



RESILIENCE AND PROGRESS



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STATEMENT FROM THE CHAIRMAN OF THE SUSTAINABLE DEVELOPMENT COMMITTEE



**Luc
M. Maene**

*Independent Director,
Chairman of the Committee for Sustainable
Development of the Board of Directors,
Chairman of the Committee for Investment
and Development of the Board of Directors*

Dear stakeholders,

As one of the key players in the global potash industry, Uralkali recognises the necessity and significance of its contribution to sustainable development at global and local levels. Our actions reflect the emphasis the Company places on environmental protection, health and safety, fighting climate change and the development of our local communities.

The coronavirus pandemic has been a significant challenge for us all, not only affecting business communities but also changing the way millions of people live their lives. We strongly believe that by acting responsibly all of us can play an important role in solving problems of this magnitude and support sustainable and innovative development. Despite the tough situation in the global potash market during the reporting period, as well as a number of other challenges, we continued to develop and improve our sustainable development

management practices. From my perspective, it is clear that ESG factors are becoming increasingly important in guiding the way our business operates. The different metrics allow us to assess the contribution the Company is making to sustainable development, and ensure we take responsible management decisions that have positive effects for future generations.

Uralkali's role in addressing pressing global sustainable development issues has become

increasingly clear, and this has encouraged us to double down on our efforts to manage new risks and opportunities, by implementing our business strategy. During the reporting period, we structured our economic, social and environmental management activities and formalised them under Uralkali's ESG Strategy. As part of the new ESG Strategy, we will focus on climate change, sustainable agriculture, and responsible procurement and supply chain management. In 2021, significant work will be done to create a carbon management system and develop a climate strategy. The Company believes that setting specific strategic ESG goals will not only help to scale up our sustainability initiatives, but also make them a significant consideration in our business decision-making processes. We also plan to regularly update all stakeholders on our progress in achieving the goals set out in the ESG Strategy. [GRI 102-16](#)

The next ten years is a crucial period for the achievement of the United Nations Sustainable Development Goals (SDGs). Our ESG Strategy supports and promotes the following SDGs: Zero Hunger (Goal 2), Responsible Consumption and Production (Goal 12), and Climate Action (Goal 13). I believe that the initiatives we are implementing will contribute to the achievement of our company's own sustainability goals and will also make a tangible contribution to the well-being of future generations.

It is becoming clear that achieving the SDGs, including mitigating the worst effects of climate change, will not be possible without comprehensive international and cross-sectoral cooperation. As part of our efforts to foster collaboration, I am pleased to announce that in early 2021, Uralkali joined the UN Global Compact, one of the leading global sustainable development initiatives. Joining the initiative confirms the Company's commitment to ten principles in the field of human rights, labour relations, environmental protection and anti-corruption management.

We are also seeing growing interest from the investment community in sustainable business models that imply effective management of ESG factors related to company activities. We

have made significant progress, both in the management of these aspects and in improving our transparency and information disclosure, as evidenced by the recognition our work has received in the international professional community. In 2020, Uralkali took part in the S&P Global CSA for the first time and received a strong debut score of 52, which is above the global average of 36 for the chemical industry.

I am also proud to announce that in the reporting year, Uralkali was awarded a champion gold medal from the International Fertilizer Association (IFA) for its business practices. Receiving this award is another testimony to the great care the Company takes in adhering to the principles of sustainable development, as well as the responsible and systematic approach Uralkali applies to its production activities.

The COVID-19 pandemic has highlighted the effectiveness of our approach to managing social issues. Thanks to our safety measures, during the pandemic, all of the Company's sub-divisions were to carry out uninterrupted work, thereby continuing to support the economy in the region where we operate. We also provided support for healthcare facilities in the cities where we operate. Funds donated by Uralkali were used to purchase artificial respirators and other medical equipment, including COVID-19 testing equipment for patients.

The past year has shown that by integrating ESG considerations into Uralkali's business strategy we have made our operations more resilient to external challenges, and also created new opportunities for further positive change within the Company. The implementation of best practices in the field of sustainable development, as well as close adherence to strategic ESG goals, will continue to be critical to ensure the sustainable growth of the business.

I would like to thank all of my colleagues and Uralkali stakeholders for their support, close cooperation and contribution to the successful sustainable development of Uralkali. Our focus will remain on ensuring we continue to develop our company responsibly. [GRI 102-14](#)

CEO STATEMENT



Vitaly Lauk

CEO

Dear partners and colleagues,

Uralkali fully adheres to the principles of sustainable development in all aspects of our operations. In 2020, the Company developed an ESG Strategy based on an enhanced comprehensive approach to sustainable development. We are committed to developing an efficient holistic ESG management system and integrating sustainable development values throughout our business processes.

We are pleased to present our ESG Report (Sustainability Report), showcasing the results of Uralkali's activities in the spheres of environmental protection, safety, and social responsibility over the past year, as well as the development of our responsible management practices.

2020 was not an easy year for the global business community, and our Company was no exception. Despite serious challenges, including the coronavirus pandemic, we ensured the continuity of our production process and achieved solid production results. Uralkali's production volumes increased by 2%, reaching 11.3 million tons of potassium chloride. In terms of our 2020 ESG indica-

tors, I would like to draw your attention to our excellent health and safety performance this past year.

Reducing impact on the environment

We take full responsibility for the impact of the Company's operations on the climate and state of the environment in the regions of our presence. In 2020, to ensure these matters receive appropriate consideration, and to support the formation of a climate strategy, a Working Group was created to develop a carbon management system. In 2021, this group will focus on setting quantitative targets for greenhouse gas emission cuts.

Each year, Uralkali implements projects and initiatives to reduce our overall water intake, energy consumption and greenhouse gas emissions, and to preserve biodiversity, and we are pleased to note progress in these focus areas. For instance, in 2020 greenhouse gas emissions for the Group (Scope 1 and 2) amounted to 1.70 million tonnes of CO₂-eq., a 5% decrease over the last three years (2018: 1.79 million tonnes of CO₂-eq.); hydraulic backfills increased by 28%, to a total of 20.9 million tonnes of waste (2018: 16.3 million tonnes); and the total volume of wastewater disposal decreased by 7% to 15.5 million m³ (2018: 16.6 million m³). In addition, we are implementing optimisation measures to improve the overall energy efficiency at Uralkali's enterprises, which have resulted in total savings of fuel and energy resources of 203 thousand GJ.

Ensuring employee safety and developing our regions of presence

We are consistently improving our industrial safety performance. In 2020, we recorded zero fatalities among our employees. The occupational injury rate (LTIFR) of Uralkali and its Russian subsidiaries decreased significantly during the reporting period, to 0.07 vs. 0.11 in the previous year. We are continuing with our efforts to boost the safety culture of the Group's employees and improve our management systems in terms of workplace health and safety, including personnel management.

The health and safety of our employees has always been a top priority for us. At the very beginning of the COVID-19 pandemic, we implemented a set of measures to prevent the spread of coronavirus infection at our production and office facilities. In addition, in 2020, we continue to implement a range of measures to protect the health of employees and their families in the regions of our presence.

Improving the quality of life of the local population, as well as the socio-economic development of the region, are integral to our ESG activities. Despite the challenges associated with the pandemic, we continued our important social projects in the field of education, culture, sports, as well as in developing infrastructure in the cities where we operate. Total investments into social projects amounted to RUB 980 million¹.

0

fatalities
industrial accidents

Developing responsible corporate practices

2020 has once again confirmed the importance of implementing high standards of corporate governance, sustainable development, business ethics, and supply chain management. We are confident that our commitment to ESG practices has helped us to adequately overcome the challenges presented by a difficult year, and maintain mutually beneficial relationships with our key partners and stakeholders.

During the reporting period, we established a Procurement Policy, stipulating our commitment to cooperating with companies that share Uralkali's ESG values. In 2021, in accordance with our ESG Strategy, we will develop a Supplier Code of Conduct and afterwards introduce relevant procedures to ensure that suppliers are aware of this regulatory document.

We are proud that our efforts in the field of sustainable development have been repeatedly recognised by the professional community. In 2020, Uralkali was awarded leading positions in two sustainable development indices of the Russian Union of Industrialists and Entrepreneurs – 'Sustainable Development Vector' and 'Responsibility and Transparency'. In addition, we participated once again in the international Carbon Disclosure Project survey, signifying a new stage in our endeavours to increase transparency and awareness among stakeholders of the Company's greenhouse gas emissions.

Finally, I would like to congratulate all my colleagues on the significant progress made in developing our ESG management practices in 2020, a year full of various challenges. The results achieved have once again proven that we have chosen the right strategy, and we continue to work efficiently to improve our processes in a challenging present, to ensure a stable future.

GRI 102-14

¹ Volume of payments in 2020, see also the Local Communities section of Annual Report 2020.

The reporting year was challenging for all of us, as the whole world faced difficulties and new realities posed by the COVID-19 pandemic. Despite these headwinds, this year has enabled us see our business from a different angle and has proven our ability to be RESILIENT to a new and fast-paced environment.

Uralkali believes that the turbulence we have experienced this past year is not a reason to slow down in our pursuit of sustainable development, but rather a reason to PROGRESS and move forward with renewed enthusiasm. Despite the pandemic, the Company continued to ramp up its production volumes and introduce digital solutions, as well as strengthen its investment in environmental initiatives. In addition, in 2020, the Company approved its new business strategy and ESG Strategy 2025, which has laid the foundations for Uralkali’s further sustainable growth.

We are delighted to present Uralkali’s 2020 ESG Report, which is underpinned by RESILIENCE AND PROGRESS, the fundamental values that guided us through 2020.

Uralkali Team



ABOUT THE COMPANY

URALKALI TODAY GRI 102-2

Uralkali¹ is one of the world’s largest producers and exporters of potassium chloride (MOP), an essential component for the growth and development of all living organisms, which has neither a natural nor man-made substitute. The Company has end-to-end control over its production chain of potash fertilisers: from mining potash and magnesium ore to supplying potassium chloride to consumers worldwide.

Uralkali extracts potash and magnesium salts from the Verkhnekamskoye deposit, the second largest deposit in terms of potash ore reserves globally. The Company’s production assets include five mines, six potash

plants and one carnallite plant, all located in Berezniki and Solikamsk in Russia’s Perm Region. More than 12,000 people work at the main production unit and the Uralkali Group employs more than 20,000 people.

Uralkali’s sales geography covers over 70 countries across the globe. Its key sales markets in 2020 were Brazil, India, China, Southeast Asia, Russia, the USA and European and African countries.

Uralkali products meet both international and Russian standards for production, as well as adhering to the strict requirements of our customers.

MAIN PRODUCTS GRI 102-3

Potassium is a vitally important element for all living organisms. It is a natural soil component and, along with phosphate and nitrogen, an irreplaceable nutrient for plants.

Efficient crop cultivation is only possible with balanced soil nutrition, supported by regular application of these three main macronutrients.

The world’s population is growing, while the area of arable land per capita is declining, meaning achieving higher crop yields is essential to ensuring global food security. Scientific studies have shown that optimum yields and consistently high crop quality can only be achieved by providing plants with sufficient volumes of all necessary nutrients (including potassium).

¹ Public Joint Stock Company Uralkali, hereinafter also referred to as Uralkali, the Company.

MAIN PRODUCTS

POTASSIUM CHLORIDE

PINK

(KCl concentration: 95%)

STANDARD

- For direct application to the soil
- For production of compound NPK fertilisers
- Supplied mainly to India, Southeast Asia, and Russia



GRANULAR

- Applied to the soil by means of special machinery
- Can be blended with nitrogen and phosphate fertilisers
- Supplied mainly to Brazil, the USA, Europe, and Central America



WHITE

(KCl concentration: 95% and 98.2%)

STANDARD AND 60% K₂O

- Raw material for compound NPK fertilisers
- Soluble in water
- For production of potassium sulphate, potassium nitrite, potassium hydroxide and other industrial goals
- Supplied mainly to China, Russia, and Europe



PELLETISED

- Processed for foreign producers of potassium hydroxide with no anticaking agents for long distance delivery
- Supplied to Europe and South America



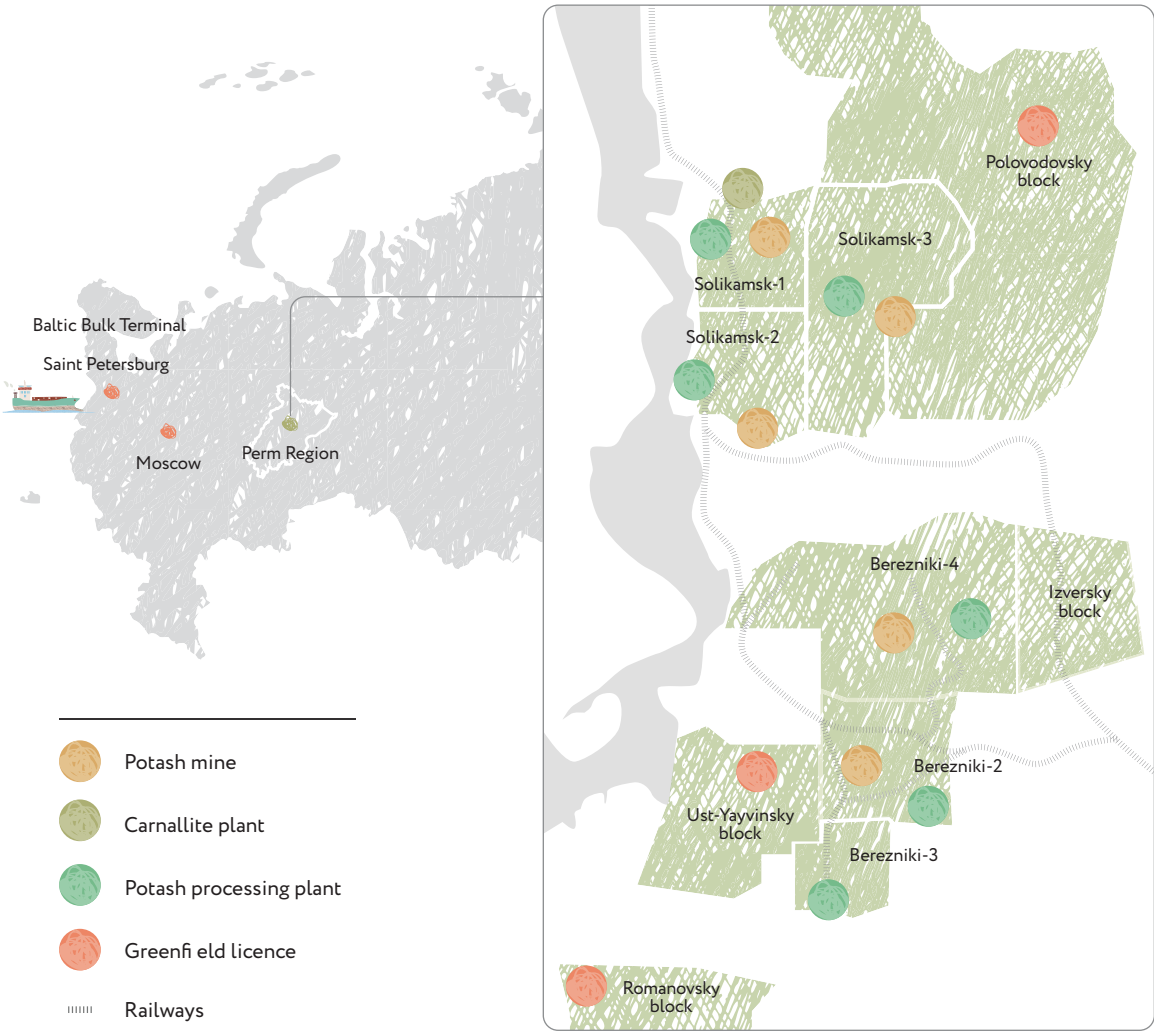
LOCATION OF OPERATIONS GRI 102-4, GRI 102-6, GRI 102-7

Uralkali continues to develop the Verkhnekamskoye deposit, a multi-layered deposit of potassium and magnesium salts and the world's second-largest deposit in terms of potash ore reserves.

As one of the largest employers in the Perm Region, the Company makes a significant contribution to the socio-economic development of the region and the municipalities in which it operates. At the same time, the Company strives to mitigate any potential environmental impacts and ensure that necessary social support is in place for local communities.

The Company has a representative office based in Moscow, and in addition to its production assets, Uralkali owns the Baltic Bulk Terminal (St. Petersburg) and a rail car fleet, which ensures consistent and efficient supplies of products to consumers.

In 2020, exports accounted for 80% of Uralkali's sales. Uralkali supplies its products for export through Uralkali Trading SIA (Latvia), which has representative offices and subsidiaries in key sales regions: China, Singapore, India, Panama, the USA, Brazil and Mauritius.



URALKALI IN NUMBERS RT-CH-000.A

RUB
195,222
MLN

total revenue
2019: 180,237

11.3
MLN T

total production volume
2019: 11.1

75

countries importing the
Company's products
2019: 61

22.5
MLN T

waste utilised
2019: 20.5

RUB
5,243 MLN

total environmental
expenditures
2019: 4,992

0.150 T
CO₂-EQ PER
TONNE

specific GHG emissions (Scope 1 and 2)
2019: 0.154

0.07
LTIFR

lost time injury frequency rate
2019: 0.11

0

fatal outcomes
2019: 3

RUB
980 MLN

total amount of social
investments
2019: 735

20,150
PERS.

annual average headcount
2019: 20,036

2,763

participants in educational
activities organised to improve
levels of agronomic expertise
2019: 2,700

19,422

users of Uralkali's mobile app
2019: 12,797

COMPANY AWARDS



Uralkali was awarded an IFA (International Fertilizer Association) gold medal for its responsible approach to production activities



Uralkali won Crystal Pyramid 2020 Awards in two categories:

- HR Head of the Year
- Talent Management System



Uralkali was ranked in the top 30 most eco-friendly companies in Russia, according to Forbes



Uralkali is the winner of the XXIII Moscow Exchange Annual Report Competition in the “Best Annual Report in the Industrial Sector of the Economy” nomination



Uralkali was featured among the best Russian employers for 2020 by hh.ru



Uralkali has occupied the leading positions in the ESG Indices of the Russian Union of Industrialists and Entrepreneurs (RSPP): “Responsibility and Transparency” (Highest Group A) and “Sustainability Vector”



POSITIONS IN ESG RATINGS

GRI 102-12

S&P GLOBAL CSA

According to the results of the 2020 S&P Global Corporate Sustainability Assessment, the overall rating of the Company was 52 points that exceeded the average rating for the chemical industry (36 points).

CDP

In 2020, the Company’s CDP rating in the field of climate change has risen to the “D” (Disclosure) level (rating improvement compared to the “F” level in 2019).

OTHER ACHIEVEMENTS IN THE FIELD OF SUSTAINABLE DEVELOPMENT

JOINING UNITED NATIONS GLOBAL COMPACT

In early 2021, Uralkali has acceded the UN Global Compact, one of the leading global initiatives for sustainable development.

CONFIRMATION OF COMPLIANCE WITH THE IFA PROTECT & SUSTAIN STANDARD

At the beginning of 2021, Uralkali has successfully passed an intermediate test for compliance with the international Protect & Sustain standard ([for details, please, see the Company’s website](#)).

SUSTAINABILITY CONTEXT AND MEGATRENDS

CLIMATE CHANGE



Climate change is one of the most pressing issues facing us today. Rising average annual temperatures, limited predictability of weather conditions, droughts, heavy rainfall and other effects that arise as a result of global climate change are impacting significantly on all sectors of the economy, including agriculture



- risks of increased cost and loss of competitiveness due to the introduction of cross-border carbon regulation
- increased risk of accidents due to abnormal climatic phenomena
- local decline in demand for products due to abnormal climatic phenomena

SUSTAINABLE AGRICULTURE

FOOD SECURITY



The global population is growing, and the area of arable land per capita is declining, meaning achieving higher crop yields is essential to ensuring global food security. In 2020, many countries observed a deterioration of food security amid the coronavirus pandemic



- risk of more stringent requirements and standards for the production and use of fertilisers and changes in the demand for products are expected in view of agriculture intensification
- risk of lower demand for animal fodder and products as animal husbandry technologies, application and feed quality develops

SUSTAINABLE AGRICULTURE

DIGITALISATION



The agriculture and chemical industries are becoming increasingly oriented towards new technologies. For the purposes of technological transformation, various innovations and technological solutions are being developed and incorporated, such as fertiliser application devices, sensors for monitoring agricultural machinery, artificial intelligence, weather sensors, crop monitoring drones and others



- risk of increased exposure to cyber threats

GROWING IMPORTANCE OF SUSTAINABLE SUPPLY CHAINS



Companies are establishing supplier relationships and becoming more closely involved in their supply chains. Adherence to high environmental, social, labour and ethical standards has become a key criteria for evaluating suppliers and contractors that influence the sustainability of businesses and their whole production chain. Currently the business is forming partnerships and coalitions aimed at implementing ESG principles throughout the supply chain, with a focus on developing a network of regional and local partnerships



- risk of increasing operational, financial and reputational costs as a result of supplier and contractor non-compliance with environmental, social, labour and ethical standards
- risk of increasing negative environmental and social impacts associated with the business as a result of low adoption of responsible practices by suppliers and contractors

See also Climate Change and Energy Management

See also Sustainable Agriculture

See also Sustainable Agriculture

See also Supply Chain

CLIMATE CHANGE



- establishment of conditions for the increased production of warm weather agricultural crops that was previously not possible for the given region, which will result in the expansion of agricultural areas and growing demand for fertilisers
- growth in demand for fertilisers due to the expansion of agricultural areas used for biofuel production



Uralkali is taking measures to reduce its carbon footprint. In recent years, the Company has achieved consistent reduction of its direct greenhouse gas emissions. The Company also frequently assesses the risks and opportunities related to climate issues, as well as its climate strategy, and also gauges the risks and opportunities that need to be managed or can be pursued respectively

See also Climate Change

SUSTAINABLE AGRICULTURE

FOOD SECURITY



- increased demand for fertilisers in order to provide optimum yields and higher quality products



As an industry leader, Uralkali is committed to promoting agricultural efficiency and sustainability. We endeavour to ensure food security by improving crop yields and helping to eradicate hunger. As one of our broader social responsibility initiatives, we run educational projects to teach farmers the benefits of balanced use of fertilisers in countries where this practice is less developed and the issue of food security is most critical

See also Sustainable Agriculture

SUSTAINABLE AGRICULTURE

TECHNOLOGICAL TRANSFORMATION OF THE INDUSTRY



- development of more comprehensive fertiliser solutions
- improving product quality
- enhanced efficiency and profitability of industry players by reducing the time needed to develop new products and cost of production



The digitalisation of the business is also one of Uralkali’s strategic priorities. The Company is adopting advanced innovative technologies, and constantly developing and testing new solutions, and makes a concerted effort to support modern projects for farmers. For example, a key project in the agro-industrial sector is aimed at creating IT products for farmers, and Uralkali acts as a strategic partner of Digital Agro. The products will provide a digital ecosystem to foster cooperation among all participants in the sector

See also Sustainable Agriculture

GROWING IMPORTANCE OF SUSTAINABLE SUPPLY CHAINS



- higher quality of products and services offered by suppliers and reliability of partnerships
- establishment of a competitive procurement environment by means of greater involvement of small and medium-sized enterprises (SMEs) in supply chains
- influencing customer choices through the introduction of modern management approaches and improving product quality



Uralkali strives to improve the efficiency of its existing supply chains by automating procurement activities and ensuring their transparency for all stakeholders. Within the framework of creating a sustainable supply chain for 2021, the Company plans to develop a Supplier Code of Conduct, which will specify requirements for best practice ecological, labour and industrial safety, and social management standards

See also Supply Chain

OPPORTUNITIES FOR THE INDUSTRY

RESPONSE TO TREND

FOCUS ON ESG

Uralkali is constantly working to improve its ESG management processes and strives to bring them in line with international best practices.

Over the past two years, the Company has been focused on ensuring the more comprehensive integration of ESG practices throughout the business. Uralkali’s goal is to strengthen the culture of sustainable development internally, improve the efficiency of non-financial risk

management, and to guarantee the trust of stakeholders as a reliable and responsible partner.

As part of its work to sustainable development practices over the past two years, Uralkali has been actively engaging with ESG ratings agencies, to improve the Company’s position in leading ESG ratings, and internal documents covering key ESG areas have been developed and updated. GRI 102-16



Anton Vishanenko
Chief Financial Officer

“During the reporting year, the Company approved its updated business strategy, confirming the development and implementation of best practices in ESG as one of its five core strategic priorities. Uralkali has been consistently implementing voluntary initiatives for many years, aimed at contributing towards the socio-economic development of local communities, protecting the environment and improving corporate governance practices. Despite this longstanding efforts, we should acknowledge that the financial community (investors and creditors) paying growing attention to ESG has encouraged us, along with a large number of other corporates, to take a fresh look at the role of sustainability and ESG in the Company’s agenda.

The development of ESG practices today largely defines a company’s access to capital. The importance of ESG characteristics as part of capital

attraction process will only grow stronger with time. On a global scale, more than USD 50 trillion¹ (50% of total assets across the world) is governed by PRI², which signatories take ESG factors into account when making investment decisions.

Sustainable financing is becoming more and more widespread each year – this includes green and social bonds, instruments linked to sustainable development KPIs, as well as transition financing.³ The amount of outstanding GSSS⁴ bonds total USD 1.4 trillion⁵ globally, and this figure is growing every year.

In response to these changes in financial markets and the evolving expectations of the financial community, in 2020 Uralkali formulated its ESG Strategy, which determines the Company’s ESG agenda for the coming years and contains targets that potentially may be used for attracting sustainability linked financing.”

¹ According to PRI (Principles for Responsible Investment).
² PRI (Principles for Responsible Investment) is an international UN-supported network of investors who are committed to promoting the six principles of sustainable investment. They represent a set of voluntary investment principles formulated and adopted by international investors in order to mitigate long-term investment risks, being guided by social, environmental and corporate governance practices when making investment decisions.
³ Instruments of transition financing have two formats, namely, Climate Transition Use of Proceeds Bonds and Climate Transition Sustainability Linked Bonds.
⁴ International institutes codifying the rules of responsible financing regulation (ICMA, CBI) created an abbreviation for the relevant bonds – GSSS, which stands for Green, Social, Sustainability, Sustainability Linked bonds.
⁵ According to Bloomberg, GSIA (Global Sustainable Investment Alliance), and PRI.



ESG STRATEGY 2025

Uralkali strives to ensure a comprehensive and systematic approach to developing ESG practices. In 2020, an ESG Strategy for the next 5 years was developed and approved by the Board of Directors, and integrated into the Company’s corporate strategy.

The Strategy Committee of the Board of Directors considered in great detail which priority areas should be included in the

Company’s new ESG Strategy. The Strategy sets out ten key priority areas in the field of sustainable development. These areas were selected taking into account the impact of the Company’s activities, stakeholder expectations, industry specifics and global megatrends, see p. 14.

There are seven fundamental ESG focuses, which have underpinned the way the

Company has operated for many years and are the basis for its sustainable development, as well as three new priorities, which are largely driven by global sustainable development trends. These include climate change, sustainable agriculture and a responsible supply chain. The Company intends to pay special attention to the development of these areas in implementing its ESG Strategy.

GRI 102-16



Angelina Verba
Director of Sustainable Development (ESG) and Investor Relations

“The ESG Strategy to 2025 was approved as a result of concerted and comprehensive work carried out by the Company in 2020, and included input from all divisions involved in managing Uralkali’s sustainable development. I would like to separately thank each member of the Sustainable Development Working Groups for their active participation in the discussion of strategic priorities, their willingness to take on and demonstrate leadership in the development of key ESG areas.

Defining Uralkali’s ESG focus areas for the upcoming five years also confirms that Uralkali’s sustainable development management system is now reaching its maturity, which will be based upon our commitments and actions to meet these targets.”

In executing its ESG Strategy, the Company will implement a broad range of sustainable development activities to achieve its goals. Work to achieve the targets set out in the ESG Strategy will continue in 2021.

As the development of ESG practices continues to improve within

the Company, management will consider the revision of existing ESG goals.

In 2021, Uralkali will focus on building a carbon management system and setting quantitative targets for mitigating climate change. In addition, another

major focus for the Company will be in continuing to support the socio-economic development of the regions in which it operates and ensuring a friendly and sociable urban environment in the towns near the Company’s operations – Berezniki and Solikamsk.

OUR MISSION

We produce potash fertilisers to ensure that people all over the world are provided with food

OUR STRATEGY

BALANCED APPROACH TO INVESTMENT IN EXPANSION AND DEBT RELIEF

MAINTAINING FLEXIBILITY OF SALES AND FOCUSING ON DEVELOPMENT OF OWN DISTRIBUTION IN KEY MARKETS

MAINTAINING A LEADERSHIP POSITION IN CASH COST OF GOODS

DEVELOPMENT OF DIGITAL BUSINESS AND NEW PRODUCTS TO CREATE ADDITIONAL SOURCES OF BUSINESS VALUE GROWTH

CONTINUED FOCUS ON BEST ESG PRACTICES

ESG

FUNDAMENTAL ESG FOCUS AREAS







- Environment (water, waste and biodiversity)
- Health and safety
- Employee wellbeing
- Local communities
- Human rights
- Corporate governance
- Anti-corruption and ethics

NEW CHALLENGES

- Climate change
- Sustainable agriculture
- Supply chain

ESG GOALS 2025

The UN Sustainable Development Goals presented in the table were selected in 2019 as the Company's priority. More detailed information on the UN priority SDGs and Uralkali's contribution to their achievement is available [on the Company's official website](#).

Area of importance ¹	Goals of the Company's ESG Strategy	Key achievements in 2020 ²	UN Global Compact Principles	UN SDG ³
ENVIRONMENT	<ul style="list-style-type: none"> Increase the share of production waste utilised in hydraulic backfilling by 10% (2025 vs. 2020) Achieve 100% biodiversity assessment coverage of production assets 	<ul style="list-style-type: none"> Update of the Company's Environmental Policy 	Principle 7 Principle 8 Principle 9	
CLIMATE CHANGE	<ul style="list-style-type: none"> Development of a carbon management system, as well as setting of science based goals until 2025 Reduction of greenhouse gas emissions – target to be set in 2021 	<ul style="list-style-type: none"> Establishment of a cross-functional Working Group on the Development and Implementation of Carbon Management System Organisation of training activities regarding global climate change and greenhouse gas emissions management for personnel 		
HEALTH AND SAFETY	<ul style="list-style-type: none"> Reduction of severe injury rate by 10% (annually) Achieve 100% ISO 45001 certification coverage of production assets 	<ul style="list-style-type: none"> Implementation of a risk-oriented approach to labour safety management 		
EMPLOYEE WELLBEING	<ul style="list-style-type: none"> Development and implementation of an employee wellbeing programme 	<ul style="list-style-type: none"> Introduction of quotas for pay rises, including personnel with high-level and rare skill sets Establishment of a talent succession pool in the Company for managers at all levels 	Principle 3 Principle 4 Principle 5 Principle 6	
LOCAL COMMUNITIES	<ul style="list-style-type: none"> Improve systems for managing engagement with local communities and charitable activities 	<ul style="list-style-type: none"> Cooperation Agreement signed with Wagner Hospital, an institution the Company has supported for several years 		
HUMAN RIGHTS	<ul style="list-style-type: none"> Achieve 100% human rights risk assessment coverage of assets 	<ul style="list-style-type: none"> Development of a Human Rights Policy 	Principle 1 Principle 2	
SUSTAINABLE AGRICULTURE	<ul style="list-style-type: none"> Run educational programmes in agricultural literacy for 20,000 farmers 	<ul style="list-style-type: none"> The Company was awarded the International Fertilizer Association (IFA) gold medal for its responsible approach to production activities 		
ANTI-CORRUPTION AND ETHICS	<ul style="list-style-type: none"> Ensure 100% of employees at risk of corruption receive training on how to avoid corruption and fraud Implementation of enterprise-level controls in accordance with ISO 37001 Digitisation of risk and control procedures used in the purchasing and selling business process 	<ul style="list-style-type: none"> Development of an Anti-Fraud and Corruption Programme 	Principle 10	
SUPPLY CHAIN	<ul style="list-style-type: none"> Development of a Supplier Code of Conduct Implementation of a procedure for obtaining confirmation of supplier's commitment to the Supplier Code of Conduct 	<ul style="list-style-type: none"> The Procurement Policy has been approved. The policy includes a commitment designed to inform cooperation with companies that share a similarly strong focus with Uralkali for the achievement of corporate sustainability goals Development of a Supplier Code of Conduct initiated 		

¹ The Corporate Governance goal is to be set in 2021.

² The activities presented in the table are preparatory as part of the Company's performance to achieve the ESG Strategy goals. Commencement of direct work on the implementation of activities aimed at achieving the ESG Strategy goals is scheduled for 2021.

³ The Company also prioritises SDG 6: Clean Water and Sanitation. Targets for this area will be set based on the results of a water audit in 2021.

STAKEHOLDER ENGAGEMENT

GRI 102-40, GRI 102-41, GRI 102-42, GRI 102-43, GRI 102-44

Uralkali values long-term relationships with all stakeholder groups. In 2020, the Company’s stakeholder engagement channels continued their important work in maintaining and developing these relationships. Additionally, significant attention was given to developing existing communication chan-

nels and establishing new communication platforms to ensure that the evolving demands of Uralkali’s stakeholders are met. *More detailed information on Uralkali’s preferred processes for interacting with each stakeholder group is available [on the Company’s website](#).*

In preparing the ESG Report, the Company conducted a survey of selected stakeholder groups identified to determine significant sustainability issues in accordance with GRI (Global Reporting Initiatives) Standards.



EMPLOYEES

15,412

employees who completed training

Key interests:

- fair compensation
- career and personal development opportunities
- adherence to occupational health and safety requirements



CUSTOMERS AND PARTNERS

100%

index of loyalty of domestic customers

Key interests:

- increased product quality
- reliable supply
- conclusion of long-term cooperation agreements



SHAREHOLDERS AND CREDITORS

52 POINTS

out of 100, S&P Global Corporate Sustainability Assessment (CSA)

Key interests:

- transparency of information
- the Company’s sustainable development
- effective risk management



LOCAL COMMUNITIES

RUB 33.9 MLN

allocated to charitable assistance for medical institutions in towns near regions of operation

Key interests:

- a stable socio-economic situation in the region of operation
- support for socially vulnerable groups



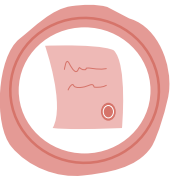
GOVERNMENT AND LOCAL AUTHORITIES

3

Cooperation Agreements concluded with the administrations of the towns of presence as of the time of publication

Key interests:

- discussion of legislative and regulatory issues
- timely payment of taxes
- transparency of reporting



TRADE UNIONS

95.1%

of the Company’s employees covered by Collective Bargaining Agreement

Key interests:

- compliance with labour safety regulations
- performance of collective agreements
- discussion of new social issues



MASS MEDIA

49

key media cover the Company’s activities

Key interests:

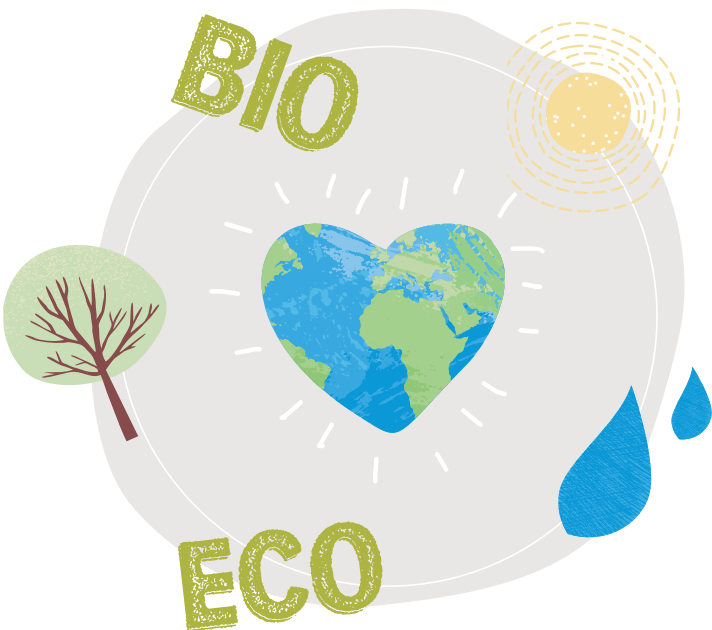
- relevant information on recent developments
- coverage of social and charitable programmes, as well as their performance

ENVIRONMENTAL ASPECT (E)

Climate Change	28
Environment	34
Other Environmental Topics (E)	40



CLIMATE CHANGE



WHY THIS IS IMPORTANT TO US

Climate change is one of the most pressing issues on the global agenda today. Greenhouse gas emissions amplify the natural greenhouse effect, ultimately increasing the average temperature of the planet. This changes the Earth’s normal climatic conditions and raises the likelihood of extreme weather and climate events.

