



ESG REPORT 2019

PJSC URALKALI

PROACTIVE PROGRESSIVE PROUD

ESG REPORT 2019



CONTENTS

STATEMENT FROM THE MANAGEMENT	2	APPROACH TO SUSTAINABLE DEVELOPMENT MANAGEMENT	12	OUR EMPLOYEES	40	ENVIRONMENTAL PROTECTION	71
Chairman of the Sustainable Development Committee Statement	2	Sustainable Development Strategy	12	Management Approach	42	Management Approach	73
CEO's Statement	4	Sustainable Development Management	15	Personnel Structure	45	Water Resources Management	75
		Sustainable Development Goals	18	Motivation and Reward	47	Waste Management	77
ABOUT THE COMPANY	8	Sustainable Development Risk Management	22	Equal Opportunities	49	Air Quality	79
Uralkali Today	8	Stakeholder Engagement	24	Development and Training	51	Climate Change and Energy Management	80
Location of Operations	10	Supply Chain	28	Internal Social Policy	53	Biodiversity and Land Reclamation	83
Uralkali in Figures	11	Product Safety	29	Corporate Culture	55		
		Transparency	31			SOCIO-ECONOMIC DEVELOPMENT OF THE REGION	84
		BUSINESS ETHICS AND HUMAN RIGHTS	32	LABOUR AND INDUSTRIAL SAFETY	58	Management Approach	86
		Management Approach	34	Management Approach	60	Social Investments	88
		Business Ethics	34	Injury Prevention	65		
		Human Rights	35	Occupational Health	67	APPENDICES	
		Anti-Corruption	36	Industrial and Radiation Safety	68	About the Report	94
		Feedback Mechanisms	38	Emergency Response	69	Independent Assurance Report	97
						GRI Index Table	101



CHAIRMAN OF THE SUSTAINABLE DEVELOPMENT COMMITTEE STATEMENT

As one of the world's largest producers of potash fertilizers, we are fully aware that our business has a major responsibility to look after both the environment and the socio-economic development of the region where Uralkali operates. We continuously strive to improve the way the economic, social and environmental aspects of our activities are managed.

Luc Maene

Independent Director,
Chairman of the Sustainable
Development Committee

To achieve this, we employ the best global practices and make our sustainable development principles and values integral to the Company's day-to-day operations. Over the course of the reporting year, we took a proactive approach to managing our development sustainably. In particular, we revised and expanded the functions of the Sustainable Development Committee¹ to reflect the evolving international sustainable development agenda and new challenges in this area. Topical issues such as human rights, climate change, socio-cultural diversity and equal opportunities have been added to the list of issues addressed by the Sustainable Development Committee.

In addition, at an operational level we established a Working Group on Sustainable Development, led by our CEO, which will address any key issues raised for consideration and will focus on improving the Company's overall sustainable development activities.

At Uralkali we have aligned our sustainability commitments to international sustainability initiatives and continue to fulfil these commitments. We recognise the importance of all 17 of the UN Sustainable Development Goals (SDGs) and, during the reporting period, identified 7 priority SDGs, where we believe our business can make the most meaningful contribution. The most significant of these for Uralkali is Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture. This is fully supported by the Company's mission to ensure that people around the world have access to quality nutrition. As one of our broader social responsibility initiatives, we run educational projects teaching farmers the benefits of the balanced use of fertilisers in countries where this practice is less developed and the issue of food security is most critical.

In 2019, we worked with independent consultants on a comprehensive assessment of our existing environmental, social and corporate governance (ESG) management practices and developed a

forward-looking sustainable development Roadmap for Uralkali. This Roadmap reflects our sustainability priorities and will ensure we continue to deliver progress over the coming years.

We recognise that there is still much more work to be done, and that it is important that we are transparent about our progress and accountable to our stakeholders. Therefore, we are pleased to present Uralkali's 2019 ESG Report, which contains information on the environmental, social and economic aspects of the Company's performance and development prospects. This Report has been prepared in line with the Global Reporting Initiative (GRI) standards, and has been independently audited by a third party.

In the face of serious external challenges, our efforts are directed at keeping the balance between the interests of business and society, while remaining one of the industry leaders, an attractive employer and a responsible investor in society.

In 2020, the coronavirus pandemic is putting serious socio-economic pressure on global communities including the region where Uralkali operates. As a responsible corporate entity Uralkali is proactively working to minimise the risk to both our employees and our local communities. We have established a special committee to analyse the evolving situation and ensure that preventative measures we have in place are comprehensively keeping the risk to our people to an absolute minimum. Our stakeholders will be informed of any significant changes.

By pursuing a business strategy which takes the principles of sustainable development as a starting point, supported by the proper management of non-financial risks and the professionalism and commitment of our management team and all Uralkali employees, we will continue to deliver sustained growth of our company, creating value for all stakeholder groups, while conserving the environment for future generations.

¹ In early 2020, before the date of Report publication, the decision was made to rename the Corporate Social Responsibility Committee as the Sustainable Development Committee, as this name more accurately reflects its functions and the scope of issues under its consideration.



CEO'S STATEMENT

Dear partners and colleagues!

Uralkali's commitment to sustainable development is at the heart of the Company's corporate strategy and plays an integral role throughout all of our operations and working processes.

I am proud to present Uralkali's Sustainable Development Report,

**Dmitry
Osipov**

Chief Executive Officer

which intends to provide greater clarity and transparency surrounding the Company's progress and initiatives in the area of sustainable development.

This Report details our approach towards managing sustainable development, as well as Uralkali's key projects and achievements in the areas of safety, occupational health, environment, staff development and community engagement.

Whilst the global potash market experienced challenges in 2019, Uralkali achieved considerable progress in the implementation of our environmental and social programmes.

I am pleased to announce that, in September 2019, Uralkali received the highest rating under the Protect & Sustain certification standards of the International Fertilizer Association (IFA). This recognition confirms the high level of management at all stages of production, logistics and marketing of potash fertilisers, in addition to our unfailing commitment to best practices in the area of environmental and occupational health and safety in producing chemical goods.

Focus on occupational health and safety

The safety of our employees is the Company's absolute priority. Uralkali is committed to ensuring the highest possible level of occupational safety and industrial safety for employees and contractors. To achieve this, we have introduced an occupational safety management system across all production sites, certified for compliance within the requirements of the OHSAS 18001 international standard. A number of

programmes are in progression under the system, and internal procedures have been developed to guarantee safe working practices, both in work performed by Uralkali employees and by contractors operating on-site.

We deeply regret to report three fatalities that took place in 2019. Each case was thoroughly investigated, and we are introducing enhanced safety measures to ensure that every measure is taken to prevent accidents in the workplace.

Towards the start of 2020, when we were preparing our Report, the world witnessed the outbreak of the COVID-19 virus. In response to the adverse epidemiological situation, Uralkali quickly introduced a number of preventative measures to stop the coronavirus from spreading and took preventative steps to minimise risk to the health and safety of all personnel at both our industrial and office premises, as well as the residents of the regions in which we operate.

Mitigating the negative impact on the environment

We pay close attention to the safety levels and environmental impact of all our production processes, and Uralkali is traditionally recognised as a leader in Interfax Group's environmental and energy efficiency rating.

I am also pleased to note that Uralkali was declared the Most Energy Efficient Enterprise in the Western Urals in 2019. The competition was organised by the Association of Energy Engineers of the Western Urals, in partnership with the Ministry of Tariff Regulation and

Energy of the Perm Krai. This recognition is a significant confirmation of our chosen sustainable development strategy.

In 2019, Uralkali continued to progress with measures aimed at improving our overall energy efficiency, resulting in a 2.6% drop in specific energy consumption per tonne of products in comparison to 2018. We are also addressing the issue of greenhouse gas emissions. The specific mass of Uralkali’s direct emissions decreased by 9% year-on-year in 2019. Over the course of the reporting period, we allocated USD 76.8 million towards specific environmental protection initiatives.

One of the best employers in Russia

We are committed to developing our employee talent pool, and ensure our employees are provided with regular opportunities for professional development and growth. To keep staff motivated, the Company offers a competitive salary, combined with one of the most attractive benefits packages in the industry.

I would like to congratulate my colleagues on being awarded the prestigious Crystal Pyramid prize for 2019 for their achievements in human capital management. Uralkali was nominated in several categories, including HR-Director of the Year, Corporate University of the Year, and the new Corporate Social Responsibility category. As a result of Uralkali’s initiatives to develop human capital management practices, the Company was also included in Forbes Magazine’s ranking of the best employers in Russia.

We have progressed with our career initiatives aimed at attracting, retaining, training and rewarding employees and future young professionals. In 2019, 16,723 employees completed training under specially designed corporate programmes.

Uralkali is actively developing our corporate volunteer movement and we support employee engagement in environmentally and socially significant projects,

expanding the range and geographic reach of our campaigns. In 2019, Uralkali volunteers participated in new initiatives including volunteering in hospitals and inclusive volunteering and joined the wider volunteer movement in the Perm Krai.

