



INTEGRATED HSE MANAGEMENT SYSTEM

We view the life and health of our people as our top priority. As part of our commitment, we focus on creating a safe and healthy working environment for our employees, contractors and suppliers. We also make it an essential component of our sustainability strategy.

MANAGEMENT APPROACH

We place a great emphasis on making our health and safety system compliant with applicable laws and the highest international standards. We carefully monitor and seek to implement the best practices in this area.

On top of that, we are consistently improving our safety culture, employee responsibility and awareness, hazard identification procedures and danger prevention measures by putting managers at all levels in charge and applying the most advanced health and safety techniques.

Our mission is to continuously identify and reduce health and safety threats to our employees, contractors and visitors to the Company's sites.

Our aim is to completely eliminate fatalities, take a leading position in terms of key health and safety indicators, and achieve the highest standards in this domain.

In 2019, we continued to enhance our health and safety performance to help the Company fulfil its strategy. We define relevant goals and objectives, both strategic and operational, based on huge volumes of data derived from internal and external audits, inspections, incident investigations, and employee feedback.

We have adopted a Health and Safety Strategy, which defines key focus areas and initiatives to reduce the risks associated with various operations.

The Strategy focuses on the following key areas:

- reduce workplace injuries (by 10% annually)
- reduce the number of incidents (by 10% annually)
- improve the health and safety management system and culture.

To achieve these goals, we run the following targeted programmes:

- Improving the safety of working at heights (theoretical course, drills in the Vysota (Height) training centre and with mobile simulators)
- Use of the LOTO system (auxiliary safety equipment)
- Improving gas safety
- Improving transport safety
- Identifying and managing production process risks
- Developing gas and mine rescue, fire-fighting and prevention activities.

Health and safety management principles

Fortifying health and safety is one of our key priorities and an essential component of our sustainability strategy. Without healthy, motivated and engaged employees working in safe conditions, we would not be able to move forward and develop our operations, introduce innovations and build strong relationships with local communities and stakeholders. This is why we are fully committed to creating a safe and healthy working environment and improving our health and safety practices.

At PhosAgro, we use management techniques that proved to be effective in many companies. These include:

- internal investigations of all incidents;
- prequalification of contractors to assess their level of compliance;
- health and safety training for employees;
- PPE matrices.

Apatit employees enjoy additional healthcare benefits, including access to gyms and swimming pools located both on-site and in town. At its facilities, the company organises various sports activities, such as futsal, volleyball, etc., and offers its personnel health resort treatment.

As part of healthcare initiatives, staff canteens provide nutrition according to Diet No. 10 targeting patients with cardiovascular diseases.

The company uses corporate media, information stands, lectures and brochures to distribute information on all its initiatives.



Health and safety management system

We pay special attention to making our health and safety system compliant with applicable laws and the highest international standards. To this end, we have introduced a multi-tier health and safety (OHS) management system involving managers of all levels. Following the introduction of a public scrutiny mechanism in 2019, OHS management now involves dedicated officers and employees of all business units.

Our executives together with blue- and white-collar staff take OHS training as required by the national laws, as well as additional safety training.

The Company has introduced a system of audits and inspections to ensure compliance with statutory requirements and corporate standards. Apatit, our largest enterprise, is certified for compliance with OHSAS 18001.

An integral part of our OHS management system is the Health and Safety Committee, which makes it possible for operational and non-operational managers and employees to take part in relevant activities.

In its work, the Committee relies on the principles of social partnership.

Its members interact with the Company's executive body responsible for health and safety, state supervisory bodies overseeing compliance with Russian health and safety laws, other government's watchdogs, and the Company's trade union.

403-1
403-8

Health and safety management system¹

	Organisational unit	Key responsibilities
Board of Directors	Environmental, Health and Safety Committee	<ul style="list-style-type: none"> • Sets strategic priorities and policies • Holds management accountable for health and safety monitoring and performance • Receives quarterly reports on health and safety performance
Management	Management Board	<ul style="list-style-type: none"> • Defines and oversees the health and safety policy • Reviews all on-site incidents involving people and machinery on a weekly basis
	OHS Department	<ul style="list-style-type: none"> • Supervises OHS management functions across the Group's companies to implement OHS policies and strategies • Collects data and prepares OHS reports for the Management Board and the Health and Safety Committee • Cooperates with external consultants to implement the best practices of OHS management • Conducts audits and inspections at the Company's sites
Operations	Heads of production sites	<ul style="list-style-type: none"> • Oversee OHS policies and strategies at respective production sites • Develop and implement response measures following internal and external audits and accident investigations
Operational OHS staff	Local OHS management functions	<ul style="list-style-type: none"> • Monitor the site's compliance with OHS regulations and corporate standards • Develop targeted programmes, conduct training and stage initiatives • Interact with relevant regulatory authorities on behalf of the site and facilitate inspections • Conduct internal inspections and audits and present analytical reports to the local management

403-3

¹ For more information on PhosAgro's OHS system, see Apatit's Industrial Safety Policy Statement and Quality, Environmental and OHS Policy.