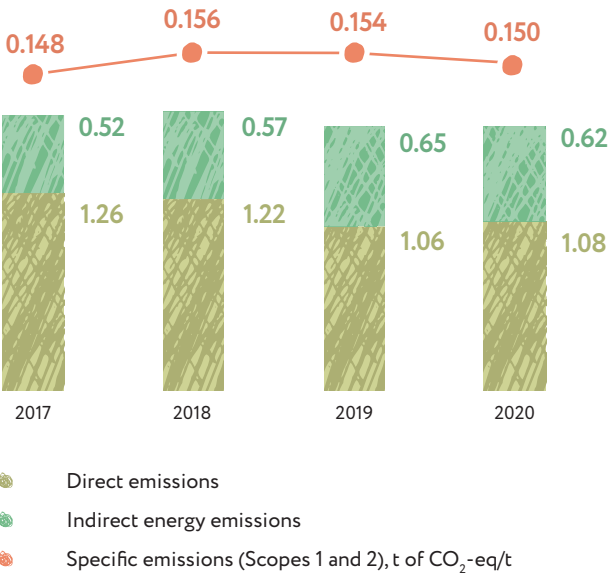
Given these circumstances, addressing the issue of greenhouse gas emissions has become one of the most important challenges facing the global community, including Uralkali.



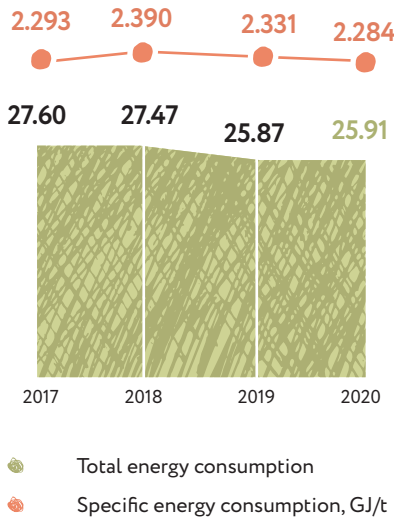
OUR PERFORMANCE

2.284 GJ/T	0.150 T CO ₂ -EQ/T	2.6%
specific energy consumption per tonne of production	specific GHG emissions per tonne of production (Scopes 1 and 2)	reduction in specific GHG emissions year-over-year
1.7 MLN T CO ₂ -EQ	203.5 thousand GJ	1.5 MLN MWH
total greenhouse gas emissions (Scopes 1 and 2)	reduction in energy consumption due to implementation of energy saving initiatives	purchased electricity consumed

GHG emissions, mln t of CO₂-eq (Scope 1, Scope 2 and specific GHG emissions)
GRI 305-1, GRI 305-2, SASB RT-CH-110A.1



Total energy consumption¹, PJ
GRI 302-1, GRI 302-3, SASB RT-CH-130A.1



¹From this point on, 2017–2019 figures differ from those previously published, as in 2020 the boundaries of environmental information disclosure were expanded to cover the whole Uralkali Group. For more information on our reporting practices, see section About the Report.

Consumption of heat, electricity and fuel resources is taken into consideration. For more information, including the structure of fuel consumption and volume of energy purchased, see Appendix Quantitative Data.

LEADERSHIP AND RESPONSIBILITY



Mariya Kuzmina

Internal Audit Director

Climate change is undoubtedly one of the most important items on our agenda today, and, step-by-step, Uralkali is making considerable progress in this area. Our new ESG Strategy pays close attention to this issue; in 2021 we expect to develop a carbon management system and corporate climate strategy.

Growing stakeholder attention to this problem calls for new methods of climate-related risk evaluation, especially in the context of the planned introduction of cross-border carbon regulatory framework, but as well presents us with new opportunities. In 2021, Uralkali plans to conduct a deeper study and assessment of identified climate risks to develop procedures to mitigate these risks.

GOALS 2025

GOALS OF ESG STRATEGY 2025

Reducing our carbon footprint

PLANS

- Development of an accounting system and setting of target indicators for reducing GHG emissions
- Quantitative assessment of climate risks and introduction of risk management procedures
- Scenario analysis of climate change factors to assess potential impacts on the Company

Enhancing energy efficiency

- Implementation of an internal Energy Saving Programme

MANAGING CLIMATE CHANGE

Uralkali is a member of the International Fertilizer Industry Association (IFA) and fully supports the association’s¹ position on climate change.

This is not just about risks, but also about the significant opportunities for the potash industry: rising demand for biofuels is stimulating demand for fertilisers, and the need to ensure security in food production despite a potential decrease in acreage will also result in higher demand. With this in mind, addressing the impact of climate change is one of the most relevant and rapidly developing elements of Uralkali’s business evolution, and the Sustainable Development Committee, guided by the Board of Directors oversees the Company’s activities in this area.

Carbon management system

In 2021, Uralkali is developing a carbon management system and a climate strategy as part of our

work to achieve the goals set out in our ESG Strategy to 2025. This is an extensive and robust exercise requiring the attention of a number of specialists from the Company. This began in 2020, with the establishment of a dedicated Working Group, comprising department heads responsible for risk management and internal audit, environmental protection, production, energy conservation, procurement, financial matters and investor relations. Uralkali’s Working Group coordinates the promotion of the Company’s climate agenda, and development of a carbon management system.

Management has organised a series of training sessions held for Uralkali employees on global climate change and corporate GHG emissions management, to shed light on both the natural and scientific aspects of these phenomena and the economic methods to counter climate change. Initially, these sessions helped to raise awareness and

form a clear understanding of climate issues among all key members of the Working Group, laying the foundations for the successful development of Uralkali’s future for carbon management system and climate strategy.

Climate-related risks

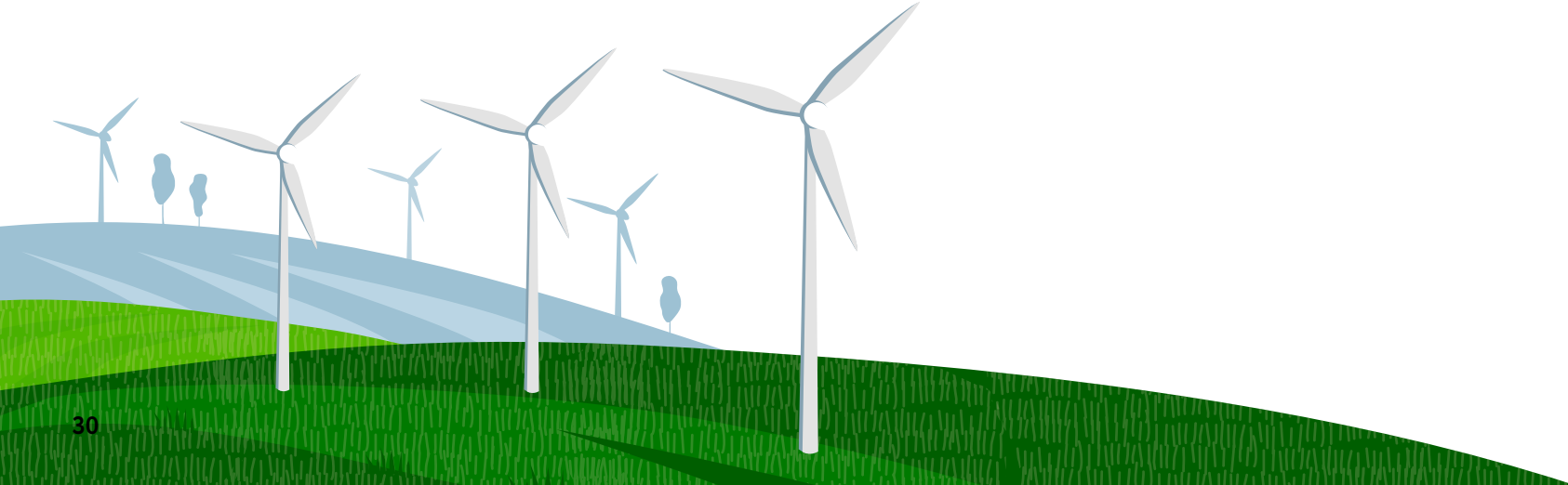
During the reporting year, Uralkali responded to the Carbon Disclosure Project (CDP) as demonstration of its commitment to enhance transparency and increase stakeholders’ awareness of Uralkali’s greenhouse gas emissions.

As part of the Company’s preparatory work for participation in the survey, Uralkali identified a range of inherent climatic risks. This list includes general risks, with the key risk being additional costs due to the introduction of a new tax imposed as a result of cross-border

Climate risks of the Company

Risks	Description
Emerging regulation	<ul style="list-style-type: none">• Risks of increased cost of goods sold due to the introduction of cross-border carbon regulation
Physical	<ul style="list-style-type: none">• Risk of increased technological accidents due to abnormal climatic phenomena• Risk of increased workplace injuries due to abnormal climatic phenomena
Technological	<ul style="list-style-type: none">• Risk of increased workplace injuries due to abnormal climatic phenomena
Legal	<ul style="list-style-type: none">• Risk of violation of current carbon regulation legislation
Market	<ul style="list-style-type: none">• Risk of lower demand for products due to the introduction of cross-border carbon regulation• Risk of local decline in demand for products due to abnormal climatic phenomena

¹ More details on the website of the International Fertilizer Association:
https://www.fertilizer.org/Public/About_Fertilizers/Fertilizer_Topics/Climate_Change.aspx.



carbon regulation. Uralkali is constantly monitoring climate legislative initiatives to ensure that the Company is able to respond to these legal developments. Additionally, the list of risks identified includes technological, market, physical and reputational risks¹.

An integrated assessment of climate risks is scheduled for 2021 to drive the development of the Company’s climate strategy, which will mark an important step in determining Uralkali’s climate goals. The implementation of the climate strategy, in turn will enable the Company to finetune its business

processes in line with changing climatic conditions and curb the release of future greenhouse gas emissions.

GHG emissions accounting

Uralkali tracks and records direct and indirect energy emissions of greenhouse gases across each of its facilities. Each facility has a complete inventory of all emission sources. Calculations are made in accordance with the guidelines approved by the Orders of the Ministry of Natural Resources of Russia Nos. 300 and 330, as well as the 2006 IPCC Guidelines.

1.7 MLN T CO₂-EQ

total greenhouse gas emissions (Scopes 1 and 2)

Over the reporting year, greenhouse gas emissions (Scopes 1 and 2) decreased by 0.4% year-on-year. Total greenhouse gas emissions amounted to 1.70 million tonnes of CO₂-eq, and specific greenhouse gas emissions decreased to 0.150 tonnes of CO₂-eq/t per tonne of production.

2.2%. Uralkali has managed to counter the growth of energy consumption as a result of the implementation of energy efficiency measures, combined with stable and uninterrupted production, achieving a 2% decrease in specific energy consumption from 2.331 GJ per tonne of production in 2019 to 2.284 GJ per tonne of production in 2020.

In 2020, Uralkali tested several approaches for managing electricity demand. The initiatives included the pre-agreed shutdown of auxiliary equipment with the market operator during peak-load hours, reducing demand

1.5 MLN MWH

purchased electricity consumed

for electricity and preventing the operation of low-efficiency generating capacity.

The Energy Saving Programme will continue in 2021. There are plans to perform works aimed at abandoning the use

259 THOUSAND GCAL

purchased heat consumed

fuel oil in boiler houses, and constructing a new substation and a gas pipeline. In 2022, the Company plans to conduct a new energy survey similar to that of 2017–2018, and update its Energy Saving Programme by 2022 following these results.

ENERGY MANAGEMENT AND ENERGY EFFICIENCY

GRI 302-4

Effective management of energy resources is one of Uralkali’s key focus areas. Optimising energy efficiency has a direct correlates with reducing our impact on the environment, and contributes to the sustainable use of energy resources. In addition, an efficient energy management system can reduce energy costs in the cost of production.

Each of Uralkali’s enterprises sets annual targets for electricity and fuel consumption. Natural gas accounts for the greatest share of Uralkali’s fuel and energy consumption, followed by associated petro-

leum gas (APG). Widespread use of replace to APG, a byproduct of oil drilling, allows for more extensive use of fuel and energy resources produced, as well as for reducing the total volume of natural gas used.

Uralkali’s facilities consume fuel oil and diesel fuel, however the Company has implemented a number of technical measures to abandon the use of fuel oil, starting from 2021 onwards, with diesel fuel and APG as the recommended alternatives.

In 2020, Uralkali continued to implement its Energy Saving

Programme, prepared using the results of a large-scale energy survey conducted by the Company.

In 2020, a number of technical measures were introduced at Uralkali’s facilities to improve their energy efficiency. These measures resulted in lower overall consumption of fuel and energy resources, by 203.5 GJ.

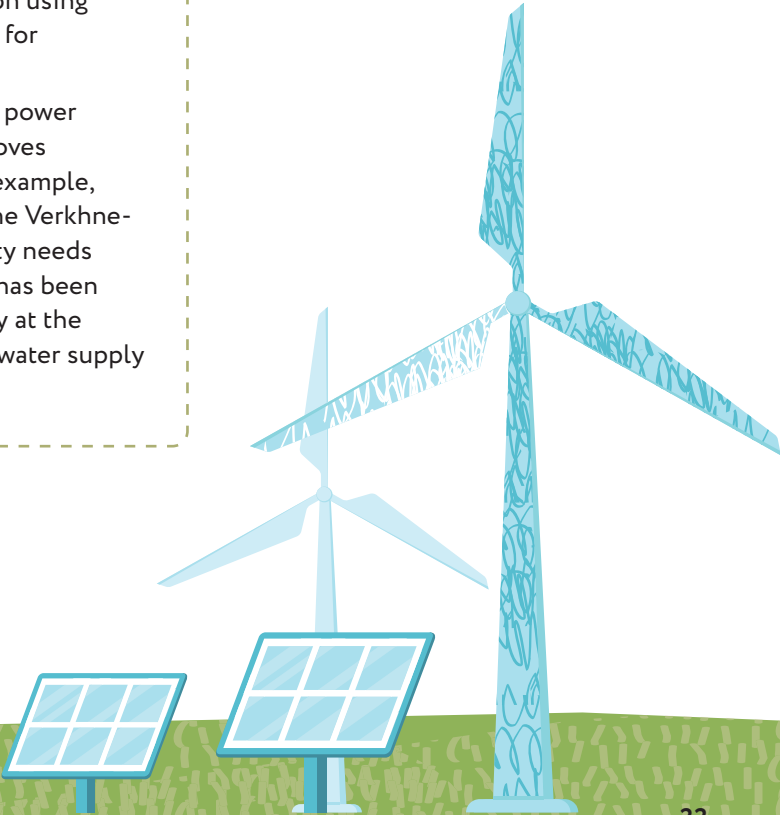
The Group’s energy consumption in 2020 amounted to 25.9 PJ, 0.2% higher compared to last year. At the same time, production volumes demonstrated growth of

RES AS A SOLUTION TO SPECIFIC LOCAL OBJECTIVES

Renewable energy sources (RES), despite their environmental and climate appeal, have a number of characteristics that can limit their wider application in the Company’s operating region. For example, because of its physical and geographical characteristics, the potential for electricity generation using solar panels or wind generators at the scale required for production is limited.

Despite this, RES can be a suitable solution for local power consumption, especially when it is challenging or proves cost-inefficient to connect facilities to the grid. For example, Uralkali has installed a solar battery on the dam of the Verkhne-Zyryansky Reservoir, which fully covers the electricity needs of the local emergency warning system. The battery has been installed at an Uralkali facility regulating the spillway at the Verkhne-Zyryansky Reservoir, from which industrial water supply to the Company’s mines is ensured.

¹ More information about climate risks and their management can be found in the CDP form on the project’s website: ore information about climate risks and their man <https://www.cdp.net/en/search>.



ENVIRONMENT



WHY THIS IS IMPORTANT TO US

Uralkali takes all the necessary measures to minimise its negative impact on the environment, and undertakes to continuously improve its environmental management system to guarantee the safety of the environment within its area of operation.

Management of the impact on water resources and waste management are pivotal environmental initiatives for Uralkali. The Company also actively monitors issues related to air emissions, land resources and biodiversity.

UN SDGs

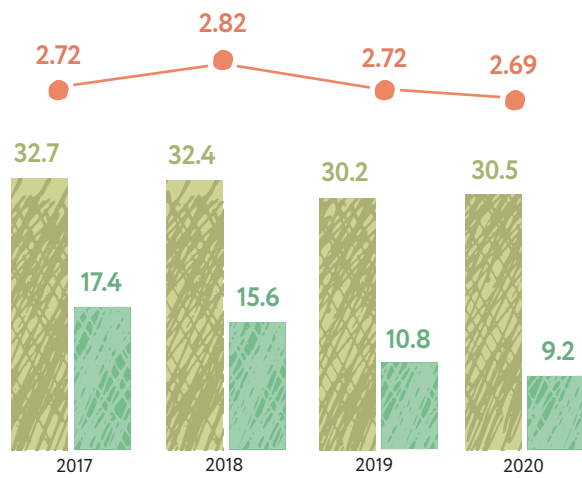
6
CLEAN WATER
AND SANITATION

12
RESPONSIBLE
CONSUMPTION
AND PRODUCTION

OUR PERFORMANCE

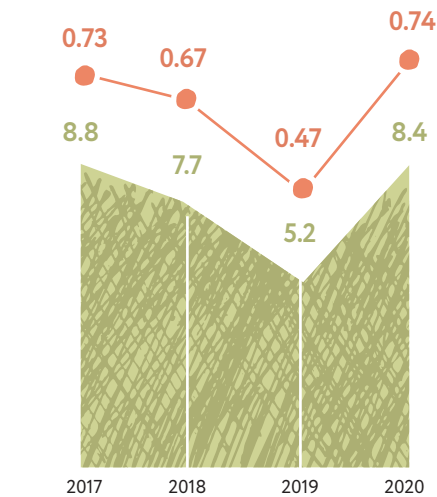
RUB 5,243 MLN total expenditures on environment	22.5 MLN T waste utilised	0.64 KG/T specific air emissions
2.69 T/T Specific Waste Generation Rate per tonne of manufactured product	23.9 MLN M³ total water intake GRI 303-3	8.7 HA disturbed land reclaimed

Volume of waste generated and disposed, mln t
GRI 306-3 GRI 306-5



- Waste generated
- Waste disposed of (on the Company's territory and municipal landfill)
- Specific Waste Generation Rate per tonne of manufactured product, t/t

Water consumption, mln m³
GRI 303-5



- Total water consumption
- Specific water consumption, m³/t

LEADERSHIP AND RESPONSIBILITY



Yulia Mandziy
Head of Environmental Protection Department

“In 2020, Uralkali continued to conduct environmental protection activities at its enterprises in accordance with stringent internal and legal standards. Uralkali’s environmental impact at no stage exceeded acceptable legal standards.

Each year Uralkali increases its production waste utilisation capacity by enhancing the capacity of its backfilling complexes. We strive to ramp up the share of utilised waste annually, minimising our impact on land resources and not increasing the level of waste disposed on salt piles.”

GOALS 2025

GOALS OF ESG STRATEGY 2025	PLANS
Reduction of the impact on water resources	<ul style="list-style-type: none">Conduct a study to assess the level of water deficit in the region of presence or justify its absenceConduct a water consumption audit
Effective production waste management <i>KPI: Increase the share of production waste utilised in hydraulic backfilling by 10%</i>	<ul style="list-style-type: none">Hydraulic filling of mined-out areas
Clean air in the region of presence	<ul style="list-style-type: none">Abstain from using fuel oil as a reserve fuel in boiler houses and dryers
Biodiversity conservation	<ul style="list-style-type: none">Assess the biodiversity in areas affected by enterprises

MANAGEMENT SYSTEM

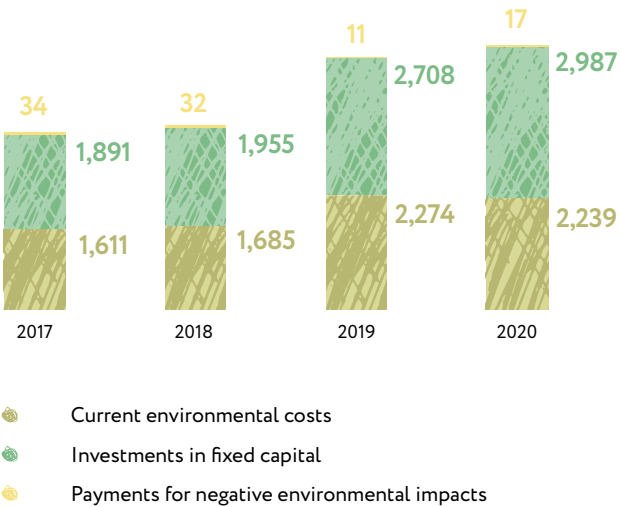
As a major producer of potash fertilisers, Uralkali is fully cognisant of its responsibility to decrease the likelihood of negative effects from its activities on the environment. The Company does its utmost to preserve the local ecosystem in its region of presence.

Uralkali has developed its ESG Strategy in order to ensure compliance with environmental requirements and minimise any negative environmental impact. The strategy is based on best sustainable development practices and incorporates the Company’s environment goals to 2025. The Company also has

an environmental management system in place that covers all business areas. This system is certified for compliance with the International Fertilizer Association’s (IFA) international “Protect & Sustain” standard which incorporates the requirements of ISO 14001.

The Company has adopted an *Environmental Policy* (developed in 2020), which underpins the principles of Uralkali’s operations and environmental protection obligations. In accordance with the Environmental Policy, as well as the requirements of environmental legislation, Uralkali carries out an environmental impact assessment (EIA) when making decisions on the implementation of its activities. The EIA took into account all of the Company’s production facilities. In addition, Uralkali conducts regular environmental monitoring as part of its ongoing industrial environmental controls.

Investments in environmental protection measures, 2017–2020, RUB mln



WATER RESOURCE MANAGEMENT

GRI 303-1, GRI 303-2

Fresh water is one of the world’s most valuable natural resources, and Uralkali takes a responsible approach to both its use and conservation. The Company implements systematic controls to minimise its impact on water bodies in its area of operation.

The main water bodies used by the Company are the Kama River and the Verkhne-Zyryansky Reservoir, located on the Zyryanka River (Uralkali’s operating region is not water stressed). The water bodies are affected by water withdrawal and wastewater disposal, but this does not significantly impact on the volume or flow of the water bodies.

In accordance with the requirements of the environmental legislation of the Russian Federation, the Company regularly measures its water consumption levels for water withdrawal and wastewater disposal. In addition to the main source of water for the Company’s production needs (surface water), the enterprise is also supplied from underground sources¹, third-party organisations² and rainwater collection systems. There is no uncontrolled sources of wastewater discharge at the production sites. Uralkali’s enterprises include circulating water supply systems, which reduce total volumes of water withdrawal and accordingly

reduce the Company’s impact on water bodies.

Uralkali has set quantitative targets to reduce water consumption in monetary terms by 2022, relative to the base year of 2017. A portion of executive annual remuneration is also linked to the achievement of these targets.

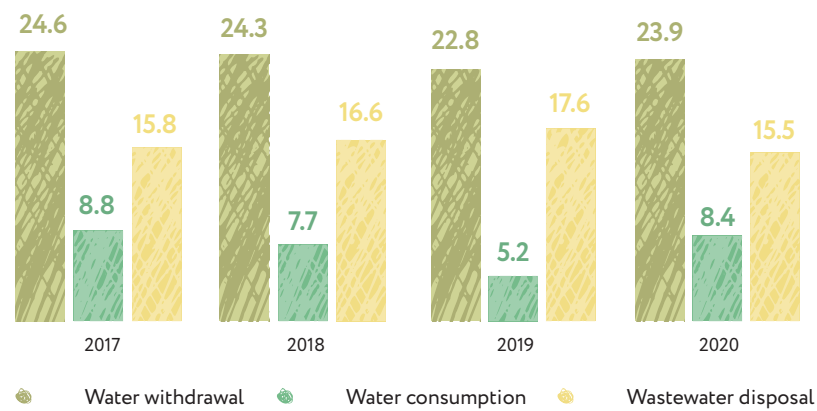
During 2020, Uralkali carried out significant monitoring, research and assessments of its impact on water bodies. A surveillance network was established to monitor water use affecting water bodies in water protection areas, and research was carried out at the tailings facilities of potash enterprises.

¹ Water withdrawal from underground reservoirs is carried out from drill holes located at Berezniki-3, Solikamsk-1, Solikamsk-2, Solikamsk-3, the Sanatorium Preventorium.

² Third-party water is municipal and other water supply systems, public and private utilities and other organisations involved in the provision, transportation, treatment, sanitation and/or use of water and discharge.

Total water withdrawal, water consumption and wastewater disposal,¹ mln m³

GRI 303-3, GRI 303-4, GRI 303-5, SASB RT-CH-140A.1



In addition to this, a comprehensive survey of Uralkali's production chain is scheduled for 2021 to identify processes that could lead to misuse of water resources. A programme of activities to improve water efficiency will be established

based on the results of this study. In 2020, the total volume of water withdrawal for the whole Company amounted to 23.9 mln m³, with surface sources accounting for 81% of the total

0.74 M³/T

specific water consumption

water withdrawal. Fresh water withdrawal amounted to 21.4 mln m³. The level of specific water consumption per tonne of production amounted to 0.74 m³/t. The total volume of wastewater discharges for the whole Company amounted to 11.6 mln m³ and fell by 16% compared to 2019. Over the reporting period, the Company transferred 3.8 mln m³ of water to third-party organisations. Therefore, the total volume of water disposal in Uralkali in 2020 amounted to 15.5 mln m³.

WASTE AND SLURRY STORAGES

GRI 306-1, GRI 306-2

Due to the nature of Uralkali's production activities, its operations inevitably result in the formation of significant volumes of waste. Effective waste management is a key priority for the Company's environmental protection activities.

The bulk of waste generated is halite waste and clay-salt slurries (hazard class² V). In 2020, the Specific Waste Generation Rate per tonne of manufactured

product amounted to 2.69 tonnes per tonne. To reduce its impact on the environment in terms of waste generation, Uralkali carries out the following measures:

- modernisation of production capacities to reduce generation of industrial waste (maximising extraction of a valuable component from ore)
- backfilling mined-out areas of mines
- involving waste in secondary use (processing waste into products for sale)
- neutralisation and disposal of waste at facilities that comply with the sanitary and environmental legislation requirements, construction of new facilities
- thorough production control over the technical conditions of slurry storages and salt tailing piles

¹ The scope of values for water withdrawal, water consumption and wastewater disposal includes PJSC Uralkali and JSC "Baltic Bulk Terminal". LLC Vodokanal is not included in the coverage of water withdrawal, water consumption and wastewater disposal values, since this company provides a centralised water supply and wastewater disposal system for Solikamsk and is not directly related to the Group's production activities. More detailed information, including specific indicators, breakdown by source, receiving facility, etc., is provided in the Quantitative Indicators of the Environmental Aspect section. Wastewater disposal includes both wastewater discharges and the transfer of water to third-party enterprises.

² According to waste management legislation, class V waste is recognised as virtually non-hazardous.

Waste management

The Company uses halite waste and clay-salt slurries for backfilling mined-out areas. Backfilling mined-out areas is carried out mainly by the hydro-method. Hydraulic backfilling reduces the volume of waste sent to salt tailing piles by over 50%.

Under the Company's ESG Strategy to 2025, Uralkali has set a significant KPI to increase its share of production waste utilised through hydraulic backfilling by 10%. In 2020, this share amounted to 53%¹, and this level is expected to reach 63% by 2025.

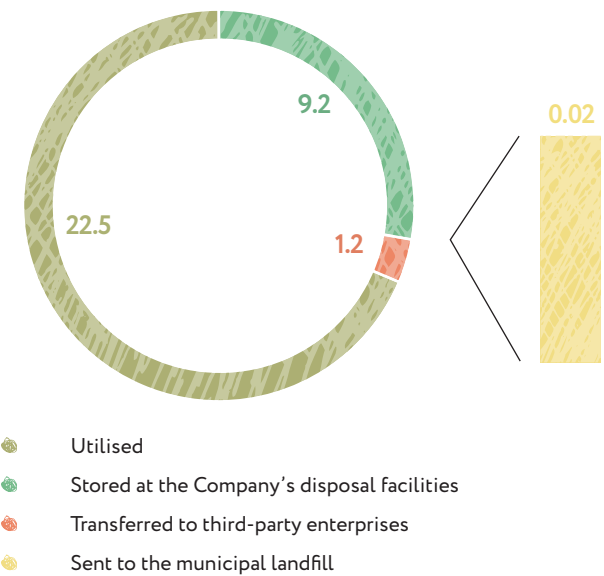
Increasing the share of utilised waste will be achieved by increasing the capacity of hydraulic backfilling complexes at the Company's mines and accordingly increasing volumes of hydraulic backfilling. For example, in 2016, the volume of hydraulic backfilling amounted to 11.3 mln tonnes, and by 2025, due to new hydraulic stowage facilities, this volume is expected to amount to 22.0 mln tonnes.

Waste disposal facilities operation

Ensuring the safe operation of waste disposal facilities (salt tailings piles and slurry storages) is also a crucial aspect for the Company's waste management practices. As the slurry storages are hydraulic structures, Uralkali carries out monitoring and undertakes analysis to ensure constant control over the safety of these objects. In 2020, work was carried out to assess and forecast the impact of slurry storages on the environment.

Waste management methods in 2020, mln t

GRI 306-4, GRI 306-5, SASB RT-CH-150a.1



53%

share of production waste utilised in hydraulic backfilling

30.5 MLN T

total waste generation GRI 306-3

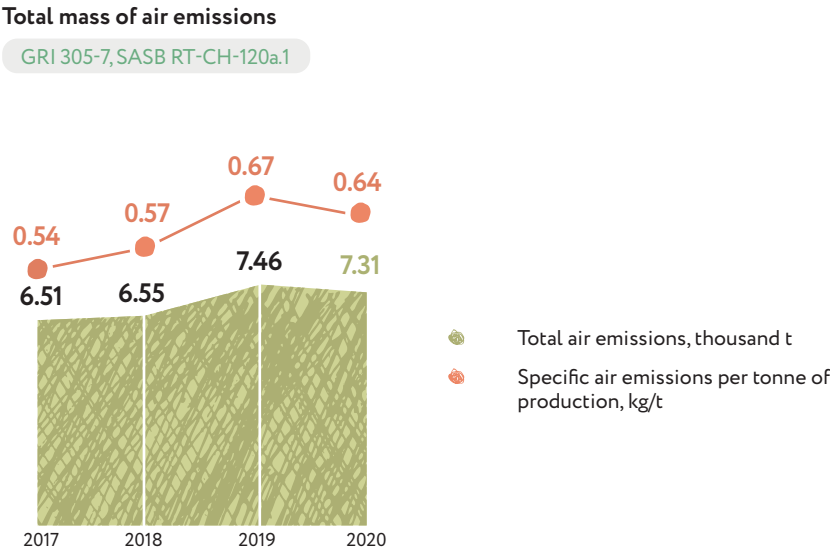
SASB RT-CH-150A.1

¹ The indicator is calculated as the ratio of (1) the volume of hydraulic filling to (2) the volume of generated production waste. The calculation is carried out using a 5-year moving average. Average volumes of hydraulic filling and waste for the last 5 years are used for comparability of numerator and denominator. This is due to the fact that there is a lag between hydraulic filling operations and mining operations, i.e. in the short term the production and waste generation volumes are not related to the volumes of hydraulic filling.

OTHER ENVIRONMENTAL TOPICS (E)

AIR EMISSIONS

Uralkali’s activities do not significantly impact the atmospheric state. All pollutant emissions are carefully monitored by instrumental and calculation methods. The Company’s main sources of emissions are equipped with efficient gas purification systems, which are regularly upgraded. In 2020, Uralkali’s specific emissions per tonne of production amounted to 0.64 kg/t.



RECLAMATION

In line with its Environmental Policy, the Company undertakes the closure of its mines (asset liquidation) and reclaims the land where production activities were carried out. Planning the liquidation of these assets is completed in full accordance with the legislation of the Russian Federation.

In 2020, the Company reclaimed 8.7 hectares of land. As at the end of the reporting year, liabilities, related to assets

8.7 HA
reclaimed

retirement obligations and restructuring amounted to RUB 15,934 million.

RUB 15.9 BLN
liabilities associated with land restoration, decommissioning and reclamation

BIODIVERSITY CONSERVATION

GRI 304-1

The Company’s production activities do not significantly impact local biodiversity or threaten species listed on the Red List of the International Union for Conservation of Nature (IUCN) or the Red Book of Russia. Uralkali has no assets located in protected natural areas, and has no plans to operate in such areas, in line with the Company’s Environmental Policy.

Since 2015, the Company has regularly organised activities to

compensate for the damage of biological resources; for example, in 2020 over 39,000 sterlet fry were released into the water of the Kama reservoir. As a result of these actions, the ecosystems of local water bodies are being restored.

Uralkali fully recognises its responsibility to preserve the biodiversity and habitats of plants and animals in the region of its presence. In 2021, Uralkali intends to assess the current level of biodiversity in the regions

39 THOUSAND

fry sterlet released into the Kama reservoir

in which it operates, which will enable further monitoring of the Company’s impact on local ecosystems.

SOCIAL ASPECT (S)

Health & Safety	44
Employee Wellbeing	54
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Sustainable Agriculture	76
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HEALTH & SAFETY



WHY THIS IS IMPORTANT TO US

Labour, industrial and health safety are at the root of Uralkali’s operations. The Company strives to follow the highest international standards in ensuring labour safety, taking into account the specific features of its technological production processes.

Uralkali is focused on preserving the life, health and working capacity of our employees, and this is a key value in the Company’s decision-making.