We recognise the importance of respecting human rights and ensuring sociocultural diversity and equal opportunities in everything we do, and we are committed to further work in these areas.

Active development of towns of presence

As a major employer in the Perm Region, Uralkali plays an important role in the social and economic development of the towns of Bereznik and Solikamsk, where the Company’s manufacturing activities are located. Uralkali sponsors socially significant initiatives to ensure favourable living conditions in our areas of presence, both Company employees and for local residents, and also carries out charitable projects in the areas of education, health, culture and sport. Uralkali’s social investments in 2019 amounted to USD 11.7 million.

During the reporting year, we introduced a medical support programme to improve the quality of the healthcare sector in the region, focused on acquiring new equipment for local healthcare institutions and attracting qualified medical personnel to the area, and progressed with our corporate housing project, which will see the construction of residential housing for families in Berezniki and Solikamsk.

I would like to express my sincere gratitude to Uralkali management for the effective realisation of sustainable development initiatives and for their energetic participation in the preparation process for this report, as well as to all of Uralkali’s employees for their involvement in our social and environmental projects. We will continue to integrate issues of sustainable development into our day-to-day activities and raise awareness among all stakeholders about the material aspects of sustainable development.

[Handwritten signature]

PROACTIVE APPROACH TO SUSTAINABLE DEVELOPMENT

Our achievements in developing sustainable development practices in 2019.

Non-financial disclosure



- The Report has been prepared in line with GRI Standards
- The Report has been audited by an independent third party

Sustainable development management



- The functions of the Sustainable Development Committee under the Board of Directors have been reviewed and expanded
- A working group on sustainable development has been established at the executive level

Sustainable development strategy



- A comprehensive assessment of existing sustainable development practices has been conducted according to ESG-criteria
- A 2020–2021 Sustainable Development Roadmap has been developed

External sustainable development initiatives



Priority UN SDGs have been identified



Uralkali has been certified for compliance with the “Protect & Sustain” standard of the International Fertilizer Association (IFA)

ABOUT THE COMPANY

URALKALI TODAY

GRI 102-1, GRI 102-3, GRI 102-7

PJSC Uralkali¹ is one of the largest producers and exporters of potash, which is an essential component for the growth and development of all living organisms. The Company accounts for a significant share of global potassium chloride production and effectively manages its key business processes — from potash ore mining to supply of potassium chloride to consumers worldwide.

Uralkali's production assets include five mines, six potash plants and one carnallite plant, all located in the towns of Berezniki and Solikamsk in Russia's Perm Region. Over 12 thousand people work in Uralkali's main production unit, and the Company as a whole employs more than 20 thousand people.

The principles of sustainable development are core to PJSC Uralkali's values and strategy, thus ensuring an optimal balance between the interests of the Company, its employees, customers, shareholders, partners, representatives of local communities, authorities, and other stakeholders.

Implementing an integrated approach to sustainable development management is essential for us to be competitive and maintain our leading position in the industry.

Main Products

GRI 102-2, GRI 102-6

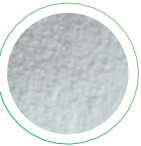
Uralkali produces various product types: Standard White MOP, Standard Pink MOP and Granular MOP. The Company's overall production volume in 2019 totalled 11.1 million tonnes of potassium chloride.

Most of the Company's potassium chloride output is exported. In 2019, exports accounted for 75% of Uralkali's sales volumes. The Company distributes its products to over 60 countries². The Company's key export markets are Brazil, India, China, Southeast Asia, the USA, and Europe.

The Company's major consumers on the domestic market are producers of compound mineral fertilisers and agricultural producers.

Uralkali endeavours to engage with all consumers of its products and establish open, respectful and mutually beneficial relationships.

URALKALI'S MAIN PRODUCTS



Standard White MOP. White MOP is applied directly to the soil and is used for producing compound NPK fertilisers, as well as for other industrial applications.



Standard Pink MOP. Pink MOP is applied directly to the soil and is used for producing compound NPK fertilisers.



Granular MOP. Granular MOP is a premium product consumed in countries that use advanced soil fertilisation methods. Granulation slows down the absorption of fertiliser nutrients into the soil, thus prolonging their effect.

¹ PJSC Uralkali together with its subsidiaries is referred to as the Company or Uralkali in the Sustainable Development Report 2019. The list of subsidiaries is presented in the *Reporting Boundaries* section, p. 106 [GRI 102-5](#).

² For more information, see the Company's website <https://www.uralkali.com/buyers/sale/>.



Potassium for plants

- Potassium increases the nutrient content and improves the taste, colour and structure of fruits
- Potassium improves crop resistance to various diseases and pests
- Potassium improves crop resistance to droughts and frost
- Potassium participates in photosynthesis and protein synthesis
- Potassium increases the rate of nitrogen assimilation



Potassium for people

- Potassium improves the supply of oxygen to the brain
- Potassium supports the transmission of neural impulses
- Potassium compounds activate enzymes
- Potassium normalises cardiac function
- Potassium is good for the kidneys
- Potassium regulates the water balance in cells and tissues
- Potassium regulates metabolic processes
- Potassium is good for skin
- Potassium regulates the acid-base balance in human blood
- Potassium prevents the accumulation of sodium in cells
- Potassium helps to eliminate toxins from the body



Potassium for farmers

- Potassium promotes high yield when it is balanced with other nutrients
- Potassium increases product quality
- Potassium prevents soil degradation and maintains its balance of nutrients
- When used correctly, potash fertilisers do not pollute the environment



Why mankind cannot do without potash fertilisers

The world's population is growing, while the area of arable land per capita is declining, so we have to achieve higher crop yields to ensure food security

Scientific studies show that maximum yield and consistently high crop quality can only be achieved by providing plants with the right amounts of all of the necessary nutrients (such as potassium)

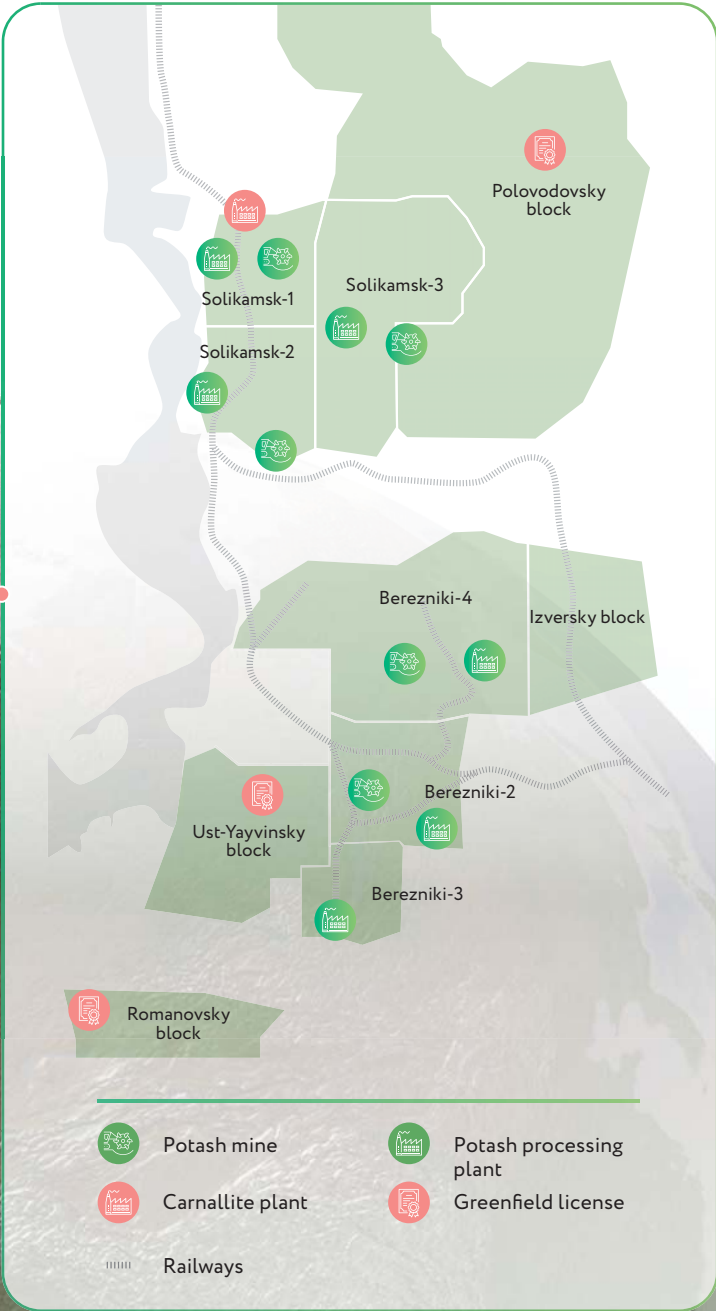
LOCATION OF OPERATIONS

GRI 102-4, GRI 102-6, GRI 102-7

Uralkali’s production assets include five mines, six potash plants and one carnallite plant, all located in the towns of Berezniki and Solikamsk in Russia’s Perm Region, on the territory of the Verkhnekamskoye deposit of potassium and magnesium salts, the world’s second-largest deposit in terms of potash ore reserves. Uralkali affords great respect to its local communities, and as one of the largest employers in the Perm Region, the Company makes a significant contribution to the socio-economic development of the towns where it operates, and endeavours to minimise its impact on the environment.

