



PEOPLE DEVELOPMENT

Incentives and rewards

Our robust system of rewards is aligned with the Company's performance and motivates all employees to improve their performance in order to achieve our business goals.

It ensures:

- decent pay;
- implementation of incentive programmes using a transparent system of KPIs to calculate managerial rewards;
- implementation of incentive programmes for blue-collar target delivery;
- availability of financial and non-financial rewards;
- better quality of life and more creative opportunities for employees along with development of urban communities across the Company's footprint,
- availability of benefits for certain employee categories;
- adherence to global best practices on benefit packages.

Average monthly pay, RUB

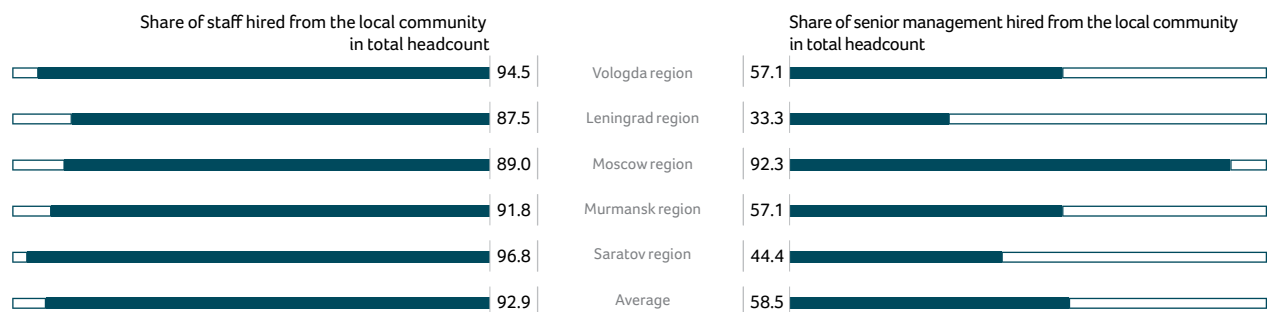


Ratios between the standard entry-level wage and the established minimum wage in the Company's primary regions of operation, including gender differentiation

Region	Men	Women
Saratov region	1.84	1.82
Murmansk region	1.31	1.21
Moscow region	4.31	3.36
Leningrad region	2.13	2.23
Vologda region	1.90	1.59

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Staff and senior management (N–N-2) hired from the local community¹ at locations of significant operations as at 31 December 2019, %



The Company's key (significant) regions of operation are the Murmansk, Vologda, Leningrad and Saratov regions. Our aim is to work

in line with their interests. As a major contributor to the local economies and one of the largest taxpayers in these regions, PhosAgro makes a significant impact on their social development, while also helping to preserve their environment.

¹ Employees hired from local communities are those whose registration address matches the region where the company (branch, standalone business unit) of their employment is located.

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Social benefits

Our sustainable development is closely linked to improving the well-being of our employees. The Group's social policy is implemented through targeted programmes and seeks to enhance individual and team motivation, while also providing our people with a competitive social package.

Our major social programmes:

Health and Leisure

The programme aims to strengthen our people's health, prevent occupational diseases, ensure a full rehabilitation and boost performance through healthy nutrition, recreation and fitness.

Improvement of Working Conditions

The programme aims to enhance labour productivity and operating culture, increase safety, optimise workplaces and streamline the approach to arranging working and amenity areas.

Corporate Housing Programme

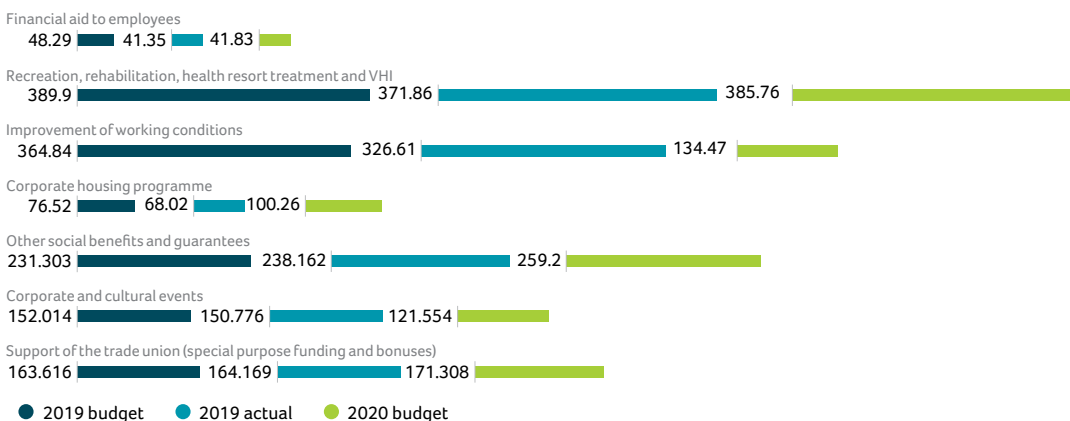
The programme aims to improve living conditions of employees to attract and retain skilled talent and incentivise them to better their performance.

Social Benefits

The programme aims to ensure sustainable labour relations and social security and covers employee incentives and financial aid.