UN SDGs

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

OUR PERFORMANCE

0.26

total recordable incident rate (TRIR)

0

fatal outcomes among employees

0.0

work-related fatal injury frequency rate (FIFR)

0

incidents in production

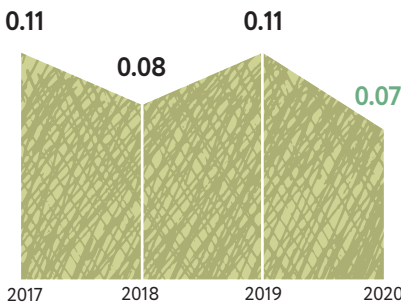
0.06

number of accidents and incidents per million hours worked

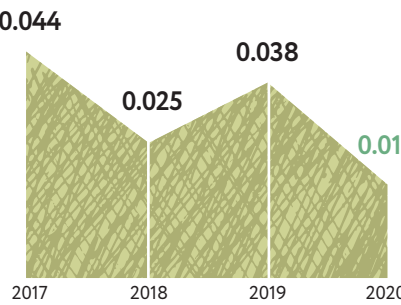
0.019

severe injury rate

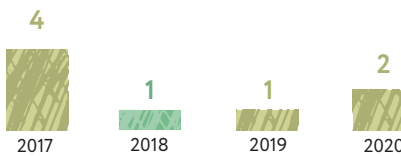
Lost time injury frequency rate (LTIFR)
GRI 403-9



Severe injury rate
GRI 403-9

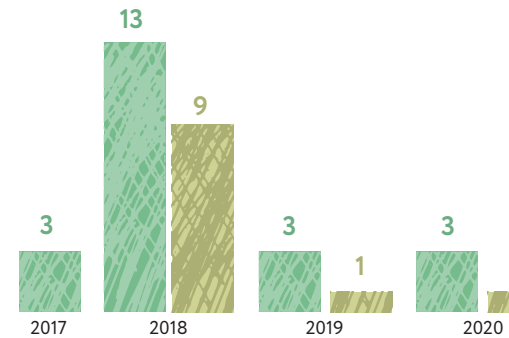


Number of accidents and incidents



Number of accidents
Number of incidents

Number of accidents at contracting organisations
GRI 403-9



Number of accidents
Number of fatalities

LEADERSHIP AND RESPONSIBILITY



Aleksey Zhulanov
Director of Health, Safety and Environment

“Uralkali’s ultimate goal has always been the constant reduction of the injury rate and number of occupational accidents. In 2020, we recorded zero fatal injuries and reduced the LTIFR year-on-year.

The Company endeavours to promote a culture of labour safety and a risk-oriented approach.

Uralkali is committed to improving its labour safety and industrial safety management systems. In the coming years, the Company intends to bring its labour safety management system into compliance with the ISO 45001 international standard, instead of the OHSAS 18001 certification.”

GOALS 2025

GOALS OF ESG STRATEGY 2025

Certification of the current Health & Safety management system under ISO 45001 at 100% of production assets

Reduction of severe injury rate by 10% (annually)

PLANS

- Development and implementation of an action plan to ensure the management system is compliant with the standard. Gain certification
- Adjustment of procedures and documentation of the current labour safety management system
- Developing a risk-oriented Health and Safety Strategy

OCCUPATIONAL HEALTH AND SAFETY

Ensuring labour safety and preserving the life and health of our employees is a top priority for the Company throughout all its operations. To maintain an efficient business, one of its most important goals has to be to ensure the absence of accidents and incidents, and any occupational diseases.

Every employee should expect positive conditions in their workplace. At the same time, the Company expects employees to adhere to the principles of safe behaviour and follow all agreed safety rules. Uralkali’s commitment to sustainable development is based on a mutually responsible attitude towards health and safety issues, which contributes to a higher overall performance.

Management system

Uralkali has implemented a health and safety management system (H&S), which applies to all employees and is regularly reviewed and enhanced. **GRI 403-1** The H&S management system covers

all the Company’s production assets, including the five mines and seven processing plants, which are all part of PJSC Uralkali and comply with OHSAS 18001:2007. This certification has been extended over the reporting period.

GRI 403-8 In the coming years, the Company will work towards bringing the management system into compliance with ISO 45001 standards, for its subsequent certification. During the reporting period, Uralkali approved its updated Occupational, Industrial and Fire Safety Policy.

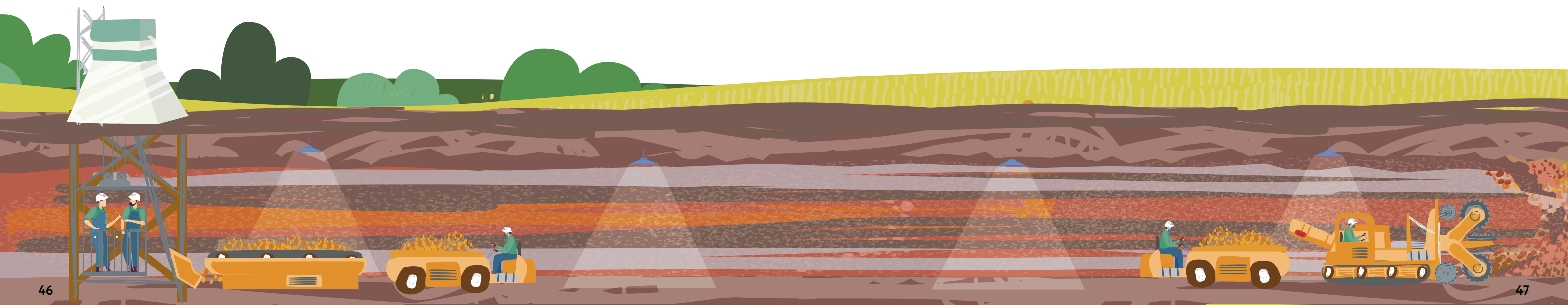
In 2020, the Company worked to implement a risk-oriented approach to H&S management issues and developing measures to minimise or eliminate risks. The Company has introduced a “Health and Safety Management System” document comprised of 2 sections: the order of risk assessment, and the assessment method. Priority risks were identified from the list of potential hazards for primary consideration. **GRI 403-2**

Senior management engagement

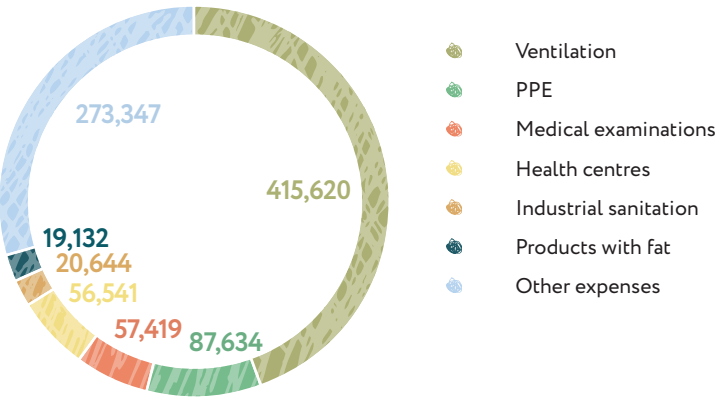
Uralkali’s managers at all levels are responsible for managing safety issues, maintaining a conscious attitude to H&S among employees, eliminating and resolving hazardous actions and monitoring labour conditions.

During the reporting period, a new Fire Safety and Emergency Protection Department was established within the Health, Industrial Safety and Environmental Protection Directorate. One of the key functions of this Department is ensuring the coordination and rapid response of employees to possible incidents at mine sites, including at Uralkali’s surface facilities, prior to the involvement of professional emergency services. **GRI 403-3**

The Company regularly monitors the strict adherence of all employees to its labour safety requirements. It conducts internal audits of the H&S system, investigates incidents and tracks the number of incidents and any changes in injury rates. **GRI 403-3**



Total expenses on and investments in occupational health and labour safety in 2020, RUB thousand



Workplace training of employees and contractors

Employee awareness and compliance with H&S requirements contributes significantly to ensuring workplace safety. The Company regularly conducts mandatory training sessions in labour and industrial safety. In 2020, emergency response training sessions were held for the Company’s employees and contractors. The mine auxiliary rescue crew (ARC) members also received the necessary training and certification; in 2021, the number of ARC members will be increased by at least 100 people. Over the course of the reporting year, 8,987 employees of Uralkali received training on various labour and industrial safety programmes. [GRI 403-5](#)

In 2020, the Company continued to implement the Initiative project, involving personnel to identify potentially hazardous working conditions and contribute to the development of proposals for their improvement. Following the project’s implementation, 108 separate projects were integrated during the reporting period. Employees

are also involved in consultations on relevant security issues, and in the development of local regulations (regulatory documents, instructions for different types of work and professions). [GRI 403-4](#)

The Occupational Safety Commission is responsible for labour and industrial safety issues, managing violations of the Company’s [Cardinal Rules](#) and other labour and industrial safety violations, as well as making decisions on taking disciplinary action. A proven violation of the rules is grounds for dismissal in accordance with the Labour Code of the Russian Federation. The Committee for Prevention of HSE Violations organises monthly meetings together with the Company’s production teams.

Requirements for contractors

Uralkali monitors contractor compliance with H&S requirements both during procurement procedures and during the completion of contracted work. For the purposes of procurement, the Company ensures that appropriate training is delivered to all employees

6,095

person-courses on H&S completed by the Group’s employees in 2020

of contractor organisations, and verifies personnel qualifications, availability of permits and necessary technical documentation for the tools and equipment used. Contractors undergo primary instructions before entering the site and receive initial directions from Uralkali personnel in respect of the specific types of work carried out.

Employees of contracting organisations who have violated the Cardinal Rules on labour protection forfeit their right to visit Uralkali’s premises for one year. Spot interaction is carried out with contracting organisation executives whose employees do not comply with the established safety requirements.

Over the course of reporting period, the Company modernised the project’s template for contractor work. The software speeds up the process of collecting and processing the necessary documents required for a contractor to commence work.

Injury prevention

In 2020, 11 accidents took place at Uralkali’s enterprises and subsidiaries within Russia, with zero fatal injuries. Each incident occurred for organisational reasons, and no technical or technological problems were recorded. Having investigated each incident, the Company has taken all necessary steps to

0.07

lost time injury frequency rate

prevent such incidents occurring in future. [GRI 403-2](#)

The Lost time injury frequency rate (LTIFR)¹ amounted to 0.07 for Uralkali and its Russian subsidiaries. There was a significant reduction in injuries recorded compared to the previous year. Lost days rate (LDR)² amounted to 10.26. The majority of injuries sustained by employees in 2020 were caused by being stuck between fixed and moving objects, or impact from striking objects. Three employees were seriously injured in accidents connected to the Company’s manufacturing activities in 2020; the severe injury rate amounted to 0.019³. [GRI 403-9](#)

Over the course of the reporting period, replication of pre-shift express testing of Berezniki-2, Berezniki-4, Solikamsk-1 and Solikamsk-2 employees who work underground was carried out using the Kuzbass-TsOT software system and a dedicated medical examination system. The system quantifies the risk of injuries resulting from incompetent employee action, and is aimed at training employees in the skills required

for safe working. It is operated using the Method of Mass Development and Control of Employees’ Expertise, which helps to ensure the required level of their competence and contributes to the reduction of industrial injuries. [GRI 403-7](#)

Occupational injury risks were assessed in line with Russian law and taking best practices into account. As a result, a package of corporate prescriptive and fixing documents was developed to evaluate the level of occupational risks of injuries: minor, severe, fatal and group accidents. Hazard identification and risk assessment was carried out for 3,733 workplaces according to this list of 54 hazards. The risk level of eight hazards in 965 workplaces, involving 5,560 employees has been prioritised for further risk reduction. Following the results of occupational risks assessment, all Company employees were acquainted with the Identified Hazards and Occupational Risk Assessment Maps.

Industrial safety and operation of hydraulic structures

The Company operates nine hydraulic structures (HS): seven slurry storages, one Verkhne-Zyryanskaya dam and one Berezniki-1 complex of defence structures, where a full range of necessary security measures is undertaken on a regular basis. Emergency plans have been developed for all HS. In the year under review, Uralkali updated

the information available on the number of technical devices (TDs) and buildings and structures (B&S) operated at the Company’s hazardous production facilities (HPFs), which are subject to industrial safety examination in order to ensure safe operation. The Strategic Plan for Expert Examination of Industrial Safety of Technical Devices, Buildings, and Structures of Hazardous Production Facilities, which was developed and approved in 2020, enables us to evaluate and plan investment required for performing industrial safety examinations based on the TDs and B&S in question. The timings for safe operations expires in the next calendar year, as well as within the next 5–10 years.

Radiation technology and safety

The Department for Radiation Engineering and Safety monitors radiation safety within the Company. In 2020, the control programme was implemented in full; employees examined 79 control facilities and issued 195 protocols. The results of analysis from mineral raw material samples, finished products and halite waste were all received in a timely manner. An inter-laboratory comparative examination for spectrometric research in Solikamsk and radon measurement in St. Petersburg confirmed the qualifications and high level of training of the Radiation Technology and Safety Department personnel.

¹ Lost time injury frequency rate is calculated as the number of injuries with temporary disability/number of hours worked × 200 thousand man-hours.
² Lost days rate is calculated as the number of days of incapacity due to accidents related to production/number of hours worked × 200 thousand man-hours.
³ Severe injuries are taken into account in accordance with Russian legislation.
Severe injury rate is calculated as the number of severe injuries resulting from the work (excluding fatalities)/number of hours worked x 200 thousand man-hours.

EMERGENCY PREPAREDNESS

Fire safety and emergency prevention

Uralkali is committed to preventing emergencies and ensuring a rapid emergency response. In accordance with the legislative requirements, Action Plans have been developed for localisation and liquidation of accidents at all production facilities in hazard classes I, II and III, in line with the strategy for preventing oil and petroleum product spills.

In 2020, no accidents took place at the Company’s production sites. However, two incidents took place at the mines Berezniki-2 and Berezniki-4. These were caused by smouldering of the conveyor belt as a result of heat release, due to the belt friction on the drum safety guards, and there were three fires at the surface complex facilities: one fire at Berezniki-4 and two fires at Solikamsk-1.

The fires took place at the drying facilities (mine gallery No. 111 of the SPP) at Berezniki-4, at the circulating water supply unit (cooling tower) of the Solikamsk-1 SPP and at the abandoned granulation facility Solikamsk-1. In each case, the fire was caused as a result of a violation of the fire safety requirements in the course of works undertaken by contractors.

In 2020, in order to improve the fire protection standards of employees and property, the efficiency of automatic fire protection systems, in particular, the fire alarm and automatic fire extinguishing systems was brought under round-the-clock control at the Berezniki-2, Berezniki-3 and Berezniki-4 production sites. Furthermore, similar systems at Uralkali’s social and cultural facilities in Berezniki were monitored on a twenty-four-hour basis. Fire risks were calculated for 16 Company facilities. Based on the calculation results, it was concluded that the permissible safety values had not been exceeded.

Uralkali also carried out works to comply with the fire safety requirements in leased forest areas. Comprehensive targeted audits, as well as trainings under the Action Plans for localisation and liquidation of accident aftermath and the strategy for prevention of oil and petroleum product spills, were carried out at all Uralkali’s mines.

In 2021, the fire protection systems will be further monitored in Solikamsk, which will ensure a quick response to any potential failures in the fire protection systems, via a contractor monitoring centre.

Emergency alert systems

There are sound warning systems in place for all Company employees at Uralkali’s production sites. Local warning systems (LWS) have been installed in areas of possible sludge flooding at high hazard class hydraulic structures (HS). In mined-out areas of mines, there are safety management systems in place to warn miners in case of an emergency.

External emergency rescue units, made up of employees working at the surface and underground complexes (non-professional emergency response teams), are in place at all Uralkali’s sites. The Company has signed a long-term contract with professional service units for the mine and gas rescue, as well as fire suppression services.

MINING AND GEOLOGICAL SAFETY

Risks and preventive measures

The geological environment of Uralkali’s deposits is constantly under exploration and monitored, in accordance with measures taken to protect mines from flooding, and to secure the facilities from any potential harmful impact of underground activities.

Possible suprasalt water inflow into the mine is the main global risk when mining any salt deposit. In addition to this, deformations on the ground surface related to the subsidence of the mountain area influenced by mining also constitute risk.

There is also a risk of technological disruption and potential threat to personnel connected with possible gas-dynamic events at the mine, which is eliminated by observing measures to ensure safe mining operations in the “gas mode”.

In 2020, all the required preventive and monitoring research by the Company

and supporting scientific organisations, as well as mining protection measures under the projects and mining plans, were implemented in full. [GRI 403-2](#)

Regulatory framework in the field of mining and geological safety

Two scientific organisations, the Mining Institute of the Ural Branch of the Russian Academy of Sciences (GI UB RAS) and JSC VNII Galurgii contribute towards ensuring mining and geological safety. Uralkali enhances its documentation and improves its regulatory framework to ensure mine safety in cooperation with scientific organisations.

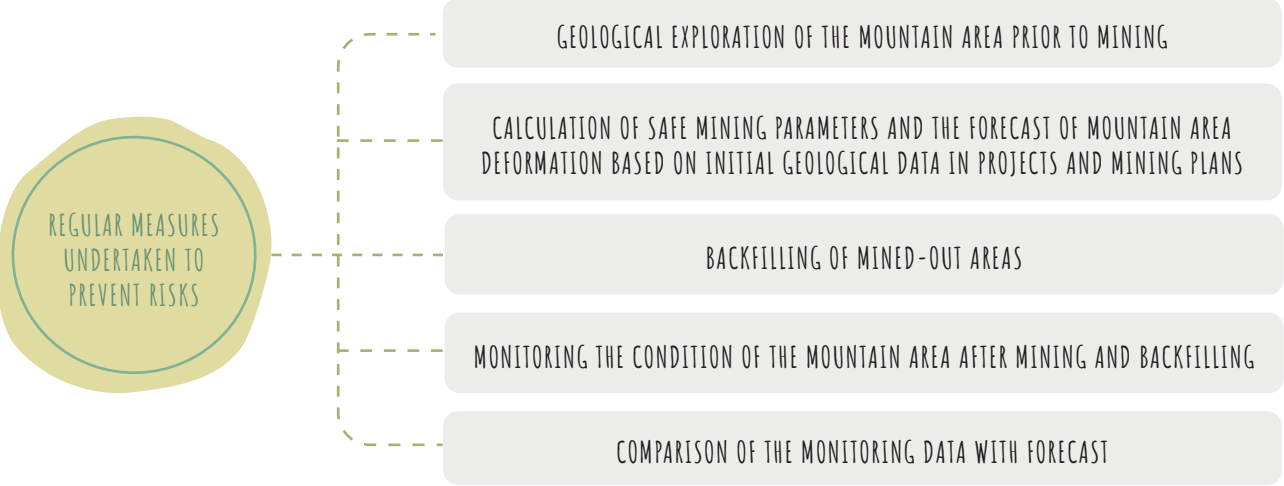
Mining safety requirements and measures to reduce geological risk are determined by external and internal regulatory documents and project documentation for the development of deposit plots, along with annual mining plans. In accordance with the legislation, project documentation is examined in

full and approved by the relevant state authorities.

Geological study

The Company conducts geological exploration at mining and backfilling sites: visual inspections, well drilling and sampling are all undertaken to determine the physical properties of the deposit. All study and activities take place are under the scientific and methodological guidance of scientific organisations, which also determine the frequency of such studies.

Geological exploration, geophysical investigations and hydrogeological surveys, as well as seismic control, are all carried out to identify potentially dangerous areas at Uralkali’s mine sites in a timely manner. Monitoring of the mined-out areas includes observations of land subsidence (mine surveying) and natural waters. Radar remote sensing is also used to detect ground movement in particular areas of the mines.



SECURING MINE COMMUNICATIONS: THE NEXT LEVEL OF OCCUPATIONAL SAFETY

In early 2021, a special LTE network was rolled out at Berezniki-2. This project took place as a pilot by the MTS mobile operator, and its development will help accelerate the digitalisation of Uralkali’s production processes. Throughout 2020, the mine conducted the preparations necessary for the project’s implementation.

The network was installed in challenging mining and geological conditions, at a depth of 400 metres. Despite this, it demonstrated stability, reliability, and safety during testing. As part of the pilot launch, the functions responsible for the safety and efficiency of mine employees were checked. Among these are group audio communication services, data transmission and video streaming.

Over time, the LTE network will enable Uralkali to incorporate advanced analytics solutions, remote production process management, autonomous equipment operation, robotisation and smart video surveillance.



Valery Fokin

IT Director

“Testing the LTE network at our mine is a significant milestone for Uralkali. For years we have been researching methods for enhancing communications at our mines, and so far no solution has provided sufficient bandwidth and speed to transfer data in the mines without significant delays. Ensuring quality communication between workers brings us significantly closer to our goal of improving occupational safety, and I am confident that this technology will help us to innovate our production more effectively in future.”

Backfilling of mined-out areas

Uralkali develops and maintains backfilling complexes to mitigate geological risk and ensure the safety of mined-out areas. The need for backfilling is determined on a project basis, then the object is monitored and mining plans are specified.

Backfilling is used to reduce deformation to the earth’s surface, preserve objects in undermined areas and increase the safety of mining operations. Backfilling at Uralkali’s mines is primarily carried out using a hydraulic method, which contributes to the stability of the filling mass.

Scientific research work

Each year, the Company draws up and delivers a plan for scientific research work (SRW) for scientific safety assurance based on the requirements of our projects and mining plans, and taking into account operational data of geological survey and monitoring. In 2020, the SRW covered various types of investigations of mountain areas, as well as measures to raise the efficiency and safety of mining operations. In addition, monitoring of challenging mine areas and control of mined-out areas of mine fields took place.

In partnership with scientific organisations, Uralkali

specialists continue to improve the efficiency of their research methods and existing measures for the safe conduct of mining operations. Uralkali has a dedicated department whose main function is to study and incorporate relevant international safety experience.

Mining and geological information system

The mining and geological information system (MGIS) project focuses on ensuring mine safety using three-dimensional geological modelling, which is a tool for obtaining correct and reliable initial data.

In the reporting period, the Company commenced its pilot operation of the MGIS at Berezniki-2,4, before rolling it out to other sites. Similar activities took place at Solikamsk-1,2,3 in 2019. Preparation for annual plans for mining operations development, supplementation of mining plans, and the complete digitisation of backfilling and reporting are completed using the MGIS platform.

The system is hosted across Uralkali, and is operated by all Company mines. The mining and geological information systems of Solikamsk and Berezniki are then ultimately united in one database. MGIS is operated by over 400 users, including employees of the main design

LEAPFROG

Following a thorough analysis of the global market for specialised geological modelling software, Uralkali established the Leapfrog solution as the most suitable, considering the requirements and specific targets for safe potash mining at the Verkhnekamskoye deposit.

The Company’s geology specialists received training in Leapfrog GEO, and a methodology was developed for geological modelling of the Verkhnekamskoye salt deposit. Preliminary geological models have been created at Uralkali’s mine sites, however these require further refining, as well as ongoing support and updates.

and scientific organisations who were connected to the system to carry out SRW and implement projects. Integration of the JSC

“VNII Galurgii” and Uralkali has already started. At this stage, work is underway to create a digital copy of the mine.



EMPLOYEE WELLBEING



WHY THIS IS IMPORTANT TO US

Uralkali depends on a highly qualified and motivated workplace to run the Company’s operations effectively. The skills and competencies of employees across all departments contribute to the successful fulfilment of the Company’s business development goals and maintenance of our leading industry position.

It is in Uralkali’s best interests to attract the most sought-after experts in the industry, and to ensure their wellbeing once they start working at the Company. The Company offers a highly competitive salary and benefits package, provides training and professional development opportunities, and champions the labour rights of its employees.



OUR PERFORMANCE

20,467

headcount

7.82%

labour turnover¹

49.8

training hours per employee per year

99.8%

full-time employees

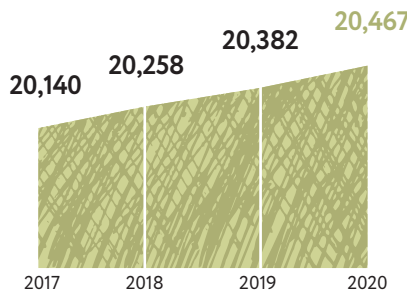
87%

proportion of senior management hired from the local community

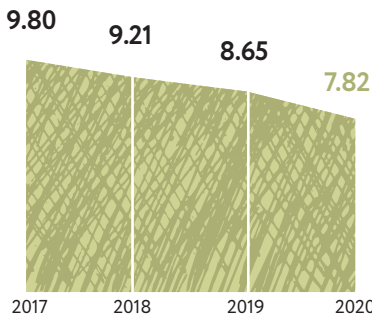
30%

of employees have undergone regular performance and career development assessments

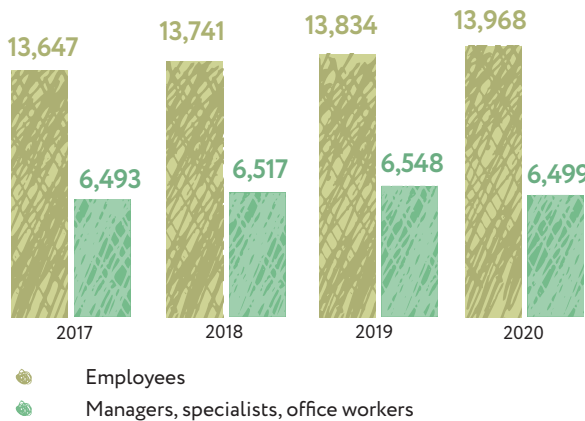
Headcount, pers. GRI 102-7



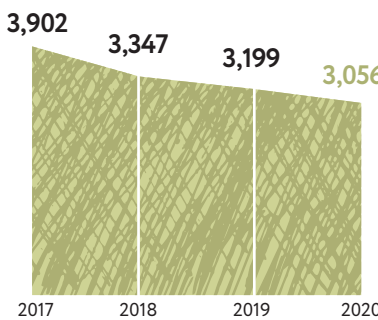
Employee turnover, % GRI 401-1



Personnel structure by employee category, pers. GRI 405-1



Number of new recruits, pers. GRI 401-1



¹ The indicator was calculated based on the Company’s average number of employees.

LEADERSHIP AND RESPONSIBILITY



Irina Konstantinova

Human Resources Director

“Uralkali is actively developing its personnel management system by delivering various programmes aimed at attracting and retaining employees, as well as ensuring they are motivated in their own career development and developing competencies that will enable the Company to continue operating efficiently. Our employees are highly qualified and have the necessary expertise to support Uralkali in the achievement of its goals, and we support them by taking care of all aspects

of their welfare in their work and personal lives, and giving them opportunities to grow both as professionals and individuals.

Considerable attention is paid to ensuring the effectiveness of our HR Policy. The Company undertakes numerous measures designed to reduce labour turnover and promote equal opportunities for career advancement, as well as providing training and generous compensation for high standards of work.”

GOALS 2025

GOALS OF ESG STRATEGY 2025

PLANS

Factors integrated into the employee wellbeing programme¹

Emotional	<ul style="list-style-type: none">Formalisation of flexible working hours to promote employee work-life balanceAvailability of counselling sessions to aid employee mental healthCreation of positive and constructive working conditions
Physical	<ul style="list-style-type: none">Provision of medical advice on popular topicsImplementation of initiatives for engaging employees in sporting eventsIntroduction of a health monitoring system with predictive analytics
Financial	<ul style="list-style-type: none">Training courses for employees dedicated to financial competence and financial planning
Career	<ul style="list-style-type: none">Career path development programmeFormalisation of competitive selection procedures for internal candidates
Social	<ul style="list-style-type: none">Implementation volunteering initiatives and other social activities for employees

¹ Progress towards the goals will be measured using specific indicators: loyalty of Company employees, absenteeism due to disability, percentage of employees who have access to counselling/information channels, percentage of vacancies filled by internal candidates, and time spent on volunteer initiatives per employee, respectively. Targets for these indicators are under development and will be set in 2021.

EMPLOYEES AND EMPLOYMENT

Uralkali adheres to an HR Policy that focuses on attracting, retaining and motivating employees, as well ensuring a comfortable and constructive working environment. The Company incorporates various procedures for enhancing the efficiency of its approach to human resource management, including providing a competitive salary and social benefits package, along with opportunities for training and professional development.

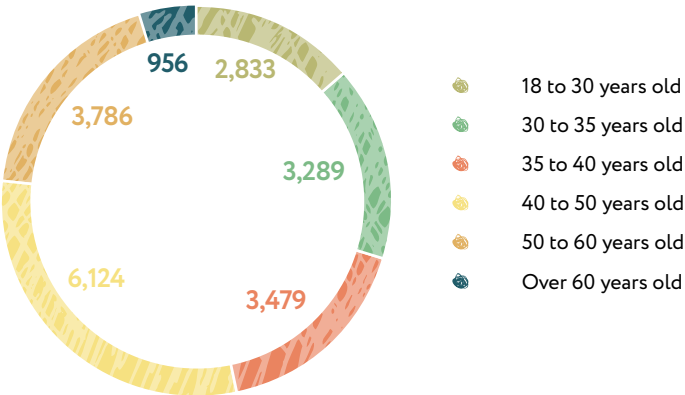
In 2020, a programme was launched that aims to apply a unified approach to employee wellbeing and the implementation of strategic objectives in the area. Uralkali intends to cover all the key aspects of employee wellbeing as part of the programme, including mental and physical health, social activities and career development. GRI 102-16

Actions put in place to monitor and improve the wellbeing of Company employees will be implemented gradually; relevant performance indicators will be added to commitments of the ESG Strategy to 2025, and progress towards them will be tracked.

In 2020, Uralkali completed the centralisation of the HR divisions at its subsidiaries based on the previously mentioned unified methodology of human resource management processes. In addition, the Company established a centre for competence in personnel management, in which work is being undertaken to develop a single system for processing applications submitted by Uralkali employees.

Incorporating digital technologies across the Company has also

Personnel structure by age category, pers. GRI 405-1



affected personnel management processes for general planning and activities. Uralkali is participating in the state-wide transition towards an electronic documentation system. An additional service has been established for receiving applications from employees on the issuance of personnel certificates and documents in mobile applications; and HR documents will be converted to electronic format. The new system will be rolled out at all Company divisions.

Staffing and recruitment

In 2020, the total headcount of Uralkali employees was 20,467, an increase of 0.4%. The Company has a representative office in Moscow, employing about 0.4% of total staff (over 96.9% in the Perm Region). GRI 102-7, GRI 102-8

70% of all Company employees are male, while female representation amounts to 30%, due to industry specifics and the legal restrictions for women

undertaking particularly hazardous work. The age structure has changed little since 2019, but the number of employees aged 35–40 grew by 6.7%. GRI 405-1

99.8% of Company employees work full-time, and 97.1% have signed an employment contract. GRI 102-8 The labour turnover rate declined to 7.8% year-on-year. GRI 401-1

Uralkali is committed to maintaining a high staff engagement level. Every year the Company conducts an online employee engagement survey. However, in 2020, this was postponed due to the outbreak of COVID-19 pandemic. The Company expects to introduce new approaches for measuring employee engagement, and to begin testing new automated survey tools in 2021.

Due to the nature of the business, one of its operational risks is a shortage of qualified personnel. During the reporting period, this risk was at a medium level due to

the adoption of a set of measures to reduce the risk, including:

- development of external and internal talent pools
- employee training
- recruitment of employees and students from a number of regions
- development and introduction of professional standards
- organisation of career guidance events
- increasing employee salaries and enhancing non-financial incentives

As of 2020, Uralkali's talent pool has been developed at all management levels and, during the reporting year, the talent pool had increased by 19% in size compared to 2019, amounting to 1,955 people.

Uralkali focuses on the labour market in its regions of presence (Perm Region and the Urals) as well as other regions to recruit personnel, including those with highly sought-after skillsets. To improve the quality of interactions with candidates and new employees, the recruitment process and on-boarding of new personnel has now been automated.

In 2020, a methodology was implemented for assessing dismissal risks based on a matrix that maps potential shortages of qualified personnel, in order to form a talent pool for key staff positions and prevent a shortage of qualified personnel at production units. The application of this methodology is set to be expanded in 2021, with the inclusion of additional units.

In the reporting period, talent sourcing channels were

expanded, including introducing targeted advertising and new recruiting sites, implementing a refer-a-friend programme and recruiting rotation workers.

Uralkali also uses the internet and social media, including [VK](#), [Instagram](#), all of which facilitate quick responses to job seekers. They also allow us to demonstrate what our operations are like and the Company social life of our employees. In 2020, Uralkali continued to enhance its official VK account, where employment information and job openings are posted, alongside some educational content. In 2021, new recruitment tools are set to be introduced, specifically chatbots and video interviews.

The Company also participates in job fairs and career guidance events. Uralkali posts and provides weekly updates of job openings at its corporate sites and on buses, as well as on mobile apps and in local media (newspapers, radio and televisions in large department stores).

Motivations and rewards

Financial and non-financial incentives are an important element of encouraging productivity for Uralkali employees, who receive competitive salaries and attractive benefits packages (among the best in the industry).

Uralkali's remuneration system is transparent, fair, and consistent for all employee categories. The Company is guided by the principles of equal pay for work of equal value. Uralkali carries out annual salary indexation, which is determined by the results of a thorough analysis of the labour market and a defined consumer price indexation of

RUB
893,424

average salary per year

1,955

employees in the talent pool

all goods and services. In the reporting period, the average annual salary amounted to RUB 893,424, and employee remuneration was raised by 10.24% compared to 2019 (RUB 810,420).

Employee salaries are comprised of fixed and variable elements, as well as various surcharges and allowances. The grading system and KPIs allow for an objective assessment of personnel performance by linking the achievements of an individual employee with the performance of the department and the entire Company. The fixed portion is set by the employee's grade. Employee performance is assessed based on KPIs to determine the variable portion of remuneration. The level of KPI performance sets the amount paid in bonuses.

Uralkali also provides non-financial incentives for personnel. In 2020, 1,084 employees received recognition for their significant contribution to the Company's performance, and the best contributors were awarded the title of 'Honorary Potash Worker'. The Company's traditional corporate awards took place online due to the COVID-19 pandemic.

Social support

Uralkali's employees have an extensive range of social benefits aimed at enhancing stability in their lives, resolving social issues, and improving their quality of life.

In the reporting period, the Collective Bargaining Agreement for PJSC Uralkali's employees was extended for 2021–2023. The agreement retains all benefits of the compensation package: medical care and recreation budget, food compensation, improvement of housing conditions and other benefits to improve the well-being of employees. Furthermore, Collective Bargaining Agreements are present in the Company's subsidiaries and cover 95.1% of the Uralkali Group's employees.

GRI 102-41

Due to the epidemiological situation caused by COVID-19, catering and the provision of specific dairy products for employees was suspended; remuneration was paid in full at all times. Canteens are currently operating as usual and products are provided according to a schedule.

The construction of the first stage of housing for employees took place at the end of 2020 in Berezniki under the housing improvement programme. Acceptance procedures are commissioning. Next year, the Company plans to provide housing for employees in new buildings.

Healthcare development

All employees are covered by a voluntary health insurance policy, within which they are able to receive outpatient and in-patient care in the cities of the

Company's regions of operation. To increase the availability of medical assistance for employees in Solikamsk, construction of a new polyclinic for Uralkali employees in Solikamsk will be completed in 2021.

A programme to promote "Healthy Living" is also in place – a complex initiative combining healthcare, nutrition, sports and cultural events for employees to benefit from and get involved in, also including their families. As part of the programme development, options are being developed to introduce a unified system for monitoring the health of the Company's employees.

GRI 403-6

Volunteering

During the reporting period, Uralkali developed and implemented regulations on Volunteer and Youth Movements. The new documentation incorporates updated goals and objectives for the work of volunteers and young people, taking into account the current epidemiological situation, while an overly formalised approach to the structure and system of work was excluded.

For several years, Company employees have been volunteering regularly in the following areas:

- "Green Contour" – clean-up days for collecting rubbish outdoors, mass recreation in cities, activities, contests, environmental seminars
- "Children's Joy" – work with socially vulnerable categories of children, helping with activities in nursing homes (organisation of holidays, excursions, educational games)

- "Help a Friend" – volunteering at shelters for homeless animals: collecting and transferring necessary food and medicine to shelters, dog walking, cleaning up the shelter area, etc.

