hearing loss	Prolonged exposure to a harmful production factor: industrial noise
Workers who are not employees but whose work and/or workplace are controlled by the organisation	Vibration syndrome	Prolonged exposure to a harmful production factor: general vibration in excess of permissible exposure limits
	Lumbosacral radiculopathy of occupational aetiology	Prolonged exposure to a harmful production factor: physical exertion and functional overstrain of individual organs and systems in respective locations
	Cervical radiculopathy of occupational aetiology	
	Reflex cervical muscular-tonic syndrome of occupational aetiology	
	Vibration syndrome	Prolonged exposure to a harmful production factor: general/ local vibration
	Persistent bilateral sensorineural hearing loss	Prolonged exposure to harmful production factors: industrial noise

Budget contributions other than income tax and excess profit tax, RUB mln

GRI 207-4

Item	Group			Russia			Poland			Switzerland			France				Germany			Serbia			Lithuania			Romania			Africa			Brazil			Singapore			Cyprus			Finland		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024		2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024			
VAT¹	20,425	17,700	20,181	21,650	17,700	20,181	(108)	0	0	(707)	0	0	(447)	0	0		148	0	0	30	0	0	0	0	0	(43)	0	0	(99)	0	0	0	0	0	0	0	0	0	2	0	0		
Personal income tax	(7,324)	(5,508)	(7,311)	(7,199)	(5,508)	(7,311)	(13)	0	0	(53)	0	0	(11)	0	0		(15)	0	0	0	0	0	(5)	0	0	0	0	0	(5)	0	0	0	0	0	0	0	0	(16)	0	0	(1)	0	0
Social contributions	(9,902)	(11,822)	(14,963)	(9,595)	(11,822)	(14,963)	(14)	0	0	(238)	0	0	(21)	0	0		(4)	0	0	(1)	0	0	(5)	0	0	(7)	0	0	0	0	0	0	0	0	0	(12)	0	0	0	0	0		
MET	(8,028)	(9,873)	(11,944)	(8,028)	(9,873)	(11,944)	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Property tax	(1,737)	(2,067)	(2,204)	(1,737)	(2,067)	(2,204)	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Pollution fees	(187)	(203)	(215)	(187)	(203)	(215)	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Land tax	(226)	(194)	(324)	(226)	(194)	(324)	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Water use charges	(56)	(64)	(82)	(56)	(64)	(82)	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Transport tax	(17)	(18)	(20)	(17)	(18)	(20)	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Water tax	(4)	(5)	(5)	(4)	(5)	(5)	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Regular subsoil use fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Other taxes	(19)	(22)	(27)	(15)	(22)	(27)	0	0	0	0	0	0	(1)	0	0		0	0	0	0	0	0	0	0	0	0	0	0	(3)	0	0	0	0	0	0	0	0	0	0	0	0		
Tax fines and penalties	(8)	(4)	0	(8)	(4)	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Unified tax account²	0	(53)	36	0	(53)	36	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Dividend income tax	(1)	(608)	(591)	(1)	(608)	(591)	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		

¹ Information on input/output VAT is presented on a net basis: the amount was obtained by offsetting VAT paid and refunded by PhosAgro Group companies in each jurisdiction.

² Starting 1 January 2023, the Russian Federation introduced a new mandatory accounting procedure for assessment and payment of taxes and insurance contributions. The procedure provides for every taxpayer to have the so-called single tax account, which is to be replenished with a single tax payment before the tax payment deadline. The amount credited to the account is then distributed to cover the taxpayer's liabilities.

Country-by-country reporting

Tax jurisdiction	Name of the resident entities	Primary activity of the organisation
Russian Federation	PhosAgro, PJSC	Parent company
	Apatit, JSC	Core production
	Tirvas, LLC	Social services
	Gorny tsekh, LLC	Capital mining operations
	Teleset, LLC	Social services
	Tsentr stroitelnyh materialov, LLC	Repair services
	Aeroport, OJSC	Social services
	Korporativnoe pitanie, LLC	Social services
	PromTransPort, LLC	Transportation services
	Mekhanik, LLC	Repair services
	PhosAgro-Region, LLC	Domestic trader
	PhosAgro-Oryol, LLC	Domestic trader
	PhosAgro-Belgorod, LLC	Domestic trader
	PhosAgro-Volga, LLC	Domestic trader
	PhosAgro-Lipetsk, LLC	Domestic trader
	PhosAgro-Kursk, LLC	Domestic trader
	PhosAgro-Don, LLC	Domestic trader
	PhosAgro-Kuban, LLC	Domestic trader
	PhosAgro-Stavropol, LLC	Domestic trader
	PhosAgro-Tambov, LLC	Domestic trader
	PhosAgro-SeveroZapad, LLC	Domestic trader
	Smart Bulk Terminal, LLC	Stevedoring services
	Samoilov Scientific Research Institute for Fertilizers and Insectofungicides (NIUIF), JSC	R&D
	Trading House PhosAgro, LLC	Trading
	RBTS PhosAgro, LLC	Service company
	PhosAgro Engineering Centre, LLC	Service company
	PhosAgro-Service, LLC	Service company
	PhosAgro-Sibir, LLC	Domestic trader
	Tirvas Public Catering, LLC	Social services
	Aeroport Khibiny, LLC	Social services