Uralkali owns the Baltic Bulk Terminal (St. Petersburg) and a rail car fleet. The Company has a representative office based in Moscow.

Uralkali supplies its products for export through the Uralkali Trading who, in turn, has 8 representative offices in key sales regions, ensuring maximum proximity to consumers.



URALKALI IN FIGURES

2,782

revenue, USD mln

11.1

production volume, mln t KCl

20,036

headcount

95%

employees covered by the Collective Bargaining Agreement

82%

employees who completed vocational training

0.11

LTIFR

9.4%

reduction in the specific rate of direct greenhouse gas emissions per tonne of production y-o-y

76.8

spent on environmental protection, USD mln

32 times

recycling and circulating water exceeded total water consumption

11.7

social investments, USD mln

96%

share of local suppliers

776

employees who completed anti-corruption training

Our awards in 2019

Named “Most Energy-efficient Enterprise in the Western Urals” in the annual contest organised by the Western Urals Power Engineers Association and the Ministry of Tariff Regulation and Energy for the Perm Region.

Awarded “Best IT project in Russia and CIS” (Best industry solution category in the “Metallurgy and Continuous Production” nomination, according to the GlobalCIODigitalExperts professional community of leaders in digital transformation.

Winner of the Crystal Pyramid 2019 award in three categories: «HR Manager of the Year», «Corporate University of the Year», and «Corporate Social Responsibility».

Received a diploma for presenting a wide range of working professions and having the most stylish exhibition stand at the 2019 Education and Careers fair.

APPROACH TO SUSTAINABLE DEVELOPMENT MANAGEMENT

SUSTAINABLE DEVELOPMENT STRATEGY

GRI 102-40

The global transition towards sustainable development is a key challenge of our time. The role of business in addressing sustainable development issues is coming under increasing scrutiny by the global community. As one of the world’s largest potash producers, Uralkali recognises that it has the opportunity to play an important role in helping build a sustainable future for the planet and

is working continuously to increase its contribution to the global effort.

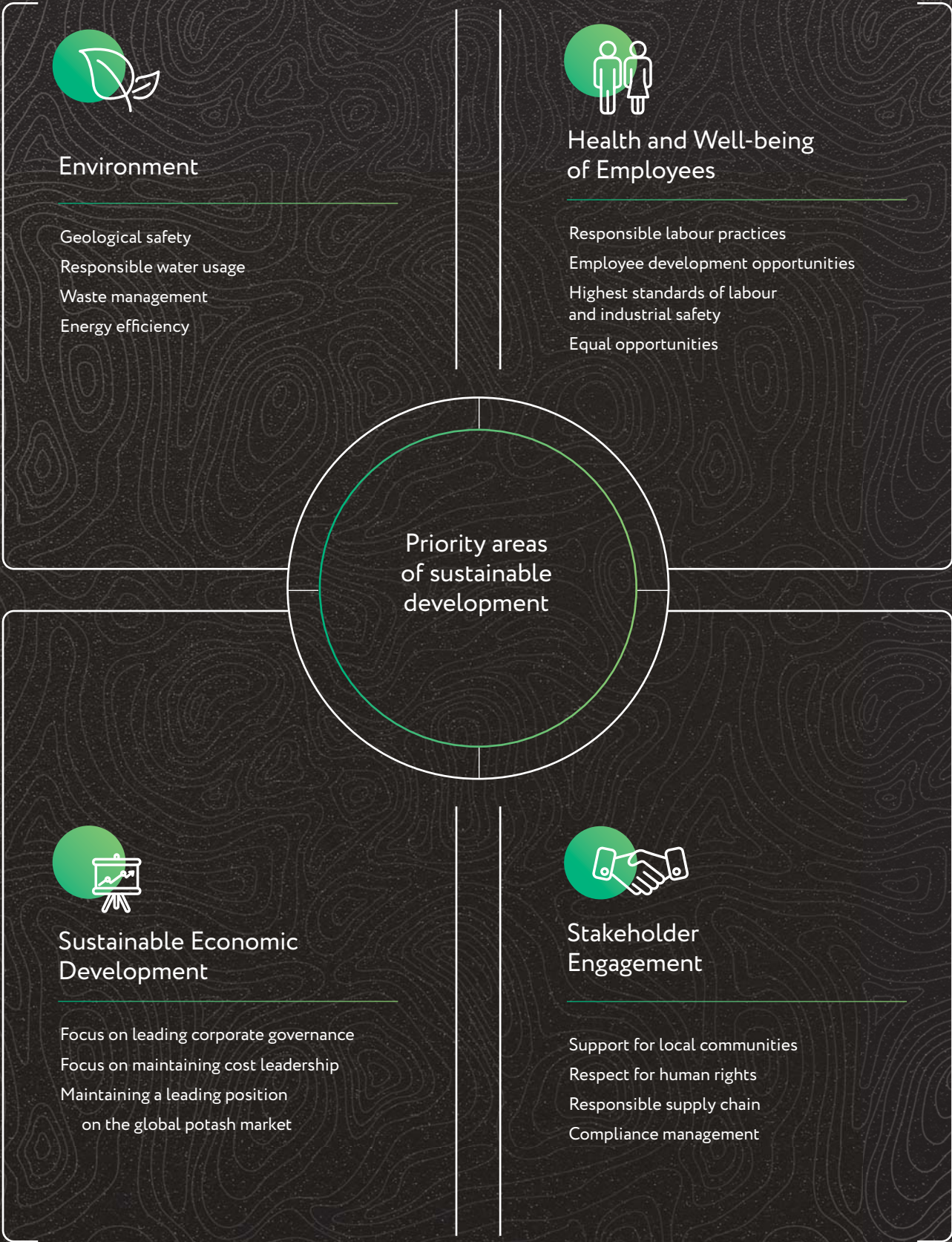
Uralkali considers many aspects of sustainable development when shaping its strategy, and is committed to maintaining a balance between the economic interests of the business and the interests of its wide range of stakeholders.



URALKALI’S MISSION IS TO SUPPORT GLOBAL FOOD SECURITY THROUGH PROMOTING EFFICIENT AND RESPONSIBLE MINING AND PRODUCTION OF POTASH FERTILISERS

The Company’s sustainable development strategy focuses on four main areas: reducing negative environmental impact, ensuring the health and well-being of employees, sustainable economic development, and stakeholder engagement.

THE COMPANY’S PRIORITY AREAS OF SUSTAINABLE DEVELOPMENT



Company Values
GRI 102-16

Uralkali is focused on maintaining stable economic growth while ensuring the well-being of its employees and broader society. In this regard, the Company has defined its corporate values, formalised under Uralkali’s Code of Corporate Culture.

Uralkali’s corporate values

SAFETY Compliance with relevant safety regulations and zero tolerance to violations	RESPONSIBILITY Implementation of tasks in a high quality and timely manner
EFFICIENCY Achievement of the best results at a minimal cost	TEAMWORK Respectful relationships within the team, which helps to complete tasks to a high standard

2019 Highlights

In 2019, the Company’s management began to further develop Uralkali’s sustainable development management practices. During the reporting period, a comprehensive analysis of the existing sustainable development management system and processes was carried out. Based on this analysis, a roadmap was developed to improve the Company’s ESG management processes over the course of the next few years.

The first stage of the roadmap involved enhancing the organisational structure of the Company’s sustainable development management. In addition, the list of ESG issues reviewed by the Board of Directors (including the committees under the Board of Directors) was revised and expanded, and a Working Group for Sustainable Development was established at executive level.

For more information, see the Sustainable Development Management section, p. 15.

As part of the first stage the Company also implemented a set of measures to increase the quality of non-financial information disclosure. At the year end, the Sustainable Development Report was prepared and the Company initiated a dialogue with leading ESG ratings agencies. In 2020, the Company plans to continue publishing ESG-related content on its website.

SUSTAINABLE DEVELOPMENT MANAGEMENT

GRI 102-18, GRI 102-20, GRI 102-22, GRI 102-29, GRI 102-31

Sustainable development management is integrated in the corporate governance system shared by all of the PJSC Uralkali’s management bodies: the Board of Directors (including the committees under the Board of Directors), the Management Board, and functional divisions, as well as at operational level.

Furthermore, the Company has established a Working Group for Sustainable Development, comprised of the heads of all functional divisions. PJSC Uralkali’s CEO participates in the working group’s activities and approves its decisions.

For more information on the Company’s corporate governance system, see the Company’s Annual Report 2019, p. 84.

Sustainable Development Committee under the Board of Directors

The key body that oversees sustainable development management is the Sustainable Development Committee under the Board of Directors, which was established in 2011 as the Corporate Social Responsibility Committee until it was renamed in March 2020.

