



# INDEPENDENT ASSURANCE REPORT

Independent practitioner's limited assurance report by AO Deloitte & Touche CIS ('Deloitte') to PJSC Phosagro Board of Directors on the 2019 Sustainability Report for the year ended 31 December 2019.

## SCOPE OF ASSURANCE

We have been engaged by PJSC Phosagro to perform an assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) ('the Standard') to provide public limited assurance on accuracy of Selected Data presented in PJSC Phosagro Sustainability Report prepared in accordance with GRI Standards ('the Report') for the year ended 31 December 2019.

## ASSURANCE PROCEDURES AND ROLES

We carried out limited assurance on accuracy of the following data related to 2019 year and included into the Report:

(1) Selected key performance indicators specified below in the section "*Selected non-financial performance data for public limited assurance*", and (2) PJSC Phosagro's self-declaration in preparing its Report 2019 in accordance with the requirements of Global Reporting Initiative (GRI) Sustainability Reporting Standards as stated on page 193 of the Report.

## OUR KEY ASSURANCE PROCEDURES

To achieve limited assurance, the ISAE 3000 (Revised) requires that we review the processes, systems and competencies used to compile the areas on which we provide our assurance. Considering the risk of material error, we planned and performed our work to obtain all of the information and explanations we considered necessary to provide sufficient evidence to support our assurance conclusion.

To form our conclusions, we undertook the following procedures:

- Conducted site visit to one business unit – AO "Apatit" (Vologda region);
- Analysed on a sample basis the key systems, processes, policies and controls relating to the collation, aggregation, validation and reporting processes of the selected sustainability performance indicators;
- Conducted interviews with employees of PJSC Phosagro responsible for sustainability performance, policies and corresponding reporting;
- Conducted selective substantive testing to confirm accuracy of received data to the selected key performance indicators;
- Made enquiries of management and senior executives to obtain an understanding of the overall governance and internal control environment, risk management, materiality assessment and stakeholder engagement processes relevant to the identification, management and reporting of sustainability issues;
- Performed selective review of disclosures in the Report on compliance with GRI Standards;

We believe that our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

## INHERENT LIMITATIONS

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Additionally non-financial information, such as that included in reporting documents is subject to more inherent limitations than financial information, given the nature and methods used for determining, calculating and sampling or estimating such information.

Our work has been undertaken so that we might state to the Company those matters we are required to state to them in this Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than PJSC Phosagro for our work, for this Report, or for the conclusions we have formed.

Our engagement provides limited assurance as defined in ISAE 3000 (Revised). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

## ROLES AND RESPONSIBILITIES

- The Directors are responsible for the preparation, accuracy and completeness of the sustainability information and statements contained within the Report. They are responsible for determining PJSC Phosagro sustainability objectives and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.
- Our responsibility is to express a conclusion on the selected Subject Matter based on our procedures. We conducted our engagement in accordance with the ISAE 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board.



## INDEPENDENCE AND QUALITY CONTROL

- We have complied with the independence and other ethical requirements established by the Rules on Independence of Auditors and Audit Firms and the Code of Professional Ethics for Auditors approved by the Audit Council of the Ministry of Finance of the Russian Federation and by the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which are based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.
- The firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## LIMITED ASSURANCE CONCLUSION

Based on the scope of our work and the assurance procedures performed nothing has come to our attention that causes us to believe that the aforementioned Selected Data, which we were engaged to provide limited assurance on, as specified in the 'Roles and responsibilities' section above are materially misstated.

## SELECTED NON-FINANCIAL PERFORMANCE DATA FOR PUBLIC LIMITED ASSURANCE

We have been engaged by the Board of Directors of PJSC Phosagro to perform limited assurance procedures on accuracy of the following key performance data of the 2019 reporting year included into the Report:

<b>Employees</b>	Average headcount (Total number of employees in PhosAgro Group, including all branches and subsidiaries). Proportion of senior management hired from the local community in total headcount. Percentage of employees receiving regular performance and career development reviews Average hours of training per year per employee
<b>Health and safety</b>	Total number of workplace accidents. Total number of fatal accidents. Lost Time Injury Frequency Rate (LTIFR) per 1 million hours
<b>Emissions into the atmosphere</b>	Gross sulphur dioxide emissions, tones. Gross nitrogen oxides emissions calc. in NO <sub>2</sub> , tones. Gross carbon monoxide emissions, tones. Gross solid emissions, tones.
<b>Greenhouse gas</b>	Gross GHG emissions (Scope1), tones.
<b>Hazardous waste</b>	Total weight of generated waste, tones. Waste with a breakdown by the disposal methods, tones
<b>Water consumption</b>	Total water withdrawal by source by branches, mln m <sup>3</sup> . Waste-water discharge by branches, mln m <sup>3</sup> .
<b>Energy</b>	Total non-renewable fuel consumption by fuel type. Electricity consumption. Heating consumption.
<b>Stakeholder engagement</b>	The total amount of funds allocated for the needs of society, charity, in million rubles.
<b>Anticorruption</b>	Confirmed amount of incidents of corruption

  
Natalya Kaprizina  
Engagement partner

28 April 2020



The Entity: Public Joint Stock Company Phosagro  
Primary State Registration Number: 1027700190572  
State registration number: P-18009.16 dated 10.10.2001 issued by the State Registration Chamber under the Ministry of Justice of the Russian Federation  
Address: 119333, Russian Federation, Moscow, Leninsky prospekt., 55/1

Audit Firm: AO "Deloitte & Touche CIS"  
Certificate of state registration № 018.482, issued by the Moscow Registration Chamber on 30.10.1992.  
Primary State Registration Number: 1027700425444  
Certificate of registration in the Unified State Register № 77 004840299 of 13.11.2002, issued by Moscow Interdistrict Inspectorate of the Russian Ministry of Taxation № 39.  
Member of Self-regulatory organization of auditors Association "Sodruzhestvo", ORNZ 12006020384