Before the start of the COVID-19 pandemic in the reporting period, Uralkali volunteers took part in all voluntary activities in Berezniki and Solikamsk face-to-face. During pandemic restrictions, events were held online. Representatives of the volunteer movement held 34 events in total, in which 158 volunteers took part, and there were 989 beneficiaries.

The volunteers worked with three animal shelters, which house a total of about 300 dogs, and held ten events.

As part of wider celebrations for Knowledge Day, 195 children from low-income families received vouchers which they could use for the purchase of stationery and gifts. 582 children, also from low-income families in Berezniki, Solikamsk and Usolye were also presented with gifts and educational games during the New Year festivities.

Together with nursing homes, volunteers organised museum tours, festive parties with artists, and creative online master classes. Six events were held, with total participation of ten volunteers and 120 children.

To develop Volunteer Action Plans for 2021, a special working group was formed of leaders and activists of the volunteer movement. The group is planning traditional activities, for example: congratulating veterans on Victory Day, distributing stationery on Knowledge Day and giving gifts to socially vulnerable children for New Year.

The introduction of new types of volunteering activities is also being considered, for example, tourism for children

and organising sports and educational games for members of nursing homes, supervising the development of school clubs,

activities to collect essential items for children from low-income families, single elderly people and others.

PERSONNEL TRAINING AND DEVELOPMENT

Learning opportunities

GRI 404-2

Uralkali provides ample opportunities for professional development and career growth. Training and professional development, attending professional conferences and seminars, and participation in professional skills competitions are available to all employees. In 2020, 15,412 employees were given training in various areas, with a total training duration of 1,003,348 hours.

Uralkali is implementing a programme under which employees who have passed a competitive selection process will receive secondary and higher vocational education paid for by the Company. The programme promotes the career development and is an essential tool for employee retention.

In 2020, the Point of Growth TV project went live, in which Uralkali representatives explain to viewers, job seekers, graduates, students and schoolchildren about in-demand professions at the Company and their specifics, specifically demonstrating the roles. A “Success Stories” media project was also launched in corporate media to show the career development of Company employees.

Currently, new employee development programmes are being developed: the internal

15,412

employees trained in various areas of professional development

corporate portal contains a series of webinars and online courses, and the media library is regularly replenished with updated content. During the reporting period, employees were provided with access to the “Smart Reading” resource — an extensive library for self-development. The Corporate University is constantly expanding the number of training programmes available to employees.

A pilot project for introducing new technologies is also being implemented: the manufacture of a VR simulator — a simulator with the ability to create additional scenarios for various functional areas, which was designed when servicing the Stroganovskaya substation for maintenance personnel (electricians). VR courses are being designed to help employees develop practical skills and improve personal and managerial competencies.

Corporate University

The Corporate University has extended its list of programmes for professional development and improvement of individual skills to 485 courses in total (385 courses for professional retraining

and training of employees, 47 remote development courses, and 53 personal development training courses). In addition, the range of advanced training programmes available to managers and specialists that includes involvement from external educational institutions is expanding every year.

The library of e-courses and list of options for personal development training is updated on a regular basis. 16 of the 53 training courses currently on offer have been transferred to online and video formats, which makes training more accessible to all employees. The Corporate University fully implements the Company’s training plan.

Any Company employee can learn about their potential growth and development prospects by using the career counselling service. Thanks to the career advancement activities on offer, many employees have remained with the Company to further their careers. In addition, employees who require a change of working conditions for health reasons can take advantage of retraining and rotation opportunities internally at Uralkali.

Mentoring

The Company continues to improve its mentoring programme, and in 2020 a Mentoring pilot project was launched at production sites. An experienced

mentor who can help employees to get comfortable in the team, perform systematic monitoring of tasks, and transfer knowledge and professional skills is assigned to each new employee. Mentors also accompany all employees undergoing training in the talent pool and during their retraining.

Experienced employees can volunteer to become mentors, or they can be offered the role by a manager. There are certain criteria for mentors: experience in the Company, professional experience, and performance assessment by a manager.

In 2020, Uralkali won the Mentoring Competition for Russian Companies in the category “Best package of mentoring regulatory documents”, and received recommendations from the Central Institute of Labour (CIT) experts for the improvement of the Company’s mentoring system. Recommendations for optimising the programme will be implemented in 2021.

Training efficiency

Training efficiency is an indicator for demonstrating the success of employee training. To measure this, the Company evaluates the effectiveness of both the corporate training system and training programmes in line with the Regulations on the Efficiency and Performance Assessment of Uralkali Personnel Training.

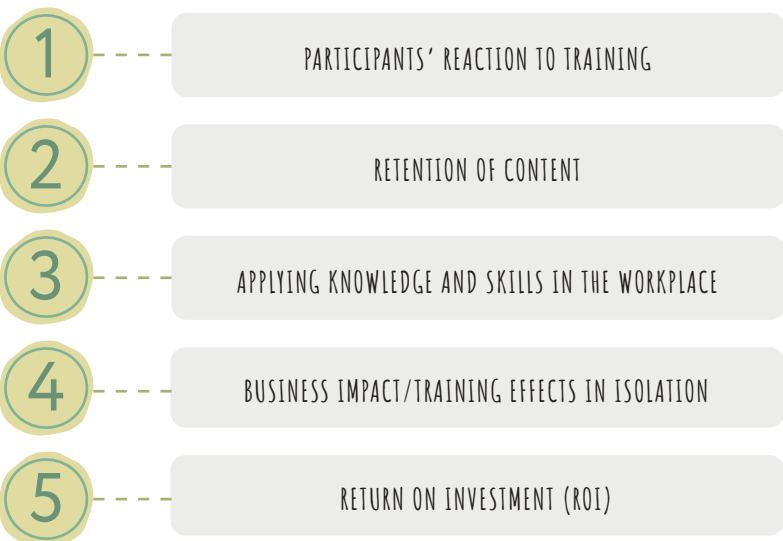
The evaluation of the corporate training system includes a comprehensive training monitoring system that has projected and calculated indicators for the development of the training system as a whole. Based on the results obtained, measures are also proposed to improve the corporate training system.

WORLD SKILLS RUSSIA

Uralkali engages with educational institutions to organise regional championships that celebrate “Young Professionals” (in partnership with Worldskills Russia). Uralkali specialists from various divisions are invited to assess the performance of competition participants.

Berezniki-2’s surveyor department organised Leica tacheometer training for students at the Solikamsk State University for Mining and the Technical Chemistry University in preparation for their participation in the Final of the VIII National “Young Professionals” Championship in Novokuznetsk.

Training programmes are evaluated on a five-level model:



When a training programme performs poorly, corrective measures are put in place to improve it. An Efficiency and Performance Assessment is carried out for all training programmes except the following:

- programmes related to certification in accordance with the requirements of legislative and regulatory documents, including H&S
- programmes for forums, conferences, summits, congresses, for which no efficiency assessment is required

EQUAL OPPORTUNITIES

Providing equal opportunities

Ensuring equal opportunities and zero tolerance for workplace discrimination are important aspects of working at Uralkali and fully respected by the Company, and were formalised in 2020 under the Policy for Human Rights. The Company also has a hotline. For more information on the corporate hotline, see section Anti-Corruption and Ethics on p. 105.

Employee promotion, improvement of professional skills and remuneration is always carried out on equal terms. Conditions for realising an employee’s potential are reflected in internal corporate documents and the Collective Bargaining Agreement.

In accordance with legislation of the Russian Federation, workplace environments for people with disabilities have been created at Uralkali’s operations. In 2020, the Company’s divisions employed 123 people with disabilities (0.6% of total employees). In addition, the Regulations on Recruitment and articles of the Collective Bargaining Agreement grant a pre-emptive

right to every candidate who develops a disability at a Company division.

Uralkali guarantees equal opportunities for career growth and offers a wide range of training programmes. The Company supports employee professional development, has formed a personnel pool and promotes talented workers. The competence and effectiveness of employees’ work is assessed each month and at year end. The employee assessment system is also used in the recruitment process, nominations to the personnel pool, and in determining the need for advanced training and professional retraining.

Employment of young people

Participation in career guidance events and informative meetings with Company representatives at educational institutions provides a platform for students to consider Uralkali as a potential future employer.

Uralkali continues to implement its annual programme for the targeted selection of school leavers, helping chosen candidates to pursue further studies at specialised higher

education institutions, where 68 selected students are currently enrolled.

In 2020, a plan was established to provide more places on relevant courses at educational institutions in cities in its regions of presence. The Berezniki Polytechnic College obtained a license for a major in “Underground mining of mineral deposits”, while at the Solikamsk Mining and Chemical College, an electrical course was added to the “Underground mining of mineral deposits” major.

During the reporting period, a prospective pilot project for the trainee programme took place at the Berezniki branch of the Perm National Research Polytechnic University (PNRPU), with internships offered to students in the final stages of the programme. The programme includes areas where Uralkali faces personnel shortages. Interns combine training with work at the Company, gaining practical experience while developing competencies. This means they have the opportunity to get to know the team and work at Uralkali as trained specialists once they complete their studies.

TRADE UNIONS

In 2020, a high level of communication and social partnership was demonstrated between the Company and trade unions despite the fact that due to the COVID-19 pandemic, management interaction with trade unions members on topical issues was mainly conducted remotely.

Taking into account the restrictions, a series of meetings between the CEO and Uralkali’s working teams were held virtually, in which employees received information about the global market situation, key projects and measures to combat coronavirus.

The Company’s managers and trade union representatives met online once a fortnight in meetings held by the Commission on Voluntary Health Insurance. They also met monthly at meetings held

by the Council for Prevention of LS, IS and HSE Violations, and at working meetings of the Labour Protection Commission concerned with the violation of Cardinal Rules as required. There were no meetings held by the Labour Disputes Commission due to the absence of employee appeals.

The most significant meeting between management and trade unions was the signing ceremony of the new Collective Bargaining Agreement in October, which was attended by the CEO and Human Resources Director, and the chairmen of the primary trade union organisations. The Collective Bargaining Agreement establishes the rights of employees to collective bargaining, participation in trade union organisations and the management of the Company through the activities of trade unions.

As a result of collaboration between Uralkali management and trade unions, a decision was made to allocate funds for the purchase of costly medicines and conducting employee surgeries, and recommendations to prevent H&S violations were developed. The organisation of sports and wellness work, corporate and cultural events, traditional events and holidays was also discussed.

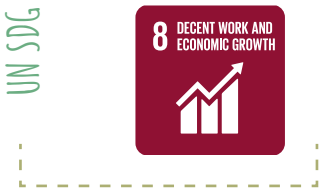
In 2020, Berezniki and Solikamsk trade unions combined forces under the “Potash Industry Worker” organisation, which cements the further development of collaboration and even more fruitful interaction with Uralkali. A social partnership agreement was signed between the combined trade union and the Company, providing additional benefits and guarantees for union members beyond those established by the Collective Bargaining Agreement.

HUMAN RIGHTS



WHY THIS IS IMPORTANT TO US

The need for human rights protection is a topic that affects not just Uralkali, but all modern society. Ensuring equal opportunities and maintaining the utmost respect for human rights is the basis for long-term and trusting relationships with all of our stakeholders. Uralkali is prioritising the development of internal systems in this area and endeavours to meet the highest relevant requirements.



OUR PERFORMANCE

21%

share of women in management positions

0.6%

share of employees with disabilities

95%

of employees covered by the Collective Bargaining Agreement

COMMITMENT TO THE UN GLOBAL COMPACT PRINCIPLES



Uralkali is a member of the UN Global Compact, cementing its commitment to two key human rights principles:

- Principle 1.** Businesses should support and respect the protection of internationally proclaimed human rights.
- Principle 2.** Businesses should make sure that they are not complicit in human rights abuses.

GOALS 2025

GOALS OF ESG STRATEGY 2025

Human rights risk assessment

PLANS

- Development and implementation of a methodology for assessing risks to human rights
- Monitor and audit the implementation of activities annually in accordance with the developed methodology for assessing risks in the field of human rights
- Holding training sessions for employees on our behavioural and human rights requirements
- Holding training sessions for employees and contractors working in our security teams on principles of human rights to be upheld while ensuring security measures

LEADERSHIP AND RESPONSIBILITY



Vladimir Podbornov

Head of Organisational Planning Department

“Upholding human rights is one of Uralkali’s priorities for sustainable development, and one that is naturally reflected in our new ESG Strategy to 2025. In 2020, Uralkali developed a Human Rights Policy, and we maintain our focus on

developing our Human Rights practices, in order to ensure that the Company’s obligations to our stakeholders are met and consistent with the principles of sustainable development.”

HUMAN RIGHTS

The larger a corporation is, the more significant an impact its activities have on the lives of employees, local residents and other stakeholders, and the greater responsibility it bears for respecting human rights in implementing its activities.

Uralkali is working to develop its practices in this area and strives to prevent any violation of human rights across all of its activities. To this end, the Company is developing internal documentation and training programmes for employees, as well as risk management mechanisms covering human rights. [GRI 102-16, GRI 412-2](#)

If violations of human rights cannot be prevented, Uralkali will implement all necessary measures to eradicate such violations and prevent their reoccurrence.

The Company ensures and monitors compliance with the principles of the Human Rights Policy using corporate feedback channels. *For more information on feedback mechanisms, see page 105.*

In early 2021, Uralkali joined the UN Global Compact, an international business initiative for Corporate Social Responsibility and Sustainable Development. Joining the initiative implies the adoption of the ten principles of the UN Global Compact in the field of responsible business conduct. Two out of the ten principles under this initiative are related to human rights. Therefore, in joining the UN Global Compact Uralkali holds additional obligations to prevent human rights violation in the course of its activities.

In 2020, the Company registered two requests from employees that fell within the remit of the ethical commissioners. Both cases received a fair consideration, with remedial actions determined and carried out as a result.

Safety oversight

Ensuring safe working conditions is one of the important principles of Uralkali’s Human Rights Policy. Uralkali endeavours to create and maintain favourable and safe working conditions for

employees. Uralkali’s managers of all levels hold responsibility for safety issues. Employee awareness of safety principles is continually being strengthened by the Company.

In addition, to ensure safe working practices and maintain the health of employees, an labour safety agreement between the employer and trade unions is applied under the Collective Bargaining Agreement. *For more information on the Company’s labour safety practices, see the Health & Safety section on page 44.*

Ensuring the diversity and equal opportunities

Maintaining cultural diversity among employees is pivotal both from an ethical standpoint and in terms of increasing the efficiency of the Company’s operations. At Uralkali, discrimination on the basis of an individual’s race, sex, age, religion, nationality, social status or any other characteristics not related to their professional skills or performance is unacceptable.

When recruiting new team members, the Company strives to prioritise local candidates, provided that they have the necessary knowledge and competencies. Relocation of specialists from other regions takes place only in case of the absence of candidates from within the Perm Region who meet the requirements for a relevant position. The Company also provides employment opportunities for young people and graduates.

In 2021, Uralkali will develop its HR Management Policy, which includes commitments to personnel diversification. *For more information on the Company’s practices in the field of diversity and equal opportunities for employees, see the Employee Wellbeing section on page 62.*

Freedom of association and collective bargaining

Uralkali has a Collective Bargaining Agreement in place, which establishes the right of employees to collective bargaining, membership of trade unions and the management of the Company through trade union activities. *For more information on the collective bargaining agreement, see section Employee Wellbeing on page 63.*

In the reporting period, interaction on pressing issues and topics between management

HUMAN RIGHTS POLICY

In 2020, Uralkali developed a Human Rights Policy in order to ensure a suitable environment for protecting and promoting the principles of human rights. The document is presented on the Company’s website in the Russian and English languages and approved by the Board of Directors.

In accordance with this Policy, Uralkali shares the provisions of the UN Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights, approved by the UN Human Rights Council in 2011, and understands its responsibility to respect human rights.

The Company’s human rights principles are defined in this Policy:

- freedom of association and collective bargaining
- preventing the use of forced and child labour
- providing safe working conditions
- non-discriminatory and equal employment opportunities
- compliance with legal requirements when using land and other natural resources
- respect for the rights of local and indigenous communities

and trade union members was mainly carried out remotely (online). The Company, together with trade unions, organised sports and wellness activities, as well as corporate and cultural events. A number of traditional events took place either remotely or in a modified format.

Rights of indigenous communities

Uralkali’s operations do not affect indigenous communities, and there are no plans to expand its geographical presence into such

territories. Nevertheless, the Company remains committed to respecting their rights.

The obligation to respect the rights, culture and customs of indigenous communities is established within Uralkali’s Human Rights Policy. In the case of any involvement with indigenous communities resulting from the future expansion of Uralkali’s geographic reach, the Company will engage with them in line with this Policy.

LOCAL COMMUNITIES



WHY THIS IS IMPORTANT TO US

Sustaining healthy relationships with local communities is a prerequisite for the Company’s continued sustainable growth. For years, Uralkali has been working side by side with local communities its region of presence, and long term relationships have been built on mutual respect and trust.

Our activities with local communities go far beyond simply complying with requirements: we aim to substantially improve the standard of living in the towns and cities where we operate, ensuring a sustainable future for the region.

UN SDGs

3 GOOD HEALTH AND WELL-BEING

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

OUR PERFORMANCE

RUB 980 MLN

social investments in 2020

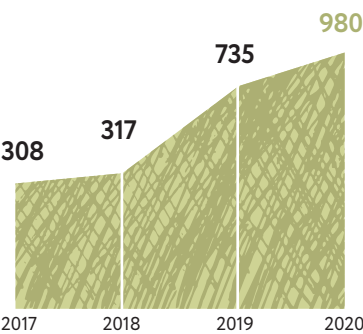
RUB 84 MLN

allocated for infrastructure development

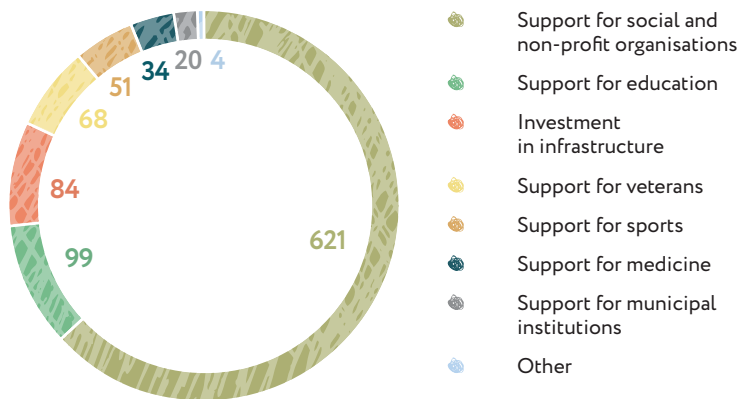
RUB 33.9 MLN

directed to help medical institutions, including for combating COVID-19

Total social investments¹, RUB mln
GRI 203-2



Social investments in 2020 by purpose, RUB mln
GRI 203-1, GRI 413-1



GOALS 2025

GOALS OF ESG STRATEGY 2025

Improving the systems of interaction with local communities and charitable activities

PLANS

- Elaboration of the Roadmap for development of the territories of presence
- Conducting research on social life in the region

¹ The amount of payments for 2020; see also the Local Communities section of Annual Report 2020.

LEADERSHIP AND RESPONSIBILITY



Oleg Kalinsky
Head of Government Relations

“Uralkali engages with local communities and public authorities on a variety of issues, all centred around the socio-economic development of the regions in which the Company operates.

We make every effort to ensure that our employees and their families can live comfortably and enjoy

social wellbeing. In the long term, this will improve staff retention. In 2020, Uralkali’s social investments amounted to roughly RUB 1 billion, including the introduction of measures to support the towns and cities near the Company’s operations throughout the COVID-19 pandemic.”

COMPREHENSIVE DEVELOPMENT OF THE REGION

Every day Uralkali touches the lives of the people in the region where it operates. The Company respects the interests of local communities when taking important strategic decisions that could affect them and contributes to the region’s economic development by fulfilling its tax obligations and providing employment opportunities.

Uralkali goes well beyond meeting the bare minimum mandatory requirements in this respect, and constantly works to raise the standard of living in its region of operation (Perm). Through ensuring a stable social environment, Uralkali gains the trust and support of local communities and furthermore, as the social situation improves, ensures that young professionals are more likely to stay and work in the region, which in turn contributes to the Company’s continued success.

Uralkali has been supporting the towns and cities near its operations for many years. Ever since the

beginning of the potash mining industry in the Perm Region, the Company has worked closely with local authority representatives. This has made it possible to effectively identify the current needs of local communities and provide them with necessary support.

To date, interaction with towns and cities close to the Company’s operations have been governed by the following agreements:

- an agreement on cooperation and relations with the Berezniki administration
- an agreement on cooperation with the Solikamsk administration
- a trilateral agreement between the Perm region government, the Berezniki administration and PJSC Uralkali

The Company’s key priorities for the development of local communities are defined based on the needs of residents:

GRI 413-1 SASB RT-CH-210A.1.1.1

- contribution towards the economic development of regions of presence: providing local employment and tax contributions
 - maintaining quality healthcare
 - supporting municipal and public organisations
 - promoting sports, culture and education
 - sponsorship of charitable projects
 - infrastructure development
 - improving accommodation for Company employees and other residents in the region in which we operate
- In 2021, Uralkali will take a new step towards developing corporate practices to support the region where the Company operates: a Policy on Interaction with Local Communities is currently being drawn up. SASB RT-CH-210A.1.1.2
- This will enable the Company to formalise and structure its practices in the area, drawing on experience gained over years of cooperation.

Despite current estimates, which will allow for the planned exploitation of mining assets until 2062, Uralkali is developing Plans for the Liquidation and Preservation of Mining Enterprises. In the event of the closure of Uralkali deposits due to Russian law and sustainability best practice in the industry, the Company will notify its employees and local communities well in advance and provide necessary support.

Medical industry

In 2020, Uralkali signed a Cooperation Agreement with the Wagner Hospital, an institution that has been supported by the Company for several years. This will ensure the ongoing development of the healthcare system in the Verkhnekamsky district, as well as the expansion of opportunities for the professional development of doctors and hospital employees, including:

- reimbursement of interest payments on bank loans for housing purchases
- reimbursement of the cost of vouchers for spa-resort treatment for hospital employees
- rehabilitation in Uralkali’s Ural Gems health centre for children.

As a result of the spread of COVID-19 in 2020, Uralkali did its utmost to remain active in all essential areas required to support local communities. Supporting healthcare facilities in the towns and cities close to the Company’s operations and taking action to limit the spread of the virus were at the centre of the Company’s activities.

DELIVERY OF NEW MEDICAL EQUIPMENT TO WAGNER HOSPITAL

During the reporting year, with support from Uralkali, the Wagner Hospital purchased a new mobile digital X-ray examination machine. Funding provided by Uralkali came to RUB 9 million.

The machine is used to perform both simple diagnostics and complex surgical operations, orthopedy, podiatry, traumatology, urology and other forms of clinical medicine. Its high mobility, small size and lightweight nature makes it easy to move around the hospital premises.

In 2020, Uralkali donated more than RUB 33.9 million to medical institutions in the cities in its region of operation. These funds were used to purchase artificial ventilation apparatus and other necessary medical equipment, as well as equipment for testing patients for COVID-19.

Additionally, any required protection and equipment for educational institutions was acquired with Uralkali’s support. This includes respirators, non-contact thermometers and bactericidal re-circulators.

Education and culture

Support for education and culture is a key area of Uralkali’s activities in its support for local communities, and in 2020, despite the restrictions in place due to the COVID-19 pandemic, the Company implemented several important initiatives.

In particular, demilitarised howitzers were restored at the open-air museum in Berezniki, the Company helped to organise the Russian bell-ringing festival, and the 590th anniversary of

Solikamsk and Miner’s Day took place in a combined celebration, dedicated to the 75th Anniversary of Victory in the Great Patriotic War. An ice town was also set up in Solikamsk with Uralkali’s financial support.

In addition, during the reporting year, the Company continued to support higher education establishments. With Uralkali’s assistance, equipment was purchased for developing the technical creativity of these institutions in Solikamsk.

Sport

Young people (including children and adolescents) in the Company’s region of operation have many opportunities to take up sport and other hobbies in their spare time, thanks to Uralkali’s efforts aimed at developing and promoting greater uptake of sport in the region.

The most dedicated young athletes participate in high-level competitions, also organised with Uralkali’s support. In 2020, Uralkali continued to implement its large-scale “Kali-Basket” proj-

OPENING OF A DRIVE-IN CINEMA IN SOLIKAMSK

In 2020, Uralkali installed a drive-in cinema in the city’s main square as a gift to the residents of Solikamsk on their City Day and Miner’s Day.

Films were screened in a drive-in theatre in Solikamsk the first time, and the event was an excellent way to celebrate the holidays without violating anti-epidemiological restrictions, which was very important for residents. Over the 11 evenings, 15 domestic and foreign films were shown on a 9x6m screen. Pre-registered residents and city guests were invited to watch films for free.

ect to develop children’s basket-
ball in cities near the company’s
operations: 28 basketball centres
have been opened, 1,680 children
who have taken part in the Euro-
League now successfully perform
in competitions at various levels,
and support is provided for kick
boxing and judo organisations
in Solikamsk, and the Berezniki
Taekwondo Federation.

In early 2020, Uralkali supported
the Volga Federal District junior
judo championship in Solikamsk
for boys and girls up to 15 years
old.

TAEKWONDO FEDERATION SUPPORT

In 2020 after a major renovation, the taekwondo sports centre was re-opened in Berezniki. Uralkali allocated funding of approximately 4 million roubles towards the overhaul and redevelopment of the premises.

Four sports halls designed for different types of training are now available to athletes. During the centre’s renovation, the wiring was completely replaced and fire doors were installed along with ventilation and noise insulation systems. Dressing rooms, showers and bathroom facilities, including accessible bathrooms, were also refurbished.

SPONSORSHIP OF THE PERM REGION SNOWKITING CHAMPIONSHIP

In February 2020, Usolye, part of the Berezniki district, supported by Uralkali, held the ‘Stroganovskaya Mile’ 2020 on the Kama River (part of the XI Open Snowkiting Championship of the Perm Region). Uralkali has traditionally sponsored this championship, and according to spectators and participants, the Stroganovskaya Mile snowkiting competition is one of the most spectacular events held in Usolye.

In 2020, more than 40 athletes from the Perm Region and other cities in Russia took part in the competition. The competition was held in the course-running and freestyle disciplines. During the championship, free workshops were organised on kiting for beginners, and an informative and entertaining festival programme was put on for spectators.

In addition to sponsoring the Stroganovskaya Mile, Uralkali regularly supports Usolye in organising the Stroganovskaya Regatta sailing race, the Stroganovskaya Versta equestrian competition and other events.

CHARITY

Uralkali traditionally engages with non-profit organisations, providing support to vulnerable citizens. In 2020, the Company continued this work, supporting the Luch and Chernobyl Russia Unions, Perm regional organisation the All Russia Association of the Blind, as well as a new non-profit organisation for Uralkali – the Gratitude Foundation, a partnership which began in 2020.

In 2020, several initiatives were put in place to support vulnerable residents of the region: supporting Second World War veterans, preparing children from low-income families for school, as well as supporting school and kindergarten teachers. New Year’s gifts were given to the children of doctors and children from low-income families.

Uralkali also implements its own charitable initiatives, including support for municipal services provided by the Solikamsk city district for ensuring the safety of the local population during the last five years. The Company also purchased educational games and toys for kindergartens.

RUB
51.1 MLN

social investments of the Company
allocated to support sports in 2020

In 2020, the Company continued to partner with regional and federal authorities on the implementation of a programme for resettlement of residents from emergency housing, and infrastructure construction Berezniki’s right bank. All the funds donated by Uralkali in 2020 were used for demolishing 20 temporary residential buildings in the city, and signing a contract for demolition of ten

more temporary accommodation buildings.

In addition, Uralkali transferred RUB 100 million to the Perm Region governmental body for the construction of social infrastructure facilities in the Lyubimov neighborhood. Supplementary agreements were also confirmed for the use of funds in the creation of a mini

park in Lyubimov, and a sports and recreational area in the new residential district.

The Company has also been working on developing infrastructure for children: 50 climbing frames were purchased and installed in five kindergartens in Berezniki, and four climbing frames were installed in the Solikamsk play areas.

DEVELOPMENT OF VOZROZHDENIE USOLYA MASTER PLAN

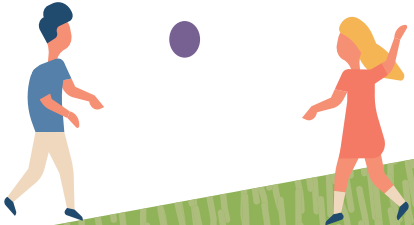
In 2020, with Uralkali’s financial support, a plan was put in place to develop the Usolye Stroganovskoye museum complex. Uralkali allocated RUB 1.5 million to support the master plan for renovating this unique historical and architectural ensemble of monuments of secular and church architecture from the XVII–XIX centuries.

Specialists from the Department of Architecture and Urban Studies of the Perm National Research Polytechnic University and the Usolye Stroganovskoye project office helped to develop the master plan. The project is set to last 15 years, and is divided into several stages.

The first stage includes the renovation of electricity supply, water supply, wastewater disposal, gasification, and a project to strengthen the river bank. A network of pedestrian and cycling paths, recreation areas, viewpoints, and a space for mass events and outdoor activities is also being planned.

The second stage is landscaping. Several parks will be created, with birch trees planted. The landscaping involves planting plants that grow in coastal areas which preserve the natural beauty of the surrounding area as much as possible.

Finally, the third stage includes the establishment of a tourist village, with research and education centres, and other facilities necessary for the museum to continue operating well.



SUSTAINABLE AGRICULTURE



WHY THIS IS IMPORTANT TO US

We produce potash fertilisers to ensure that people all over the world are provided with the food they need. In line with this global goal, Uralkali actively contributes towards two key areas in sustainable agriculture: providing safe products and supporting farmers in emerging markets.

UN SDGs

2
ZERO HUNGER

12
RESPONSIBLE CONSUMPTION AND PRODUCTION

OUR PERFORMANCE

75

countries import the Company's products

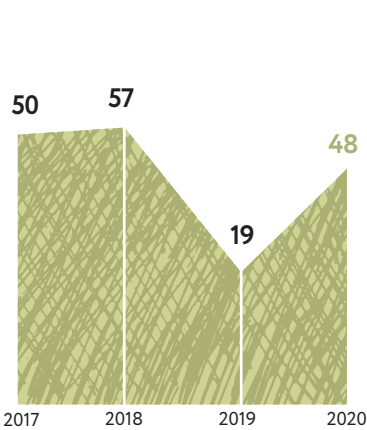
2,763

farmers and other members of the agricultural community covered by educational measures to improve agronomic literacy

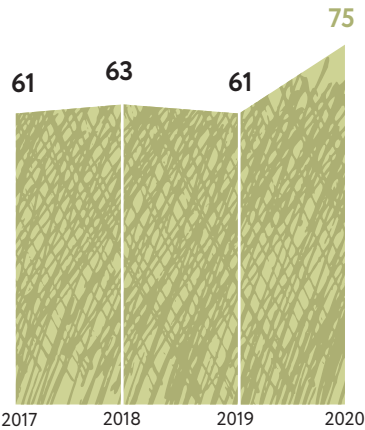
48

number of measures taken in 2020 to improve agronomic expertise

Number of educational initiatives implemented by the Company



Number of countries importing the Company's products



GOALS 2025

GOALS OF ESG STRATEGY 2025

Reach more than 20,000 farmers with our agronomic expertise programmes by 2025

PLANS

- Offer training for farmers in effective use of potash fertilisers to improve their crop yields and profitability

LEADERSHIP AND RESPONSIBILITY



Alexander Terletsky

CEO of Uralkali Trading SIA

“Developing sustainable agriculture is one of the new areas the Company is addressing within our ESG Strategy to 2025, and is aimed at sharing knowledge and best practice on the competent use of potash fertilisers, in order to increase agricultural productivity.

In 2020, despite restrictions caused by the COVID-19 pandemic, the Company pressed with its sustainable agriculture initiatives. Uralkali continued to run educational programmes, with more than 2,000 farmers taking part.”

PRODUCT SAFETY

In pursuing its mission, Uralkali aims to address global hunger and provide food to people around the world. Firstly, to solve this challenge, the Company manufactures high-quality and safe products, which help to increase yield and preserve soil fertility.

Uralkali’s main product is potassium chloride, which is typically used as a mineral fertiliser or raw material in the production of other types of mineral fertilisers. When used properly, the Company’s products are safe for the environment. The Company’s products do not contain substances classified 1–2 according to the Globally Harmonized System of Classification and Labelling of Chemicals (GHS)

SASB RT-CH-410b.1 .

State inspection

As per Russian Federation legislation, all agrochemicals in circulation within the country are subject to state registration. This process includes an agronomic and toxicological-hygienic evaluation, as well as an evaluation of the product’s environmental footprint, and a number of other mandatory environmental assessments conducted by the state. This demonstrates that the Company’s products undergo a rigorous audit, assessments prove they are safe for both consumers and the environment.

In addition, Uralkali has developed safety data sheets that meet GOST requirements, a

certification of product quality and safety, for all of its products. These safety data sheets contain information on product characteristics and composition, measures to prevent emergencies when using them, and storage.

Product quality

The Research and Quality Control Department and its sub-divisions are certified for compliance with GOST ISO 17025 (General requirements for the competence of testing and calibration laboratories), and oversees product quality at all stages of production, from supply of materials to shipment and transportation of finished products to the consumer.

Incoming control is mandatory for reagents and materials that are used to create finished products. Ongoing quality control of ground sylvinites, used in production as a raw material, is ensured through automatic potash measuring instruments and analytical controls.

The accredited laboratory carries out studies of geological and hydrogeological samples to guarantee that the mined sylvinites ore is of high quality and that the deposit development continues to be safe.

Certain specifications have been adopted by each production unit in order to set production and shipping requirements. They are designed to establish an optimal order and mode of production, as well as safe operating conditions. The requirements also enable the Company to manufacture high quality products.

Each shipped batch goes through an acceptance stage, i.e. a final control stage, and a product quality certificate is issued accordingly. In the event of any deviation of finished

products from standard quality requirements, the Company has measures in place to ensure that defective products cannot be shipped to customers.

Since 2018, the Company’s oil industry customers have conducted annual product safety audits to ensure that production processes meet their high requirements. The Company also certifies chemical products in TEKSERT and TEK Nefteprom-khim systems¹ and confirms their safe application in the oil industry on an annual basis.

