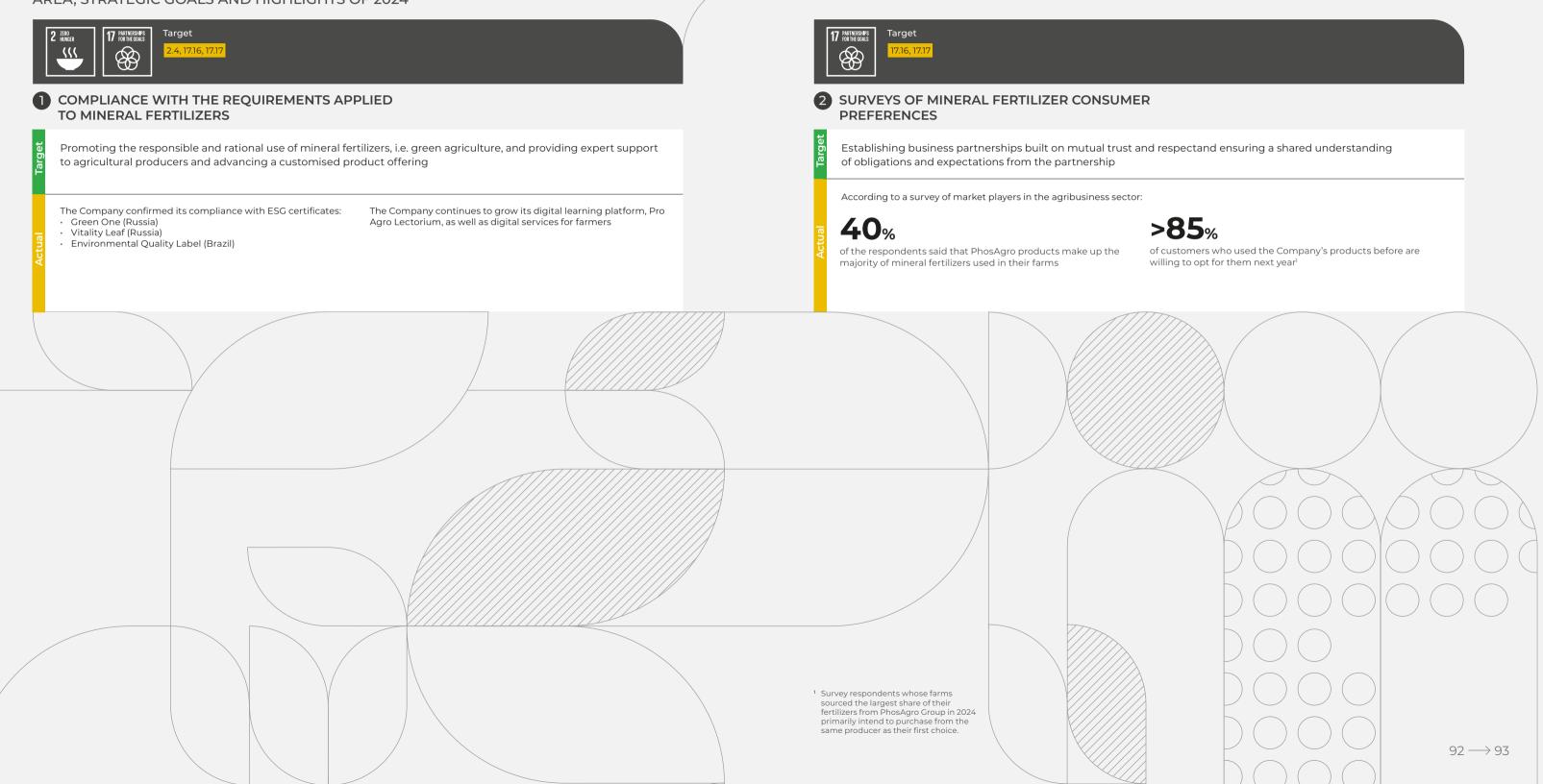
CUSTOMERS and product management

AREA, STRATEGIC GOALS AND HIGHLIGHTS OF 2024



Appendices

Share capital

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STRATEGY

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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

To provide consumers with

innovative products and

services, the Company's

the following focus areas

and new digital services:

that reflect consumer needs

safe, eco-friendly, and quality

Strategy to 2025 has identified

regarding product innovations

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

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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.

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.

We are committed to the responsible

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

RESPONSIBLE PRODUCTION MANAGEMENT FRAMEWORK IS BASED ON THE FOLLOWING PRINCIPLES:

\checkmark

compliance with Russian and international standards and regulations;

\checkmark

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;

\checkmark

open and transparent information about the properties and quality of products for customers and other stakeholders:

\checkmark

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

- Digital services





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



Advancing digital technology in agriculture to boost crop yields by raising consumer awareness



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

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

degradation

Enhancing PhosAgro's

competitive strengths as one

of environmentally safe phosphate fertilizers¹ for farmers

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.

