



ETHICAL PRACTICES

VALUES, PRINCIPLES, STANDARDS, AND NORMS OF BEHAVIOUR

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A set of corporate legal, information and explanatory measures has been developed and adopted to ensure that PhosAgro Group companies comply with the civilised business rules and generally recognised business standards. These measures are intended to improve the shared corporate culture based on high ethical standards, mutual respect and good faith, maintaining an atmosphere of trust among employees, preventing and combating fraud and corruption, identifying and resolving any conflict of interest arising within the scope of activities carried out by the Company's employees and job applicants, and minimising risks of employee involvement in illegal activities.

PhosAgro Group uses its best endeavours to improve, enhance and protect its business reputation as a fair, transparent and bona fide partner, thus ensuring that it communicates a positive image to shareholders, potential investors, partners, employees, and counterparties. The Company also applies its best efforts to avoid corrupt practices that may result in penalties and sanctions against the Group's entities and executives, as well as a decline in stakeholder trust.

Elimination of any possible occurrences bearing the signs of corruption or potential conflict of interest, and maintaining the commitment of PhosAgro Group's employees to the highest ethical behaviour are at the forefront of the activities carried out by the Company and its subsidiaries.

All employees of the Company, including its management, are personally responsible for compliance with the ethical principles and standards. Employees who have violated internal regulations are subject to the respective sanctions, including social condemnation, public censure through publication in the Company's media, full or partial withholding of bonuses in accordance with PhosAgro's internal documents, and – if the employee's action (omission) bears signs of a disciplinary offence – disciplinary measures also apply to such employee pursuant to the Labour Code of the Russian Federation.

Activities carried out by PhosAgro Group in order to comply with the key principles and standards of ethical conduct are governed by the following internal policies and procedures currently in effect

Document name	Content
Code of Ethics	The Code outlines the key principles and rules of ethical business conduct underlying the corporate culture of PhosAgro Group companies
Anti-Corruption Policy	The Policy defines the goals and objectives and sets forth the Company's key principles and employee responsibilities in the sphere of anti-fraud and anti-corruption
Regulations on Conflict of Interest	The Regulations establish the procedure for identifying and resolving conflicts of interest arising with employees in the course of their employment
Regulations on the Commission for Combating Fraud and Corruption and Regulating Conflicts of Interest	The Regulations address and govern the issues pertaining to employee anti-corruption compliance
Regulations on Internal Checks Regulations on Inspections	The Regulations govern a set of actions taken to elicit the facts and identify the circumstances, motives and conditions of misconduct, incidents, and other violations of requirements set out in the Company's internal documents
Terms of use of the PhosAgro Hotline	The Terms set out the goals and objectives with regard to the receipt of employee reports on the matters pertaining to combating fraud, corruption and theft and identifying conflicts of interest



Internal regulations are corporate legal instruments mandatory for all executives, officers, and employees of the Company.

Notification tools in place at PhosAgro Group to notify the relevant Company's executives of any instances of misconduct and corrupt practices

Instrument	Description
Obligation	Any Company employee, as well as any member of the Board of Directors and Management Board who has become aware of any actual or potential violation of law or PhosAgro's internal regulations is obliged to give a prompt notice of the same in writing. The employee is obliged to notify the Company of any inducement to corruption and any violations showing signs of corruption, including those targeted at other employees, counterparties or other parties interacting with the Company
Communication	The procedures for reporting and consideration of violation reports are defined in the Anti-Corruption Policy, the Code of Ethics, the Regulations on Conflict of Interest, and the anti-corruption agreement
Confidentiality and protection	A person who has submitted the above notice/report is guaranteed confidentiality of the information received, as well as such person's personal data. The Company assumes measures to protect the employee who has notified the employer of any actual or potential of law and the Company's internal regulations that poses a threat to its interests
Advice	PhosAgro's Code of Ethics states that each Company employee, if they have any questions relating to anti-corruption compliance or any concerns as to the rightness of their actions or the actions of other Company employees, counterparties, or other parties interacting with the Company, may seek advice or assistance from their immediate supervisors or, if need be, the relevant business units of the Company
PhosAgro Hotline	The Hotline operates to improve the efficiency of measures taken to prevent fraud, corruption, theft, and conflict of interest, as well as mitigate the compliance and reputational risks resulting from violation of professional and ethical standards by the Company's employees

