



MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS



The Board of Directors bears responsibility for upholding PhosAgro's corporate governance rules and principles, as well as maintaining the Company's compliance with all applicable corporate governance codes. The Board assesses the quality of PhosAgro's strategic decisions and management processes and protects the interests of a wide range of stakeholders. The year 2020 highlighted the Board's importance for the Company's corporate governance. Its decisions involved protecting the health of PhosAgro's employees and their families, the seamless operation of its facilities, and managing the many challenges, internal and external, amid the uncertainty created by the COVID-19 pandemic.

During the fiscal year 2020, the Board of Directors held eleven meetings and considered a total of 79 agenda items, with particular

focus on health & safety, strategy, sustainable development & climate change, operational resiliency and IT security. In May 2020, the Board of Directors' Sustainable Development Committee approved the overall framework for the Company's climate strategy and then reviewed the draft strategy proposal in November for final approval by the Board of Directors in December. The Board was also pleased to note that the Company's efforts and strong progress in the area of sustainable development was suitably acknowledged by Russian and international advisory and rating agencies.

PhosAgro's response to the COVID-19 pandemic has confirmed the central role and effectiveness of the Company's crisis management capabilities and operations. These matters were discussed as part of the Board's regularly scheduled sessions as well as at an ad hoc meeting held in April 2020.

The Board of Directors is committed to the Company's policy to continuously review and implement best market practices throughout its operations. PhosAgro continues to receive top corporate governance ratings amongst its peers in Russia and abroad and has been particularly attentive to its compliance with the Bank of Russia's recommendations. Its high score in an external report assessing its conformity and compliance with the principles and recommendations of the Russian Corporate Governance Code was duly noted. The Board also reviewed the compliance assessment with the Russian and UK corporate governance codes performed by the Internal Audit Department. Where applicable, improvements or additional disclosure were discussed and approved. In particular, an updated Inside Information Regulation was adopted in August 2020 to account for recent changes in Russian



The COVID-19 pandemic made crisis management an important part of the Company's operations. In addition to including the matter into the agenda of its scheduled sessions, the Board held an ad hoc meeting on the COVID-19 response in April 2020.

and European legislation. Bespoke training led by Russian experts was provided to Directors and Senior Management.

The Board was also pleased to note that Sustainalytics and MSCI raised the Company's corporate governance scores in the second half of 2020, respectively, from 50.6 ("Average Performer") to 59.1 ("Outperformer") and from 6.7 to 6.9, which puts the Company among the top 22% of businesses globally and in top 5% in Russia.

Overall, PhosAgro continues to score highly versus its Russian peers.

The Board of Directors also wishes to commend the performance of the management team and its contribution to the strong results delivered by the Company in 2020. At its 18 February 2021 meeting, the Board praised the Company's Management team on achieving excellent 2020 operational

and financial results, as well as delivering on all the Group's strategic targets for the year. External recognition was also noted as PhosAgro's CEO Andrey Guryev received the 2020 Director of the Year National Award for his contribution to the "Development of a Strong ESG Culture".

The Board of Directors is committed to uphold the highest standards of corporate governance practices and will maintain its focus on health & safety, sustainability and climate change and the global challenges facing the agricultural sector. It will continue to support the management team in its implementation of the PhosAgro's Development Strategy to 2025.

Xavier Rolet,

Chairman of the Board of Directors of PJSC PhosAgro



Sustainalytics upgraded our ranking **from 50.6 ("Average Performer") to 59.1 ("Outperformer")**, while MSCI revised our score **from 6.7 to 6.9** on a scale from 0 to 10, which puts the Company in the top 22% best-rated companies globally and top 5% domestically.