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Social expenses, RUB mln



**Coverage of defined benefit pension plan obligations, RUB mln**

Current value of employee benefit obligations (private benefit coverage for newly retiring employees)			
	Retirement-related obligations (other than employee benefit obligations)	Actual pension payments, 2019	Total
Vologda region	<ul style="list-style-type: none"> • Payment of retirement benefits • Merit benefit plans • Financial aid to retired former employees 	10.95 16.57 17.68	45.20
Leningrad region	<ul style="list-style-type: none"> • Payment of retirement benefits • Merit benefit plans • Financial aid to retired former employees 	0.71 0 2.41	2.98
Murmansk region	<ul style="list-style-type: none"> • Payment of retirement benefits • Merit benefit plans • Financial aid to retired former employees 	32.53 0 30.80	63.33
Saratov region	<ul style="list-style-type: none"> • Payment of retirement benefits • Merit benefit plans • Financial aid to retired former employees 	0.81 0 2.17	2.98
Total	<ul style="list-style-type: none"> • Payment of retirement benefits • Merit benefit plans • Financial aid to retired former employees 	45.00 16.57 53.06	114.49

Return to work and retention rates of employees who took parental leave, by gender, people

	Number of employees on maternity leave and parental leave as at 31 December 2019		Number of employees on maternity leave and parental leave between 1 January 2019 and 31 December 2019		Number of employees who returned to work after maternity leave and parental leave between 1 January 2019 and 31 December 2019	
	men	women	men	women	men	women
Saratov region	0	22	0	41	0	14
Murmansk region	5	143	6	191	0	45
Moscow region	0	2	0	4	0	2
Leningrad region	0	32	0	44	0	11
Vologda region	1	189	1	263	0	64

Training and evaluation

We seek to attract skilled staff and efficient managers and provide opportunities to fully unlock their potential. Our focus on training and developing our people also helps us hedge against a potential shortage of talent at all levels. We are introducing the best educational and development practices, creating professional competency models, expanding

online and distance learning opportunities and automating the entire HR management cycle to support PhosAgro's transformation into a completely new self-learning organisation. We strive to develop our internal communications, and make our training and assessment services as friendly and accessible as possible. There is a talent pool programme in place to encourage our people to grow professionally. We rely on a talent pipeline of staff with the potential to take on leadership and/or more technically challenging roles to ensure PhosAgro's long-term viability.



Our focus on training and developing our people also helps us hedge against a potential shortage of talent at all levels.

We use our PhosAgro Education Centre to help our staff prepare for both external (legislative/regulatory) and internal (related to optimisation, changes to production or business processes) changes. The Centre helps run our long-term HR initiatives, such as PhosAgro Classes, High-Potential Graduates and the Talent Pool programme, and it holds competitions for professional skills.

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PhosAgro relies on its Talent Pool initiative as a means of identifying talented staff with the potential to expand their roles and step into senior positions, and it provides additional training to help them achieve these goals. The programme includes management training courses on personal and business skills such as decision-making, leadership and delegation, conflict management, project management, communication skills and staff mentoring.

Our corporate training framework relies on the following principles:

- clear alignment with the Company's strategy;
- assessing and prioritising actual training needs of various staff categories;
- planning, coordination, quality and efficiency audit;
- introducing the most advanced and efficient tools from an economic and methodological perspective;
- developing new formats;
- using an individual approach to young talent;
- proactively identifying and developing new leaders to succeed current ones.

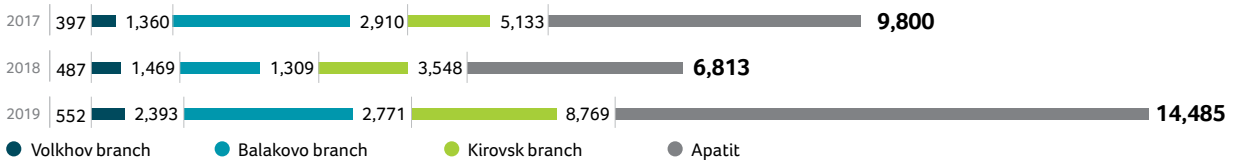
In 2019, we started building a talent pool for senior executive roles and launched comprehensive training programmes in partnership with Skolkovo Moscow School of Management and International Management Institute LINK (the UK's Open University). The programmes help current and future managers expand their thinking, learn about new tools and approaches and put the best fitting ones into practice. More than 60 heads of business units completed the training course, including classroom modules, self-study using a variety of materials, and project-based learning under the mentorship of experienced business coaches.

Retraining and development

We rely on a talent pipeline of staff with the potential to take on leadership and/or more technically challenging roles to ensure PhosAgro's long-term viability. Our focus on training and developing our people also helps us hedge against a potential shortage of talent in the future. One aspect of this that we prioritise is including schools, universities and our own staff programmes in our recruitment and training initiatives.

>60 managers improved their professional skills in 2019 by completing courses in Russia's leading business schools

Number of attendances of professional training courses





Total number of training hours

	2017	2018	2019 (excl. educational leave)	Average training hours per employee in 2019 (excl. educational leave)	2019 (incl. educational leave)	Average training hours per employee in 2019 (incl. educational leave)
Volkhov branch of Apatit	29,753	30,145	41,533	53.02	50,445	64.40
Balakovo branch of Apatit	82,558	81,399	92,531	78.52	108,443	92.03
Kirovsk branch of Apatit	425,829	313,125	365,680	72.82	414,104	82.46
Apatit	425,829	367,138	504,270	129.36	566,134	145.23
Total	963,969	791,807	1,004,014	92.26	1,139,126	104.68

Training expenses, RUB

Training expenses



Training expenses per employee



Personnel evaluation

To assess HR management and make efficient decisions, we continuously monitor relevant

metrics and analyse the structure of staff costs, labour productivity, along with the performance of social, training and other programmes.

Employees evaluated in 2019, people

	Kirovsk branch of Apatit		Apatit		Balakovo branch of Apatit		Volkhov branch of Apatit	
	Men	Women	Men	Women	Men	Women	Men	Women
Executives	212	10	52	3	4		10	1
White-collar workers	89	23	64	43			17	10
Blue-collar workers	16	3	18	6	2		11	1
Total by gender	317	36	134	52	6	0	38	12
Total	353		186		6		50	
Evaluated personnel, %	7,03		4,77		0,51		6,38	