URALKALI AWARDED IFA GOLD MEDAL FOR ITS RESPONSIBLE APPROACH TO PRODUCTION

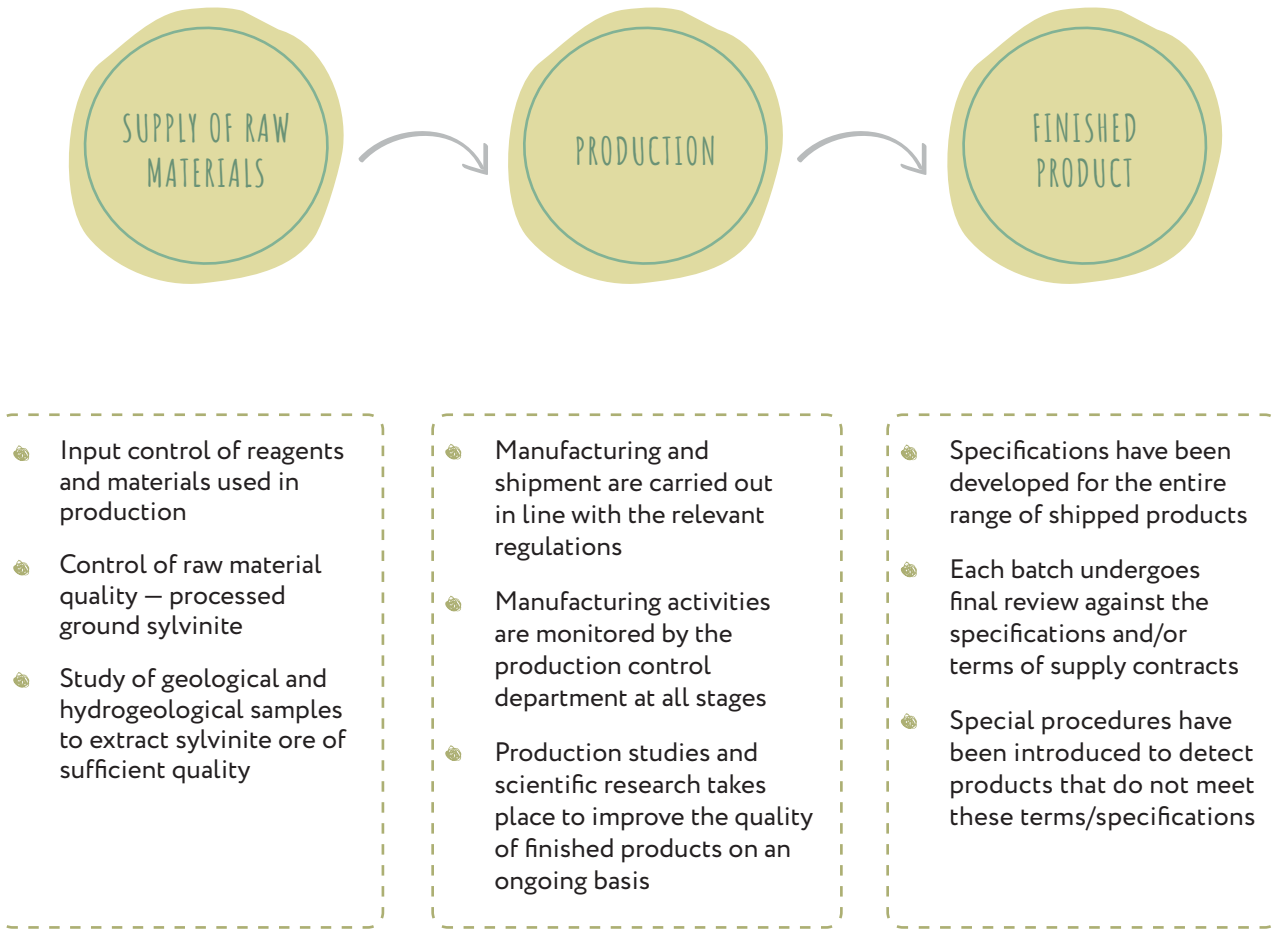
In 2020, the International Fertilizer Association (IFA) awarded Uralkali with a gold medal for its responsible approach to production.

In being awarded the title of industry champion, fertiliser manufacturers participated in a series of comprehensive industry studies conducted by the association to analyse quality, industrial and labour safety, environmental impact, energy efficiency, resource conservation and other factors aimed at increasing the efficiency of production.

Only organisations that have successfully passed the IFA Protect & Sustain certification assessment, which covers a broad range of international certificates (ISO, OHSAS, Responsible Care) were permitted to take part in the competition.

For more information on Uralkali’s IFA Protect & Sustain certification, see [p. 30 of the Company’s ESG Report 2019](#).

¹ Voluntary certification systems developed for enterprises in the fuel and energy sector.





GREEN PRODUCTS

In 2020, GOST R 58658-2019 standards (for agricultural products, raw materials and food with enhanced environmental characteristics) were became applicable in the Russian Federation, including to mineral fertilisers. The content of pollutants in Uralkali’s products is several times lower than the maximum level permitted by the standard.

Uralkali plans to obtain a voluntary certificate of compliance with the new GOST standard before 2023. Certification of compliance with this standard will enable Uralkali to position its products as environmentally friendly.

WORKING WITH FARMS

Uralkali’s contribution to improving global agricultural processes, in line with the principles of sustainable development, comes through ensuring a responsible approach to organising production activities and active cooperation with farms. Uralkali also increases its sales through training programmes on effective fertilisation processes organised for farmers and distributors. These activities also help to improve agricultural efficiency in emerging market countries and also contribute to the goal of zero hunger.

Uralkali frequently holds seminars for farmers and fertiliser distributors on the following topics:

the effective use of fertilisers to ensure higher economic productivity, and the quality and volume of harvests. In addition to theory, pilot projects for demonstrating the benefits of effective use of potash fertilisers are implemented in specific areas where these crops are normally grown in the product distribution region.

Due to the spread of COVID-19 in 2020, the Company only managed to implement a few projects for developing agriculture in importing countries.

In 2020, the Company continued to implement a project to study the impact of potash

fertilisers on the quality and yield of key crops in Argentina, launched in autumn 2019. Based on the results of soil analysis for potash content, a seminar was held for agricultural industry representatives on the need for potash fertiliser application. From 2020, field testing has also been carried out to demonstrate the positive effects of potash fertilisation.

Similar initiatives were also introduced in Indonesia, Myanmar, India, Mexico and Africa. Research results in 2020 showed an increase in yields ranging from 3% to 21%.

Number of educational events in 2020

	Indonesia	Myanmar	Argentina	Mexico	India	Africa	Total
Number of events	30	3	4	0	6	5	48
Number of exhibition areas	51	7	15	2	6	54	135
Number of participants	1,264	30	400	0	540	529	2,763

OTHER SOCIAL TOPICS (S)



ACTIVITIES RELATED TO COVID-19

In 2020, the world was faced with the extremely challenging situation caused by the coronavirus (COVID-19) pandemic, which required an immediate and comprehensive response. In the face of challenging epidemiological conditions, representatives of the business community such as Uralkali needed to solve a number of issues to ensure continuity of the Company’s production processes. The spread of infection required various quarantine measures and restrictions to be put in place on a large scale, and the introduction of new employee safety requirements.

The Company has made every effort to respond appropriately and quickly to the evolving situation and, being guided by the requirements imposed by government institutions, continues to take mandatory measures to fight COVID-19.

Quick decision-making on behalf of management helped

to reduce the risk of infection for employees. Following the implementation of restrictions, the Company suspended all official business travel. As part of the temporary plan put in place to guide organisational, sanitary and anti-epidemiological measures, all employees returning from another region or from abroad were required to self-isolate for a 14 day period.

Reacting quickly to the evolving situation also enabled Uralkali to transfer all relevant employees to remote working as soon as possible (those who were not involved in ensuring the continuous production process). Going forward, all decisions on working format (whether from the office or home) will be made depending on the current epidemiological situation. Adoption of measures to combat the spread of the infection accelerated the transition of internal and external documents to electronic format. Training sessions and corporate events were also held virtually.

Comprehensive work was done to ensure high-quality communication and support for employees during the pandemic. The Company developed Regulations on the Organisation of Work Processes and Measures to Prevent the Spread of Infection, and established an internal commission to analyse the current situation and quickly inform employees about any changes and additional measures put in place. The Company has a 24/7 hotline in place for any COVID-19 related enquiries. Any employee can use this hotline to call a physician or arrange a consultation with a psychologist.

In order to safeguard the health of Uralkali’s employees, the Company has introduced a number of preventive measures to combat the spread of COVID-19 at its production and office premises, as follows:

- provision of necessary personal protective equipment for use at workplaces and on the way to work

- installation of hand sanitisers and daily temperature measurements at company checkpoints
- mandatory sanitisation and disinfection of company premises and vehicles
- additional corporate bus routes for employees and additional contracts with transport operators in Solikamsk

In April 2020, a regulation was put in place for the provision of medical care for Company employees who displayed signs of respiratory infections. As soon

as any employees displayed symptoms, they were transported home from work. Mobile medical teams are in place at the Company’s corporate polyclinic to support anyone feeling unwell. Employees are tested for COVID-19 and antibodies. Testing is also mandatory for potential candidates looking to join the Company.

The Company provides targeted financial support to healthcare institutions in Berezniki and Solikamsk. Medical equipment (ventilators and testing kits) and medicine for inpatient support was purchased to treat local

residents and counter the spread of coronavirus.

Uralkali continues to comply with coronavirus restrictions and protect the health of its employees through measures taken to stop the spread of the virus. The Company continues to monitor the epidemiological situation closely, and adjust safety measures accordingly. All preventative measures, such as the provision of protective equipment and increased monitoring of employee health remain in place and will continue to do so until the end of the pandemic.



CORPORATE GOVERNANCE (G)

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Supply Chain	106
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STATEMENT FROM THE SENIOR INDEPENDENT DIRECTOR



Paul Ostling

*Senior Independent Director
Chairman of the Audit Committee
Chairman of the Appointments
and Remuneration Committee*

A handwritten signature in blue ink, appearing to read 'Paul Ostling'.

Despite new challenges presented by the coronavirus pandemic and the global potash market situation in 2020, we have maintained our focus on embedding responsible management practices as one of the Company’s top priorities.

We are continuously working to improve Uralkali’s corporate governance and sustainable development practices to support the interests of all of the Company’s stakeholders. We actively monitor global corporate governance and sustainable development best practices and look to integrate the most successful initiatives into our own business. In 2020, we produced and updated

a number of corporate regulatory documents, including the Company’s Risk Management and Internal Control Policy, the Environmental Policy, the Labour, Industrial and Fire Safety Policy, as well as the Procurement Policy. These documents reflect the values Uralkali upholds when managing the most critical aspects of sustainable development.

One of our priorities in the reporting year was maintaining the effectiveness of the work of the Board of Directors and its committees. This involved reviewing the functioning of the internal control and risk management systems, enhancing our compliance system and ensuring a structured and systematic approach to the management of sustainable development at Uralkali. This commitment to ongoing appraisal and improvement has helped us to ensure the continuity of the Company’s production processes, the safety of our employees and the stability of operations in what has been a challenging year. The constant challenges we faced also helped us reflect on potential new opportunities as part of our risk assessment.

In pursuit of maintaining open and trusting relationships with all of the Company’s stakeholders, it is Uralkali’s policy to continuously improve information transparency. This includes ensuring the timely and complete disclosure on the results of our operations.

No matter how difficult external circumstances may be, Uralkali will always work hard to maintain the right conditions to support constructive engagement with our employees, shareholders and investors. This ensures that we continue to develop our business responsibly while creating value for all stakeholders.

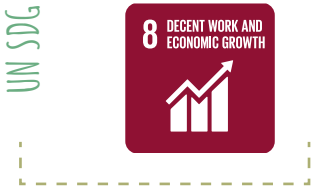
CORPORATE GOVERNANCE



WHY THIS IS IMPORTANT TO US

For Uralkali, compliance with high standards of corporate governance and sustainable development does not mean simply adhering to formal requirements, but establishing a culture that does not allow us to operate other than in a transparent and open manner, under the general guidance of an experienced and professional Board of Directors and Management Board, and in the interests of shareholders, investors, and other stakeholders.

Uralkali is continuously improving its corporate governance and sustainable development systems to ensure transparency in its operations and build the confidence of all stakeholders.



OUR PERFORMANCE

4.2 YEARS

is the average tenure in the office for the Board of Directors' members

14

meetings of the Board of Directors

9

meetings of the Management Board were held in 2020

4 OUT OF 10 MEMBERS

of the Board of Directors are INDEPENDENT DIRECTORS

30%

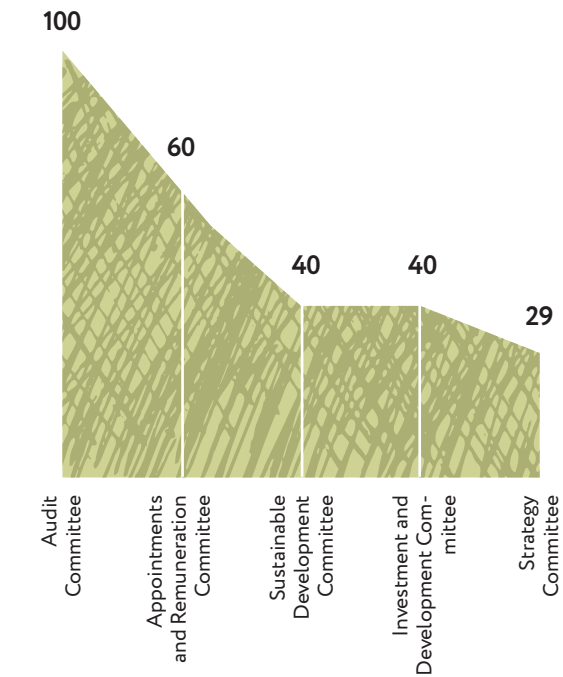
of the Management Board are represented by

WOMEN

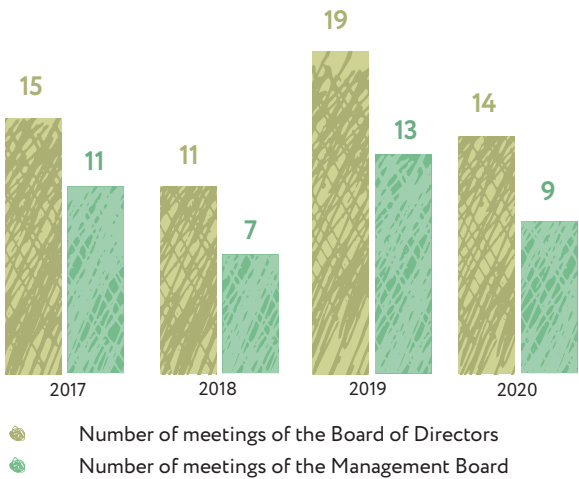
4 OUT OF 5 COMMITTEES

of the Board of Directors are headed by independent directors

Share of independent directors in the Committees of the Board of Directors as at 31 December 2020, %



The number of meetings of the Board of Directors in dynamics, units



LEADERSHIP AND RESPONSIBILITY



Marina Shvetsova

Legal and Corporate Affairs Director

“We value and build trust among shareholders, investors, and other stakeholders. For over 10 years, Uralkali has demonstrated its commitment to maintaining high corporate governance standards. Changes are taking place in managing sustainable development at both a Board and operational level; the list of ESG issues that are considered by the Board of Directors growing each year.

The composition of Uralkali’s Board of Directors is diverse in terms of professional skills, competencies and status, and includes, inter alia, independent directors. The members of the Board are experienced directors who fulfil their duties conscientiously and at the highest level, according to high ethical standards.”

CORPORATE GOVERNANCE REVIEW 2020¹

Our system of corporate governance is rooted in the clear distribution of roles and powers between governing bodies in line with unfaltering respect for the rights and interests of our shareholders.

In its activities, the Company is guided by and complies with the requirements of Russian legislation on joint stock companies, and by the recommendations of the Code of Corporate Governance (hereinafter referred to as CCG), other recommendations of the Bank of Russia.

To preserve a high level of corporate governance and mutual understanding between all stakeholders, Uralkali has the [Corporate Governance Code](#) and [Corporate Governance Policy](#) in place.

Uralkali consistently implements a policy to improve the quality of corporate governance and information transparency, which implies timely disclosure of complete and reliable information about the Company, including on its financial position, economic performance, ownership structure and governing bodies.

The structure of governing bodies meets Russian legislation in full. The General Shareholders Meeting (GSM) is a superior management body, while the Board of Directors is responsible for general oversight. Board Committees have been established for the preliminary study of issues and provision of recommendations to the Board of Directors. The Company’s executive bodies are the CEO and the Management Board.

GRI 102-18

In the reporting year, three general meetings of shareholders were held. At extraordinary general meetings of shareholders, decisions were made to elect the Board of Directors and change the number of members of the Board of Directors from nine to ten people. Alexander Bazarov, who has significant managerial experience and experience in banking and finance, joined the Board of Directors as a Non-Executive Director. At the annual general meeting of shareholders, the Board of Directors was re-elected in full, and the Revision Commission was elected and Company auditors selected.

The Board of Directors and permanent Board committees play a major role in the formation

and development of the corporate governance system:

- Strategy Committee
- Audit Committee
- Investment and Development Committee
- Appointments and Remuneration Committee
- Sustainable Development Committee

For more information on the composition of the committees of the Board of Directors and attendance at committee meetings, please see [Annual Report 2020](#) in the section *Activities of the Board of Directors and Committees in 2020* on page 91.

Members of the Board of Directors are nominated by the shareholders, who are extremely experienced and maintain high levels of professionalism. The Board composition is well-balanced in terms of numbers, experience, qualifications, proportion of independent and non-executive directors and socio-cultural diversity. A high level of independence and diversity among directors, including the presence of independent directors, ensures high-quality consideration and decision-making on various issues of the Company’s management. For more information on the criteria for diversity among members of the Board of Directors, please see [Annual Report 2020](#) in the section *Distribution of Roles in the Board of Directors, independence criteria* on page 85.

As of the end of 2020, the Board of Directors included 4 independent and 6 non-executive directors. GRI 102-22

Sergey Chemezov is Chairman of the Board of Directors and independent director. Mr. Chemezov was first elected to the Board of Directors in March 2014 and has been repeatedly re-elected since then. According to the Company’s practice, the Chairman of the Board of Directors does not participate in committee activities and is not involved in particular projects and transactions, but organises the work of the Board, sets the agenda as provided and heads the Board’s meetings. GRI 102-23

In total, in 2020 14 meetings of the Board of Directors were held and attended by all members of the Board of Directors.

The management of the current activities of the Company is carried out by collegial and sole executive bodies – the Management Board and CEO. CEO heads the Management Board of the Company. In 2020, members of the Board of Directors of Uralkali appointed Vitaly Lauk to the post of CEO, who replaced Dmitry Osipov in this post.

As at the end of 2020, the Management Board has seven members, including two women. In total, 9 meetings of the Management Board were held during the reporting year.

Under the CEO of the Company, committees function on a regular basis to consider the most important and topical issues of Uralkali’s activities: GRI 102-19

- occupational safety, health, environmental safety and corporate social responsibility

- procurement
- investment
- subsidiaries management
- mine safety
- compensation and benefits
- information technology
- innovation
- risks
- quality

These Committees are represented by members of the Management Board and senior Company executives and personally led by the CEO. The Committees’ responsibilities include monitoring and reviewing information, preliminary discussions, risk analysis, and the follow-up of scheduled activities. This approach ensures a continuous dialogue with the Management Board and a two-way flow of information on the most crucial aspects of the Company’s activities. 98 Committee meetings took place in 2020.

More detailed information on the composition of the Management Board and the activities of the executive bodies is provided in the [Annual Report 2020](#) in the *Executive Bodies* section on page 95.

Uralkali’s external auditors are JSC Deloitte & Touche CIS for financial statements under IFRS, and JSC Energy Consulting for accounting (financial) statements under RAS. Information on the selection of auditors and the amount of remuneration paid is presented in the [Annual Report 2020](#) under the *Audit Committee Report* on page 93.

¹ For more information on the Company’s corporate governance system, see the 2020 Annual Report, p. 84.

CRITERIA FOR INDEPENDENCE OF MEMBERS OF THE BOARD OF DIRECTORS

The Company evaluates candidates to the Board of Directors and members of the Board of Directors for compliance with the independence criteria on a regular basis, primarily in accordance with the Code of Corporate Governance of the Bank of Russia.

GRI 102-24

In determining independence, the Company also seeks to take into account global best practices, including the independence criteria established by the UK Code of Corporate Governance.

Independence means the ability of a director to form and express his own opinion, not limited by interests of the Company’s management, its individual shareholders, or competitors, counterparties and the state.

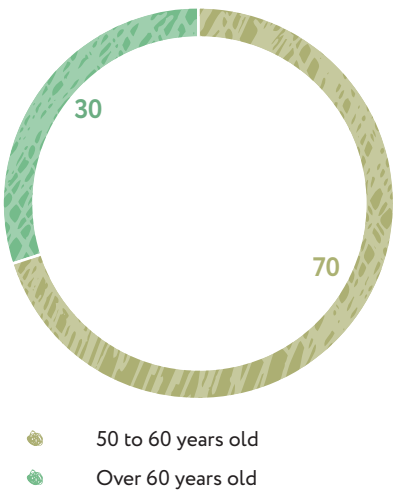
Since 2018, the Board of Directors has recognised Paul Ostling, who was first elected to the Board of Directors in June 2011, as an independent director, since, in the Company’s opinion, exceeding the

seven-year term as a member of the Board of Directors stipulated by the Bank of Russia Code of Corporate Governance did not affect his ability to be independent and objective. In addition, the Board of Directors unanimously appointed Paul Ostling as Senior Independent Director. As part of his responsibilities, Mr. Ostling leads the group of independent directors, communicates on their behalf with Uralkali management and shareholders, and represents the independent directors internationally, as necessary. Mr Ostling’s long tenure as a member of the Board of Directors and Senior Independent Director illustrates how deeply the Company appreciates and values his work as a member of the Board, his participation in numerous projects, his experience and business reputation, and his rapport with foreign investors.

In addition, independent directors chair 4 out of 5 committees of the Board of Directors and take an active part in their work. Mr. Luc Maene acts as an independent

director and Chairman of the Sustainable Development Committee, Investment and Development Committee. Mr. Paul Ostling chairs the Audit Committee and the Appointments and Remuneration Committee.

Age composition of the Board of Directors, %



DIVERSITY IN COMPOSITION OF THE GOVERNING BODIES

Uralkali actively promotes diversity in its governing bodies and does not tolerate any form of discrimination. When referencing diversity in the composition of the Board of Directors, Uralkali takes into account a variety of criteria, including: age, experience, status, nationality, personal qualities and other factors that distinguish directors from one other. As part of the process to further diversify the composition of the Board of Directors, Uralkali is considering actively selecting candidates from among women with appropriate qualifications and work experience.

The balanced structure of the Board of Directors provides the opportunity for high-quality and comprehensive consideration of issues within the competencies of the Board of Directors. Currently, the Board of Directors includes citizens of the USA, Russia, Belgium, Belarus, and Ukraine. The age of members of the Uralkali Board of Directors varies between 50 and 74, the average age is 59. The average term in office for members of the

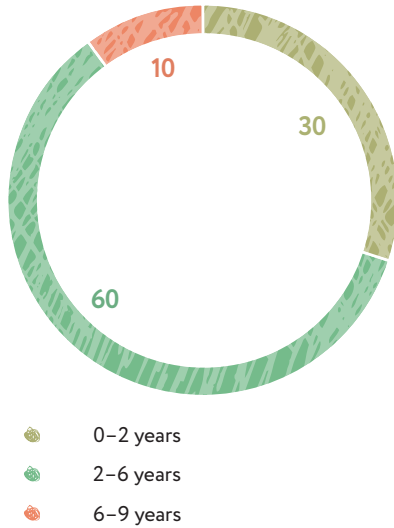
Board of Directors is 4.2 years.

GRI 102-22

The Board of Directors includes specialists with a variety of skills in strategic management, sustainable development, risk management, economics and finance, as well as potash-specific knowledge. Thus, most of the members of the Board of Directors have experience in the production of mineral fertilisers (70%) and in agribusiness in general (60%). Independent Director Mr. Luc Maene has worked for the International Fertilizer Association (IFA) for over 20 years, of which 14 years — as its CEO.

Senior Independent Director Mr. Paul Ostling is competent in sustainable development issues. In particular, he was one of the leaders of the sustainable development programmes of the World Economic Forum in the field of carbon footprint and financial statements, led the programme for ensuring diversity and inclusiveness at Ernst & Young as well as was a member of the boards of directors of many

Work experience on the Board of Directors as at 31 December 2020, %



large international IT-companies. Besides, Mr. Ostling has extensive experience in managing and motivating employees, attracting financing, developing strategies and overseeing changes in various companies. Since 2011, he has been a member of the Board of Directors of Uralkali. Since 2018, Mr. Ostling has been Uralkali’s Senior Independent Director.

Matrix of competencies of members of the Board of Directors

	Chemezov S.	Mazepin D.	Lobiak D.	Ostling P.J.	Maene L.	Wolfe D.	Bulantsev I.	Tatyanin D.	Bazarov A.	Osipov D.
Citizenship	Russian Federation	Russian Federation	Republic of Belarus	USA	Belgium	USA	Russian Federation	Russian Federation	Ukraine	Russian Federation
Membership on the Board of Directors	7	7	5	10	5	3	2	5	1	8
Production of mineral fertilisers										
Agribusiness										
Investment and banking activities										
Finance										
Business Strategy										
Risk Management										
Sales										
Law and Corporate Governance										
Sustainable development (ESG)										
Work with personnel and motivation systems (HR)										
Innovations, Information Technology										

key competencies are marked.

ASSESSMENT OF WORK OF THE BOARD OF DIRECTORS

Uralkali conducts an annual self-assessment of the work of the Board of Directors through questionnaires which are developed and approved by the Appointments and Remuneration Committee. This includes over 30

questions covering various aspects of activities conducted by the Board of Directors, its Committees, Management, the Corporate Secretary, as well as the quality of preparation of documents, informing and monitoring of the Company’s

operations and planning.

GRI 102-28

There are currently no plans to perform an external assessment of the Board of Directors’ performance, although the Board of Directors may consider this possibility in future.

REMUNERATION TO MEMBERS OF THE BOARD OF DIRECTORS, THE MANAGEMENT BOARD AND THE CEO

GRI 102-35, GRI 102-36

Uralkali highly appreciates the contribution of the Board of Directors to Company activities and provides fair remuneration for their services on the Board or for any additional work. *Regulations on Remuneration and Reimbursement of the Members of the Board of Directors of PJSC Uralkali* (hereinafter referred to as the Regulations on Remuneration) contains transparent mechanisms for determining the level of remuneration paid to Board members. Remuneration is provided to independent and non-executive directors, who may voluntarily waive this.

In accordance with the Regulations on Remuneration, the Board of Directors is also reimbursed for travel expenses (in relation to meetings of the Board of Directors) and accommodation expenses, as well as for other expenses connected with the Company business.

The Company’s internal documents do not stipulate the provision of the Company’s shares to members of the Board of Directors. As at the end of 2020, members of the Board of Directors do not own shares in the Company.

Remuneration payable to members of the Management Board consists of two portions: a monthly salary, which is specified in individual employment contracts, and a variable annual bonus. The bonus amount depends on the achievement of individual KPIs set each year, which reflect the contribution of a member of the management team to the achievement of the Company’s strategic and operating goals. Members of the Management Board receive no additional remuneration for work in the Management Board.

The Company has not developed a long-term motivation programme, and accordingly, the Company’s top management does not receive additional remuneration. At present, the Company has now plans to develop a long-term incentive programme.

Total remuneration payable to the CEO (as well as to other executive directors, including members of the Management Board) consists of two portions: a monthly salary, the size of which is specified in individual employment contracts, and annual bonus. Bonuses are paid to the CEO on the basis of the current Regulations on Bonuses

for Senior Executives. Bonuses are only paid if senior executives (including the CEO) have met their individual KPIs and in certain conditions can also be subject to deductions.

All security and reimbursement clauses provided by internal regulations and the Collective Bargaining Agreement also apply to the CEO. The CEO’s expenses incurred in relation to office duties are reimbursed against supporting documents. The CEO, along with all employees, is guaranteed reimbursement of travel and hospitality expenses, as stipulated by the Company’s internal documents.

At present, the Company does not have a formalised procedure for returning bonuses to the Company that were improperly received by members of executive bodies or other senior employees, since bonus payments are made on the basis of approved performance cards reflecting actual performance, which makes it possible to exclude unlawful payments. There were no cases of illegal payments in Uralkali in 2020. Should any such error occur in the future, the necessary repayments will be made in full compliance with the law.

Total amount of payments paid to members of the Board of Directors in 2020, RUB thousand ¹		Total amount of remuneration paid to members of the Management Board in 2020, RUB thousand	
Remuneration	308,297	Salary	370,723
Expense reimbursement	5,344	Annual bonus	211,157
		Expense reimbursement	1,206
Total:	313,641	Total:	583,086

GRI 102-38

Information on the remuneration of the Board of Directors and reimbursement of expenses can be found in our Annual Reports or on the

Company’s website. For more detailed information on the remuneration of members of the Board of Directors and the total amount of payments, please

see [Annual Report 2020](#) in the section *Remuneration of members of the Board of Directors and members of the Management Board* on page 99.

PREVENTING CONFLICTS OF INTEREST

GRI 102-25

Russian legislation provides for certain mechanisms to prevent conflicts of interest among the Board of Directors’ members and members of executive bodies, which may be related, for instance, to their employment in governing bodies of the Company’s competitors, or ownership of shares in other organisations whose interests may contradict those of the Company.

These mechanisms include the following:

- directors’ (both the Board of Directors’ and Management Board’s members) obligation to

inform the Company of any positions and/or equity ownership they may hold in other organisations

- a director’s obligation to refrain from voting on a transaction if he or she may be considered an interested party to a transaction
- a director’s obligation to inform the Company of any parties where the director may be considered an interested party to a transaction

In order to ensure the implementation of these mechanisms, Uralkali has implemented a number of

internal controls to establish the existence of a conflict of interest, in particular, the director’s obligation to report on the persons in relation to whom he is an affiliate and/or controlling person. In addition, the corporate information system has a regularly updated list of related parties, which is used to pinpoint transactions to be put before the Board of Directors or the General Shareholders Meeting of the Company.

In 2020, neither the Company itself nor the Group companies granted loans or borrowings to members of the Board of Directors.

MANAGING SUSTAINABLE DEVELOPMENT

GRI 102-19, 102-20, 102-29, 102-31

Managing sustainable development is integrated into the corporate governance system and distributed among all management levels. The Board

of Directors and its Sustainable Development Committee play a major role in managing sustainable development issues in the Company.

The key directions and results of activities in the field of sustainable development are considered at the meetings of the Board of Directors and the Committee

¹ After personal income tax.

for Sustainable Development throughout the year.

In 2020, the Board of Directors considered such important issues in the field of sustainable development as:

- approving the development strategy of PJSC Uralkali for 2021–2025, including the strategy for Sustainable Development
- approving the ESG Report for 2019
- establishing the Sustainable Development Committee of the Board of Directors of PJSC Uralkali
- approving the Human Rights Policy and the Policy in Labour, Industrial and Fire Safety

The Sustainable Development Committee of the Board of Directors was established in 2011 and was called the Corporate Social Responsibility Committee until it was renamed in March 2020. As at the end of 2020, the Committee comprises five members of the Board of Directors, two of whom are independent directors. The Committee plays an active role in considering topical ESG issues, as well as in assessing the Company’s positions in ESG ratings.


Led by the CEO, Uralkali has a Committee on Labour, Health, Environmental Safety and Corporate Social Responsibility. The Company’s entire management team is involved in this Committee. The Committee meets once every quarter, or more frequently as required.

In addition, the CEO’s Working Group on Sustainable Development serves as a platform for informing and integrating sustainability principles into the Company’s business operations.


In the period under review, the Working Group on the Development and Implementation of Carbon Management System was also established to address climate change and development of Uralkali’s climate strategy.

To regulate activities on various ESG issues, Uralkali has elaborated a wide range of internal documents. The documents are available for review on the Company’s website in the [ESG Documents](#) section.


REFERENCE LINKS:



The Company’s official website contains additional information on approaches to ESG, including the [corporate policies and codes](#) reflecting the management’s position on these issues.

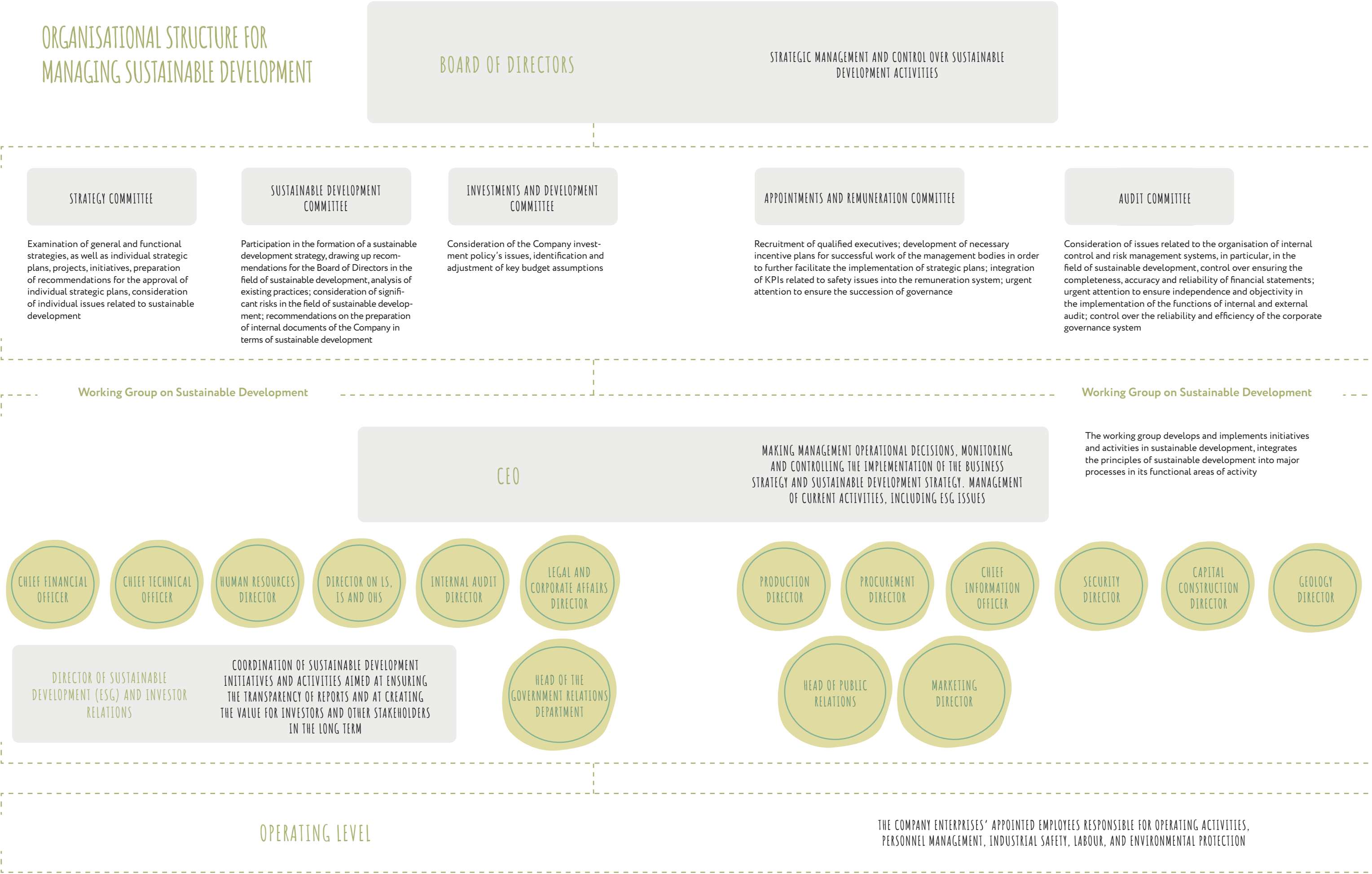


Moreover, one can find there a [Data Pack](#) and the extended list of quantitative information on sustainable development.



The general organisational structure of sustainability management can be found on the next pages of the Report. See the [Management Structure](#) tabs on dedicated web pages to get a more detailed information on responsibility for each of the ESG priority areas.