ANTI-CORRUPTION

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The Company operates in strict compliance with generally accepted ethical business standards and is intolerant to anyone taking advantage of their official position

contrary to public or national interests. To prevent fraud and corruption, PhosAgro has put in place its Anti-Corruption Policy together with a system

covering 100% of its activities and a commission on fraud, corruption, and conflicts of interest. The Company seeks to identify and assess corruption risks



on a regular basis to keep track of functions and positions exposed to such risks. PhosAgro's management receives regular reports on the progress of anti-corruption initiatives

and the performance of the anti-fraud and anti-corruption system.

Managers are required to identify risks and prevent wrongdoings within the scope of their authority

as provided for by internal regulations, including Apatit's Risk Management Regulations.

PHOSAGRO'S PARTICIPATION IN COLLECTIVE EFFORTS TO COMBAT CORRUPTION

205-2

The Company's Anti-Corruption Policy is implemented in accordance with Russian anti-corruption laws and international conventions (including the United Nations Convention Against Corruption and the OECD Convention).

To prevent and combat corruption, the Company cooperates

with business communities and participates in public associations:

- the Anti-Corruption Charter of the Russian Business;
- the Social Charter of the Russian Business sponsored by the Russian Union

of Industrialists and Entrepreneurs (RSPP);

- the Russian Association of Fertilizer Producers (RAFP), a sectoral non-profit organisation established by the largest Russian producers of mineral fertilizers.

PREVENTING CORRUPTION THROUGH INTERACTION WITH PARTNERS AND COUNTERPARTIES

205-2

In line with its anti-fraud and anti-corruption policies, PhosAgro seeks to minimise the risk of business relations with those potentially involved in fraud and/or corruption or tolerant to corrupt practices. In 2020, PhosAgro refused to enter into a contract with a business partner because of the latter's

fraudulent acts (resulting in criminal proceedings). PhosAgro reminded another counterparty of strict compliance with the anti-corruption clause which requires employees to refrain from abusing their official position in order to obtain any benefits, such as money, valuables,

other property, or property-related services.

COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES

205-2

The Company offers ongoing training programmes to educate employees on anti-corruption in order to minimise the risk of their involvement in corrupt practices. PhosAgro has put in place a robust training system to prevent any and all corrupt practices, mitigate possible harm, and eliminate the consequences thereof.

In 2020, the compliance officer conducted an additional induction training exercise for all new hires on how to prevent and combat corruption in practice in line with internal regulations, with 543 briefings held.

Every year, the Company's dedicated training centres engage external consultants to teach employees of the Economic Security Department.

PhosAgro is considering an extension of the annual anti-corruption training programme to include blue-collar workers as well, with a view to covering 100% of the Company's headcount.



In 2020

5,441 employees
(white-collar workers) received training or

32%

of the Company's headcount. 4,388 employees (26%) in 2019.

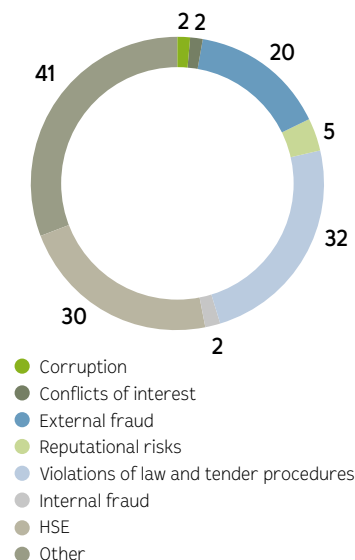
CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

205-3

In 2020, two cases of corruption were identified, one involving an administrator of the Balakovo branch at Tirvas Sanatorium and the other one involving a manager of PhosAgro Education Centre. Following an internal investigation, the Company terminated their employment and recovered damages in full, with no criminal proceedings initiated.

In order to improve the efficiency of measures aimed at preventing corruption, fraud and theft, the Company runs a hotline portal which is governed by Hotline Regulations PVD91-2018 dated 3 September 2018.