Tax jurisdiction	Name of the resident entities	Primary activity of the organisation
Brazil	PhosAgro Americas (until 31.03.2022) ¹	Service company
Germany	PhosAgro Deutschland GmbH (until 31.03.2022) ¹	Foreign trader
Cyprus	Phosint Trading Limited Ltd (until 31.03.2022) ¹	Foreign trader
	Phosint Ltd (until 31.03.2022) ¹	Holding company
	Okmus Oy (until 31.03.2022) ¹	Holding company
Lithuania	UAB PhosAgro Baltic (until 31.03.2022) ¹	Foreign trader
Poland	PHOSAGRO POLSKA Sp.z o.o. (until 31.03.2022) ¹	Foreign trader
Romania	PhosAgro Balkans SRL Romania (from 01.09.2020 until 31.03.2022) ¹	Foreign trader
Serbia	PhosAgro Balkans d.o.o. Beograd (until 31.03.2022) ¹	Foreign trader
Singapore	Phosagro Asia Pte Ltd (until 31.03.2022) ¹	Foreign trader
Finland	Bulk Terminal Kotka Oy (until 31.03.2022) ¹	Service company
	Logifert Oy (until 31.03.2022) ¹	Service company
France	Phosagro France SAS (until 31.03.2022) ¹	Foreign trader
Switzerland	PhosAgro Trading SA (until 31.03.2022) ¹	Foreign trader
	PhosAgro Logistics AG (until 31.03.2022) ¹	Logistics and distribution
	PhosAsset GmbH (until 31.03.2022) ¹	Holding company
South Africa	PhosAgro South Africa Proprietary Limited (01.11.2020 until 31.03.2022) ¹	Foreign trader

¹ In March 2022, the Group lost control over all of its foreign companies.

New hires

GRI 401-1

Region	Gender	2022						2023					2024				
		under 30 years	30–50 years	above 50 years	Share, %	Total		under 30 years	30–50 years	above 50 years	Share, %	Total	under 30 years	30–50 years	above 50 years	Share, %	Total
Vologda region	M	405	526	107	18.06	1,038		388	601	132	20.53	1,121	352	382	34	15.71	768
	F	197	354	50	10.46	601		199	350	48	10.93	597	173	277	20	9.62	470
Total		602	880	157	28.52	1,639		587	951	180	31.47	1,718	525	659	54	25.33	1,238
Saratov region	M	143	310	33	8.46	486		124	292	30	8.17	446	179	308	40	10.78	527
	F	65	156	26	4.30	247		67	107	12	3.41	186	67	108	21	4.01	196
Total		208	466	59	12.75	733		191	399	42	11.58	632	246	416	61	14.79	723
Leningrad region	M	201	374	35	10.61	610		150	271	14	7.97	435	153	303	37	10.09	493
	F	68	118	18	3.55	204		56	72	7	2.47	135	74	96	17	3.83	187
Total		269	492	53	14.16	814		206	343	21	10.44	570	227	399	54	13.91	680
Moscow	M	3	20	8	0.54	31		9	27	7	0.79	43	8	28	12	0.98	48
	F	3	17	2	0.38	22		8	17	1	0.48	26	9	8	2	0.39	19
Total		6	37	10	0.92	53		17	44	8	1.26	69	17	36	14	1.37	67
Murmansk region	M	449	1,237	123	31.48	1,809		501	1,170	118	32.77	1,789	467	960	114	31.53	1,541
	F	161	287	47	8.61	495		145	290	45	8.79	480	170	230	41	9.02	441
Total		610	1,524	170	40.09	2,304		646	1,460	163	41.56	2,269	637	1,190	155	40.55	1,982
Other	M	19	98	39	2.71	156		24	69	30	2.25	123	11	92	26	2.64	129
	F	13	26	9	0.84	48		12	55	11	1.43	78	14	47	8	1.41	69
Total		32	124	48	3.55	204		36	124	41	3.68	201	25	139	34	4.05	198
Men, total		1,220	2,565	345	71.86	4,130		1,196	2,430	331	72.47	3,957	1,170	2,073	263	71.73	3,506
Women, total		507	958	152	28.14	1,617		487	891	124	27.51	1,502	507	766	109	28.27	1,382
Total		1,727	3,523	497	100.00	5,747		1,683	3,321	455	100	5,459	1,677	2,839	372	100.00	4,888

Turnover¹, %

GRI 401-1, MED 33

Region	Gender	2022					2023				2024			
		under 30 years	30–50 years	above 50 years	Total		under 30 years	30–50 years	above 50 years	Total	under 30 years	30–50 years	above 50 years	Total
Vologda region	M	0.47	0.81	0.12	1.40		0.21	0.45	0.05	0.71	0.30	0.60	0.08	0.97
	F	0.31	0.72	0.09	1.12		0.19	0.64	0.08	0.90	0.19	0.57	0.04	0.79
Total		0.79	1.53	0.21	2.52		0.39	1.09	0.13	1.62	0.49	1.16	0.11	1.77
Saratov region	M	0.18	0.45	0.04	0.67		0.13	0.43	0.06	0.62	0.19	0.48	0.07	0.74
	F	0.07	0.21	0.06	0.33		0.09	0.18	0.03	0.31	0.14	0.17	0.04	0.35
Total		0.25	0.66	0.10	1.00		0.22	0.61	0.09	0.93	0.33	0.65	0.11	1.09
Leningrad region	M	0.38	0.72	0.10	1.20		0.28	0.60	0.05	0.93	0.26	0.59	0.06	0.92
	F	0.10	0.19	0.05	0.34		0.14	0.16	0.03	0.33	0.13	0.20	0.02	0.36
Total		0.48	0.91	0.15	1.54		0.42	0.77	0.08	1.27	0.39	0.80	0.08	1.27

¹ Turnover takes into account voluntary resignations (excluding retirements) – part 1.3, article 77 of the Labour Code of the Russian Federation; part 1.7, article 77 of the Labour Code of the Russian Federation and for breach of labour discipline – part 1.5, article 81 of the Labour Code of the Russian Federation; part 1.6a, article 81 of the Labour Code of the Russian Federation; part 1.6b, article 81 of the Labour Code of the Russian Federation; part 1.6e, article 81 of the Labour Code of the Russian Federation; part 1.7, article 81 of the Labour Code of the Russian Federation.