The Committee’s main responsibilities include the creation of the Company’s sustainable development strategy, analysis of the Company’s sustainable development practices

and making proposals for improvements, considering risks and developing risk mitigation plans, regular oversight of the Company’s management reports on labour and industrial safety and environmental protection, monitoring the preparation and publication of sustainable development reports and the selection of independent auditors, as well as making recommendations to PJSC Uralkali’s Board of Directors and management in respect of sustainable development.

For the purpose of covering as many ESG issues as possible, the Committee’s functions were revised during the reporting period, and the list of topics reviewed by the Committee was expanded. In particular, issues such as human rights, climate change, diversity and equal opportunities, which are important for the industry and the current global agenda, were included into this list.

These adjustments have been reflected in the Regulation on the Sustainable Development Committee. The updated version of the Regulation was approved in March 2020 and published on the Company’s official website in the Corporate Governance section¹.

In 2019, the Committee held two meetings dedicated to environmental protection and labour and industrial safety. For more information, see the Labour and Industrial Safety section, p. 61.

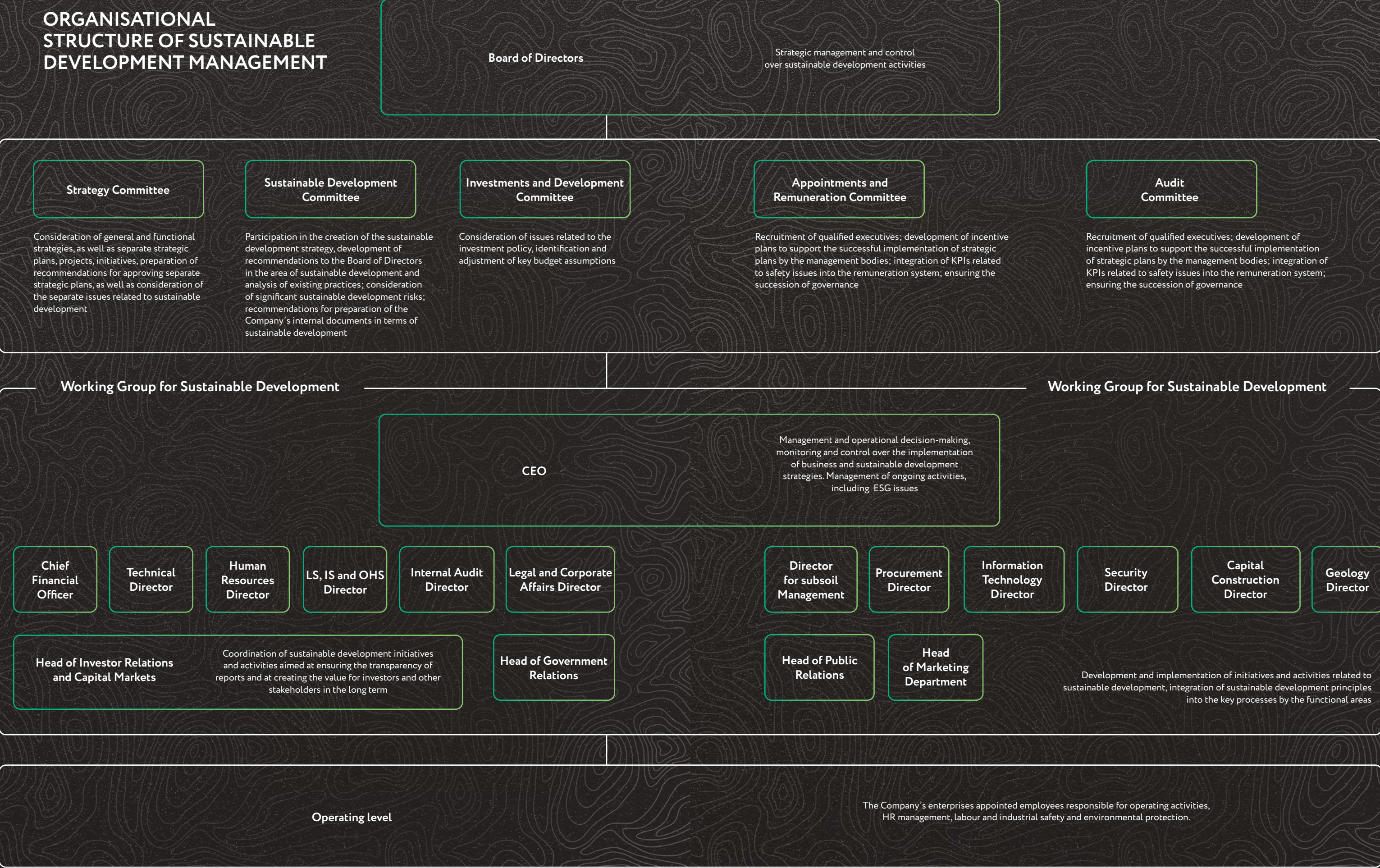
The Company’s internal documents related to sustainable development

The Company has developed a wide range of internal documents regulating the management of various ESG issues, including:

- HSE Policy;
- Technical Policy in the field of energy management;
- Corporate Social Responsibility Policy;
- Code of Corporate Culture;
- Code of Corporate Governance;
- Information Security Policy;
- Anti-Corruption Policy;
- Risk Management and Internal Control Policy;
- Quality Policy;
- Corporate Governance Policy;
- Regulations on Internal Control Procedures in PJSC Uralkali in the Context of Sanctions;
- Human Rights Policy.

¹ https://www.uralkali.com/upload/iblock/9ab/sustainable_ru.pdf

ORGANISATIONAL
STRUCTURE OF SUSTAINABLE
DEVELOPMENT MANAGEMENT



SUSTAINABLE DEVELOPMENT GOALS

GRI 102-12

The Sustainable Development Goals have been developed by the United Nations (UN) to achieve the well-being of all people and protect the planet from adverse factors caused by the anthropogenic load.

This agenda includes the key sustainable development aspects: economic and social development and environmental protection.



Uralkali understands the importance of all 17 SDGs. The Company is particularly focused on 7 of the SDGs, where its activities can make the greatest contribution. Goal 2: Zero Hunger is the most significant for Uralkali. The Company accounts for a significant share of global

potash fertiliser production. Potash is an integral element for the development of living organisms, including agricultural crops. Being one of the leaders in the industry, the Company is committed to providing food security, promoting crop yields and eliminating hunger.

Sustainable Development Goals

The UN SDGs	Objectives relevant to Uralkali	Uralkali's contribution to achieving the goal	Performance in 2019	Key figures in 2019
<div>Goal 2: Zero Hunger</div> <div></div> <div>Priority topic</div>	<p>2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment</p>	<ul style="list-style-type: none">The Company's products are used by farmers in 60 countriesUralkali carries out research and activities to educate farmers on the benefits of potash fertilisers for the agriculture industry. The Company has developed an interactive educational encyclopaedia of potash	<ul style="list-style-type: none">Participation in the international «Mineral Fertilizers-2019» conferencePublication of positive results of the potassium chloride usage in agriculture on the Company's website²Organisation of workshops on balanced use of fertilisers by farmers in India, Mexico and Southeast AsiaOrganisation of the first potash workshop in Argentina	<p>The Company produced</p> <p>11.1 million tonnes</p> <p>of potassium chloride</p>
<div>Goal 3: Good Health and Well-being</div> <div></div>	<p>3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being</p> <p>3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals, air, water and soil pollution and contamination</p>	<ul style="list-style-type: none">Uralkali runs wellness programmes for the children of its employeesThe Company organises health-resort treatment for its employeesThe Company offers employees partial reimbursement for sporting activitiesThe Company regularly monitors the use of reagents, and has developed safety data sheets for its productsUralkali supports medical institutions in the regions of its presence	<ul style="list-style-type: none">Uralkali leases two vehicles to the Solikamsk hospital and the required infrastructure for the Perinatal center in SolikamskMedical equipment was purchased for the Regional Hospital named after E.A. VagnerDevelopment of sports in the region of Uralkali's presence, including the organisation of corporate sports games and the Potassium-Basket project aimed at promoting children's and youth basketball in Berezniki and SolikamskInstallation of a mobile photofluorographic unit, giving all Company employees access to medical examinations	<p>More than 1 000 children spent part of their summer holidays in the Ural Gems health camp</p>
<div>Goal 6: Ensure Availability and Sustainable Management of Water and Sanitation for All</div> <div></div>	<p>6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</p>	<ul style="list-style-type: none">Discharged water is monitored and recorded, and regular readings are taken of water collected and consumed, in line with Russian legislationUralkali has set quantitative targets to reduce water intake by 2022	<ul style="list-style-type: none">Reduction of total water intake volumes by 8.4% against the previous yearImplementation of a project to improve the reliability of water supply in SolikamskOngoing maintenance of the water cycle system to reduce water consumption. Each mining administration has a water recycling system in placeInstallation of new devices for fish protection structures at the Kamsky water intake facilityRestoration of ecosystems in Kamsky and Votkinsky Basin Waters – release of sterlet fry	<p>The specific water intake per tonne of production dropped</p> <p>by 5.1%</p> <p>year-on-year</p>
<div>Goal 8: Decent Work and Economic Growth</div> <div></div>	<p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p>8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training</p>	<ul style="list-style-type: none">Uralkali provides decent salaries and one of the best social packages industry-wide, including its relocation package for employees from other townsUralkali promotes the professional development of its employees by giving them the opportunity to be trained in the Company's Corporate UniversityUralkali cooperates with regional higher education institutions	<ul style="list-style-type: none">Uralkali holds job fairs in the regions to attract highly skilled workers and expertsUralkali provides scholarships to students who are trained in the specialisms that are in demand by the CompanyUralkali sponsored educational programmes for school graduates in Berezniki and Solikamsk (60 students receive industry-specific education to become specialists in areas demanded by the Company)	<p>16,723 employees underwent vocational training under various programmes.</p>

