

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

<sup>1</sup> 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 quality<sup>1</sup> and eco-friendliness of its fertilizers. We leverage our competitive advantages and seek to meet the highest operational standards throughout our product lifecycle<sup>1</sup>.

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

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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 project<sup>1</sup>

<sup>1</sup> The Company's total contribution since collaboration with FAO began in 2018.



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