Region	Gender	2022					2023				2024			
		under 30 years	30–50 years	above 50 years	Total		under 30 years	30–50 years	above 50 years	Total	under 30 years	30–50 years	above 50 years	Total
Moscow	M	0.01	0.06	0.03	0.09		0.00	0.05	0.01	0.07	0.00	0.06	0.03	0.09
	F	0.01	0.05	0.01	0.07		0.01	0.03	0.00	0.04	0.00	0.05	0.00	0.05
Total		0.01	0.11	0.04	0.15		0.01	0.09	0.01	0.11	0.00	0.11	0.03	0.14
Murmansk region	M	0.69	2.18	0.22	3.09		0.61	1.83	0.23	2.68	0.63	1.80	0.27	2.70
	F	0.24	0.57	0.09	0.91		0.29	0.54	0.09	0.91	0.28	0.53	0.06	0.87
Total		0.93	2.75	0.31	4.00		0.90	2.37	0.32	3.59	0.91	2.33	0.33	3.57
Other	M	0.06	0.33	0.14	0.52		0.04	0.27	0.15	0.46	0.05	0.24	0.12	0.41
	F	0.01	0.07	0.02	0.10		0.01	0.10	0.05	0.16	0.02	0.10	0.03	0.14
Total		0.07	0.40	0.16	0.62		0.05	0.37	0.20	0.61	0.07	0.34	0.14	0.55
Men, total		1.79	4.55	0.63	6.97		1.28	3.65	0.56	5.48	1.44	3.77	0.62	5.83
Women, total		0.74	1.81	0.32	2.87		0.72	1.65	0.28	2.65	0.75	1.62	0.19	2.55
Total		2.52	6.36	0.95	9.84		2.00	5.30	0.84	8.14	2.19	5.39	0.81	8.4

Social investments¹, RUB mln

GRI 401-2, MED 28

Programme	2022	2023	2024	Δ 2024/2023, %
Financial aid to employees	72.2	98.0	109.99	12
Recreation, rehabilitation, health resort treatment, and VHI programme	506.2	586.5	824.2	41
Improvement of working conditions	390.1	509.7	489.5	−4
Corporate housing programme	88.5	112.0	150.1	34
Other social benefits and guarantees	227.1	329.7	394.96	20
Corporate and cultural events	186.4	243.4	325.1	34
Support to the trade union (special purpose funding and bonuses)	233.1	315.9	434.6	38
Total	1,703.7	2,195.2	2,728.50	24

Parental leave in the reporting year, people

GRI 401-3

Item	2022			2023			2024		
	M	F	Total	M	F	Total	M	F	Total
Number of employees entitled to parental leave	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Employees on parental leave	15	827	842	16	828	844	42	846	888
Employees who returned to work after parental leave	2	198	200	0	188	188	2	177	179
Employees who returned to work after parental leave and stayed at work 12 months after return	3	165	168	1	187	188	0	179	179
Return to work ratio	40.0	86.5	85.5	0.0	97.4	96.9	100.0	98.88	98.90
Retention ratio	100.0	93.8	93.9	50.0	94.4	94.0	0.0	95.2	95.2

¹ Boundary 2: Apatit, including its branches and standalone business units.

LIST OF PHOSAGRO GROUP COMPANIES

1. PhosAgro, PJSC

2. Kirovsk Branch of Apatit, JSC

3. Tirvas, LLC

4. Gorny tsekh, LLC

5. Teleset, LLC

6. Tsentr stroitelnyh materialov, LLC

7. Aeroport, JSC

8. Balakovo Branch of Apatit, JSC

9. Korporativnoe pitanie, LLC

10. PromTransPort, LLC

11. Mekhanik, LLC

12. Volkhov Branch of Apatit, JSC

13. Apatit, JSC

14. PhosAgro-Region, LLC

15. PhosAgro-Oryol, LLC
16. PhosAgro-Belgorod, LLC

17. PhosAgro-Volga, LLC

18. PhosAgro-Lipetsk, LLC

19. PhosAgro-Kursk, LLC

20. PhosAgro-Don, LLC

21. PhosAgro-Kuban, LLC

22. PhosAgro-Stavropol, LLC

23. PhosAgro-Tambov, LLC

24. PhosAgro-SeveroZapad, LLC

25. Smart Bulk Terminal, LLC

26. NIUIF, JSC

27. Trading House PhosAgro, LLC

28. RBTS PhosAgro, LLC

29. ITS PhosAgro, LLC

30. PhosAgro-Service, LLC
31. PhosAgro-Sibir, LLC

32. Tirvas OP, LLC

33. Khibiny Airport, LLC

Description of drivers exerting material impact on GHG emissions

Volumes	Sales growth driver
Precursors	Reduction in the share of internally produced ammonia and ammonium sulphate leads to a decrease in Scope 1 emissions (consumption of natural gas in production processes) and a slight decline in Scope 2 emissions (energy consumption in production processes). Replacement of proprietary precursors with purchased ones results in an increase in Scope 3 emissions from purchased goods.
Energy	Smaller share of internally generated energy leads to a reduction in Scope 1 GHG emissions from combustion of natural gas, while also boosting Scope 2 emissions from purchased power.
Gas consumption rates	Lower gas consumption rates in ammonia production (including overhaul shutdowns).
GHG in feedstock	Changes in GHG emissions per unit of purchased goods. Changes in the structure and consumption rates of purchased feedstock, including the substitution of certain types of raw materials with others.
Other products	Inclusion of tolling products in the GHG Emission Report.