¹ <https://www.uralkali.com/ru/buyers/science/agrotheque/>

The UN SDGs	Objectives relevant to Uralkali	Uralkali's contribution to achieving the goal		Performance in 2019	Key figures in 2019
Goal 9: Industry, Innovation and Infrastructure 	9.1 Develop high quality, reliable, sustainable and resilient infrastructure, including regional and cross-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending	<ul style="list-style-type: none">• Uralkali improves public places in its regions of presence• Uralkali has developed a mobile app which is being further improved (for example, used for communications on the state of production equipment)• Global IT production support technologies were implemented• The Company has introduced a Mining and Geological Information System at the Verkhnekamskoye deposit• The Company cooperates with JSC "VNII Galurgii" on its research activities		<ul style="list-style-type: none">• Uralkali supported the opening of the robotics and 3D modelling laboratory in Berezniki• Uralkali sponsored the construction of an ice-rink for year-round skating in Berezniki, and installed 50 playgrounds in kindergartens• Modernising the building on the territory of the enterprise to class A+, carrying out work to digitalise entry passes to the building• Developing a programme to monitor technological processes• Starting work on the online production process monitoring system	USD 1.3 mln was invested into infrastructure development projects
Goal 12. Responsible consumption and production 	12.2 By 2030, achieve the sustainable management and efficient use of natural resources 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	<ul style="list-style-type: none">• Uralkali reduces waste through recycling waste into products, ensuring maximum extraction of whole ore body and utilising waste for the Company's internal needs• The Company is processing old reinforced concrete slabs into rubble		<ul style="list-style-type: none">• Backfilling mined-out areas• Increasing the volume of waste re-used by 2.7 mln tonnes against 2018	The volume of utilized of halite waste and clay-salt slurries increased by 15.3%
Goal 13 Climate action 	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	<ul style="list-style-type: none">• The Company implements measures aimed at increasing energy efficiency, monitors and measures greenhouse gas emissions• By 2022, Uralkali aims to reduce energy consumption by 10% against 2017		<ul style="list-style-type: none">• Establishing an approach to climate risk management• Implementing measures aimed at increasing energy efficiency, as well as monitoring and measuring greenhouse gas emissions	Uralkali decreased the specific indicator of CO ₂ e emissions per tonne of production by 9.4% against 2018

Spreading balanced farming practices

Uralkali's products are used in more than 60 countries, with exports accounting for 75% of the Company's total sales volumes. Where the Company sells products in foreign markets, Uralkali shares knowledge on the best agricultural practices and the benefits of balanced and correctly selected methods of using fertilisers to increase yields. Proper use of fertilisers ensures higher economic efficiency, quality and crop volumes.

In 2018, the Company launched an international project to promote the balanced use of mineral fertilisers in the state of Uttar Pradesh, India. Due to its favourable climate, this state is one of the main producers of agricultural products in India. In comparison with other states, Uttar Pradesh uses relatively low volumes of potash fertilisers. The analysis revealed that Indian farmers tend to exceed the established norms for nitrogen fertiliser use, while using insufficient amounts of potash and phosphate fertilisers. Using nitrogen, potash and phosphate fertilisers in the wrong proportions can lead to lower crop yield and tighter profits for farmers.

The project reviewed three crops — rice, sugar cane and potatoes. Recommendations were developed for farmers based on the Site Specific Nutrient Management, SSNM. Within the study, three agricultural methods were applied, namely: existing practices used by farmers, the state government recommendations and SSNM. Of these three, SSNM demonstrated the best performance by average crop volume and ROI (Return on Investment). The results of the project were presented in February 2020 at a round table in the Ministry of Chemical Products and Fertilisers in India focused on the balanced and efficient application of mineral fertilisers.

In addition to research, Uralkali holds seminars for farmers on an optimised application scheme. During the training, the participants are taught about the benefits of the balanced application of fertilisers in studied agricultural fields. The Company runs its balanced farming projects in India, Mexico and Southeast Asia. In addition, in autumn 2019 Uralkali launched a project to study the impact of potash fertilizers on the quality and yield of key crops (soybeans, corn, rice and wheat) in Argentina. This will run until 2021.

SUSTAINABLE DEVELOPMENT
RISK MANAGEMENT

GRI 102-15

The Company has a risk management system that identifies, assesses and monitors existing risks. The Company's Risk Management System is designed in accordance with COSO ERM and ISO 31000. The system is governed by the Risk Management and Internal Control Policy and other internal regulations. More detailed information on the Company's Risk Management System is provided in the *Risk Management section of the Annual Report 2019*, p. 28.

Sustainable Development Risk Management is integrated into the overall Risk Management System of

Uralkali. Sustainable Development Risks are included in the corporate risk register. These risks are reviewed by the Sustainable Development Committee under the Board of Directors.

Uralkali applies the principle of conservatism 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.
GRI 102-11

Uralkali's key sustainable development risks

Risk	Risk description	Management/Impact on Risk Level
Environmental risks		
Environmental and mining risks (geological)	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 every year• Audits regarding the sufficiency of measures aimed at minimising mining risks are carried out• Geological safety is monitored and the results are reviewed by the relevant committees/commissions
HSE non-compliance	<p>Risks associated with health injuries to employees</p> <p>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.</p>	<ul style="list-style-type: none">• The Company has approved and maintains safety standards, including cardinal safety rules for life and health;• Compliance with labour safety requirements is monitored;• Regular safety training and subsequent certification of personnel are carried out;• Work is carried out to identify potentially hazardous working conditions and additional training is provided in areas of activity with the highest risk of injury;• Measures are being implemented to prevent employee diseases;• Environmental impact assessments for all production facilities as well as industrial environmental control are being carried out;• Environmental protection measures are implemented to reduce the Company's negative impact within the framework of the main environmental aspects of activities.

Risk	Risk description	Management/Impact on Risk Level
Operating risks		
Lack of qualified employees	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">• The labour market is monitored and personnel retention measures are taken• The level of personnel involvement is determined through surveys• Employees are evaluated, and training is provided at the Corporate University, which is licensed for 370 programmes, and a distance learning system is being implemented• The Personnel Reserve for Key Positions in the Company programme is being implemented• Wages are kept at the market level, one of the most attractive social packages in the industry is provided, mortgage rates on housing for key employees are reimbursed• The Institute of Ethical Commissioners operates to manage the risk of conflict within the team
Political and legal risks		
Compliance with applicable legislation and internal policies	Risks of non-compliance with laws of Russia and other countries of its operations, including anti-monopoly regulations	<ul style="list-style-type: none">• Compliance with regulatory requirements is monitored, changes in regulations are monitored and the necessary control tools are developed• The Internal Control System is being improved in order to ensure compliance with the requirements of applicable legislation

Climate-related risks

Climate-related risks are risks associated with the consequences of global warming. The Paris Agreement adopted in 2015 aims to regulate greenhouse gas emissions into the atmosphere with the global goal of preventing the planet from exceeding the average temperature by more than 1.5–2 °C. Rising temperatures lead to side effects such as floods and droughts, increased global sea levels and extreme weather conditions.

In line with the global agenda, the Company has also begun to consider potential risks and opportunities associated with climate change. Uralkali analyses the effects of climate change from multiple angles.

A significant risk for the Company, with the potential to be increased by natural disasters related to climate change, is the occurrence of industrial accidents at production facilities. The Company reduces this risk through the constant monitoring of changes in natural and climatic factors that may affect the operation of production. Uralkali plans to introduce scenario simulation of climate risks.

STAKEHOLDER ENGAGEMENT

GRI 102-40 GRI 102-42 GRI 102-44

Maintaining long-term, strong and trusting relationships with stakeholders is important to the Company’s success. When interacting with stakeholders, Uralkali adheres to the principles of transparency and mutual respect, and provides prompt feedback on any new issues.

This contributes to the success of the Company’s operations, as it has a positive impact on its reputation, supports the efficient operation of its enterprises, and ensures the preservation of human rights and environmental protection at all production facilities.