Reports received by the hotline by category in 2020




NON-DISCRIMINATION POLICY AND HUMAN RIGHTS

In its operations, PhosAgro remains committed to generally accepted ethical standards.

Our goal is to keep our working environment free from restrictions based on nationality, gender, age, faith or other grounds as required by the applicable laws. Any decisions regarding promotion, hiring, remuneration or benefits are based solely on the employee's qualifications, performance, skills and experience.

In 2020, the Board of Directors and the Remuneration and Human Resources Committee paid special attention to human rights focusing on diversity, equality of genders and that of staff appointments. The discussion led to the key conclusion that every employee who works dutifully and has professional skills and competencies may apply for any position within the Company, including in an executive role.

 For more information on the Company's non-discrimination policy and human rights, see the People Development and Environmental Report sections.

CONFLICTS OF INTEREST

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The Board of Directors pays special attention to resolving conflicts of interest, with independent directors playing a crucial role in their prevention. The restated Regulations on Conflict of Interest were approved by the Board of Directors as part of the Company's internal anti-corruption regulations in late 2018.

The Company's Economic Security Department is responsible for identifying conflicts of interest and taking the required corrective actions. In its quarterly report, the IAD informs the Board's Audit Committee of all complaints received via the hotline and relevant investigation results.

The Regulations on the Board of Directors also contains provisions defining a conflict of interest and regulating the directors' actions if any such conflict arises. Every year, at one of the Board's in-person meetings, directors are notified of their duties in connection with potential conflicts of interest. In the reporting year, there were no conflicts of interests among



the Board members and the top management.

The Company requires that its respective managers complete and submit their annual statements on conflicts of interest in order to prevent wrongdoings, combat corruption, and comply with Russian anti-corruption laws. It is mandatory

for the employee concerned to disclose each and every actual or potential conflict of interest. The information provided is then scrutinised for any connections with potential counterparties. Conflicts of interest are managed by the Commission on Fraud, Corruption and Conflicts of Interest.



In 2020, it considered

12 potential conflicts of interest.

and conducted three internal investigations, with disciplinary actions taken against three employees.



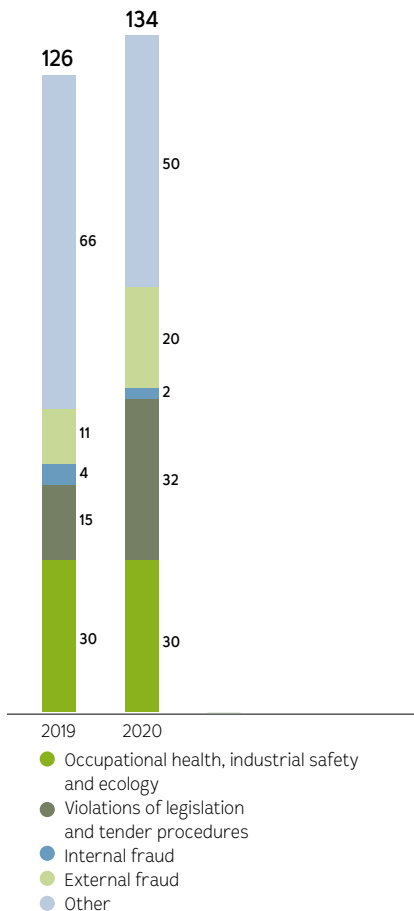
The new version of the Conflict of Interest Regulation can be found on the Company's official website

HOTLINE

The Company runs a hotline portal which is governed by the Hotline Regulations.

Any employee or other stakeholder can use PhosAgro's hotline to report any potential violations detrimental to the Company's interests, while the Company may not disclose the identity of the whistle-blower to other employees and third parties.

Reports received by the hotline by category



There are three ways to report to the hotline: by phone at +8 8202 59 3232, e-mail at help@phosagro.ru and regular mail to the Economic Security Department at 75 Severnoye Highway, Cherepovets, Vologda Region, 162622, Russia. To ensure free access to the Company's hotline, all existing communication channels are posted on its website.



In 2020, the hotline received

134 calls