Independent limited assurance report



Technologies
of Trust

Joint-Stock Company
"Technologies of Trust – Audit"
(“Technologies of Trust – Audit” JSC)

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Independent Auditor’s Limited Assurance Report

To the Management of Public Joint Stock Company “PhosAgro”:

Introduction

We have been engaged by the Management of Public Joint Stock Company “PhosAgro” (hereinafter – the “Company”) to provide limited assurance on the selected information described below and included in the Integrated Annual Report of the Company for the year ended 31 December 2024 (hereinafter – the “Integrated Annual Report”). The Integrated Annual Report represents information related to the Company and its subsidiaries (hereinafter together – the “Group”), unless otherwise stated in the Integrated Annual Report.

Selected information

We assessed the quantitative and qualitative information specified in Appendix 1 to this report that is disclosed in the Integrated Annual Report and referred to or included in the GRI Content Index of the Integrated Annual Report (hereinafter – the “Selected Information”).

The scope of our limited assurance procedures was limited to the Selected Information for the year ended 31 December 2024 only. We have not performed any procedures with respect to earlier periods or any other items included in the Integrated Annual Report and, therefore, do not express any conclusion thereon.

Reporting criteria

We assessed the Selected Information using relevant criteria, including reporting requirements in the respective GRI Sustainability Reporting Standards 2, 3, 201, 202, 203, 205, 207, 302, 303, 304, 305, 306, 401, 403, 404 and 413 (hereinafter – the “GRI Standards”) published by Stichting Global Reporting Initiative and in the Group’s management methodology as set forth in the criteria defined in the notes to the Group’s specific disclosures in the Environmental review section of the Integrated annual report (hereinafter – the “PhosAgro Methodology”, and together with the GRI Standards – the “Reporting Criteria”). We believe that the Reporting Criteria are appropriate given the purpose of our limited assurance engagement.

Responsibilities of the Group’s management

Management of the Group is responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing internal methodology and guidelines (including the PhosAgro Methodology) for preparing and reporting the Selected Information in accordance with the Reporting Criteria;
- preparing, measuring and reporting of the Selected Information in accordance with the Reporting Criteria; and
- the accuracy, completeness and presentation of the Selected Information.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Management of the Group.

This report, including our conclusion, has been prepared solely for the management of the Group in accordance with the agreement between us, to assist management in reporting on the Group's sustainability performance and activities. We permit this report to be disclosed in the Integrated Annual Report, which will be published on the Company's websiteⁱ, to assist management in responding to its governance responsibilities by obtaining an independent auditor's limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the management of the Group for our work or this report except where the respective terms are expressly agreed between us in writing and our prior consent in writing is obtained.

Professional standards applied and level of assurance

We performed our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and the ethical requirements of the Auditor's Professional Ethics Code and Auditor's Independence Rules that are relevant to our limited assurance engagement in respect of the Selected Information in the Russian Federation.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so, we:

- made enquiries of the Group's management, including the Group Sustainability Reporting (SR) team and those with responsibility for SR management and Group SR reporting;
- conducted interviews of Group's personnel responsible for the preparation of the Integrated Annual Report and collection and analysis of underlying data;
- performed analysis of the relevant internal methodology and guidelines (including the PhosAgro Methodology), gaining an understanding of the design of the key structures, systems, processes and controls for managing, recording, preparing and reporting the Selected Information;
- performed limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported; and
- reviewed the Selected Information for compliance of the disclosures with the relevant requirements of the Reporting Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

ⁱ The maintenance and integrity of the Company's website is the responsibility of management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information or Reporting Criteria when presented on the Company's website.

Reporting and measurement techniques

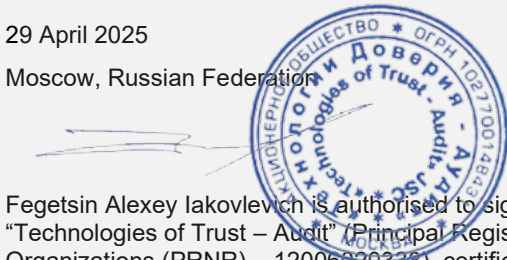
Under the GRI Standards there is a range of different, but acceptable, reporting and measurement techniques. The techniques, together with the PhosAgro Methodology, can result in materially different reporting outcomes that may affect comparability with other organisations. The Selected Information should therefore be read in conjunction with the methodology used by management in preparing the Integrated Annual Report, described therein, and for which the Group is solely responsible.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2024 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

29 April 2025

Moscow, Russian Federation



Fegetsin Alexey Yakovlevich is authorised to sign on behalf of the General Director of Joint-Stock Company "Technologies of Trust – Audit" (Principal Registration Number of the Record in the Register of Auditors and Audit Organizations (PRNR) – 12006020336), certified auditor (PRNR – 21906101957)

Appendix 1 to the Independent Auditor’s Limited Assurance Report dated 29 April 2025

The Selected Information subject to limited assurance procedures and prepared in accordance with the GRI Disclosures and the PhosAgro Methodology, as applicable, is set out below:

GRI Disclosure	Narrative
2-7	Employees
2-27	Compliance with laws and regulations
3-1	Process to determine material topics
3-2	List of material topics
3-3	Management of material topics
201-1	Direct economic value generated and distributed
202-1	Ratios of standard entry level wage by gender compared to local minimum wage
202-2	Proportion of senior management hired from the local community
203-1	Infrastructure investments and services supported
205-3	Confirmed incidents of corruption and actions taken
207-1	Approach to tax
207-2	Tax governance, control, and risk management
207-3	Stakeholder engagement and management of concerns related to tax
207-4	Country-by-country reporting
302-1	Energy consumption within the organization
302-3	Energy intensity
303-3	Water withdrawal
303-4	Water discharge
303-5	Water consumption
304-3	Habitats protected or restored
305-1	Direct (Scope 1) GHG emissions
305-2	Energy indirect (Scope 2) GHG emissions
305-3	Other indirect (Scope 3) GHG emissions
305-4	GHG emissions intensity
305-5	Reduction of GHG emissions
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions
306-3	Waste generated
306-4	Waste diverted from disposal
306-5	Waste directed to disposal
401-1	New employee hires and employee turnover
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
403-1	Occupational health and safety management system
403-2	Hazard identification, risk assessment, and incident investigation
403-3	Occupational health services
403-4	Worker participation, consultation, and communication on occupational health and safety
403-5	Worker training on occupational health and safety
403-6	Promotion of worker health
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
403-8	Workers covered by an occupational health and safety management system
403-9	Work-related injuries
403-10	Work-related ill health
404-1	Average hours of training per year per employee
404-2	Programs for upgrading employee skills and transition assistance programs
404-3	Percentage of employees receiving regular performance and career development reviews
413-1	Operations with local community engagement, impact assessments, and development programs

PhosAgro Methodology (the Group’s specific disclosure)	Related description
Pollutant emissions	Pollutant emissions, kg per tonne of finished and semi-finished products
Waste water discharge	Waste water discharge into surface waters, m³ per tonne of finished and semi-finished products
Specific water withdrawal	Specific water withdrawal, including mining and pit waters, m³ per tonne of finished and semi-finished products
Specific water withdrawal	Specific water withdrawal from surface sources, excluding mining and pit waters, m³ per tonne of finished and semi-finished products
Recycled and decontaminated waste	Share of recycled and decontaminated hazard class 1–4 waste, %

GRI and SASB content index

The data disclosed in this Report includes information on:

- Boundary 1: PhosAgro and companies that are part of the group to which PhosAgro belongs (corresponds to the scope of disclosure in IFRS consolidated financial statements).
- Boundary 2: Apatit, including its branches and standalone business units.

Code	GRI Indicator	SASB Indicator	Page number (or link)/Comments	Boundary
2	General disclosures (2021)			
2-1	Organisational profile		2, 24	
		EM-MM-160a.1 Description of environmental management policies and practices for active sites	184	
		RT-CH-410b.2 Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	184	
		RT-CH-000.A Production broken down by reporting segments	86	
2-2	Entities included in the organisation's sustainability reporting		2	
2-3	Reporting period, frequency, and point of contact		2	
2-4	Restatements of information		The GRI 305-3, 305-4 and 305-5 data was adjusted in the 2024 report. The information on Scope 3 GHG emissions for 2024 and comparable periods, including the baseline year, was revised due to adjustments in the carbon footprint data previously provided by the supplier	
2-5	External assurance		3	
2-6	Activities, value chain and other business relationships		22-25	1
2-7	Employees	EM-MM-000.B Total number of employees, percentage contractors	150	1
2-8	Workers who are not employees		151	1
2-9	Governance structure and composition		250, 256	1

Code	GRI Indicator	SASB Indicator	Page number (or link)/Comments	Boundary
2-10	Appointment and selection of the supreme governance body		256 PhosAgro Group has an onboarding programme for new Board members. Newly appointed directors also visit PhosAgro Group's production sites and meet with functional managers	1
2-11	Chair of the supreme governance body		260	1
2-12	Role of the supreme governance body in overseeing the impacts		248, 279	1
2-13	Delegation of responsibility for impact management		248	1
2-14	Role of the supreme governance body in sustainability reporting		3, 28-29, 248	1
2-15	Conflicts of interest		298	1
2-16	Communication of critical concerns		272	1
2-17	Collective knowledge of the supreme governance body		257	1
2-18	Supreme governance body performance assessment		258	1
2-19	Remuneration policies		276	1
2-20	Process to determine remuneration		276	1
2-21	Annual total compensation ratio		The information is sensitive, and its disclosure could potentially cause damage to the PhosAgro Group in the form of additional labor costs, as well as the risk of losing key management personnel to the Company as a result of competition in the labor market	
2-22	Statement on sustainable development strategy		33	1
2-23	Policy commitments		286	1
2-24	Embedding policy commitments		287	1
2-25	Processes to remediate negative impacts		147, 288	1
2-26	Mechanisms for seeking advice and raising concerns		147, 288	1