Stakeholder Engagement

	Customers and partners	Shareholders and the investment community		Employees	Trade unions
Significance	Effective interaction with customers and partners contributes to achieving the Company’s goals and objectives	Assisting shareholders and the investment community in making decisions to support the business long-term.		The creation of favourable working and living conditions not only has a positive impact on employees but also contributes to the prosperity of the business	Interaction with trade unions contributes to a better understanding of employees’ expectations
Stakeholder interests and expectations	<div>Customers</div> <ul style="list-style-type: none">Increased product qualityReliable supplyCompetitive pricingRecommendations on the operation of manufactured products <div>Partners</div> <ul style="list-style-type: none">Conclusion of long-term cooperation agreementsPerformance of contractual obligations	<ul style="list-style-type: none">Transparency of both financial and non-financial informationEffective corporate governance systemStrategy implementationSustainable developmentEffective risk management		<ul style="list-style-type: none">Compliance with the Labour Code, collective agreements, corporate regulations and policiesFair compensationCareer and development opportunitiesWorkplace safety and adherence to occupational health and safety requirements	<ul style="list-style-type: none">Employee engagementCompliance with labour safety regulationsPerformance of collective agreementsDiscussion of new social issues
Areas of activity in 2019	<ul style="list-style-type: none">Regular assessment of customer satisfactionTracking product quality throughout the product lifecycleMeetings with customers at the practical seminars and workshops on how to use the Company’s productsSupplier reliability check	<ul style="list-style-type: none">Conducting General Shareholders MeetingInformation disclosure and reportingMaintaining a high level of corporate governance		<ul style="list-style-type: none">Financial and non-financial incentivesThe activities of the Corporate UniversityHR feedback channels (hotline, Institute of Ethical Commissioners);Internal corporate communications	<ul style="list-style-type: none">Regular face-to-face meetings with trade union members and managementFeedback from employeesDiscussion of current tasks, career prospects, and ways to improve conditions
Key results of interaction in 2019	<ul style="list-style-type: none">Giving seminars on the balanced application of potash fertilisers in India and Mexico, participation in the seminar in BrazilAchieved Net Promoter Score of 92%¹Meeting with contractors on safety regulationsParticipation in the industrial equipment suppliers exhibition	<ul style="list-style-type: none">Three General Shareholders Meetings were heldPlacing eurobonds, holding more than 20 meetings with representatives of investment funds within the road-showInteraction with ESG ratings agencies as part of work to improve positions		<ul style="list-style-type: none">Conducting an engagement assessment (84% of the headcount)The Institute of Ethical Commissioners received 4 inquiriesThe establishment of new corporate awardsWorldSkills Standards ChampionshipRegular KPI bonus payment	<ul style="list-style-type: none">Support of the Company’s Council of Veterans, including the provision of financial resources for sanatorium and resort treatmentEmployee participation in more than 40 volunteer initiatives

¹ Net Promoter Score is calculated as the difference between % supporters and % critics.

	Government and local authorities		Mass media	Local communities
Significance	Uralkali strives for constructive relations with the authorities based on the principles of responsibility, honesty and respect for mutual interests		Engagement with the mass media provides the Company with an opportunity to inform stakeholders about its activities, promotes trust and supports the Company's reputation	Being a socially responsible company, Uralkali implements programmes to support local communities and the region where it operates
Stakeholder interests and expectations	<ul style="list-style-type: none">• Discussion of legislative and regulatory issues• Timely payment of taxes• Joint implementation of social projects• Transparency of reporting		<ul style="list-style-type: none">• Informing on recent Company news and events• Coverage of social and charitable programmes, as well as their progress	<ul style="list-style-type: none">• A stable socio-economic situation in the region of operation• Programmes to develop education, health, culture and sports in the region of operation• Support for socially vulnerable groups• Corporate philanthropy• Ensuring environmental compliance
Areas of activity in 2019	<ul style="list-style-type: none">• Support of authorities and public organisations in implementing social projects• A dialogue with government authorities on current legislative and regulatory issues• Agreement on social and economic cooperation		<ul style="list-style-type: none">• Preparation and dissemination of information materials in mass and social media• Information on the Company's website• Organisation of press tours and press conferences• Holding events to draw the audience's attention to various areas of the Company's activities	<ul style="list-style-type: none">• Meetings with representatives of local communities• Publications in local media• Contacts with non-governmental organisations• Corporate philanthropy
Key results of interaction in 2019	<ul style="list-style-type: none">• Financing the resettlement of citizens to the Lyubimov district in Berezniki as part of the programme under the Ministry of Construction of the Perm Region• Implementation of the housing construction project for the Company's employees in Berezniki and Solikamsk• Implementation of projects as part of cooperation agreements with the administrations of Berezniki and Solikamsk		<ul style="list-style-type: none">• Organisation of press tours to the Company's events (release of sterlet fry to the Kama River, construction of houses in Berezniki, as well as a press tour in Solikamsk), interviews with social managers• Carrying out activities to support the Company's social activities	<ul style="list-style-type: none">• Promotion of territorial reform• Healthcare development in region of presence• Interaction with public charitable foundations

Stakeholder engagement methods

The Company has a call centre that gathers and processes stakeholder inquiries. For more information on how the hotline works, see the *Business Ethics* section, p. 34. In addition, Uralkali employees and veterans have the opportunity to take part in meetings with the CEO and discuss key issues.

To ensure engagement remains highly effective, stakeholder

interests and requests are regularly monitored, and the Company analyses and takes feedback on the effectiveness of communication channels.

Work began on updating the Company's website in 2019. The update is planned for completion in 2020. One of the priorities of the development of the Company's internet portal is a broader description of the sustainable development approach and strategy.

In addition, in 2020, Uralkali plans to develop a mobile application, update the SMM (Social Media Marketing) strategy (promotion of corporate image, brand, mission, and values on social media), broaden stakeholder information methods, evaluate the effectiveness of interaction between PRD (Public Relations Department) and the mass media, study user behaviour on internal communication resources.

Corporate Feedback Channels

Uralkali has the following channels and methods of engagement with stakeholders:

- Hotline;
- Webform is posted on the official website www.uralkali.com;
- Contact by email (call-center@uralkali.com, hotline@uralkali.com, personal@uralkali.com, pr@uralkali.com, vk-info@uralkali.com, uralkali@uralkali.com, ethics@uralkali.com, quality@uralkali.com);
- Q&A at the KALIdoscope corporate portal portal.uralkali.com;
- Accounts in social networks;
- Information stands, electronic kiosks with corporate media materials and general information about company activities;
- Uralkali and Uralkali Trading corporate site;
- Survey of product consumers by questionnaires;
- Public hearings, presentations.

SUPPLY CHAIN

GRI 102-9 GRI 102-13

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

The Company’s customers purchasing potash are mainly compound fertiliser producers, industrial consumers and agricultural producers. At the same time, 75% of sales volume accounts for export — the Company’s products are used in more than 60 countries.

Customer loyalty index was

92%

based on the results of the audit under Protect and Sustain standard certification

In 2019, Uralkali cooperated with 1,344 suppliers, 96% of which were from the local¹ region. In monetary terms, the purchase of products from local suppliers accounted for 80% of expenses.

Risks associated with the work of suppliers are included in the Company’s risk register. Among them, the greatest impact on the Company’s activities is the risk of late delivery, inappropriate quality of goods or services

Share of local suppliers

80%

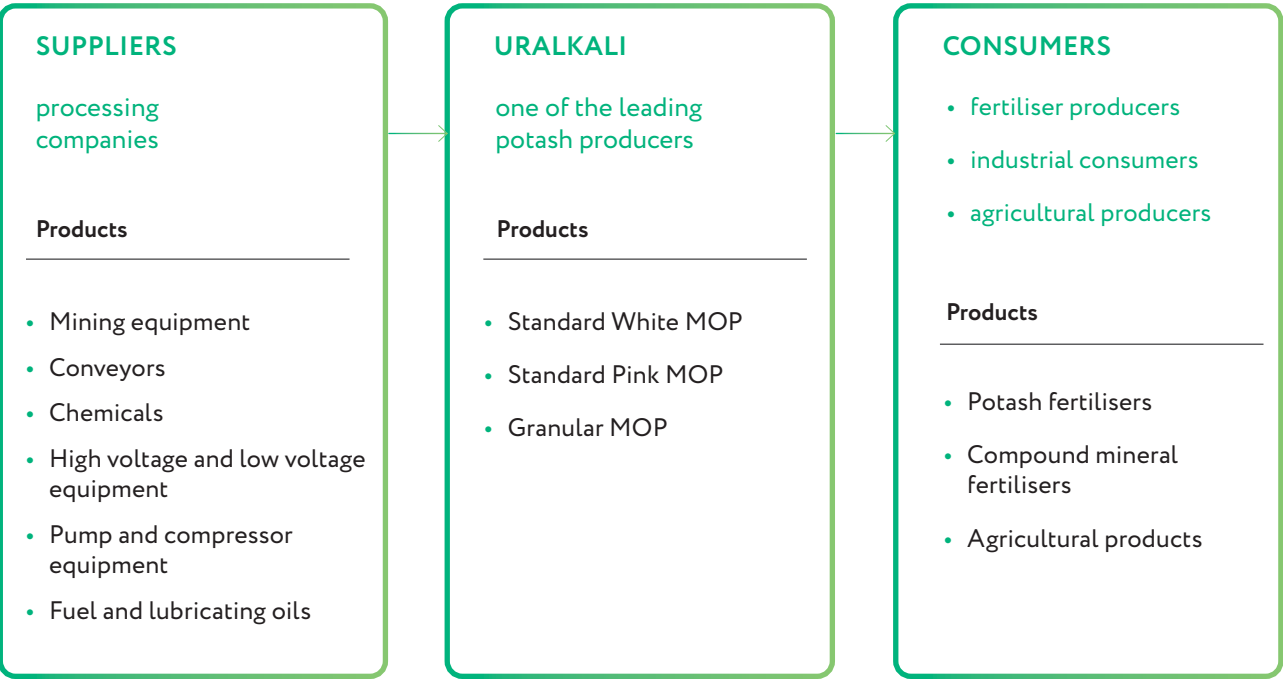
by expenditures

96%

by number

and overpricing. These risks are managed through category management and the use of an electronic trading platform.

