



## CASE STUDY NAVIGATOR ON UN SDGS

We directly promote 11 out of the 17 UN sustainable development goals

**2** ZERO HUNGER



**3** GOOD HEALTH AND WELL-BEING



**4** QUALITY EDUCATION



**6** CLEAN WATER AND SANITATION



**8** DECENT WORK AND ECONOMIC GROWTH



**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE



**11** SUSTAINABLE CITIES AND COMMUNITIES



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**13** CLIMATE ACTION



**15** LIFE ON LAND



**17** PARTNERSHIPS FOR THE GOALS



### LETTER FROM IRINA BOKOVA, CHAIR OF THE BOARD OF DIRECTORS' SUSTAINABLE DEVELOPMENT COMMITTEE



**IRINA BOKOVA**  
Chairman of the PhosAgro Board of Directors' Committee on Sustainable Development

The UN Sustainable Development Goals (SDGs) were developed to address the challenges faced by humankind. Each SDG relies on rigorous studies that have identified such potential consequences of these challenges that no one will remain uninvolved.

It is obvious that SDGs are global in nature and are relevant to all countries, people, institutions, companies, etc. It is also clear that they receive attention

from investors and consumers of our products, as people want to enjoy a clean environment and expect companies to supply safe foods and products.

Businesses, including those in Russia, are set to play a key role in achieving the Goals. Such insight gave rise to the Global Compact, the largest association of businesses seeking to implement the SDGs. Its mission is to make sure that businesses adhere to and deliver on the Global

Compact's 10 principles in the areas of human rights, labour, environment and anti-corruption, as well as contribute to achieving the SDGs. Importantly, Russian companies are actively joining its ranks, while some of them, like PhosAgro, are among the few LEAD businesses in the world.

Joining climate change initiatives was a trend among companies in 2020. Industry leaders define and endorse science-based targets to cut GHG

emissions, develop roadmaps to meet them and undertake to file reports on their activities in this area. PhosAgro is no stranger to this. In December 2020, the Board of Directors approved the Climate Strategy and the plan for low-carbon transition to 2028. We are delighted to present our first separate report on climate related aspects of our business under the framework developed by the Task Force on Climate-related Financial Disclosures (TCFD).

The ESG agenda can be called a driver of sustainable business transformation. As part of the Company's Development Strategy to 2025, we are seeking to contribute to 11 UN SDGs, keeping a close eye on our progress. This report is intended to give a clear view of how we integrate these SDGs into the Company's strategic priorities and operations.

### Setting UN SDG priorities

In 2020, we prioritised the UN sustainable development goals, which the Company promotes

The approach:

- We identified the key areas of impact on the society and the environment by PhosAgro as a mining and processing company, based on academic and industry articles and reports.
- For each area identified, we compiled a list of goals and indicators that are used to measure and report on the impact of mining and processing companies (with a focus on phosphate mining and fertilizer production) on the society, including the UN SDGs, GRI, UNCTAD, and Social Life Cycle Assessment and SDG Compass.
- We matched the list of goals and indicators with the categories and principles of responsible investment (including Green and Social Bonds, Sustainable Bond Guidelines, Green Loan Principles, Sustainability Linked Loan Principles).
- We matched the list of goals and indicators with material topics for PhosAgro Group's key stakeholders, and conducted interviews with responsible divisions to prioritise the impacts.

Project results:

- A list of priority impact areas was compiled
- The list of priority SDGs was updated to reflect the identified impact areas
- A list of priority SDG objectives was compiled
- For each objective:
  - The measures being taken by Company were indicated
  - The management approach was described
  - The Company's obligations were defined
  - The quantitative targets were selected
  - The relevant GRI indicators were defined












For more information on how we set UN SDG priorities, see the Sustainability section of the Company's website














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



## PRIORITIZATION RESULTS

Prioritization result	SDG	Issue number	Impact on stakeholders	Read more in the report
<b>Priority SDGs impacted positively by the Company</b>				
Expanding the use of fertilizers which, due to their natural composition (zero/minimum concentration of radionuclides and heavy metals), minimize potential adverse impact on human health	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	12.4	direct	p. 24, 62, 104, 148
Strengthening the Global Partnership in favor of sustainable development complemented by partnerships with the involvement of multiple stakeholders who mobilize and share knowledge, expertise, technologies and financial resources in order to support the achievement of the Sustainable Development Goals in all countries, especially developing ones	17 PARTNERSHIPS FOR THE GOALS 	17.3	direct	p. 98, 148, 312
Improved infrastructure, telecommunications, road network, power and water supplies, improved access to health care and education		6.1	direct	p. 24, 148, 180, 312
		9.1		
Use of fertilizers boosts food production and contributes to the availability of nutrients required for human health	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	2.4	indirect	p. 24, 54, 98
		2 ZERO HUNGER 		
Positive impact on the infrastructure development and demographic changes in the regions of presence	11 SUSTAINABLE CITIES AND COMMUNITIES 	11.3	indirect	p. 24, 180
Fertilizers play an important role in improving the quality of soils – natural absorbers of greenhouse gases	13 CLIMATE ACTION 	13.1	indirect	p. 24, 66, 98, 104, 148
		13.2		
Support of employment	8 DECENT WORK AND ECONOMIC GROWTH 	8.3	direct	p. 24, 116, 134, 180
Development of skills of both employees and the younger generation	4 QUALITY EDUCATION 	4.4	direct	p. 98, 116, 180



Prioritization result	SDG	Issue number	Impact on stakeholders	Read more in the report
<b>Priority SDGs for which the Company minimizes its adverse impact</b>				
Inflation, price rise and limited accessibility of housing for workers not involved in the mining industry; long-term depopulation, income differences, prevalence of jobs for unskilled and low-skilled employees		8.3	indirect	p. 24, 116, 134, 180
Environmental impact caused by improper use of fertilizers: agriculture-related emissions of greenhouse gases, degradation of natural ecosystems, drains, leaks and contamination, bogging of fresh-water bodies and loss of biological diversity		6.3	indirect	p. 24, 98, 105, 148
		12.4		
		15.1		
Air emissions (including greenhouse gases and solid impurities in the atmosphere) affect the health condition		3.4	direct	p. 24, 98, 105, 116, 134, 148, 180
		3.9		
		13.2		
Harsh working conditions, health impacts for workers, risk of fatalities and industrial accidents inherent in the mining industry		8.5	direct	p. 24, 116, 134, 180
		8.8		
Discharges may cause pollution of surface and ground waters, soils, and may also affect the ecosystem functioning		6.3	direct	p. 24, 98, 105, 148
		12.4		