The Company's operations are regulated by the Russian health and safety laws, as well as:

- health and safety SOPs at the facility (shop) level;
- production SOPs;
- worker health and safety instructions;
- corporate standards;
- process regulations;
- accident management action plans, etc.

To improve OHS efficiency, automate and streamline the relevant processes, we have successfully introduced Safety and Instructions (Shift Assignments) management systems.

In line with statutory requirements, the Company is subject to external audits by Russian regulatory authorities, including Federal Service for the Supervision of Environment, Technology and Nuclear Management (Rostekhnadzor), State Labour Inspectorate, Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing (Rospotrebnadzor), and the Ministry for Civil Defense, Emergencies and Elimination of Consequences of Natural Disasters (EMERCOM). We may also engage consulting companies to conduct additional external audits, or organise them as part of a special assessment of workplace conditions. We also run internal audits conducted by our OHS Department, managers and employees exercising production H&S control. The results of all internal and external assessments and audits are recorded in the Safety and Instructions (Shift Assignments) management systems and serve as the basis for analysis, gap identification and elimination monitoring. The Company has a procedure in which information about incidents is transmitted from eyewitnesses to the supervisors in charge and from those supervisors to the dispatcher of the respective enterprise. Next, the company manager transmits information on the established list using text messages and phone calls. Industrial accidents and incidents are then investigated in accordance with legislative requirements and procedures for conducting internal investigations in order to determine the root causes. The Company encourages its staff to disclose information on the potential sources of danger to employee health and life.

Performance monitoring and measurement are key prerequisites for achieving sustainable long-term results in line with our OHS strategy.

By introducing Safety and Instructions (Shift Assignments) management systems, we achieved the following goals and objectives:

GOALS

- Improve the manageability of employees and equipment safety
- Cut down administrative expenses related to the safety of employees and equipment
- Obtain reliable and complete information about the safety of employees and equipment

OBJECTIVES

- Centralised health and safety (industrial and fire safety) management
- Faster collection, processing and analysis of employee and equipment safety data
- Real-time reporting across the Group, including reports to government authorities
- 24/7 access to information about every employee and site

Risks

We perform risk assessment and identify material risks using our own methodology. Following hazard identification and risk assessment, the unit's OHS officer compiles a list of local occupational risks, which is then used as a basis for the Company's list of material occupational risks.

Risk assessment takes into account the following aspects:

- degree of personnel exposure;
- impact on personnel;
- frequency of occurrence;
- compliance with the applicable regulatory and other OHS requirements.

The list of material occupational risks is available on our intranet site. We update the lists of hazards and risks to factor in new inputs.

Emergency response procedures

At our sites, we have introduced the following emergency response and prevention measures compliant with the Russian laws:

- accident management action plans for all hazardous industrial facilities in line with the Russian regulatory requirements;
- training sessions, test alerts for different scenarios, and emergency response exercises, with EMERCOM and other services also taking part;
- Apatit's programme for developing gas and mine rescue fire-fighting and prevention activities for 2019–2021 (approved and ongoing).



Health and safety training programmes

PhosAgro Education Centre organises OHS training, including industrial safety pre-certification sessions, and drills in the Vysota training centre, to develop employee hands-on knowledge and skills.

All our employees, from managers to blue-collar staff, receive health and safety briefing and training as required by the Russian laws. On top of that, we offer a number of additional in-house courses.

Additional (thematic) training courses:

- safe operation of conveyors,
- job permits for electrical works,
- safe detection and elimination of misfires in the pit face of the Vostochny mine,
- signals used in underground blasting,
- briefing methodology, and others.

To improve the OHS training and remind employees about workplace safety, PhosAgro Education Centre developed animated videos on the following topics:

- movement of heavy-duty dump trucks along service roads of the Vostochny mine in adverse winter conditions;
- re-railing a derailed locomotive or railcar;
- response to misfires in the pit faces;
- safe operation of conveyors;
- moving around the site;
- cargo handling;
- safe behaviour in the vicinity of mine vehicles with various technical, design and operational characteristics.

Road traffic safety

In 2019, we carried on with our efforts to ensure safety of passenger and cargo transportation, focusing, among other things, on bus transportation of our employees.

The steps taken include:

- GPS and GLONASS speed detection;
- monitoring compliance with safety rules for passenger pick-up / drop-off at Apatit and its branches;
- introducing speed limits and installing speed cameras at the most dangerous sections of the bus routes.

On top of that, we pay due attention to the safety of passenger transportation on-site.

- We introduced uniform parking rules at Apatit and its branches to prevent vehicle reversing accidents.
- The use of safety belts is mandatory for drivers and passengers when on-site.
- Road safety regulations are now part of the introductory safety briefing for our employees and contractors.
- We organised a training session on safe bus driving for drivers involved in employee transportation.

403-4
403-5
403-8

197

employees

attended workshops and hands-on training sessions in 2019