The Company’s supply chain



Relations with suppliers

Interaction with suppliers is regulated by the Company’s Standard for Procurement Activities, the Code of Corporate Culture, and the Anti-Fraud and Corruption Programme. The Company is committed to partnering with suppliers and entering into long-term agreements. When choosing a supplier, the Company assesses its qualifications and reliability,

as well as the results of technical and expert evaluation. In addition, labour safety, industrial safety, environmental and social management requirements are imposed on suppliers. This includes criteria such as the following:

- Availability of documentation stating permission to conduct business and fire safety certificates
- Availability of test reports from an accredited laboratory and product safety data sheets
- Availability of the required qualification and certification (including for industrial safety) of the supplier’s personnel
- Written agreement by the supplier to comply with Uralkali’s Cardinal Rules
- Employee occupational health and safety training.



¹ By local suppliers we mean Russian suppliers.

PRODUCT SAFETY

GRI 102-12, GRI 102-13

Uralkali is committed to maintaining the highest standards in terms of the quality and safety of its products. In 2019 the Company received recognition for ‘Excellence’ by the IFA Protect and Sustain assessment.

Uralkali’s primary product is potassium chloride, which is mainly used as a single mineral fertiliser and in the production of other types of mineral fertilisers. Unlike other types of fertiliser, potash fertilisers do not accumulate in high concentrations in groundwater in and do not contaminate the soil.

The Company continuously monitors the quality of the chemicals, raw and treated materials used in production. Finished products undergo the environmental and agronomic testing required by the Russian legislation. In addition, Uralkali has developed safety data sheets that meet GOST requirements for all of its products.

IFA Product Steward Excellence



Uralkali is a member of the International Fertilizer Association. In 2019, Uralkali was certified under the Protect and Sustain standard developed by the Association, and received the IFA Product Steward Excellence status.

The Protect and Sustain standard is applied to evaluate the performance of IFA member organisations. The uniqueness of the standard lies in the fact that it combines many aspects taken into account in international systems of quality management (ISO 9001), occupational health and safety (OHS 18001), and environmental management (ISO 14001). In addition, Protect and Sustain includes the requirements of the Responsible Care 14001 (RC 14001) technical specification which forms management systems for organisations operating in the chemical industry.

Uralkali certification for compliance with the Protect & Sustain standard was carried out by international auditors covering 113 issues in various aspects of the Company’s activity. The certificate is valid for three years. The document confirms the effective management mechanisms of all stages of production, transportation and sales of potash fertilisers, as well as commitment to the best practices in terms of production safety and environmental friendliness of the products.

Uralkali recognises that cooperation and information exchange are important to continuing to deliver good results and achieve continued progress. The Company regularly participates in industry events and cooperates with agricultural chemistry experts, international research institutes and agricultural organisations.

In addition to the International Fertilizer Association, Uralkali is a member of the Fertiliser Institute (TFI) – a trade association representing all segments of the US fertiliser industry – as well as the Russian Association of Fertilizer Producers (RAFP). Membership in associations allows Uralkali to interact with agricultural chemistry experts and participate in the exchange of knowledge and experience with other companies in the industry.

TRANSPARENCY

GRI 201-1

Uralkali adheres to the principles of openness and transparency in all aspects of its activities. These principles are stated in the Company’s Code of Corporate Governance.

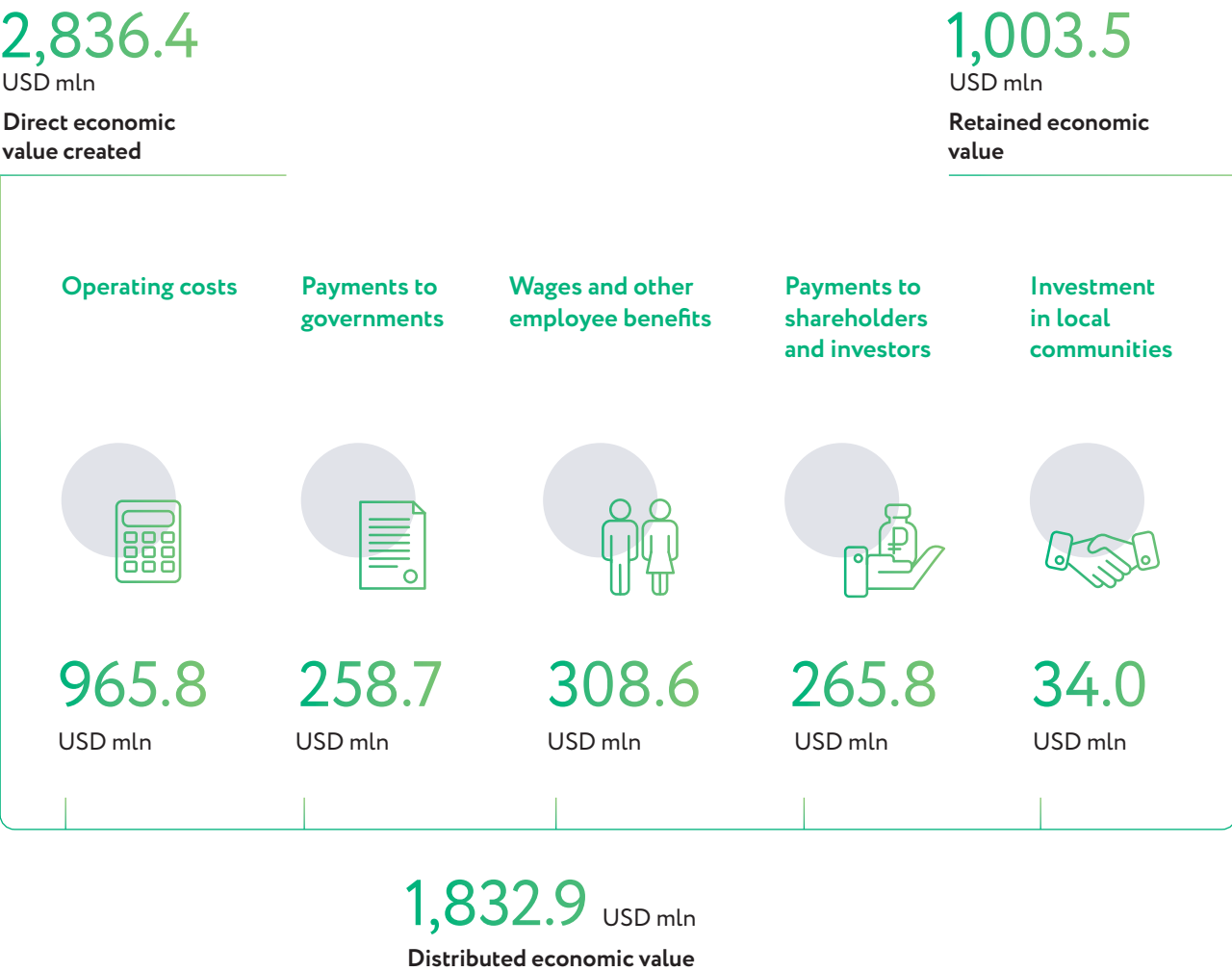
Extractive Industries Transparency International (EITI) is a global standard for open governance and accountability in the natural resource sectors. Uralkali shares the EITI principles and strives for information transparency.

Uralkali has an impact on the economy of the region where it operates and creates value for stakeholders.

The Company discloses data on generated distributed and retained economic value. During the reporting period, the economic value created by the Company amounted to USD 2,836.4 million and was distributed amongst the following stakeholder groups: suppliers and contractors, employees, shareholders, government agencies and local communities.

The retained economic value is reinvested in the Company’s further development.