ORGANISATIONAL STRUCTURE FOR
MANAGING SUSTAINABLE DEVELOPMENT

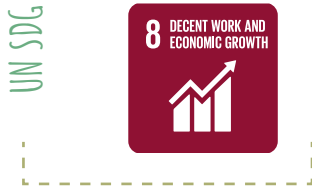


ANTI-CORRUPTION AND ETHICS



WHY THIS IS IMPORTANT TO US

Commitment to Ethics is at the heart of Uralkali’s Corporate Culture. Compliance with ethical rules and codes of conduct is a priority for all employees and a prerequisite for ensuring long-term and productive cooperation with stakeholders. We maintain a zero-tolerance approach and counteraction to corruption and fraud.



OUR PERFORMANCE

322

calls were received by the hotline

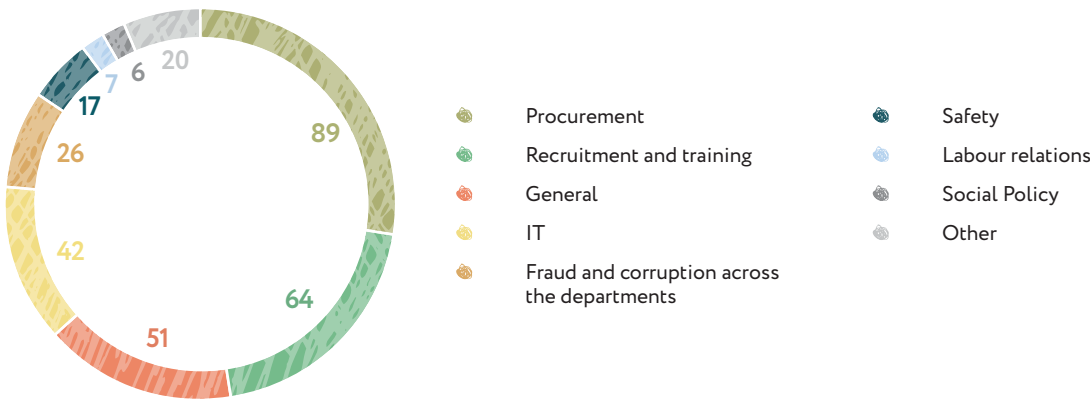
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finances were paid for any violation of the antitrust law in the last four years

2

inquiries were considered by ethical commissioners

Number of messages (by topic) received by the hotline in 2020



GOALS 2025

GOALS OF ESG STRATEGY 2025

Updating regulations on processes that have an increased risk of corruption and fraud

Regular provision of information on combating corruption and fraud to employees

PLANS

- Updating the Company’s regulations to bring them in line with ISO 37001, including the Anti-Corruption Policy, Regulation on Charity and Sponsorship, Regulation on Informing Employees About Anti-Corruption Principles
- Holding training sessions on combating corruption and fraud for all employees, who are at risk of corruption, (both remotely and in person)
- Development of information materials on counteraction to corruption and fraud

LEADERSHIP AND RESPONSIBILITY



Andrey Silaev
Security Director

“Uralkali values its business reputation and upholding a high level of trust among its employees, partners and other stakeholders. We do not tolerate any form of corruption and use lawful and fair business practices in all of our activities. In order to improve our anti-corruption system, we are developing new monitoring procedures

and carry out various activities each year under the Anti-Fraud and Corruption Programme. We endeavour to ensure that all employees of our Company are properly informed about corruption and fraud, and also understand the inevitability of punishment for such actions.”

BUSINESS ETHICS

GRI 102-16

Uralkali is committed to maintaining open and fair relationships with its stakeholders. The Company upholds the principles of integrity and transparency and strictly monitors fulfilment of its obligations towards stakeholders. To this end, Uralkali has introduced clear decision-making mechanisms with respect to the rights and interests of all stakeholders within the existing corporate governance and sustainability management system.

The responsibility for ensuring appropriate business ethics and overseeing the proper implementation of monitoring procedures is shared between the internal divisions and governing bodies of the Company. The Board of Directors and its Committees also monitors issues related to business ethics.

Ethical rules and codes of conduct in the Company are established by the [Code of Corporate Culture](#), which applies to all employees, suppliers and con-

tractors. The Human Resources Directorate monitors compliance with the principles of this Code.

The Code of Corporate Culture and [Anti-Corruption Policy](#) clearly define Uralkali’s position in terms of conflict of interest, gifts and participation in charity or sponsorship events.

Whenever there is a conflict of interest, employees should be guided by the generally accepted principles of law, morals and ethics and always make decisions that are in the Company’s best interests.

The symbolic giving and receiving of gifts is welcomed, so long as these are not intended to influence decision-making and give no cause for such influence.

Uralkali takes no part in charitable or sponsorship projects that could affect the decisions, either directly or indirectly, of public and municipal employees and other persons associated with the state or local and public

authorities that could influence the Company’s activities.

Uralkali strives to create an environment of trust and mutual understanding within its team and provide employees with all necessary support in challenging situations. The Company has developed brief instructions on how to behave in common cases related to potential violations of business ethics.

The ethical commissioners, whose work is aimed at improving the team’s psychological wellbeing by reducing the risk of conflict and violations within corporate departments, provide employees with relevant assistance in more difficult situations. *For more information, please visit:* https://www.uralkali.com/sustainability/ethics/business_ethics/.

Employees may contact the ethical commissioners on any issues related to ethical conflicts or human rights violations. Consultations are available in

person, by phone or e-mail. The ethical commissioners investigate inquiries and then develop

individual guidelines for the conduct of any employee who is involved in a challenging ethical

situation. In 2020, the Institute of Ethical Commissioners received 2 inquiries.

INSTITUTE OF ETHICAL COMMISSIONERS



ALL EMPLOYEES



ETHICS@URALKALI.COM



CONFLICTS, COMPLICATIONS
IN RELATIONSHIPS

ANTI-CORRUPTION

GRI 102-16, 205-2

Uralkali takes a zero-tolerance approach to any form of corruption and fraud, including bribery, abuse of authority and commercial bribery. Uralkali undertakes to combat corruption in all forms and to comply with all existing requirements of the anti-corruption legislation of the Russian Federation.

The Company has devised a set of measures to prevent corruption and fraud. The Audit Committee of the Board of Directors considers the Anti-Fraud and Anti-Corruption Work Status Reports and the Compliance Report on an annual basis.

Corruption risks are managed as part of the Company’s overall risk management system. Corruption risks are included in the risk map and are regularly re-evaluated to track business processes that are potentially

vulnerable to corruption. *For more information on managing corruption risks, please, see the Monitoring of Compliance with the Anti-Corruption Policy section of the website by visiting:* https://www.uralkali.com/en/sustainability/ethics/anti_corruption/.

Anti-Corruption Policy

In order to prevent corruption, the Company has developed the [Anti-Corruption Policy](#), Anti-Fraud and Corruption Programme, as well as an Anti-Corruption Compliance System, which is maintained and improved on a regular basis.

The Anti-Corruption Policy applies to all employees regardless of their position and is recommended for implementation by all Uralkali subsidiaries and compliance by counterparties.

When joining Uralkali, all employees must agree to the requirements of the Anti-Corruption Policy. The Company’s employees receive training in person, as well as by correspondence or remotely by familiarising oneself with the Anti-Corruption Policy, which is publicly available on the Company’s website, adapted materials in the Company’s corporate newspaper, on information stands, and broadcast via radio or TV.

Each employee, who is identified following the results of the annual reassessment of risks of fraud and corruption, annually signs the Application on Compliance with the Anti-Corruption Policy in line with the procedure established by the Company’s internal documents.

Uralkali regularly monitors employee compliance with the

Company’s Anti-Corruption Policy and applicable anti-corruption legislation. *For more information on compliance with the Anti-Corruption Policy, please visit: https://www.uralkali.com/sustainability/ethics/anti_corruption/.*

In 2020, 29 cases of corruption and fraud were identified. None of these cases affected the activities of the Company. No corruption-related legal action was taken against the Company or its employees.

Anti-Fraud and Corruption Programme

Uralkali has an Anti-Fraud and Corruption Programme on place,

which covers the Company’s core business processes. The Programme annually reviews the work plan for the following year, which includes aspects such as provision of information, IT control and off-site events related to subsidiaries.

When developing the Anti-Fraud and Corruption Programme, the Company’s business processes are analysed in terms of their vulnerability and susceptibility to corruption risk.

In 2020, the following actions were taken as part of the Anti-Fraud and Corruption Programme:

- identification, counteraction and prevention of any cases of commercial bribery and fraud among employees
- informing employees and the general public about identified and prevented violations
- implementation of KYC procedures in relation to counterparties and new employees
- monitoring of Company procurement procedures
- monitoring of the fertiliser market to identify any potential cases of counterfeit sale of the Company’s products
- monitoring of cases and counteraction to cyber fraud within the Company’s assets

Participation in politics

The Company does not actively participate in politics, support political parties, provide funding for political purposes or allocate or donate funds for political purposes.

Antitrust compliance

Uralkali strictly complies with the antitrust law and respects market competition. The Company’s Board of Directors has approved a set of [Main Principles of Global Antitrust Compliance](#)

[Policy](#). Over the past 4 years, the Company has paid zero fines or compensation for damages related to breaching the antitrust law. In 2020, no legal actions on barriers to competition and violation of the antitrust law were taken or dismissed.

FEEDBACK MECHANISMS

One of the communication channels for Uralkali’s internal and external stakeholders is its anonymous [hotline service](#). The Company provides easy access to the service and inquiries can be made by telephone or e-mail. Calls are received on a 24-hour basis. All information about the hotline is available on Uralkali’s website in both Russian and English.

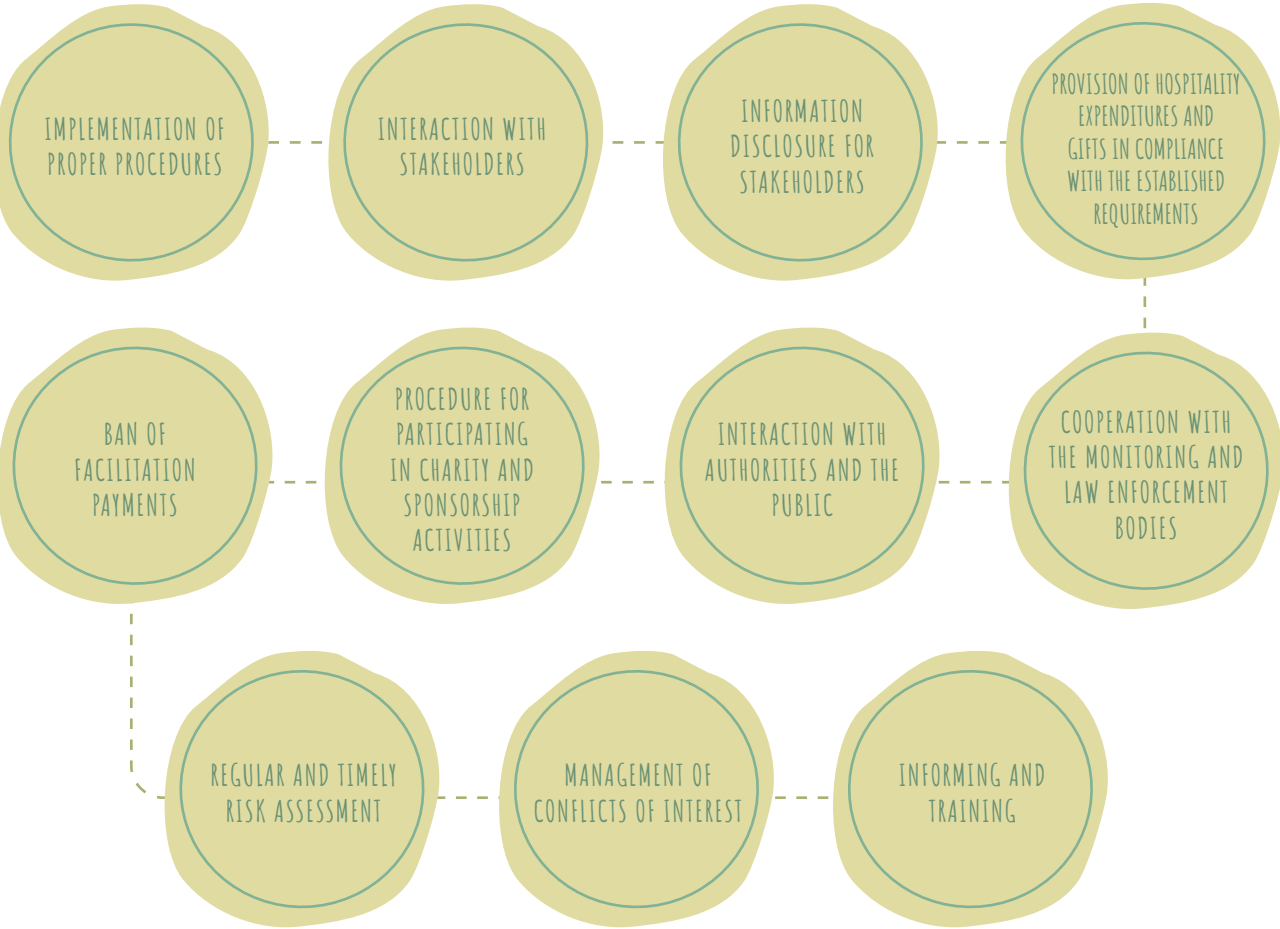
The hotline subject to the Regulation on the Organisation of the

Call Centre. When accounting and categorising calls received, each case is reviewed by the head of the department under which the inquiry falls. If the inquiry is not anonymous, the decision must be reached within 14 working days. If an in-depth investigation of the call is required, this period can be extended to 30 days. The report on calls received is considered by the Audit Committee of the Board of Directors.

In 2020, the hotline received 322 calls.

The Company informs its employees on available tools for feedback on ethical and human rights issues through its internal information resources: television and corporate newspaper. In addition to this, there is a dedicated area displaying the hotline number on every employee’s workstation computer screen.

KEY ELEMENTS OF THE ANTI-CORRUPTION COMPLIANCE SYSTEM



SUPPLY CHAIN



WHY THIS IS IMPORTANT TO US

Effective supply chain management is vital for the timely supply of goods and services and ensuring the smooth and efficient performance of the Company. The more complex a supply chain is, the greater the risks are to be considered in its management. The application of sustainable development principles in the management of the supply chain improves not just the efficiency of the supply chain itself, but also facilitates the creation of greater environmental, social and economic value for all stakeholders.



OUR PERFORMANCE

Share of local suppliers:

1,269

total number of suppliers of equipment and materials

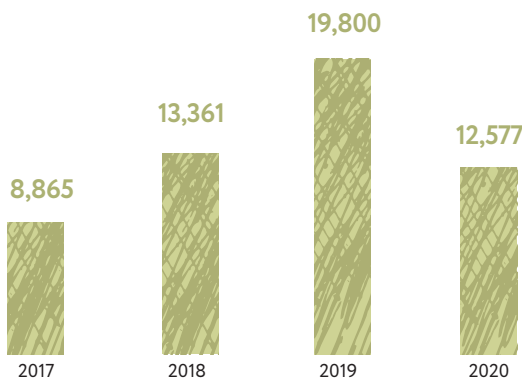
84%

on the amount of expenses in total procurement volume

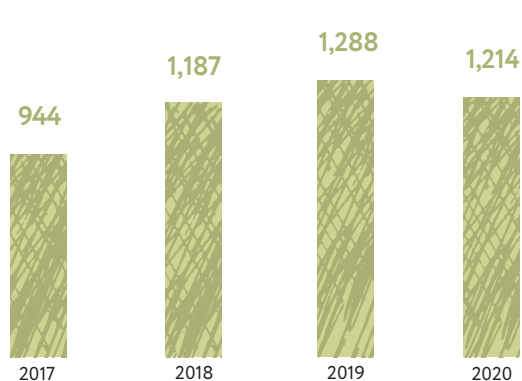
96%

by number

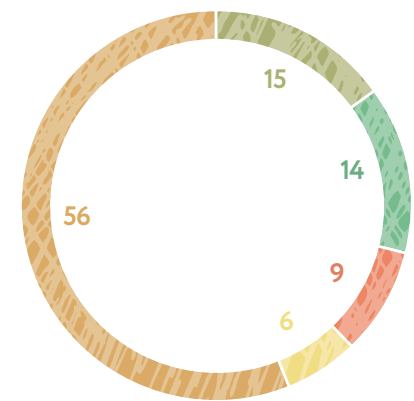
Total procurement volume, RUB mln



Number of local suppliers, units

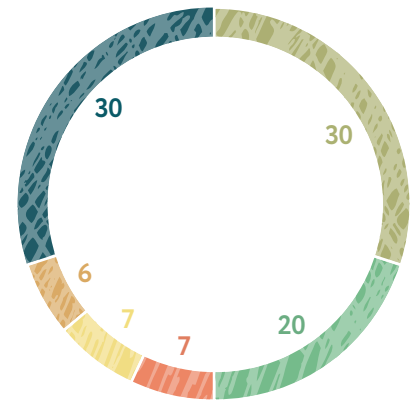


Main procurement categories, %



- Mining equipment and spare parts
- Chemicals
- Conveyors and spare parts
- Spare parts for imported equipment
- Other

Procurement structure from Russian suppliers by region, %



- Moscow and Moscow Region
- Perm Territory
- Vologda Region
- Saint Petersburg and Leningrad Region
- Kemerovo Region
- Other

LEADERSHIP AND RESPONSIBILITY



Dmitry Boyarkin
Procurement Director

“Uralkali strives to improve the efficiency of its existing supply chains by automating procurement activities and ensuring absolute transparency for all parties.

We endeavour to expand the range of our suppliers as much as possible and are pleased to cooperate with suppliers who share our values in the field of sustain-

able development. Maintaining responsible and ethical relationships with our suppliers and business partners are an integral element of our corporate culture. In 2020, we began to develop our Supplier Code of Conduct, which will define our principles for cooperation in the area of labour and industrial safety, ecology, social responsibility and business ethics.”

GOALS 2025

GOALS OF ESG STRATEGY 2025

Development and implementation of a Supplier Code of Conduct

PLANS

- Development of a Supplier Code of Conduct, including environmental and social requirements for suppliers; the Code will be made available to all suppliers on the Company’s web portal
- Development and implementation of a tool for familiarising suppliers with the Code
- Development and implementation of a procedure for obtaining the confirmation of commitment to the Supplier Code of Conduct from suppliers

SUPPLY CHAIN

GRI 102-9

Uralkali purchases materials and equipment from a wide range of suppliers for the production of its main product, potassium chloride. Major procurement categories accounted for 80% of purchases in 2020, and include mining equipment, conveyors and chemicals, along with other products.

The Company’s potassium chloride customers are mainly compound mineral fertiliser producers, industrial consumers and agricultural producers. At the same time, 80% of Uralkali’s total sales volume is exported – the Company’s products are used in more than 70 countries. *For more*

information on Uralkali’s sales distribution, see [Annual Report 2020](#).

Uralkali develops long-term and mutually beneficial partnerships with suppliers following a competitive selection process and once compliance has been

verified with of reliability requirements and Uralkali’s corporate Anti-Corruption Policy.

The Company is committed to working only with suppliers that adhere to strict ethical, environmental and social responsibility standards.

In 2020, Uralkali prepared and approved a corporate Procure-

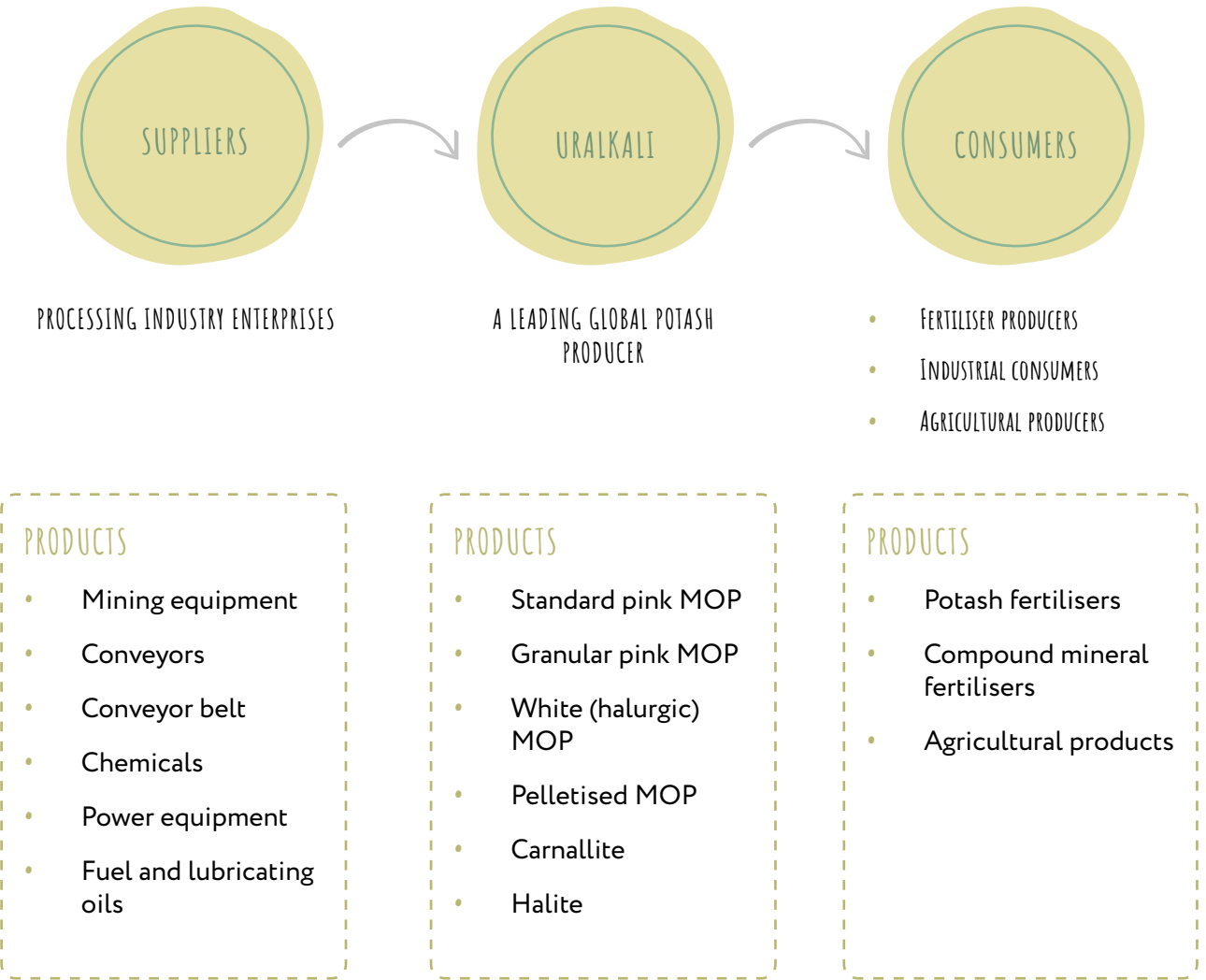
ment Policy. In particular, the policy defines commitment to cooperating with companies that share Uralkali’s values in the area of sustainable development.

Under the Company’s ESG strategy, adopted in 2021, Uralkali will develop and adopt a Supplier Code of Conduct, defining ethical, environmental and social requirements for suppliers. The

Code will be available to suppliers via the Company’s official website. The next step will be the implementation of the necessary procedures for familiarising and obtaining confirmation from suppliers of their commitment to the Code. Implementing these measures will enhance the integration of sustainable development principles into our supply chain.

COMPANY'S SUPPLY CHAIN

GRI 102-6



OTHER GOVERNANCE TOPICS (G)

ECONOMIC PERFORMANCE

GRI 201-1

In carrying out its activities, Uralkali exerts a significant impact on the economy of its region of operation by providing employment opportunities, purchasing goods and services from local suppliers, paying taxes to local budgets and implementing social projects. In 2020, the economic value created by the Company for various stakeholder groups amounted to RUB 199,417 million. The undistributed economic value of RUB 73,923 million was reinvested in the further development of the Company.

CREATED AND UNDISTRIBUTED ECONOMIC VALUE IN 2020

199,417

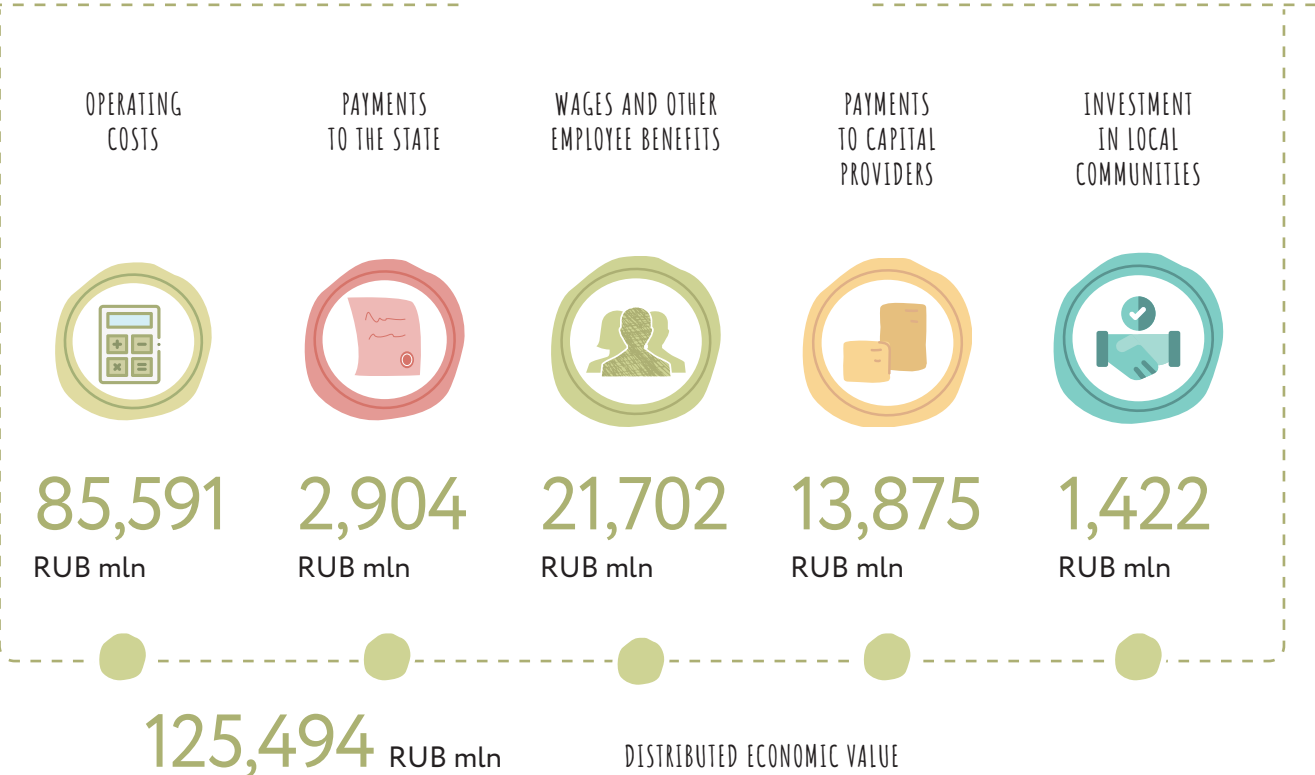
RUB mln

DIRECT ECONOMIC VALUE CREATED

73,923

RUB mln

UNDISTRIBUTED ECONOMIC VALUE



CUSTOMER ENGAGEMENT

GRI 102-43

Customers are a key stakeholder group for any commercial organisation, and Uralkali respects their trust. The Company cooperates closely with its existing customers and constantly works to attract new clients.

Our work to develop and maintain long-term customer relationships is aimed at improving our interaction with them, as well as at ensuring high-quality products and services. Uralkali has an effective system of handling customer requests based on the timely resolution of incoming requests and implementation of proposals.

In addition, Uralkali performs regular benchmarking studies of its products based on an understanding of the characteristics of potash fertilisers, which are important to consumers. The results of these studies reveal the position of the Company's products on the market and serve as a source for any further improvements of their consumer properties.

Expansion of geographic coverage of supplies

A significant element of Uralkali's sales accounts for export: in 2020, the share of exports in the Company's sales structure was 80%, and Uralkali is endeavouring to expand its sales geography.

During the reporting period, 20 new countries were added to the list of importers of Uralkali's products, while just six countries were removed from the list. As a result, in 2020, the number of countries where Uralkali supplies its products significantly

NEW PRODUCT LAUNCH

One of the industrial applications of potassium chloride is the production of potassium hydroxide and carbonate, and consumers have strict requirements on the chemical purity of potassium chloride used as a raw material. In addition to low content of basic impurities, the absence of heavy metals and organic substances is important for our customers. At the request of our clients, Uralkali has implemented an investment project for producing pelletised MOP that fully complies with customer requirements. The first shipments of products commenced in 2020.

increased compared to 2019 and was equal to 75 countries.

Today, the Company's products are supplied to Russia, Brazil, India, China, the USA, Southeast Asia and Europe. An important exercise implemented by the Company in 2020 was to increase its exports to African countries. This led to a significant increase in supplies to the countries of the African continent.

Handling requests and assessing customer loyalty

The current Product Quality Complaint Handling System of Uralkali is based on the international standard ISO 10002:2018 (Guidelines for Complaints Handling in Organisations). The registration and handling of requests are organised electronically. The Company analyses product requests and complaints not just from consumers, but at all stages of the supply chain (terminals, warehouses, inspection compa-

nies), and upon completion of this analysis all requests are classified according to the severity of their consequences in order to understand their impact on customers and the Company's activities.

At the end of each year, a customer satisfaction survey is performed for the Company's products. Customer loyalty and various aspects of interaction with Uralkali (commercial, logistics, etc.) are measured by these questionnaires. During the reporting period, coverage of respondents exceeded 2019 values and was equal to 39% of the total number of customers at the time of the survey. The Index of customer loyalty on the domestic market reached 100%¹, and remained at 2019 levels considering the export market. The developments to the satisfaction assessment process in 2020 will increase the efficiency of developing measures to improve customer interaction to further increase their satisfaction.

¹ The Net Promoter Score is calculated as the ratio of the difference between % of supporters and % of critics to the total number of respondents who participated in the survey.

TAX POLICY¹

GRI 207-1, GRI 207-2, GRI 207-3

As a responsible and conscientious taxpayer, Uralkali calculates and pays all applicable taxes, fees and duties established by law in the countries of its operation.

Uralkali’s sales geography includes Russia and dozens of foreign countries. Its key export markets are Brazil, India, China, Southeast Asia, the USA and European countries. The Company’s business units operate in more than ten countries around the world.

For tax accounting purposes and the preparation of tax reports in Russian and foreign companies of Uralkali, appropriate business units are established or professional third-party organisations are involved.

For Russian companies, all tax activities are performed in full compliance with the rules established by the Accounting Policy for Tax Purposes (Tax Accounting Policy). The Tax Accounting Policy is updated annually to reflect changes to tax legislation

and the Company’s activities. The Tax Accounting Policy also considers the opinions and feedback of the Company’s tax lawyers, Revision Commission and external auditors.

Monitoring and analysis of possible tax risks that could affect the Company is performed on a regular basis. The main tax risks are the ambiguous interpretation of tax legislation and the risks associated with legislation changes. The Company closely monitors all changes to Russian and international tax legislation, changes in the positions of the Ministry of Finance of the Russian Federation and the Federal Tax Service of Russia and legal practice, as well as possible tax consequences and risks in order to eliminate or mitigate these.

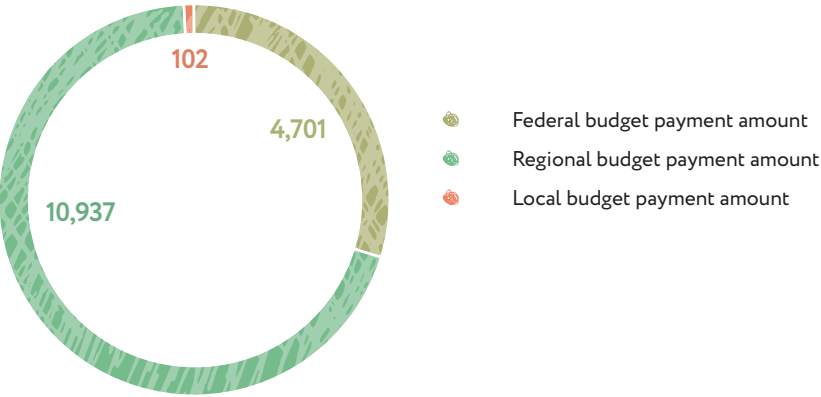
Uralkali strives to be professional, collaborative and transparent in its interactions with all tax authorities in the jurisdictions where it operates. Interaction with tax authorities is ensured within the framework of both desk and field tax audits, as well as the provision

of information and replies to any requests outside the framework of tax audits. In addition, the relevant Country Reports are submitted to tax authorities each year in accordance with the requirements of the tax legislation of the Russian Federation and the Organisation for Economic Cooperation and Development (OECD).

The Company does not use offshore jurisdictions or tax havens, or aggressive tax planning schemes, and aims to transfer profits to low tax jurisdictions.

Uralkali is one of the largest taxpayers in the Russian Federation, ensuring the stability of the budget system and contributing to the social and economic development of countries. The vast majority of total tax payments in all jurisdictions of its presence is paid to the budgets of the Russian Federation where the main production enterprises are located. In total, RUB 15,740 million was allocated to the federal, regional and local budgets of the Russian Federation in 2019 (2018 – RUB 5,698 million). Taxes are also paid in other countries of

Distribution of Paid Taxes to the Budgets of the Russian Federation for 2019, RUB mln



Uralkali’s operations, although the share of total tax payments made in these jurisdictions is insignificant.

The majority of PJSC Uralkali’s Russian subsidiaries are registered in the Perm Region and were subject to an income tax

rate of 20% in 2019. PJSC Uralkali applies a reduced income tax rate of 16.5% according to the regional Special Investment Contract concluded in 2016 (hereinafter referred to as the SPIC). The specified rate can be used up to 2022 inclusive. In 2018–2019, PJSC Uralkali

MORE THAN
98%

of tax deductions in the jurisdictions of its operation paid by Uralkali to the budgets of the Russian Federation

concluded three federal SPICs and, under certain conditions, is entitled to apply a 0% rate in relation to profits received from the implementation of such projects until the end of 2027–2028. [For more details, see Notes to the Consolidated Financial Statements \(Note 24 – Income Tax\).](#)

¹ In the ESG Report for 2020, all tax data presented is for 2019, since the period for the preparation and submission of tax reports for 2020 was later than the period for the publication of the ESG Report.

PARTICIPATION IN INDUSTRY AND BUSINESS ASSOCIATIONS

GRI 102-13, SASB RT-CH-530a.1

Uralkali is a member of Russian and foreign industry and business associations, including:

- International Fertilizer Association (IFA)
- The Fertilizer Institute (TFI US)
- International Plant Nutrition Institute (IPNI)
- Russian Association of Fertilizer Producers
- Russian Union of Industrialists and Entrepreneurs
- Russian Chemists Union, etc.

In 2020, the total sum of membership fees to industry and business associations amounted to RUB 20,836 thous.

Uralkali plays an active role in legislative activities on various issues of the Company’s activities. For example, the following taxation issues were discussed during 2020:

- amendments to the Tax Code of the Russian Federation in terms of separate accounting for income tax under federal SPICs
- extension of tax benefits for participants of SPIC 1.0
- implementation of various corporate programmes to improve competitiveness
- establishment of a new multiplying coefficient – the rental coefficient (Crent) for severance tax

In 2020, the Company also actively participated in meetings of the Russian Association of Fertilizer Producers and the Russian Union of Industrialists and Entrepreneurs (RSPP) to discuss topical issues, including the fight against COVID-19 at industrial enterprises, and obtain additional subsidies for the chemical industry. Uralkali is a member of the Working Group of the Committee on Ecology and Natural Resources on Climate Changes and Greenhouse Gas Mitigation of the Russian Union of Industrialists and Entrepreneurs; at these meetings in 2020, among other things, the introduction of a cross-border carbon tax was considered.