Code	GRI Indicator	SASB Indicator	Page number (or link)/Comments	Boundary
2-27	Compliance with laws and regulations	RT-CH-530a.1 Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	For the purposes of this disclosure, the Group uses the following materiality criteria: <ul style="list-style-type: none">with regard to fines, the Group determined the amount exceeding RUB 1 mln as a materiality criterion which it deems to be meaningful given the scale of its operations;with regard to other penalties, the Group assesses their influence on its reputation and ability to continue as a going concern, taking into account the amount of expenses likely to be incurred as a result of such penalties. In 2024, there were no cases of violation of laws and regulations by the Group that resulted in significant fines or significant other sanctions. The Company compensates for damage caused in 2019 as a result of an emergency situation by reproducing aquatic biological resources in 2024 in the amount of RUB 3,002 thousand. Information of cases of non-compliance with laws and regulations related to environmental protection is disclosed on p. 187	1
2-28	Membership associations		100	1
2-29	Approach to stakeholder engagement	EM-MM-210a.3 Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	26	1
2-30	Collective bargaining agreements		147	2
3	Material topics (2021)			
3-1	Processes to determine material topics		26-29, 355-361	1
3-2	List of material topics		28-29	1
3-3	Management of material topics		83, 95, 109, 131, 146, 223, 284, 292	1
201	Economic performance (2016)			
3-3	Management of material topics		29	
201-1	Direct economic value generated and distributed		26	1
201-2	Financial implications and other risks and opportunities due to climate change		192	1
201-3	Defined benefit plan obligations and other retirement plans		161	1
201-4	Financial assistance received from government		Not disclosed owing to the confidential nature of this information	

Code	GRI Indicator	SASB Indicator	Page number (or link)/Comments	Boundary
202	Market presence (2016)			
3-3	Management of material topics		29	
202-1	Ratios of standard entry level wage by gender compared to local minimum wage		160	1
202-2	Proportion of senior management hired from the local community		161	1
203	Indirect economic impacts (2016)			
3-3	Management of material topics		29	
203-1	Infrastructure investments and services supported		363	1
203-2	Significant indirect economic impacts		228, 230	1
204	Procurement practices (2016)			
3-3	Management of material topics		29	
204-1	Proportion of spending on local suppliers at significant locations of operation		138	2
205	Anti-corruption (2016)			
3-3	Management of material topics		29	
205-1	Proportion of spending on local suppliers at significant locations of operation	EM-MM-510a.1 Description of the management system for prevention of corruption and bribery throughout the value chain	287, 296-297	1
		EM-MM-510a.2 Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	The Company does not carry out production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	
205-2	Communication of and training in anti-corruption policies and procedures		293	1
205-3	Confirmed incidents of corruption and actions taken		297-298	1
206	Anti-competitive Behavior (2016)			
3-3	Management of material topics		29	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		299	1
207	Tax (2019)			
3-3	Management of material topics		83	
207-1	Approach to tax		83	1

Pilot disclosure in accordance with IFRS S1 and S2¹

IFRS S1

Reporting element	Report page / comments
GOVERNANCE	
27 (a) The governance body or individual responsible for oversight of sustainability-related risks and opportunities:	
(i) how responsibilities for sustainability-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to governance bodies or individuals	184-186, 272-273
(ii) how the body(s) or individual(s) determines appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to sustainability-related risks and opportunities	257
(iii) how and how often the governance bodies or individuals are informed about sustainability-related risks and opportunities	272-273
(iv) how the governance bodies or individuals take into account sustainability-related risks and opportunities when overseeing the entity's strategy, its business decisions and its risk management processes	66-77
(v) how the governance bodies or individuals oversee the setting of targets related to sustainability-related risks and opportunities, and monitor progress towards those targets, including whether and how related performance metrics are included in remuneration policies	48-49, 277-281
27(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities, including information about:	
(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee	132, 146, 166, 186, 224, 272-273
(ii) whether management uses controls and procedures to support the oversight of sustainability-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions	132, 146, 166, 186, 224
STRATEGY	
30(a) Sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects	66-75, 97, 110, 134, 149, 171, 189, 225
32(a) a description of the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain	360-366
33(a) How the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making	65-75

Reporting element	Report page / comments
33(b) The progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information	Strategy–2025 — 50-53 Research, innovations and education — 106-107 Customers and product management — 92-93 Supply chain — 128-129 People development — 142-143 Industrial safety — 164-165 Environmental review — 182-183 Contributing to local communities — 220-221
RISK MANAGEMENT	
44(a) The processes and related policies the entity uses to identify, assess, prioritise, and monitor sustainability-related risks, including information about:	For the most part, information related to the management of key risks and opportunities is disclosed
(i) the inputs and parameters the entity uses	151, 174-176
(iii) how the entity assesses the nature, likelihood and magnitude of the effects of those risks	66-75
(iv) whether and how the entity prioritises sustainability-related risks relative to other types of risk	66-68
(v) how the entity monitors sustainability-related risks	202, 212
METRICS AND TARGETS	
46(a) Metrics for each sustainability-related risk and opportunity that could reasonably be expected to affect the entity's prospects	Research, innovations and education — 110-127 Customers and product management — 96-105 Supply chain — 134-141 People development — 150-163 Industrial safety — 172-181 Energy efficiency — 203-205 Waste — 205-208 Air — 209-211 Water — 212-216 Biodiversity — 217-219 Contributing to local communities — 226-245
46(b) Metrics the entity uses to measure and monitor a sustainability-related risk or opportunity; and its performance in relation to that sustainability-related risk or opportunity, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation	Research, innovations and education — 106-107 Customers and product management — 92-93 Supply chain — 128-129 People development — 142-143 Industrial safety — 164-165 Energy efficiency — 201 Waste — 205 Air — 208 Water — 212 Biodiversity — 216 Contributing to local communities — 220-221

¹ The tables below only provide disclosures made in this report in accordance with the standard. The Company continues to improve its governance, accounting, and risk management systems to disclose the remaining elements of the standard in future reporting periods.

