

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.

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



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;
- Initiatives to boost water use efficiency as part of the Company's Water Strategy.

➤ For more information, see [page 54-59, 112, 130, 184](#)



Target 2.4

Our key programmes

- Increasing sales efficiency;
- Improvement of the product mix;
- Programme to develop digital services for farmers.

➤ For more information, see [page 54, 98, 112](#)



Targets 3.4 and 3.9

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 144, 166, 184, 224](#)



Targets 13.1 and 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 58, 112, 130, 184](#)



Target 4.4

National projects

- Demography: Sports as a Way of Life federal initiative;
- 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 112, 144, 166, 224](#)



Targets 6.1 and 6.3

Our key programmes

- Initiatives to boost water use efficiency as part of the Company's Water Strategy;
- Participation in international initiatives (CEO Water Mandate and Water Resilience Coalition).

➤ For more information, see [page 184](#)



Target 15.1

Our key programmes

- Comprehensive programmes to assess and preserve biodiversity at the Cherepovets site and the Volkhov and Kirovsk branches of Apatit;
- Partnership with UN FAO in advancing sustainable farming;
- Carbon farm project in the Vologda region run jointly with the Russian Academy of Sciences to arrange, among other things, for the regional monitoring of GHG emissions.

➤ For more information, see [page 54, 112, 184](#)

➤ Making a positive impact

➤ Minimising the negative impact



Targets 8.3, 8.5 and 8.8

Our key programmes

- Comprehensive production development programme;
- Incentives and rewards system;
- Our Favourite Cities programme;
- Green procurement programme and ESG assessment of suppliers.

➤ For more information, see [page 64, 130, 144, 166, 244](#)



Target 9.1

Our key programmes

- Logistics infrastructure development programme;
- Our Favourite Cities programme;
- Process Mining development.

➤ For more information, see [page 57, 130, 224](#)



Target 11.3

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 222](#)



Targets 17.16 and 17.17

National project

- Housing and Urban Environment: Creating a Comfortable Urban Environment federal project.

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 the Russian regions in which the Company operates.

➤ For more information, see [page 98, 112, 224](#)

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.

This requires flexible high-tech 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 low cost position in the industry, while also ensuring top quality and unique eco-friendliness of its fertilizers. We leverage our competitive advantages and seek to meet the highest operational standards throughout our product lifecycle.

➤ For more information on the Company's Strategy to 2025, see [page 50](#)



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



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, our R&D centres in Cherepovets and Moscow develop highly effective and eco-friendly fertilizer brands that enjoy steady demand from consumers.

RUB **2,481.3** mln

investments in R&D activities and development of new products

Wide product range **58**

agrochemical brands, including all types of fertilizers and animal feed

For more information, see page 110

Mineral extraction



Target 12.4

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

Unique resource base in terms of size and quality

Reserves-to-production ratio (RPR) of **60** years (including off-balance reserves)

For more information, see page 90

Fertilizer production



Targets

3.9, 6.3, 8.3, 12.4 and 15.1

For more information, see page 63, 90

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.

Self-sufficiency in feedstock

100% Apatite concentrate

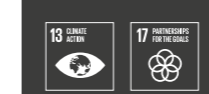
92% Sulphuric acid

75% Ammonia

46% Ammonium sulphate



Fertilizer application and service



Targets

13.1, 13.2, 17.16 and 17.17

Results of **> 500** agronomic trials published on the Company's website

For more information, see page 54, 96

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.

Results of

Ca.

50 thousand ha of soils surveyed by agronomic experts in 20 regions

Marketing and sales



Targets 2.4 and 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 are committed to becoming even closer to our consumers. The digitisation of our sales platforms and customer services is rapidly advancing.

34 distribution centres in Russian regions

> 10 mln regular users of PhosAgro's digital ecosystem

For more information, see page 18, 96

Transportation and logistics



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.

Supplies to **74** regions in Russia

For more information, see page 18, 57

Port transshipment capacity of **8** mtpa

We secure

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