MANAGEMENT OF ESG RISKS

GRI 102-15

Uralkali has an effective Risk Management and Internal Control System in place (in accordance with COSO ERM and ISO 31000 standards), aimed at reducing the likelihood of any negative consequences that could arise as a result of certain events.

The Internal Audit Unit (Internal Audit Directorate), which is functionally accountable to the Audit Committee, is established within this Risk Management and Internal Control System. The Internal Audit Directorate includes the Risk Management Office, which coordinates the process of risk management and consolidation of informa-

tion about the risk management process and Internal Control System at all levels for the Audit Committee, Board of Directors, the CEO and the Management Board. All Uralkali’s employees have the opportunity to directly contact the head of the Risk Management Office and inform them of all identified risks.

Relevant risk management training is conducted regularly for all members of the Board of Directors and Uralkali’s employees. The Risk Management Office is currently working on the development of an e-learning corporate course within the Corporate University of the Company.

In 2020, the [Risk Management and Internal Control Policy](#) was updated and implemented.

For more information on the Company’s Risk Management and Internal Control System, see [Annual Report 2020](#), [Risk Management and Internal Control](#), p. 102.

ESG risk management is integrated into Uralkali’s overall Risk Management System. ESG risks are included in the Corporate Risk Register, which is considered by the Sustainable Development Committee of the Board of Directors.



Key ESG risks

Risk	Risk description	Management/impact on risk level
ENVIRONMENTAL RISKS		
Environmental and mining (geological) risks	Risks associated with the geological structure of the Verkhnekamskoye deposit of potassium salts, exploration, mining and processing of mineral resources, including possible flooding, fires and other accidents.	<ul style="list-style-type: none">• Mining development plans, including a significant block of safety measures, are developed and observed each year• Audits are performed regarding the sufficiency of measures aimed at minimising mining risks• Geological safety is monitored and its results are considered by the relevant committees/commissions For more details, see Health & Safety, p. 44
HSE non-compliance	Risks associated with health injuries to employees. Risks of environmental impacts and incidents related to issues such as water use, discharge quality, waste treatment, tailings management, air emissions (including greenhouse gases) and local community satisfaction with the environment.	<ul style="list-style-type: none">• The Company has approved and maintains safety standards, including cardinal safety rules for life and health• Compliance is monitored with labour safety requirements• Regular safety training and subsequent certification of personnel are performed• Identification of potentially hazardous working conditions, and provision of additional training in the areas of activity with a high risk of injury• Implementation of measures to prevent employee illness• Environmental impact assessment is performed for all production facilities and industrial environmental control• Environmental protection measures are implemented to reduce the negative impact within the framework of the main environmental aspects of the Company's activities For more details, see Health & Safety, p. 44, Environment, p. 34
OPERATING RISKS		
Shortages of qualified personnel	Risks related to the lack of qualified employees and/or leave of key employees, in particular, in production, mining, geology, as well as risks of loss of key personnel.	<ul style="list-style-type: none">• Labour market is monitored, and personnel retention measures are implemented• Level of personnel involvement is determined through surveys• Employees are evaluated, and training is conducted at the Corporate University, which is licensed for 370 programmes, with a distance learning system also being implemented• Succession planning is in place for Key Positions in the Company programme• Wages are competitive, and the Company provides one of the most attractive social packages in the industry, and reimbursement on mortgage rates on housing for key employees• The Institute of Ethical Commissioners operates to manage the risk of conflicts within the team For more details, see Employee Wellbeing, p. 54

Risk	Risk description	Management/impact on risk level
POLITICAL AND LEGAL RISKS		
Compliance with applicable legislation and internal policies of the Company	Risks of non-compliance with the laws of Russia and other countries of its operation, including anti-monopoly regulations.	<ul style="list-style-type: none">• Compliance with regulatory requirements is monitored, as well as any changes in regulations, and necessary control tools are developed• Internal Control System is being improved in order to ensure compliance with the requirements of applicable legislation For more details, see Anti-Corruption and Ethics, p. 100, Annual Report 2020, Report on Corporate Governance in the Company, p. 84
CLIMATE-RELATED RISKS		
Risks associated with the consequences of global warming	Risk of man-made accidents at production facilities.	<ul style="list-style-type: none">• Constant monitoring of changes in natural and climatic factors that may affect the operation of production is performed• Plans to introduce scenario simulation of the realisation of climate risks• Climate risk sensitivity analysis is planned
	Risk of increased workplace injuries due to abnormal climatic phenomena.	<ul style="list-style-type: none">• Constant monitoring is performed of changes in natural and climatic factors that could affect the health of the Company's employees• Emergency Notification System for the Company's employees regarding upcoming extreme weather events
	Risks of increased cost of goods sold due to the introduction of cross-border carbon regulation.	<ul style="list-style-type: none">• Implementation of carbon management• Development of the climate strategy
	Application of technologies/development of investment projects with a higher carbon footprint than existing ones.	<ul style="list-style-type: none">• Development of the climate strategy
	Reduced demand for products due to the availability of products on the market, which are similar to our products, but with a lower carbon footprint and corresponding green brand advertising appeals.	<ul style="list-style-type: none">• Development of the climate strategy
	Local decline in demand for products due to abnormal climatic phenomena.	<ul style="list-style-type: none">• Development of the climate strategy
	Development of products with a lower carbon footprint by competitors.	<ul style="list-style-type: none">• Development of the climate strategy

CYBERSECURITY AND PERSONAL DATA PROTECTION

The processes of rapid digitalisation and higher uptake of digital technologies provide significant opportunities for business development. Uralkali carefully considers the impact of new technologies and applies advanced approaches to information security and cyber resilience.

In order to ensure the protection of the interests of owners and users of information, as well as to minimise risks, Uralkali has developed an effective Information Security Management System. Responsibility this system’s functions is distributed among the Company’s business units. Uralkali’s employees are personally responsible for the correct and consistent use of information systems and the Company’s assets in accordance with infor-

mation security requirements, as well as maintaining their integrity and safety.

Uralkali has adopted a wide range of internal documents on information security, cybersecurity and personal data protection, including the [Information Security Policy](#), [Personal Data Processing Policy](#), [Information Security Development Strategy for 2020–2022](#) and other provisions.

In the area of business continuity and contingency planning, Uralkali has a Regulation on Procedure For Restoring IT Services After Disruptions in place, that undergoes annual testing. Uralkali also takes measures to identify the types of possible events and the methods of notification, and has formed restoration teams with

defined responsibilities, as well as established the requirements for the applicable restoration procedure.

As part of the assessment of all existing Control and Risk Management Systems, internal audits of the Information Security Management System are performed on an annual basis, and external audits are performed every two years (2018, 2020, 2022).

During 2021 and in the medium term, the Company plans, in particular, to establish an Information Security Incident Response Commission, complete the implementation of the Information Security Management System in accordance with ISO 2700 and raise awareness of information security issues among all users.

SECURITY AWARENESS

In 2020, Uralkali implemented a pilot project to raise Cybersecurity Awareness among employees.

The Raising Awareness programme included the following measures:

For newly hired employees:

- primary introductory course on internal information security requirements in employment + test with the requirement to reach a mandatory passing score
- specialised course depending on responsibilities + test with the requirement to reach a mandatory passing score

For regular employees:

- annual participation in relevant training courses + test with the requirement to reach a mandatory passing score
- periodic training in cyber-attacks

Additional measures to raise awareness:

- distribution of visual thematic materials — posters, calendars, specialised computer screensavers, etc.
- distribution of introductory materials, as well as information about any current changes in information security requirements via corporate e-mail or other methods of mass notification of employees (web portals, mobile applications, corporate newspapers)

As a result of the project, awareness was raised and the effectiveness of phishing in focus groups was decreased by more than 2 times (21 cases instead of 45).



APPENDICES

APPENDIX 1. ABOUT THE REPORT

GRI 102-1, GRI 102-5, GRI 102-46

APPROACH TO REPORTING

This Sustainable Development Report of Uralkali and its subsidiaries (hereafter, the Report; Uralkali and its subsidiaries — Uralkali or the Company) reflects the key results of the Company’s sustainable development activities for the period 1 January–31 December 2020, in addition to providing an overview of Uralkali’s main approaches to sustainable development management and the Company’s plans for the future. [GRI 102-50](#)

Since 2012, the Company has disclosed its non-financial information on an annual basis as part of its integrated reporting. [GRI 102-52](#)

In addition to the Annual Report, Uralkali published the 2019 ESG Report in June 2020 in line with the best global practices of non-financial reporting. [GRI 102-51](#) The electronic versions of the reports are available on the Company’s [corporate website](#).

In the preparation of this Report, the following standards and guidelines were applied:



GRI Standards for sustainability reporting (Global Reporting Initiative, the Core option) [GRI 102-54](#)



SASB Standards (Sustainability Accounting Standards Board)



Business Reporting on SDGs.

In addition, we were guided by the following documents:



Basic performance indicators. Recommendations of the RSPP for using in practice of management and non-financial reporting



UN Global Compact.

Uralkali’s Working Group on Sustainable Development participated in the preparation of, identification of material topics for and determining the contents of the Report, as well as its approval. The Report was also reviewed and approved by the Sustainable Development Committee and the Board of Directors.

IDENTIFICATION OF MATERIAL TOPICS

GRI 102-46

Uralkali has identified the topics that are material for the Company and its stakeholders in order to determine what this Report should contain. Uralkali’s approach to identifying the most significant topics

subject to disclosure in the Report is based on GRI Reporting Standards and made up of three stages: identification of material topics, their prioritisation and approval.

MATERIALITY ASSESSMENT



MATERIALITY MATRIX GRI 102-47

Following the results of materiality analysis, a list was developed of 23 topics subject for disclosure in the Report, taking into account the significance of these topics for the Company. Uralkali made a complete disclosure of topics of the primary and secondary significance. Third-priority topics are included in sections with other environmental, social, and governance topics and described in less detail, with the focus on main factors of the Company’s impact on society and the environment in relevant areas.

In 2020, the Report covered a range of new significant topics for disclosure that were not included in the ESG Report for 2019, such as Tax Policy, State Policy, Corporate Governance, Sustainable Agriculture, and Biodiversity. Compared to the last reporting period, detailed disclosure of few more topics took place in 2020: Human Rights, Product Safety, and Climate Strategy and Risks. GRI 102-49

MATERIAL TOPICS		
<div><div>E</div><div>S</div><div>G</div></div>		
PRIORITY 1	<ul style="list-style-type: none">WaterWasteCarbon management and energy efficiency	<ul style="list-style-type: none">Health and safetyGeological safetyLocal communitiesEmploymentHuman rights
	<ul style="list-style-type: none">Corporate governanceEconomic performanceAnti-corruption and ethics	
PRIORITY 2	<ul style="list-style-type: none">ReclamationClimate strategy and risks	<ul style="list-style-type: none">Diversity and equal opportunitiesEmergency preparednessSustainable agriculturePersonnel training and development
		<ul style="list-style-type: none">Supply chain
PRIORITY 3	<ul style="list-style-type: none">Air emissionsBiodiversity	<ul style="list-style-type: none">Product safety
		<ul style="list-style-type: none">Tax PolicyState Policy

REPORTING BOUNDARIES

The Company is committed to consistently improving its disclosure levels, as well as achieving an equal level of disclosure across all topics and indicators.

The Report contains non-financial information on the performance of PJSC Uralkali and its Russian and international subsidiaries. Uralkali’s boundaries of disclosure of quantitative information are detailed by key thematic blocks below.

TABLE 1. REPORTING BOUNDARIES – ENVIRONMENTAL ASPECT

Enterprises within reporting boundaries	Water withdrawal and water consumption	Effluents	Waste and slurry storages	Air emissions	Biodiversity and reclamation	Carbon management	Energy
PJSC Uralkali	+	+	+	+	+	+	+
LLC “Uralkali-Remont”			+	+			
LLC “Avtotranskali”			+	+			+
LLC “Vagon Depo Balahonzi”			+	+			
LLC “SMT “BSHSU”			+	+			+
LLC N-Resource							
LLC Sylvinite-Transport							
LLC Vodokanal			+	+			+
JSC Novaya Nedvizhimost							
JSC Solikamsk Construction Trust							
JSC “VNII Galurgii”							
JSC “Baltic Bulker Terminal”	+	+	+	+			+
LLC Uralkali-Proekt							
Uralkali Trading SIA							
UKT Chicago Inc.							

TABLE 2. REPORTING BOUNDARIES – SOCIAL ASPECT

Enterprises within reporting boundaries	Health and safety	Employee wellbeing	Local communities	Sustainable agriculture	Interaction with customers
PJSC Uralkali	+	+	+	+	+
LLC "Uralkali-Remont"	+	+	+	+	+
LLC "Avtotranskali"	+	+	+	+	+
LLC "Vagon Depo Balahonzi"	+	+	+	+	+
LLC "SMT "BSHSU"	+	+	+	+	+
LLC N-Resource	+	+	+	+	+
LLC Sylvinite-Transport		+		+	+
LLC Vodokanal	+	+		+	+
JSC Novaya Nedvizhimost	+	+	+	+	+
JSC Solikamsk Construction Trust	+	+		+	+
JSC "VNII Galurgii"	+	+	+	+	+
JSC "Baltic Bulker Terminal	+	+		+	+
LLC Uralkali-Proekt		+		+	+
Uralkali Trading SIA		+		+	+
UKT Chicago Inc.		+		+	+

TABLE 3. REPORTING BOUNDARIES – GOVERNANCE ASPECT

Enterprises within reporting boundaries	Governance	Anti-corruption and ethics	Supply chain	Economic performance	Tax Policy
PJSC Uralkali	+	+	+	+	+
LLC "Uralkali-Remont"		+		+	+
LLC "Avtotranskali"		+		+	+
LLC "Vagon Depo Balahonzi"		+		+	+
LLC "SMT "BSHSU"		+		+	+
LLC N-Resource		+			+
LLC Sylvinite-Transport		+			+
LLC Vodokanal		+			+
JSC Novaya Nedvizhimost		+			+
JSC Solikamsk Construction Trust		+			+
JSC "VNII Galurgii"		+		+	+
JSC "Baltic Bulker Terminal"		+		+	+
LLC Uralkali-Proekt		+			+
Uralkali Trading SIA		+		+	
UKT Chicago Inc.		+		+	

When disclosing indicators along with the reporting boundaries, other than those described above, information on the businesses covered is indicated in relevant description, tables and charts.

The boundaries of information disclosure in the environmental area have been significantly expanded compared to the previous reporting period. The level of disclosure in the previous reporting period can be found in the [2019 ESG Report](#). GRI 102-49

DATA PREPARATION METHOD

Operational, social and environmental indicators presented in the Report were calculated, collected and consolidated in line with the reporting principles and GRI Standards.

The quantitative data are reflected using the generally accepted system of measurement units. All financial indicators disclosed in the Report are given in RUB.

The 2020 ESG Report changed the approach to the disclosure of quantitative indicators. The data are presented in detailed tables following the thematic chapters for each aspect of sustainable development. The tables include a broader list of indicators disclosed for 2020 and three previous reporting periods. They also provide explanations for the dynamics of indicators in 2020 compared to 2019.

The data sources are official reporting forms, submitted to state statistics bodies every year, as well as the information from management reports.

No significant changes took place in the calculation and reporting methods used in the reporting year. This Report does not contain any significant changes in wording of indicators and data for the historical periods, published in the previous reports. GRI 102-48 More detailed information on the methods of calculating indicators and changes, if available, is provided in the relevant chapters of the Report. The Company is not currently a member of the Social Charter of Russian Business, but fully subscribes to its principles.

INDEPENDENT ASSURANCE GRI 102-56

To confirm the reliability of information, provided as part of non-financial statements, the Company engaged JSC Deloitte & Touche CIS.

The independent assurance of the Report was conducted in compliance with the International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, and provides limited assurance. For more information on the boundaries and the volume of assurance of the Report, see Appendix 2 — Independent Assurance Report, p. 127.

APPENDIX 2. INDEPENDENT ASSURANCE REPORT



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INDEPENDENT ASSURANCE REPORT

**Independent practitioner’s limited assurance report by AO Deloitte & Touche CIS
(‘Deloitte’) to PJSC Uralkali Board of Directors on the 2020 ESG Report for the year ended
31 December 2020**

Scope of limited assurance

We have been engaged by PJSC Uralkali 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 Uralkali ESG Report prepared in accordance with GRI Standards (‘the Report’) for the year ended 31 December 2020.

Limited assurance procedures and roles

Selected Data

We carried out limited assurance on accuracy of the following data related to 2020 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 Uralkali’s self-declaration in preparing its Report 2020 in accordance with the requirements of Global Reporting Initiative (GRI) Sustainability Reporting Standards as stated on page 120 of the Report.

Our key limited 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 limited assurance conclusion.

To form our conclusion, we undertook the following procedures:

- 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 Uralkali responsible for sustainability performance, policies and corresponding reporting;
- Conducted selective substantive testing to confirm accuracy of received data to the selected key performance indicators;

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- 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 Uralkali 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 form, 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 Uralkali 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.

Selected non-financial performance data for public limited assurance

We have been engaged by the Board of Directors of PJSC Uralkali to perform limited assurance procedures on accuracy of the following key performance data of the 2020 reporting year included into the Report:

Energy	<ul style="list-style-type: none">• Electricity consumption, natural value, mln. kWh;• Consumption of purchased electricity, natural value, mln. kWh;• Electricity sold, natural value, mln. kWh;• Heat consumption, total natural value, GCal;• Consumption of purchased heat, natural value, mln GCal;• Heat sold, natural value, GCal;• Consumed associated gas and natural gas, natural value, thousand m3 (thousand tons of equivalent fuel);• Consumed diesel, petrol and fuel oil, natural value, tons;• Actual volume of generated electricity (generation), natural value, mln. kWh.
Water resources	<ul style="list-style-type: none">• Amount of water withdrawn, total mln. m3 and broken down:<ul style="list-style-type: none">— by sources, mln. m3;• Volume of water discharged, total thousand m3 and broken down:<ul style="list-style-type: none">— by receiving objects, thousand m3;— by the quality of water treatment, thousand m3.
Greenhouse gas emissions	<ul style="list-style-type: none">• Direct GHG emissions (Scope 1) total, thousand tons of CO2 equivalent and broken down:<ul style="list-style-type: none">— by type of gas;• Energy indirect GHG emissions (Scope 2), thousand tons of CO2 equivalent• GHG emissions intensity ratio (Scope 1 and Scope 2), tons of CO2 equivalent / per ton of product.
Air emissions	<ul style="list-style-type: none">• The total amount of air emissions, thousand tons and broken down:<ul style="list-style-type: none">— by type of emissions.
Waste	<ul style="list-style-type: none">• Total waste generated, mln. tons and broken down:<ul style="list-style-type: none">— by hazard classes;— by types of handling and disposal;• Share of production waste utilised (backfilling).
Regulatory compliance	<ul style="list-style-type: none">• Non-compliance with environmental laws and regulations:<ul style="list-style-type: none">— The total amount of significant fines for non-compliance with environmental laws and regulations accrued for payment in the reporting year, thousand rub.;— The number of non-financial sanctions, pcs.

Occupational and Industrial Safety	<ul style="list-style-type: none">Occupational injuries:<ul style="list-style-type: none">The number of accidents;Fatal injuries;Lost time injury frequency rate (LTIFR), %;The rate of high-consequence work-related injuries, %;Fatal-Injury Frequency Rate (FIFR), %;Process Safety Events - Tier 1;Occupational Illness Frequency Rate (OIFR) – Employees, %.
HR management	<ul style="list-style-type: none">The headcount at the end of the year broken down:<ul style="list-style-type: none">by contract type (indefinite period / fix-term contract);by type of employment (partial / full);by the region;by gender;by categories of employees;by age;The average annual headcount;Employee turnover,%;Diversity of management bodies and employees broken down:<ul style="list-style-type: none">by gender;by age.
Development of the region of presence	<ul style="list-style-type: none">Amount of social investments, mln rubles.

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.



The Entity: Public Joint Stock Company Uralkali	Audit Firm: AO “Deloitte & Touche CIS”
Certificate of state registration № 1128, issued on 14 October 1992 by the Berezniki Administration.	Certificate of state registration № 018.482, issued by the Moscow Registration Chamber on 30.10.1992.
Certificate of registration in the Unified State Register №1025901702188 issued on 11 September 2002.	Primary State Registration Number: 1027700425444
Location: 63, Pyatiletki ul., Berezniki, 618426, the Perm Region, Russian Federation.	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.

APPENDIX 3. QUANTITATIVE DATA

ENVIRONMENTAL ASPECT (E)

MANAGEMENT APPROACH TO ENVIRONMENTAL ISSUES

Name	UOM	2017	2018	2019	2020	Trends in 2020/2019
Volume of products manufactured	tonne	12,039,990	11,494,850	11,098,174	11,344,941	2%
TOTAL ENVIRONMENTAL COSTS AND INVESTMENTS						
Total OHS costs and investments, including:	RUB thousand	3,535,820	3,671,786	4,992,088	5,243,297	5%
Current environmental protection costs	RUB thousand	1,610,576	1,684,890	2,273,747	2,239,448	-
Capital investments in environmental protection activity	RUB thousand	1,891,388	1,955,272	2,707,619	2,987,287	-
Payments for negative impact on the environment	RUB thousand	33,856	31,623	10,722	16,562	-
Funds collected in compensation for damage caused by violation of environmental legislation (excluding fines paid for environmental impact)	RUB thousand	-	-	-	-	-
NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS (ACCORDING TO PJSC URALKALI) GRI 307-1						
Number of notes of breaching environmental legislation	pcs.	7	11	1	-	-
Total amount of fees, fines and penalties for non-compliance with environmental laws and regulations	RUB thousand	463	2,610	20	-	-

WATER RESOURCES

Name	UOM	2017	2018	2019	2020	Trends in 2020/2019
TOTAL WATER WITHDRAWAL VOLUME BY SOURCE TYPE GRI 303-3, SASB RT-CH-140A.1.						
Amount of water withdrawn, including:	thousand m³	24,573	24,288	22,813	23,880	5%
Surface water (including swamps, rivers, lakes)	thousand m³	18,868	19,247	17,676	19,427	-
Groundwater	thousand m³	3,222	3,254	2,928	2,487	-
Rainwater collected and stored by the Group	thousand m³	1,725	1,077	1,377	1,114	-
Waters of the seas and oceans	thousand m³	-	-	-	-	-
Produced water	thousand m³	-	-	-	-	-
Third-party water (municipal and other water supply systems), including:	thousand m³	758	710	832	852	-
surface water (including swamps, rivers, lakes)	thousand m³	-	-	-	-	-
groundwater	thousand m³	655	601	724	764	-
rainwater collected and stored by the Group	thousand m³	-	-	-	-	-
waters of the seas and oceans	thousand m³	-	-	-	-	-
produced water	thousand m³	-	-	-	-	-
drinking water from water supply systems	thousand m³	103	109	108	88	-

Name	UOM	2017	2018	2019	2020	Trends in 2020/2019
TOTAL WATER WITHDRAWAL, AND A BREAKDOWN OF THIS TOTAL BY FRESH AND OTHER WATER GRI 303-3						
Amount of water withdrawn, including:	thousand m³	24,573	24,288	22,813	23,880	5%
Fresh water	thousand m³	22,200	22,424	20,252	21,391	-
Other water	thousand m³	2,373	1,864	2,561	2,489	-
TOTAL WATER DISCHARGE GRI 303-4						
Total water discharge	thousand m³	15,794	16,566	17,584	15,450	-12%
Total water discharge, and a breakdown of this total by receiving facilities, including:	thousand m³	12,513	13,090	13,788	11,646	-
surface water (including swamps, rivers, lakes)	thousand m³	8,625	9,457	9,888	8,253	-
groundwater	thousand m³	-	-	-	-	-
rainwater collected and stored by the Group	thousand m³	-	-	-	-	-
waters of the seas and oceans	thousand m³	137	104	151	162	-
third-party water	thousand m³	3,751	3,528	3,749	3,231	-
Sales of water to third parties	thousand m³	3,281	3,477	3,795	3,805	-
TOTAL WATER DISCHARGE, AND A BREAKDOWN OF THIS TOTAL BY WASTEWATER QUALITY GRI 303-4						
Wastewater discharge, including:	thousand m³	12,513	13,090	13,788	11,646	-16%
clean (according to the standard)	thousand m³	-	-	-	-	-
treated (according to the standard)	thousand m³	5,562	6,415	6,849	7,465	-
insufficiently treated	thousand m³	5,971	5,689	5,945	3,209	-
contaminated (without treatment)	thousand m³	980	985	994	971	-
TOTAL WATER DISCHARGE, AND A BREAKDOWN OF THIS TOTAL BY FRESH AND OTHER WATER* GRI 303-4						
Wastewater discharge, including:	thousand m³	12,513	13,090	13,788	11,646	-16%
Fresh water	thousand m³	1,651	1,658	1,705	1,504	-
Other water	thousand m³	10,861	11,432	12,083	10,141	-
* Other water – water, the total dissolved solids of which exceed 1,000 mg/l						
TOTAL WATER CONSUMPTION GRI 303-5, SASB RT-CH-140A.1.						
Total water consumption, including:	thousand m³	8,780	7,721	5,229	8,430	61%
SPECIFIC WATER CONSUMPTION						
Specific water consumption	m³/t of production	0.73	0.67	0.47	0.74	57%
Volume of products manufactured	tonne	12 039 990	11 494 850	11 098 174	11 344 941	-
VOLUME OF WATER CONSUMPTION IN RECYCLING AND CIRCULATING WATER SUPPLY SYSTEMS						
Water consumption in recycling and circulating water supply systems (PJSC Uralkali)	thousand m³	104,300	122,400	128,900	122,720	-5%
Recycling and circulating water surplus against water consumption rate	thousand m³	12	16	25	15	-
CHEMICAL OXYGEN DEMAND (COD) OF WASTEWATER DISCHARGED						
Chemical oxygen demand of wastewater discharged	tonne	217	217	297	229	-23%

WASTE AND SLURRY STORAGEES

Name	UOM	2017	2018	2019	2020	Trends in 2020/2019
TOTAL WASTE GENERATION, WITH A BREAKDOWN OF THIS TOTAL BY HAZARD CLASSES GRI 306-3, SASB RT-CH-150A.1.						
Total waste generation	tonne	32,705,725	32,394,192	30,221,426	30,528,754	1%
Hazardous waste, including:	tonne	994	1,300	1,299	1,107	-
Hazard class I	tonne	12	12	11	8	-
Hazard class II	tonne	10	13	15	13	-
Hazard class III	tonne	972	1,275	1,273	1,086	-
Non-hazardous waste, including:	tonne	32,704,731	32,392,892	30,220,127	30,527,647	-
Hazard class IV	tonne	3,492	3,564	5,486	4,387	-
Hazard class V	tonne	32,701,239	32,389,328	30,214,641	30,523,260	-
TOTAL WASTE RECYCLED AND REUSED GRI 306-4						
Total waste recycled and reused	tonne	17,617,343	18,975,317	21,707,836	23,647,810	9%
Waste disposal, including:	tonne	16,568,695	17,860,442	20,518,988	22,474,456	-
hazardous waste	tonne	-	-	-	-	-
non-hazardous waste	tonne	16,568,695	17,860,442	20,518,988	22,472,456	-
Reuse of waste, including:	tonne	-	-	-	-	-
hazardous waste	tonne	-	-	-	-	-
non-hazardous waste	tonne	-	-	-	-	-
Transferred to third-party organisations for disposal, including:	tonne	1,048,648	1,114,875	1,188,848	1,173,354	-
hazardous waste	tonne	239	332	744	398	-
non-hazardous waste	tonne	1,048,410	1,114,544	1,188,105	1,172,955	-
volume of recycled reinforced concrete (in the amount of non-hazardous waste)	tonne	32,350	25,106	18,233	21,100	16%
TOTAL WASTE REMOVED GRI 306-5						
Total waste removed	tonne	17,443,051	15,623,501	10,787,551	9,228,619	-14%
Waste disposal at the enterprises, including:	tonne	17,417,690	15,602,253	10,756,918	9,203,991	-
hazardous waste	tonne	-	-	-	-	-
non-hazardous waste	tonne	17 417 690	15 602 253	10 756 918	9 203 991	-
Waste disposal at the municipal landfill, including:	tonne	24 582	20 189	29 952	23 851	-
hazardous waste	tonne	0.6	1.1	0.8	0.7	-
non-hazardous waste	tonne	24,581	20,188	29,951	23,850	-
Transferred to third-party organisations for disposal and storage, including:	tonne	779	1,058	681	777	-
hazardous waste	tonne	761	966	558	709	-
non-hazardous waste	tonne	18	92	123	69	-
Waste incineration, including:	tonne	-	-	-	-	-
hazardous waste	tonne	-	-	-	-	-
non-hazardous waste	tonne	-	-	-	-	-
Waste burial, including:	tonne	-	-	-	-	-
hazardous waste	tonne	-	-	-	-	-
non-hazardous waste	tonne	-	-	-	-	-

Name	UOM	2017	2018	2019	2020	Trends in 2020/2019
SPECIFIC WASTE GENERATION						
Specific waste generation	t/t of production	2.72	2.82	2.72	2.69	-1%
Total waste generation	tonne	32,705,726	32,394,192	30,221,426	30,528,754	-
Volume of products manufactured	tonne	12,039,990	11,494,850	11,098,174	11,344,941	-
HYDRAULIC BACKFILLING OF HALITE WASTE AND CLAY-SALT SLURRIES IN MINED-OUT AREAS OF MINES						
Halite waste and clay-salt slurries used for backfilling	tonne	15,153,643	16,327,708	18,793,227	20,935,175	11%

CLIMATE AND ENERGY EFFICIENCY

Name	UOM	2017	2018	2019	2020	Trends in 2020/2019
TOTAL GHG EMISSIONS ACCORDING TO PJSC URALKALI (SCOPE 1 AND SCOPE 2)						
Greenhouse gas emissions	t CO ₂ eq	1,783,866	1,788,837	1,710,016	1,703,581	-0,4%
TOTAL DIRECT GHG EMISSIONS ACCORDING TO PJSC URALKALI, AND A BREAKDOWN OF THIS TOTAL BY RECORDED GASES (SCOPE 1) GRI 305-1, SASB RT-CH-110A.1						
Direct GHG emissions (Scope 1), including:	t CO ₂ eq	1,260,331	1,215,407	1,063,343	1,082,997	2%
Carbon dioxide (CO ₂)	t CO ₂ eq	1,259,001	1,214,122	1,062,219	1,081,855	-
Methane (CH ₄)	t CO ₂ eq	584	564	493	501	-
Nitrous oxide (N ₂ O)	t CO ₂ eq	746	722	631	640	-
TOTAL ENERGY INDIRECT GHG EMISSIONS ACCORDING TO PJSC URALKALI (SCOPE 2) GRI 305-2						
Energy indirect GHG emissions (Scope 2)	t CO ₂ eq	523,535	573,430	646,563	620,584	-4%
SPECIFIC GHG EMISSIONS ACCORDING TO PJSC URALKALI (SCOPE 1 AND SCOPE 2) GRI 305-4						
Specific GHG emissions (Scope 1 and Scope 2)	t CO ₂ eq/t of production	0.148	0.156	0.154	0.150	-3%
TOTAL FUEL CONSUMPTION, AND A BREAKDOWN OF THIS TOTAL BY FUEL TYPES GRI 302-1, SASB RT-CH-130A.1						
Total fuel consumption, including:	GJ	22,569,287	21,786,176	19,118,212	19,443,793	2%
Natural gas	GJ	17,570,623	16,848,236	14,463,296	14,745,942	-
Associated gas	GJ	4,159,051	4,091,035	3,862,114	3,953,532	-
Diesel	GJ	313,037	343,795	365,251	345,062	-
Petrol	GJ	52,975	52,991	45,170	36,363	-
Metallurgical coke	GJ	60	483	914	667	-
Liquefied gas	GJ	184	190	185	132	-
Other fuels (fuel oil)	GJ	473,358	449,447	381,283	362,095	-
TOTAL ENERGY PURCHASED FOR OWN NEEDS, AND A BREAKDOWN OF THIS TOTAL BY ENERGY TYPES GRI 302-1, SASB RT-CH-130A.1						
Total energy purchased, including:	GJ	5,574,275	6,100,679	6,879,186	6,550,223	-5%
Electricity	GJ	5,493,566	5,684,361	5,663,512	5,466,858	-
Heat	GJ	80,709	109,850	135,345	85,628	-
Steam	GJ	-	306,467	1,080,330	997,737	-

Name	UOM	2017	2018	2019	2020	Trends in 2020/2019
TOTAL ENERGY TRANSFERRED TO THIRD-PARTY CONSUMERS GRI 302-1						
Total energy transferred, including:	GJ	538,967	418,334	126,265	100,602	-20%
Electricity	GJ	-	5,391	17,612	16,617	-
Heat	GJ	538,967	412,943	108,653	83,985	-
TOTAL ENERGY CONSUMPTION GRI 302-1, GRI 302-3						
Total energy consumed	GJ	27,604,594	27,468,520	25,871,133	25,913,591	0,2%
Specific energy consumption	GJ/t of production	2.293	2.390	2.331	2.284	-2%

AIR EMISSIONS

Name	UOM	2017	2018	2019	2020	Trends in 2020/2019
TOTAL AIR EMISSIONS GRI 302-1, SASB RT-CH-120A.1						
Total air emissions, including:	tonne	6,514	6,546	7,457	7,312	-2%
Nitrogen oxides (NOx)	tonne	1,858	1,855	2,620	2,658	-
Sulphur oxides (SOx)	tonne	465	384	388	357	-
Particulate matter (PM)	tonne	2,361	2,449	2,600	2,531	-
Volatile organic compounds (VOCs)	tonne	164	217	231	199	-
Carbon oxide	tonne	1,574	1,532	1,511	1,483	-
Other gaseous and liquid compounds	tonne	92	109	108	83	-
SPECIFIC AIR EMISSIONS						
Specific air emissions	kg/t of production	0.54	0.57	0.67	0.64	-4%
Volume of products manufactured	tonne	12,039,990	11,494,850	11,098,174	11,344,941	-

BIODIVERSITY AND RECLAMATION

Name	UOM	2017	2018	2019	2020	Trends in 2020/2019
TOTAL STERLET FRY RELEASED (ACCORDING TO PJSC URALKALI)						
Release of sterlet fry, total	thousand pcs.	87	57	55	39	-
DISTURBED AND RECLAIMED LAND (ACCORDING TO PJSC URALKALI)						
Disturbed lands at the beginning of the year	ha	1,855.8	1,853.1	1,918.4	1,918.4	-
Disturbed lands	ha	2.4	-	-	14.8	-
Reclamated lands	ha	5.1	-	-	8.7	-
Disturbed lands at the end of the year	ha	1,853.1	1,853.1	1,918.4	1,924.4	-
BIODIVERSITY CONSERVATION COSTS (ACCORDING TO PJSC URALKALI)						
Biodiversity conservation costs	RUB thousand	1,660	2,876	2,259	953	-

SOCIAL ASPECT (S)

SAFETY

Name	UOM	2017	2018	2019	2020	Trends in 2020/2019
WORKERS COVERED BY OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM GRI 403-8						
Workers covered by occupational health and safety management system	persons	11,546	12,457	12,655	12,737	0.65%
Number of the Company's workers covered by occupational health and safety management system that has been internally audited ^o	persons	11,564	12,457	12,655	12,737	-
WORKERS COVERED BY OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM GRI 403-8						
Workers covered by occupational health and safety management system	%	100	100	100	100	-
Number of the Company's workers covered by occupational health and safety management system that has been internally audited ^o	%	100	100	100	100	-
^o All enterprise's employees are considered to be covered by occupational health and safety management system that has been internally audited if at least one subdivision/facility of this enterprise has been internally audited.						
Indicators for the Company's employees						
LOST TIME INJURY FREQUENCY RATE (LTIFR)^o GRI 403-9						
Lost Time Injury Frequency Rate (LTIFR)	number of cases per 200 thousand working hours	0.11	0.08	0.11	0.07	-36%
^o Total injuries, including fatalities. The volume of disclosure includes only work-related injuries.						
TOTAL RECORDABLE INCIDENT RATE (TRIR)^o SASB RT-CH-320A.1						
Total Recordable Incident Rate (TRIR)	number of cases per 200 thousand working hours	0.60	0.40	0.56	0.26	-54%
^o Total injuries, including fatalities. The volume of disclosure includes only work-related injuries.						
LOST DAYS RATE (LDR) GRI 403-9						
Lost Days Rate (LDR)		8.05	8.28	7.41	10.26	38%
ACCIDENTS AND INJURIES AMONG THE COMPANY'S EMPLOYEES GRI 403-9, SASB RT-CH-320A.1						
Total number of accidents among employees ^o	units	18	13	18	11	-39%
Number of fatalities	units	1	-	3	-	-100%
Rate of fatalities as a result of work-related injury	number of cases per million working hours	0.03	0.00	0.09	0.00	-100%
Rate of fatalities as a result of work-related injury	number of cases per 200 thousand working hours	0.01	0.00	0.02	0.00	-100%
Number of high-consequence work-related injuries ^{oo}	units	7	4	6	3	-50%
Rate of high-consequence work-related injuries ^{oo}		0.044	0.025	0.038	0.019	-50%
Number of minor injuries among the Company's employees	units	77	51	71	30	-58%
^o Total injuries, including fatalities. The volume of disclosure includes only work-related injuries.						
^{oo} Excluding fatalities and mild cases.						