Reporting element	Report page / comments
RISK MANAGEMENT	
25 (a) The processes the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
(i) the inputs and parameters the entity uses	
(ii) whether and how the entity uses scenario analysis to inform its identification of climate-related risks	194
(iv) whether and how the entity prioritises climate-related risks relative to other types of risk	66-68
(v) how the entity monitors climate-related risks	TCFD, 20-23
(vi) whether and how the entity has changed the processes it uses compared with the previous reporting period	The approaches to risk identification and assessment have not changed with respect to the materials presented in the TCFD report
25(b) The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities	TCFD
METRICS AND TARGETS	
29(a) Information relevant to the cross-industry metric categories of greenhouse gases, including:	
(i) absolute gross greenhouse gas emissions (Scope 1, 2 and 3) generated during the reporting period, expressed as metric tonnes of CO ₂ equivalent	196-198
(ii) measurements of greenhouse gas emissions in accordance with the Greenhouse Gas Protocol	196-198
(iii) approach used to measure greenhouse gas emissions	196-198
29(e) The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	187, 203
29(f) Information on whether the entity applies internal carbon prices	194
29(g) Information on remuneration, including:	
(i) a description of whether and how climate-related considerations are factored into executive remuneration	278
33(a) Metric used to set the climate-related target	190
33(c) The part of the entity to which the target applies	Boundary 2 – Apatit, including its branches and standalone business units
33(d) The period over which the target applies	Until 2028
33(e) The base period from which progress is measured	190 Progress in reducing gross greenhouse gas emissions (coverage scope 1, 2, 3) is calculated by the base year 2018
33(g) Information on whether the quantitative target is an absolute target or an intensity target	182
34(b) The entity's processes for reviewing the target	196 TCFD
34(c) The metrics used to monitor progress towards reaching the target	190, 196
35 Information about the entity's performance against each climate-related target and an analysis of trends or changes in the entity's performance	190-200
36(a) Which greenhouse gases are covered by the target	190
36(b) Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target	190

TCFD REPORT

For more information on GHG emissions and climate risks, see the [TCFD report 2020](#)



Sustainable development indicators content index as per the Order of the Ministry of Economic Development of Russia

No.	Indicator	Page number/Comments	Boundary
Economic			
MED 1	Revenue (or a similar indicator), RUB'000	79	1
MED 2	Added value, RUB'000	80	1
MED 3	Net added value, RUB'000	80	1
MED 4	Total R&D expenses, RUB'000	111	1
MED 5	Labour productivity, RUB'000 per person	151, 395	2
MED 6	Total accrued payments to government (except for fines and penalties), including, RUB'000: <ul style="list-style-type: none">Taxes and other chargesSocial contributionsOther payments to government	84	1
MED 7	Total actual payments to government (except for fines and penalties), including, RUB'000: <ul style="list-style-type: none">Taxes and other chargesSocial contributionsOther payments to government	84	1
MED 8	Share of Russian goods, work and services in the total procurement volume, %	138	2
MED 9	Share of goods, work and services purchased from SME in the total procurement volume from Russian organizations, %	138	2
MED 10	Sustainable investments (including green investments), RUB'000	The indicator is not measured	
MED 11	Investments into projects aimed at promoting the technological sovereignty and the structural adaptation of the Russian economy, RUB'000		
MED 12	Index of economic vulnerability of business and other activities to climate risks, %		

¹ Order of the Ministry of Economic Development of Russia No. 764 dated 1 November 2023.

No.	Indicator	Page number/Comments	Boundary
Environmental			
MED 13	Water consumption from all sources of water supply	215	2
MED 14	Recycled and recirculated water supply	215	2
MED 15	Total waste water discharged, including untreated waste water	214-216	2
MED 16	Water use efficiency (water use per unit of product)	214 2022 – 0,0007614 2023 – 0,0010362 2024 – 0,0009047	2
MED 17	Total hazard class 1-5 waste generation, including: <ul style="list-style-type: none">• Class 1• Class 2• Class 3• Class 4• Class 5	207	2
MED 18	Total hazard class 1-5 waste handled, including: <ul style="list-style-type: none">• Disposed waste• Decontaminated waste• Buried waste• Reused waste• Recycled waste• Reduction in waste generation	207	2
MED 19	Emission load from stationary pollution sources	210-211	2
MED 20	Greenhouse gas emissions	198	2
MED 21	Total expenses for environmental activities, including: <ul style="list-style-type: none">• Atmospheric air protection and climate change prevention• Waste water collection and treatment• Waste management• Conservation of biodiversity and protection of natural areas	187, 188	2
MED 22	Consumption of renewable and low-carbon energy	204 Consumption of renewable and low-carbon energy, kWh Consumption of renewable and low-carbon energy, % 2022 – 1.26% 2023 – 1.24% 2024 – 1.22%	2
MED 23	Energy efficiency: electricity consumption per unit of net added value	204 2022 – 7.404 2023 – 11.041 2024 – 10.152	2
Social			
MED 24	Total payroll expenses, RUB'000	81	1
MED 25	Total average headcount, including disabled employees, people	151, 153, partial disclosure	1
MED 26	Total average monthly pay, RUB'000 including: <ul style="list-style-type: none">• By occupation group• By gender• By age group	160, partial disclosure	1
MED 27	Total health and safety expenses, including average costs per employee, RUB'000	173, partial disclosure	2
MED 28	Expenses on organising and holding social, fitness, recreational, and healthcare activities for employees and their families, RUB'000, %	370	2