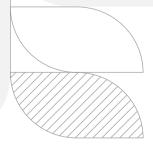
Product management framework

- : 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



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

- : 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



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Strategic repo

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:

\checkmark

stakeholder requirements and opinions about products and services;

\checkmark

market expectations, requirements and trends;

\sim

regulatory requirements applicable to activities and products;

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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;

\checkmark

changes in factors and risk assessment, with new opportunities reviewed;

\checkmark

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 ecofriendliness 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 eniov 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:

processes and systems

9

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environmental risk

risk related to business

 \checkmark

principles



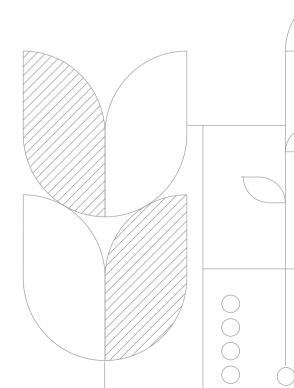
RISKS SPECIFIC TO THE GROUP'S OPERATIONS INCLUDE:

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Risks associated with chemicals management and regulatory requirements for product safety

\checkmark

Risks associated with customer satisfaction and innovation



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regulatory risk

Risks associated with ensuring ethical research and production

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

We also work to unlock new opportunities, including:

 \checkmark

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

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

\checkmark

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

For more information, see the Strategic Risks section



 $96 \longrightarrow 97$

2024 METRICS AND HIGHLIGHTS

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:

\checkmark

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

\checkmark

biological – in Pryanishnikov Institute of Agrochemistry;

\checkmark

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

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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 guarterly 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

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).

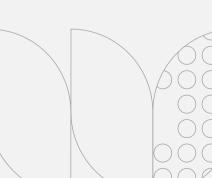
FPR and ANSES recommendations (cadmium level requirements)

PhosAgro Group's phosphatebased fertilizers⁴ have cadmium average content (considerably lower than 20 mg per kg of P_2O_2), 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 P₂O₂ and banning inorganic fertilizers in the EU with a cadmium content above that cap starting

- 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.



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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.

from 16 July 2022. Going forward, the regulation provides for gradual reduction of cadmium content to no more than 20 mg per kg of P_0O_r . The plans of cutting the cap to 40 mg per kg of $P_{a}O_{c}$ 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 P_3O_{c} .

Thus, PhosAgro Group's phosphatebased 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.

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 nitrogenphosphorus fertilizer, NP+S=14:40+7 grade;
- · sulphur-containing nitrogenphosphorus fertilizer NP+S=14:40+7+1Zn grade;
- sulphur-containing nitrogenphosphorus 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.





requirements

- products;
- such as:
- resources;
- with.
- requirements.

Strategic

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

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

assessment of whether packaging is compliant with standard ABNT NBR 132304.

This comprehensive assessment covered production,

environmental and social criteria.

energy efficiency and use of recycled materials and energy

customer service in terms of providing reliable information on the properties and optimal use of the mineral fertilizers.

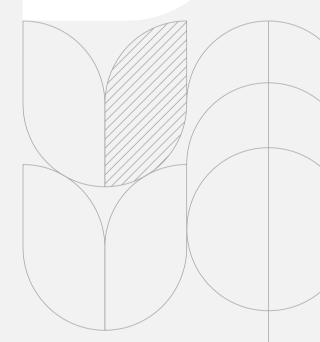
The Brazilian standard contains strict limits on levels of arsenic and heavy metals, which PhosAgro Group mineral fertilizers are fully compliant

The audit resulted in a certificate of compliance with ABNT



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 <u>Unified State Register</u> 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
- · ISO 14001:2015

 \checkmark

- · ISO 45001:2018

 \checkmark

- GOST R ISO 9001:2015

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)

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.

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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.



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Digital services for farmers

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

phone).

users.

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

customers

training platform

PhosAgro's digital and

Meeting the demand for skilled

educational services for

Pro Agro Lectorium innovative

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 staterecognised 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.





ready to tackle modern agro-industrial

challenges. To address this gap,

PhosAgro Group has established

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

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

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.

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

 $102 \rightarrow 103$

106-127

2 Mineral fertilizer consumer surveys

PHOSAGRO

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.

Mineral fertilizer consumer

Between October and December

assess consumer preferences among

all agricultural regions of Russia. The

farmers' priorities regarding fertilizer

agribusiness sector players across

study utilised a survey to identify

2024, we conducted a study to

surveys

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

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

Key brand associations for PhosAaro:

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



Strategic rep

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.

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