Name	UOM	2017	2018	2019	2020	Trends in 2020/2019
NUMBER OF HOURS WORKED GRI 403-9						
Total number of hours worked	man-hour	31,557,659	31,610,004	31,898,377	31,910,541	-
NUMBER OF DAYS LOST FOR DISABILITY GRI 403-9						
Number of days lost for disability due to work-related injuries	days	1,270	1,309	1,182	1,637	38%
WORK-RELATED ILL HEALTH GRI 403-10						
Number of identified work-related ill health among employees (first identified cases) ^o	units	3	3	1	-	-100%
Number of fatalities as a result of work-related ill health	units	-	-	-	-	-
TRAINING IN THE FIELD OF LABOUR AND INDUSTRIAL SAFETY IN URALKALI GROUP						
In the field of Industrial Safety	man-course	-	-	-	4,053	-
In the field of Labour Safety	man-course	-	-	-	2,042	-
Total	man-course	-	-	-	6,095	-
Indicators for contractors						
ACCIDENTS AND INJURIES AMONG CONTRACTORS GRI 403-9						
Total number of accidents among contractors ^{oo}	units	3	13	3	3	0%
Number of fatalities	units	-	9	1	1	0%
Number of high-consequence work-related injuries ^{ooo}	units	-	-	1	-	-100%
Number of minor injuries	units	21	13	7	6	-14%
^o One occupational disease took place among Company employees in 2020, but it was not confirmed until early 2021. For this reason, the case of disease has been attributed to 2021 and will be taken into account in the Company's reporting for future period.						
^{oo} Total injuries, including fatalities. The volume of disclosure includes only work-related injuries.						
^{ooo} Excluding fatalities and mild cases.						

EMPLOYEE WELLBEING

	UOM	2017	2018	2019	2020	Trends in 2020/2019
HEADCOUNT BY GENDER (AS AT THE END OF THE YEAR) GRI 102-8						
Total employees	persons	20,140	20,258	20,382	20,467	0.4%
Total working men	persons	13,715	13,931	14,119	14,319	-
Total working women	persons	6,425	6,327	6,263	6,148	-
HEADCOUNT BY AGE (AS AT THE END OF THE YEAR) GRI 102-8						
Total employees	persons	20,140	20,258	20,382	20,467	0.4%
18 to 30 years	persons	3,303	3,053	2,916	2,833	-2.8%
30 to 35 years	persons	3,556	3,614	3,467	3,289	-5.1%
35 to 40 years	persons	3,095	3,128	3,261	3,479	6.7%
40 to 50 years	persons	5,542	5,812	6,012	6,124	1.9%
50 to 60 years	persons	3,868	3,769	3,757	3,786	0.8%
Over 60 years	persons	776	882	969	956	-1.3%

	UOM	2017	2018	2019	2020	Trends in 2020/2019
HEADCOUNT BY EMPLOYMENT CONTRACT (AS AT THE END OF THE YEAR) GRI 102-8						
Temporary (permanent) contract	persons	19,492	19,590	19,804	19,878	0.4%
Fixed-term contract	persons	648	668	578	589	1.9%
HEADCOUNT BY EMPLOYMENT TYPE (AS AT THE END OF THE YEAR) GRI 102-8						
Full-time employment	persons	105	78	66	48	-27.3%
Part-time employment	persons	20,035	20,180	20,316	20,419	0.5%
HEADCOUNT BY REGION (AS AT THE END OF THE YEAR) GRI 102-8						
Total employees	persons	20,140	20,258	20,382	20,467	0.4%
Moscow	persons	62	69	77	76	-
St. Petersburg	persons	489	485	516	502	-
Perm Region	persons	19,531	19,644	19,727	19,824	-
Outside the Russian Federation	persons	58	60	62	65	-
RATIOS OF STANDARD ENTRY LEVEL WAGE OF EMPLOYEES* COMPARED TO LOCAL MINIMUM WAGE IN SIGNIFICANT REGIONS OF THE COMPANY'S PRESENCE GRI 202-1						
Moscow		3.91	3.88	4.04	4.98	-
St. Petersburg		1.14	1.11	1.42	1.06	-
Perm Region		1.36	1.00	1.00	1.00	-
* Regardless of gender, all categories of employees are entitled to the same wage for the same amount of work performed, the number of hours worked and the quality of work performed.						
** Entry level wage refers to wages paid to full-time employees in the lower category (i.e., minimum wage).						
PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY GRI 202-2						
Perm Region	%	88.8	89.7	89.1	86.8	-
Moscow	%	81.8	84.6	78.6	83.3	-
St. Petersburg	%	100.0	93.3	93.8	93.8	-
NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER GRI 401-1						
New employee hires	persons	3,902	3,347	3,199	3,056	-4%
Employee turnover	%	9.80	9.21	8.65	7.82	-10%
Voluntary employee turnover	%	6.6	6.2	5.6	4.6	-18%
PERCENTAGE OF EMPLOYEES RECEIVING INDIVIDUAL PERFORMANCE AND CAREER DEVELOPMENT REVIEWS TAKEN INTO ACCOUNT WHEN DETERMINING REMUNERATION GRI 404-3						
Percentage of employees	%	-	-	100	100	-
* Management by objectives. Employees have pre-defined and measurable goals set at least once a year with the participation of the manager. Goal fulfilment is systematically monitored.						
DIVERSITY OF SENIOR MANAGEMENT AND EMPLOYEES BY GENDER GRI 405-1						
Total	persons	210	222	231	217	-6%
Women	persons	53	52	55	46	-
Men	persons	157	170	176	171	-
Percentage of women in top management positions	%	25	23	24	21	-

	UOM	2017	2018	2019	2020	Trends in 2020/2019
DIVERSITY OF SENIOR MANAGEMENT BY AGE GRI 405-1						
Total	persons	210	222	231	217	-6%
18 to 30 years	persons	3	-	-	-	-
30 to 35 years	persons	8	9	8	8	-
35 to 40 years	persons	30	33	26	21	-
40 to 50 years	persons	109	115	122	112	-
50 to 60 years	persons	47	52	59	61	-
Over 60 years	persons	13	13	16	15	-
AVERAGE HOURS OF TRAINING PER EMPLOYEE GRI 404-1						
Hours of training	hours	60.9	64.1	67.4	49.8	-26%
NUMBER OF EMPLOYEES TRAINED (1) GRI 404-2						
Number of employees trained	persons	16,219	16,023	16,723	15,412	-8%
PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS GRI 404-3						
Percentage of employees	%	7.7%	14.3%	25.1%	30.0%	-
Total hours of training	hours	-	-	811,304	622,832	-
Total costs for training	RUB	-	-	67,800,642	49,378,536	-
<i>Comment: (1) Hours of training include only time spent on educational activities to develop personnel skills (without compulsory training)</i>						

LOCAL COMMUNITIES

Name	UOM	2017	2018	2019	2020	Trends in 2020/2019
SOCIAL INVESTMENTS BY MAIN ACTIVITY GRI 413-1						
Total social investments (Total):	RUB mln	308	317	735	980	33%
Infrastructure investments and services supported, including:	RUB mln	154	214	651	897	-
Assistance to public and non-profit organisations	RUB mln	18	39	426	621	-
Educational support	RUB mln	21	21	91	99	-
Support for veterans	RUB mln	58	64	65	68	-
Encouraging sports	RUB mln	30	38	43	51	-
Medicine support	RUB mln	4	1	-	34	-
Assistance to municipal institutions	RUB mln	18	16	13	20	-
Other	RUB mln	5	36	14	4	-
Social investments, including:	RUB mln	154	103	85	84	-
Social investments (building a temple and a rink)	RUB mln	154	103	85	84	-

Name	UOM	2017	2018	2019	2020	Trends in 2020/2019
SOCIAL INVESTMENTS BY TYPE GRI 203-1						
Total social investments (Total):	RUB mln	308	317	735	980	33%
Financial support (transferring funds)	RUB mln	304	310	732	942	-
Employee volunteering during work hours without loss of pay	RUB mln	-	-	-	-	-
Pro bono support	RUB mln	-	-	-	-	-
In-kind support	RUB mln	4	6	3	39	-
Other	RUB mln	-	-	-	-	-
SOCIAL INVESTMENTS BY TYPE						
Total social investments (Total):	%	100	100	100	100	-
Charitable donations	%	21	32	12	13	-
Charitable programmes (excluding charitable donations)	%	79	68	88	87	-
Sponsorship	%	-	-	-	-	-
PERCENTAGE OF PRODUCTION UNITS THAT IMPLEMENT PROGRAMMES OF OPERATIONS WITH LOCAL COMMUNITIES GRI 413-1						
Percentage of production units that implement programmes of operations with local communities	%	100	100	100	100	0%
SUSTAINABLE AGRICULTURE						
Name	UOM	2017	2018	2019	2020	Trends in 2020/2019
PARTICIPANTS OF EDUCATIONAL ACTIVITIES ORGANISED TO RAISE THE LEVEL OF AGRONOMIC EXPERTISE						
Number of events	units	50	57	19	48	153%
Participants of educational activities organised to raise the level of agronomic expertise	units	2,800	7,400	2,700	2,763	2%
NUMBER OF COUNTRIES IMPORTING THE COMPANY'S PRODUCTS						
Number of importing countries	units	61	63	61	75	23%
COMPANY'S EXPORT VOLUME						
Export volume, total	thousand tonnes	10,242	8,472	7,360	10,092	37%
Export volume to Africa	thousand tonnes	145	58	85	348	309%

GOVERNANCE (G)

Name	UOM	2017	2018	2019	2020	Trends in 2020/2019
COMPOSITION AND ACTIVITIES OF SENIOR MANAGEMENT GRI 102-22						
Total number of directors on the Board of Directors	persons	9	9	9	10	-
Number of Non-Executive Directors	persons	4	4	4	6	-
Number of Independent Directors	persons	4	4	4	4	-
Board of Directors disaggregated by age						
40 to 50 years	persons	2	1	-	-	-
50 to 60 years	persons	3	5	6	7	-
Over 60 years	persons	4	3	3	3	-
Period as a member of the Board of Directors						
up to 3 years	persons	3	5	2	3	-
3–5 years	persons	4	3	6	3	-
more than 5 years	persons	2	1	1	4	-
Number of Board of Directors' meetings	units	15	11	19	14	-
Number of Management Board's meetings	units	11	7	13	9	-
REMUNERATION OF SENIOR MANAGEMENT GRI 102-35						
Name	UOM	2017	2018	2019	2020	Trends in 2020/2019
Total amount of payments to the Board of Directors' members	RUB	188,377,881	214,585,959	251,007,134	313,640,625	25%
Remuneration	RUB	182,984,797	200,675,174	239,526,154	308,296,809	-
Expense reimbursement	RUB	5,393,084	13,910,785	11,480,980	5,343,816	-
Remuneration of the Management Board's members						
Salary	RUB	229,932,070	536,666,164	266,938,928	370,722,602	-
Annual bonus	RUB	98,328,740	197,903,134	243,151,433	211,157,157	-
Expense reimbursement	RUB	2,294,911	1,416,108	1,256,340	1,206,220	-
BUSINESS ETHICS						
Name	UOM	2017	2018	2019	2020	Trends in 2020/2019
Number of confirmed violations of internal codes of business conduct	units	-	1	5	1	-
Cases of corruption GRI 205-3	units	22	18	23	29	-
COMPLIANCE WITH LAW LEGISLATION GRI 206-1						
Significant fines for violation of antitrust laws	RUB	-	-	-	-	-
Litigation related to obstruction of competition and violation of antitrust laws	units	-	-	-	-	-

Name	UOM	2017	2018	2019	2020	Trends in 2020/2019
INTERNAL COMMUNICATIONS GRI 102-17						
Total	units	-	-	356	322	-
Employee appeals disaggregated by category						
Procurement	units	-	-	91	89	-
General	units	-	-	52	51	-
Recruitment and training	units	-	-	121	64	-
IT	units	-	-	28	42	-
Safety	units	-	-	25	17	-
Labour relations	units	-	-	5	7	-
Sales	units	-	-	9	5	-
LS&IS	units	-	-	8	2	-
Permit and access regime	units	-	-	1	2	-
Social Policy	units	-	-	2	6	-
Illiquid assets	units	-	-	3	4	-
Stocks	units	-	-	3	1	-
Fraud and corruption across the departments	units	-	-	5	26	-
Issues related to information safety	units	-	-	-	1	-
Corporate newspaper delivery	units	-	-	1	-	-
Logistics	units	-	-	2	5	-
SUPPLY CHAIN GRI 102-17, GRI 204-1						
Total number of suppliers	units	-	-	1,344	1,269	-6%
Share of local suppliers in the total number of suppliers	%	-	-	95.8%	95.7%	-0.2 p.p.
Share of local supplier procurement in total procurement volume	%	-	-	79.9%	84.4%	4.5 p.p.
ECONOMIC VALUE GENERATED AND DISTRIBUTED GRI 201-1						
Direct economic value generated	RUB mln	-	-	183,770	199,417	9%
Revenue	RUB mln	-	-	180,237	195,222	-
Financial investment revenue	RUB mln	-	-	2,500	3,184	-
Asset sale revenue	RUB mln	-	-	1,033	1,011	-
Distributed economic value	RUB mln	-	-	116,354	125,494	8%
Operating costs	RUB mln	-	-	58,976	85,591	-
Wages and other employee benefits	RUB mln	-	-	21,230	21,702	-
Payments to capital suppliers	RUB mln	-	-	17,197	13,875	-
Payments to the state	RUB mln	-	-	16,749	2,904	-
Social expenses	RUB mln	-	-	2,202	1,422	-
Undistributed economic value	RUB mln	-	-	67,415	73,923	10%

Name	UOM	2017	2018	2019	2020	Trends in 2020/2019
TAXES						
Distribution of taxes paid						
Total	RUB mln	-	5,698	15,740	-	64%
Payments to federal budget	RUB mln	-	2,145	4,701	-	-
Payments to regional budget	RUB mln	-	3,456	10,937	-	-
Payments to local budget	RUB mln	-	97	102	-	-
Comment:						
MEMBERSHIP FEES TO INDUSTRY AND BUSINESS ASSOCIATIONS						
Membership fees to industry and business associations	RUB thousand	23,918	18,651	21,267	20,836	12%
NUMBER OF CUSTOMER APPEALS DISAGGREGATED BY MAIN TOPICS GRI 102-44						
Total	units	79	60	93	58	-38%
Short delivery	units	15	3	5	2	-
Inclusions	units	4	9	15	10	-
Contamination, damage to flexible intermediate bulk containers, marking	units	9	6	12	8	-
Quality	units	51	42	61	38	-
CUSTOMER SATISFACTION STUDY						
Customer satisfaction, the Russian Federation	%	79	88	92	100	9%
Customer satisfaction, export	%	69	77	70	70	0%
Share of customer participated in the study, % of total customers ^o	%	35	35	32	39	22%

^o — at the time of the study.

Notes:

By local suppliers we mean Russian suppliers.

Tax data are presented for 2019, due to the difference in the timing of preparation and submission of tax return for 2020 and the publication of the ESG Report.

Uralkali is a member of the following organisations:

- International Fertilizer Association (IFA);
- The Fertilizer Institute (TFI USA);
- Business Council for International Understanding (BCIU);
- Non-profit organisation Russian Association of Fertilizer Producers;
- NP Russian Mining Operators;
- All-Russian Public Organisation Business Russia;
- Moscow branch of the Public Organisation Business Russia;
- All-Russian Association of Employers The Russian Union of Industrialists and Entrepreneurs;
- Union of Industrialists and Entrepreneurs of the Perm Region “Cooperation”;
- «Self-regulating organization «Interregional Union of Builders» Association;
- Self-regulated organization Union «The inter-regional association of planning organizations of special building»;
- Russian Geotechnical Association;
- Perm Chamber of Commerce and Industry Union;
- Union «Verkhnekamskaya Chamber of Commerce and Industry»;
- Self-Regulatory Organisation Union of Builders “Zapaduralstroy”;
- Autonomous Non-Profit Organisation “RESEARCH AND ACADEMIC CENTRE OF CHEMISTRY AND BIOLOGY”.

APPENDIX 4.

GRI INDEX TABLE GRI 102-55

GRI Index		RSPP basic performance indicator ¹	Report section	Assurance ²	Page
GRI 102 GENERAL DISCLOSURES					
1. ORGANISATIONAL PROFILE		Aspect: State Policy			
GRI 102-1	Name of the organisation	Not applicable	About the Report		120
GRI 102-2	Activities, brands, products, and services	Not applicable	About the Company		07
GRI 102-3	Location of headquarters	Not applicable	The Company is headquartered in Berezniki, Perm Region		07
GRI 102-4	Location of operations	Not applicable	About the Company		10
GRI 102-5	Ownership and legal form	Not applicable	About the Report		120
GRI 102-6	Markets served	Not applicable	About the Company		10
GRI 102-7	Scale of the organisation	Not applicable	Employee Wellbeing About the Company Annual Report 2020		57 10 18
GRI 102-8	Information on employees and other workers	Not applicable	Employee Wellbeing At the moment, the Company does not collect the following information about personnel: - by type of contract with a breakdown by gender; - by type of contract with a breakdown by region; - by type of employment with a breakdown by gender. Its disclosure is planned for the next reporting periods. GRI 102-8 d and 102-8 e are not applicable	Confirmed as part of the assurance (see Appendix 2)	57
GRI 102-9	Supply chain	Not applicable	Supply Chain		108
GRI 102-10	Significant changes to the organisation and its supply chain	Not applicable	In the reporting period, there were no significant changes in the location of production facilities, operations, geography of suppliers, or the supply chain structure. For information on changes in the shareholding structure, see Annual Report 2020		106
GRI 102-11	Precautionary principle or approach	Not applicable	Uralkali applies the principle of precaution in its assessments and judgements as part of its Risk Management System. During project initiation and implementation, project risk analysis, impact and potential consequences assessments are performed. If significant risks are identified, measures are developed to mitigate them up to the decision to abandon the project		

¹ RSPP basic performance indicators are indicators recommended by the Russian Union of Industrialists and Entrepreneurs (RSPP) for using in the preparation of corporate non-financial reports, and also in corporate management systems for monitoring, control and evaluation of key performance indicators. The indicators in the 2020 ESG Report of Uralkali are given in accordance with [the Basic Performance Indicators Guidance. Recommendations for using in practice of management and non-financial reporting](#).

² The list of confirmed indices see on p. 129.

GRI Index		RSPP basic performance indicator ¹	Report section	Assurance ²	Page
GRI 102-12	External initiatives	Not applicable	About the Company		13
GRI 102-13	Membership of associations	3.3.5 Membership in non-profit organisations (e.g. industry) and/or national and international organisations whose activities are consistent with the Company's interests	Other Governance Topics (G)		114
GRI 102-15	Key impacts, risks, and opportunities	Not applicable	Other Governance Topics (G)		115
2. STRATEGY					
GRI 102-14	Statement from senior decision-maker	Not applicable	Statement from the Chairman of the Sustainable Development Committee CEO Statement		02 04
3. ETHICS AND INTEGRITY		Aspect: Approaches to Management			
GRI 102-16	Values, principles, standards, and norms of behaviour	1.1. Basic principles of doing business	Anti-corruption and Ethics Uralkali's corporate site Focus on ESG ESG Strategy Statement from the Chairman of the Sustainable Development Committee Employee Wellbeing Human Rights		102 18 20 02 57 66
4. CORPORATE GOVERNANCE					
GRI 102-18	Governance structure	Not applicable	Corporate Governance		90
GRI 102-19	Delegation of authority	Not applicable	Corporate Governance Managing Sustainable Development		91 96
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	Not applicable	Managing Sustainable Development		96
GRI 102-22	Composition of the highest governance body and its committees	Not applicable	Corporate Governance Annual Report 2020		91 88
GRI 102-29	Identifying and managing economic, environmental, and social impacts	Not applicable	Managing Sustainable Development		96
GRI 102-31	Review of economic, environmental, and social topics	Not applicable	Managing Sustainable Development		96
5. STAKEHOLDER ENGAGEMENT		Aspect: Employee and Management Relationships			
GRI 102-40	List of stakeholder groups	Not applicable	Stakeholder Engagement		24
GRI 102-41	Collective bargaining agreements	3.1.4. Coverage of employees by collective bargaining agreements	Employee Wellbeing Stakeholder Engagement		59 24
GRI 102-42	Identifying and selecting stakeholders	Not applicable	The Company identifies the range of stakeholders taking into account the influence and common interests Stakeholder Engagement		24
GRI 102-43	Approach to stakeholder engagement	Not applicable	Stakeholder Engagement		24

GRI Index		RSPP basic performance indicator ¹	Report section	Assurance ²	Page
GRI 102-44	Key topics and concerns raised	Not applicable	Stakeholder Engagement Anti-Corruption and Ethics Information on stakeholder engagement and responding to stakeholder needs, which are the material topics of the Report, is disclosed in the respective sections		24 105
6. REPORTING PRACTICE					
GRI 102-45	Entities included in the consolidated financial statements	Not applicable	Annual Report 2020		164
GRI 102-46	Defining report content and topic boundaries	Not applicable	About the Report		121
GRI 102-47	List of material topics	Not applicable	About the Report		122
GRI 102-48	Restatements of information	Not applicable	About the Report		126
GRI 102-49	Changes in reporting	Not applicable	About the Report		126
GRI 102-50	Reporting period	Not applicable	About the Report		120
GRI 102-51	Date of most recent report	Not applicable	About the Report		120
GRI 102-52	Reporting cycle	Not applicable	About the Report		120
GRI 102-53	Contact point for questions regarding the report	Not applicable	About the Report		154
GRI 102-54	Claims of reporting in accordance with the GRI Standards	Not applicable	About the Report		120
GRI 102-55	GRI content index	Not applicable	GRI Index Table		144
GRI 102-56	External assurance	Not applicable	About the Report		126
GRI 103	MANAGEMENT APPROACH				
GRI 103-1	Explanation of the material topic and its boundary	Not applicable	All of the topics presented in the materiality matrix are relevant both internally and externally. The reasons for materiality of one or another topic are disclosed in the respective sections		
GRI 103-2	The management approach and its components	Not applicable	The management approach is presented in the Report prior to the disclosure of each material topic. For more information about the approaches, please refer to Uralkali's ESG Report 2019 or corporate website		
GRI 103-3	Evaluation of the environmental management approach	Not applicable	See information about these activities in the text of the Report		

GRI Index		RSPP basic performance indicator¹	Report section	Assurance²	Page
MATERIAL TOPICS					
GRI 200 ECONOMIC					
GRI 201		Economic performance	Aspect: Economic Performance		
GRI 201-1	Direct economic value generated and distributed	1.2. Volume of products (works, services) sold 1.3. Accrued taxes and other mandatory deductions 1.4. Employee costs 1.5. Investments in fixed assets 1.6. Payments to capital suppliers 1.7. Investments in the community	About the Company Employee Wellbeing Local Communities Other Governance Topics (G)		110
GRI 202		Market presence			
GRI 202-1	Market presence	Not applicable	Quantitative indicators on the Social aspect		138
GRI 202-2	Proportion of senior management hired from the local community	Not applicable	Quantitative indicators on the Social aspect		138
GRI 203		Indirect economic impacts			
GRI 203-1	Infrastructure investments and services supported	Not applicable	Local Communities	Confirmed as part of the assurance (see Appendix 2)	69
GRI 203-2	Significant indirect economic impacts	Not applicable	Local Communities		69
GRI 204		Procurement practices			
GRI 204-1	Proportion of spending on local suppliers	Not applicable	Quantitative indicators on the Governance aspect		142
GRI 205		Anti-corruption			
GRI 205-2	Communication and training about anti-corruption policies and procedures	Not applicable	Anti-Corruption and Ethics		103
GRI 205-3	Confirmed incidents of corruption and actions taken	Not applicable	Quantitative indicators on the Governance aspect		141
GRI 207		Taxation			
GRI 207-1	Approach to tax	Not applicable	Other Governance Topics (G)		112
GRI 207-2	Tax governance, control, and risk management	Not applicable	Other Governance Topics (G)		112
GRI 207-3	Stakeholder engagement and management of concerns related to tax	Not applicable	Other Governance Topics (G)		112

GRI Index		RSPP basic performance indicator¹	Report section	Assurance²	Page
GRI 300	ENVIRONMENTAL				
GRI 302	Energy				
GRI 302-1	Energy consumption within the organisation	2.2. Energy use 2.2.1. Specific energy consumption in kind	Climate Change Total RES consumption: not applicable; total electricity consumption: 1,838 million kWh; total heat consumption: 11.2 PJ; cooling energy consumption and sales: not applicable; steam sales: not applicable. kWh-GJ conversion factor: 0.0036; Gcal-GJ conversion factor: 4.187	Confirmed as part of the assurance (see Appendix 2)	29
GRI 302-3	Energy intensity	Not applicable	Climate Change		29
GRI 302-4	Reduction of energy consumption	Not applicable	Climate Change		32
GRI 303	Water	Aspect: Water			
GRI 303-1	Interactions with water as a shared resource	Not applicable	Environment		37
GRI 303-2	Management of water discharge-related impacts	Not applicable	Environment		37
GRI 303-3	Water withdrawal	Not applicable	Environment	Confirmed as part of the assurance (see Appendix 2)	38
GRI 303-4	Water discharge	2.7. Water discharge 2.7.2. Contaminated water discharge	Environment Environmental Quantitative Targets Disclosures are made in cubic metres according to accepted local practices	Confirmed as part of the assurance (see Appendix 2)	38
GRI 303-5	Water consumption	2.3. Consumption of fresh water for own needs 2.3.1. Specific water consumption in kind 2.4. Share of recycled water in total water consumption for own needs	Environment Environmental Quantitative Targets Dynamics of change in water supply: not applicable. Water consumption is accounted for using the calculation method. It is calculated based on water withdrawals minus the amount of water transferred to third parties without use and discharges. Disclosures are made in cubic metres according to accepted local practices		38
GRI 304	Biodiversity				
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable	Other Environmental Topics (E)		41
GRI 305	Emissions				
GRI 305-1	Direct (Scope 1) GHG emissions	2.5. Greenhouse gas emissions	Climate Change The Company does not keep records of biogenic CO₂ emissions	Confirmed as part of the assurance (see Appendix 2)	29

GRI Index		RSPP basic performance indicator¹	Report section	Assurance²	Page
GRI 305-2	Energy indirect (Scope 2) GHG emissions	2.5. Greenhouse gas emissions	Climate Change Market-based calculation of Scope 2 GHG emissions: not applicable; GHGs considered in Scope 2 emissions calculation: not applicable; Global Warming Potential (GWP) values used: CH₄ – 25, N₂O – 298	Confirmed as part of the assurance (see Appendix 2)	29
GRI 305-4	GHG emissions intensity	Not applicable	Climate Change		31
GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	2.6. Emission of pollutants into the atmosphere 2.6.1. Specific emissions in kind	Other Environmental Topics (E) For the purpose of this Report, information on emissions of persistent organic pollutants and hazardous air pollutants has not been collected	Confirmed as part of the assurance (see Appendix 2)	40
GRI 306	Waste				
GRI 306-1	Waste generation and significant waste-related impacts	Not applicable	Environment	Confirmed as part of the assurance (see Appendix 2)	38
GRI 306-2	Management of significant waste-related impacts	Not applicable	Environment	Confirmed as part of the assurance (see Appendix 2)	38
GRI 306-3	Waste generated	Not applicable	Environment	Confirmed as part of the assurance (see Appendix 2)	35
GRI 306-4	Waste diverted from disposal	Not applicable	Environment		39
GRI 306-5	Waste directed to disposal	2.8. Amount of waste 2.8.1. Specific amount of waste in kind	Environment	Confirmed as part of the assurance (see Appendix 2)	35
GRI 307	Environmental compliance				
GRI 307-1	Non-compliance with environmental laws and regulations	2.9. Number of significant environmental damage accidents 2.10. Cost recovery for environmental damage	Environmental Quantitative Targets	Confirmed as part of the assurance (see Appendix 2)	131
Aspect: General					
Not applicable	Not applicable	2.12. Investments in environmental protection facilities	Environment		37
GRI 400	SOCIAL				
GRI 401	Employment	Aspect: Employment			
GRI 401-1	New employee hires and employee turnover	3.1.1. Number of employees by area 3.1.2 Labour turnover	Employee Wellbeing Quantitative indicators on the Social aspect The Company does not currently collect information on newly hired employees and labour turnover by gender, age and region. It is planned to be disclosed in the next reporting periods	Confirmed as part of the assurance (see Appendix 2)	55
GRI 403	Occupational health and safety	Aspect: Employee and Management Relationships			

GRI Index		RSPP basic performance indicator¹	Report section	Assurance²	Page
GRI 403-1	Occupational health and safety management system	Not applicable	Health & Safety		47
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Not applicable	Health & Safety		47
GRI 403-3	Occupational health services	Not applicable	Health & Safety		47
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Not applicable	Health & Safety		48
GRI 403-5	Worker training on occupational health and safety	Not applicable	Health & Safety		48
GRI 403-6	Promotion of worker health	Not applicable	Employee Wellbeing		59
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Not applicable	Health & Safety		49
GRI 403-8	Workers covered by an occupational health and safety management system	Not applicable	Health & Safety		47
GRI 403-9	Work-related injuries	3.1.5. Occupational injury rate 3.1.6. Number of fatal accidents	Health & Safety The data on number of hours worked by contractors is not aggregated within the Company and therefore injury rates for contractors are not calculated	Confirmed as part of the assurance (see Appendix 2)	45
GRI 403-10	Work-related ill health	3.1.7. Number of workers with occupational diseases	Quantitative indicators on the Social aspect		137
GRI 404	Training and education	Aspect: Employee and Management Relationships			
GRI 404-1	Average hours of training per year per employee	3.1.10. Hours of training per employee	Quantitative indicators on the Social aspect		139
GRI 404-2	Programmes for upgrading employee skills and transition assistance programmes	Not applicable	Employee Wellbeing		139
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Not applicable	Quantitative indicators on the Social aspect		139
GRI 405	Diversity and equal opportunities	Aspect: Employee and Management Relationships			
GRI 405-1	Diversity of governance bodies and employees	3.1.12. Participation of women in organisational leadership	Employee Wellbeing The Company does not currently collect information on the diversity of governing bodies and employees by gender and age in the various employee categories. It is planned to be disclosed in the next reporting periods	Confirmed as part of the assurance (see Appendix 2)	55
GRI 412	Human rights	Aspect: Non-discrimination			
GRI 412-2	Employee training on human rights policies or procedures	3.2.2. Cases of discrimination 3.2.3. Cases relating to the rights of indigenous communities	Human Rights Uralkali has no influence on indigenous communities as part of its activities and does not plan to expand the geography of presence there		66

GRI Index		RSPP basic performance indicator¹	Report section	Assurance²	Page
GRI 413	Local communities	Aspect: Community			
GRI 413-1	Operations with local community engagement, impact assessments, and development programmes	3.3.1 Interaction with authorities in the field of socially significant tasks (socio-economic development of the territory of presence of the organisation)	Local Communities	Confirmed as part of the assurance (see Appendix 2)	69
GRI 415	State Policy				
GRI 415-1	Political contributions	Not applicable	Political contribution – 0 Incentive payments for representatives of public authorities – 0		
Aspect: Labelling of products and services					
Not applicable	Not applicable	3.4.2. Product quality assurance	Sustainable Agriculture		78

APPENDIX 5.

SASB REFERENCE TABLE

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GENERAL ASPECTS			
RT-CH-000.A	Production by reportable segment	About the Company	11
ENVIRONMENTAL ASPECT			
Water resources management			
RT-CH-140a.1	Total water withdrawn, total water consumed	Environmental Protection	38
Hazardous waste management			
RT-CH-150a.1	Amount of hazardous waste generated, percentage recycled	Environmental Protection	39
Greenhouse gas emissions			
RT-CH-110a.1	Greenhouse gas emissions	Climate Change and Energy Management	29
Energy management			
RT-CH-130a.1	Total energy consumed	Climate Change and Energy Management	29
Air quality			
RT-CH-120a.1	Air emissions	Other Signigicant Topics (E)	40
SOCIAL ASPECT			
Workforce health & safety			
RT-CH-320a.1	Total recordable incident rate (TRIR) Fatality rate for (a) direct employees and (b) contract employees	Quantitative indicators on the Social aspect	136
Community relations			
RT-CH-210a.1	The Company’s practices in interaction with local communities, including descriptions of processes, procedures and approaches to risk management in this area	Local Communities	70
Safety & environmental stewardship of chemicals			
RT-CH-410b.1	Percentage of products that contain the substances classified 1–2 according to the Globally Harmonized System of Classification and Labelling of Chemicals (GHS)	Sustainable Agriculture	78
RESPONSIBLE GOVERNANCE PRACTICES			
Management of the legal & regulatory environment			
RT-CH-530a.1	The Company’s positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Other Governance Topics (G)	114

APPENDIX 6.

UN GLOBAL COMPACT PRINCIPLES

UN Global Compact principle		Section	Page
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Principle 2	Businesses should make sure that they are not complicit in human rights abuses	Human Rights	64
Labour relations			
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Human Rights	64
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour	Human Rights Policy of PJSC Uralkali	-
Principle 5	Businesses should uphold the effective abolition of child labour	Human Rights Policy of PJSC Uralkali	-
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	Human Rights	64
Environmental protection			
Principle 7	Businesses should support a precautionary approach to environmental challenges	Environmental Protection. Management System	36
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	Environmental Protection. Management System	36
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies	Environmental Protection. Management System	36
Anti-corruption			
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	Anti-Corruption and Ethics	100

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