No.	Indicator	Page number/Comments	Boundary
MED 29	Number of persons injured as a result of industrial accidents where lost time of one or more days was involved, including fatalities, people, %	174-176 Information about the parameters used to calculate the indicators can be found in the corresponding section	
MED 30	Total training expenses, including average costs per employee, RUB'000	155, partial disclosure	2
MED 31	Average training hours per year per employee by occupation group, units	155	2
MED 32	Share of employees covered by collective bargaining agreements in total average headcount, %	147	2
MED 33	Turnover, %	368-371	1
MED 34	Total expenses on supporting social programmes not aimed at employees and their families, including, RUB'000, % <ul style="list-style-type: none">• Charity• Housing• Healthcare• Education• Support of people in need of social assistance	228	1
Governance			
MED 35	Availability of a sustainable development policy and/ or other strategic documents in this area	The principles of sustainable development are integrated into PhosAgro's Strategy 2025. The Company has adopted Climate and Water Strategies. The rest of the corporate documents in the field of sustainable development can be found on the Company's website in the Documents section of the Sustainable Development section	1
MED 36	Number of Board of Directors meetings and the attendance rate	255	1
MED 37	Total number of directors, including age structure	256	1
MED 38	Number of the Audit Committee meetings and the attendance rate	255, 268	1
MED 39	Inclusion into sustainable development (ESG) indices and ratings, number	20	1
MED 40	Number of reported violations of the rights of indigenous peoples living in the Russian Federation	Not applicable	
MED 41	Share of employees filling positions exposed to high corruption risks, %	292	1
MED 42	Average hours of anti-corruption training per employee, units	293	1
MED 43	Number of administrative proceedings against the Company, its subsidiaries and affiliates for corruption offences	The company has not been held accountable for corruption violations (three years)	1
MED 44	Share of female managers in the total number of managers, including members of the Board of Directors (Supervisory Board)	153	1

Labour productivity, RUB'000 per person

MED 5

Indicator	Page number	UoM	2022	2023	2024
		RUB'000 per person	28,697	20,171	21,501
Revenue ¹	79	RUB'000	569,527,000	440,304,000	507,689,000
Number of employees	151	per person	19,846.1	21,828.6	23,612.6

¹ Data from the Group's consolidated financial statements.

Indicators of the RESPONSIBILITY AND TRANSPARENCY and SUSTAINABLE DEVELOPMENT VECTOR indices of the Russian Union of Industrialists and Entrepreneurs (RSPP)

RSPP indicator	Page
METRICS AND INDICATORS OF THE RESPONSIBILITY AND TRANSPARENCY INDEX	
Economic, social, and environmental impact indicators	
1. Labour productivity Indicator 1: Labour productivity	151
2. CAPEX Indicator 2: CAPEX/investments	61
3. Taxes paid Indicator 3: Taxes paid (payments to government, including excise taxes and export duties, current income tax, and other taxes)	83-85
4. Quality of products and services Indicator 5: Customer satisfaction (customer satisfaction surveys, claims/returns dynamics, customer loyalty measurements, etc.)	92 104
5. Share of local procurement and procurement from SMEs Indicator 6: Share of local procurement	128 138
Indicator 7: Procurement from SMEs	138
6. Innovations Indicator 8: R&D expenses	106 111
Indicator 10: Economic and environmental impact of innovations	112-120
7. Headcount Indicator 12: Headcount (average or total at the end of the reporting period)	151
8. Personnel profile Indicator 13: Personnel breakdown by gender	150 152
Indicator 14: Personnel breakdown by age	152
Indicator 15: Personnel breakdown by category	152
Indicator 16: Share of female managers in the total number of managers	153
Indicator 17: Share of employees with disabilities	153
9. Occupational health and safety (performance) Indicator 18: Lost time injury frequency rate (LTIFR)	164 174
Indicator 19: Fatalities	174
Indicator 20: Occupational diseases	177

RSPP indicator	Page
10. Occupational health and safety expenses Indicator 21: Occupational health and safety expenses	173
11. Occupational health and safety management systems	164
12. Payroll	
Indicator 24: Personnel expenses (payroll and social payments)	370
Indicator 26: Average wages (main)	160
Indicator 27: Average wages at the Company's facilities as compared to local average wages / Comparative figures for minimum wages	160
13. Expenses related to social programmes for employees Indicator 28: Expenses related to social programmes for employees	370
15. Management remuneration	276
Indicator 30: Remuneration of the Board of Directors / Supervisory Board	276
Indicator 31: Remuneration of the Management Board	278
16. Employee turnover Indicator 32: Employee turnover rate	151
17. Personnel training Indicator 33: Hours of training per year per employee	155 155
Indicator 34: Number of employees trained	155
18. Personnel training expenses Indicator 35: Personnel training expenses	154
19. Labour relations Indicator 36: Share of employees covered with collective bargaining agreements	Collective agreements cover 100% of the employees of Apatit JSC, its branches and separate divisions
20. Protecting human rights Indicator 38: Human rights monitoring results	290 289
21. Emissions into the atmosphere Indicator 39: Gross air emissions of major pollutants, including their type and weight	208 210-211
Indicator 40: Specific air emissions of major pollutants, including their type and weight	209
22. Greenhouse gas emissions Indicator 41: Gross direct and indirect GHG emissions with weight values	196 196-198
Indicator 42: Specific direct and indirect GHG emissions with weight values	190
23. Energy efficiency and consumption Indicator 43: Specific energy intensity	201 205
Indicator 44: Energy saved (in physical terms)	204-205
Indicator 45: Economic effect of energy saving	201
Indicator 46: Fuel and energy consumption	204-205
Indicator 47: Consumption of renewable and low-carbon energy	182
24. Water consumption Indicator 48: Total water withdrawal per year	212 214
Indicator 49: Specific water consumption	212
Indicator 50: Recycled and recirculated water supply	215

¹ The indicator is relevant for financial market entities. It is used instead of indicator 25, which is irrelevant for such entities. The indicator is not applicable for entities operating in other industries.

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