Generated, distributed and retained economic value in 2019



BUSINESS ETHICS AND HUMAN RIGHTS



COMPLIANCE WITH BUSINESS ETHICS PRINCIPLES IS THE BASIS FOR LONG-TERM AND MUTUALLY BENEFICIAL COOPERATION

Uralkali’s open and transparent cooperation with stakeholders is based on compliance with business ethics, principles of equal opportunities and respect for human rights. This approach contributes to long-term and mutually beneficial cooperation.

776

employees completed anti-corruption training

356

calls were received by the Company’s hotline

BUSINESS ETHICS AND HUMAN RIGHTS

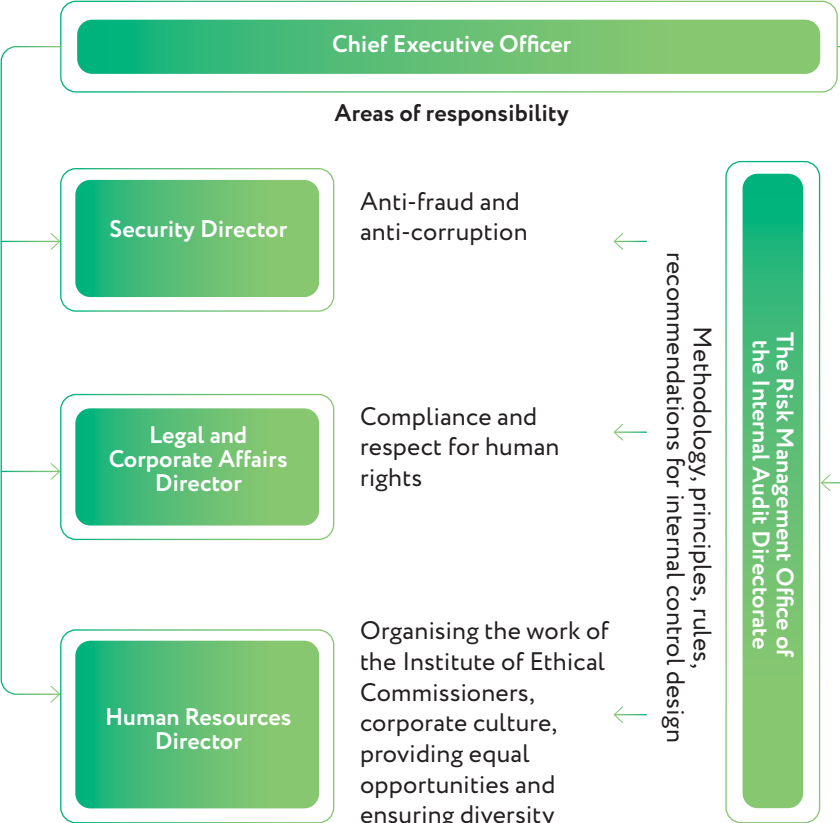
Progress towards achieving the goals

Goal	Status	Results for 2019
Develop and approve the Human Rights Policy	Completed	The Human Rights Policy was approved in 2020
Develop the Regulations on Ethical Commissioners of PJSC Uralkali	Completed	The Regulations developed and implemented
Develop and hold ‘Digital Hygiene’ training	Completed	First stage of the training completed

Documentation

- Internal
- The Human Rights Policy
 - The Anti-Corruption Policy
 - The Code of Corporate Culture
 - The Regulations on the Conflict of Interest
 - The Regulations on Organising the Work of the Call Centre Service
 - The Regulations on Ethical Commissioners
- External
- The Universal Declaration of Human Rights
 - The International Bill of Human Rights
 - The UN Guiding Principles on Business and Human Rights
 - The Methodical Recommendations on Development and Implementation by Organisations of Measures for Preventing and Counteracting Corruption issued by the Ministry of Labour of the Russian Federation
 - The Anti-Corruption Charter of the Russian Business

Allocation of responsibility



MANAGEMENT APPROACH

Uralkali is committed to building open and fair relationship with its stakeholders. The Company’s management understands that it is necessary to comply with the rules of business ethics in order to ensure long and fruitful cooperation.

The Company complies with the principles of integrity and transparency, and strictly monitors the fulfilment of all of its obligations towards stakeholders. Uralkali has zero tolerance to any form of corruption and fraud including bribery, abuse of authority and corrupt payment, and strictly complies with all applicable laws and regulations.

The Company takes all available measures to prevent human rights violations. Uralkali provides equal opportunities for all employees and prohibits discrimination including by race, religion, sexual orientation, nationality and disability.

The Company does not participate in politics, does not support any political parties or allocate funds and donations to political parties.

Responsibility for managing various aspects of business ethics and supervising proper execution of control procedures is divided among a number of

the Company’s subdivisions and management bodies – the Security Directorate, the Legal and Corporate Affairs Directorate, the HR Directorate, as well as ethical commissioners. Issues related to business ethics are also monitored by the Board of Directors and its Committees.

Plans

In 2020, the Company plans to implement the following activities related to business ethics and protection of human rights.

Plans for 2020 and the medium term

Areas	Measures
Anti-Corruption	<ul style="list-style-type: none">• Update of the Anti-Corruption Policy• Online anti-corruption training sessions for employees
Human rights	Development of a remote human rights training course

BUSINESS ETHICS

Ethical rules and norms of conduct in the Company are established by the Code of Corporate Culture, which applies to all Uralkali employees.

Uralkali strives to create an environment of trust and mutual understanding in the team and provide necessary support to its employees in challenging

situations. The Company has developed brief instructions on how to conduct in common cases related to possible violation of business ethics principles. The Company has also established the Institute of Ethical Commissioners which employees can contact for advice in more complex situations.

Institute of Ethical Commissioners

Since 2014, the Institute of Ethical Commissioners has been operating in Uralkali. Activities of ethical commissioners are aimed at enhancing the Company’s performance and improving psychological climate in the workplace by reducing the risk of conflicts and violations in subdivisions.

Employees can contact the ethical commissioners on issues related to ethical conflicts or human rights violations. Consultations in person, by phone or e-mail are available. Ethical commissioners investigate the inquiries and develop individual guidelines for conduct for each employee who is involved in a challenging ethical situation. In 2019, the Institute of Ethical Commissioners received four inquiries.

HUMAN RIGHTS

GRI 102-16

Uralkali recognises the importance of respecting human rights. The Company constantly improves its practices aimed at minimising the negative impact on human rights in all areas of its operations. If human rights violations cannot be prevented, Uralkali implements all the necessary measures to eliminate such violations.

The Company fully agrees with the provisions of the UN Universal Declaration of Human Rights, as well as taking into account other international legal acts including the UN Guiding Principles on Business and Human Rights approved by the United Nations Human Rights Council in 2011. In 2020, the Company approved its Human Rights Policy.

In accordance with the Human Rights Policy, Uralkali has established a number of human rights obligations, including: non-discrimination, cultural diversity of employees, prohibition of child and forced labour, and a number of other obligations.

Key information on the work of the Institute of Ethical Commissioners

Ethical Commissioners

Who can contact?

All employees

How to contact?

ethics@uralkali.com

When to contact?

Conflicts, complications in relationships

The Company’s human rights principles

Freedom of association and collective bargaining

Prevention of forced and child labour

Safe working conditions

Non-discrimination and equal opportunities

Compliance with the legislation on the use of land and natural resources

Respect for rights of local and indigenous communities

Rights of indigenous communities

The Company respects the rights of local communities in the regions where it operates. Uralkali's operations do not affect indigenous communities but the Company is committed to respecting their rights. If there are indigenous communities in the regions of the Company's presence as part of the future expansion

of Uralkali's geography, the Company will interact with them in accordance with the Human Rights Policy which establishes the obligation to respect the rights, culture and customs of indigenous communities.

Cultural diversity and equal opportunities

Uralkali supports cultural diversity among its employees. When

recruiting, the Company strives to give priority to candidates from the local population provided that they have the necessary knowledge and competencies. Discrimination on the basis of individuals' race, sex, age, religion, nationality, social status or other characteristics not related to their professional skills or performance is not allowed at Uralkali.

ANTI-CORRUPTION
GRI 205-2

The Company's approach to business is based on a policy of intolerance to any form of corruption and fraud. Uralkali is committed to fighting corruption in all available ways and complying with all existing requirements of Russian anti-corruption legislation. Additionally, the Company monitors changes in Russian and applicable foreign anti-corruption legislation. In case of significant changes in the current legislation, relevant amendments will be made to the Company's internal documents. The Company's unit responsible for the anti-corruption compliance is the Safety Directorate.

The Audit Committee of the Board of Directors reviews the Anti-Fraud and Anti-Corruption Work Status Reports and the Compliance Report on an annual basis.

Anti-Corruption Policy

To combat corruption, the Company has developed an Anti-Corruption Policy and implemented an anti-corruption compliance system.

The anti-corruption compliance system is based on the risk-oriented approach. Its methodology and tools have been formed, maintained and improved by the Risk Management Office of the Internal Audit Directorate.

Uralkali's Anti-Corruption Policy is aimed at organising the Company's activities in full compliance with the requirements of the anti-corruption legislation, promoting ethical standards among employees and minimising corruption risk.

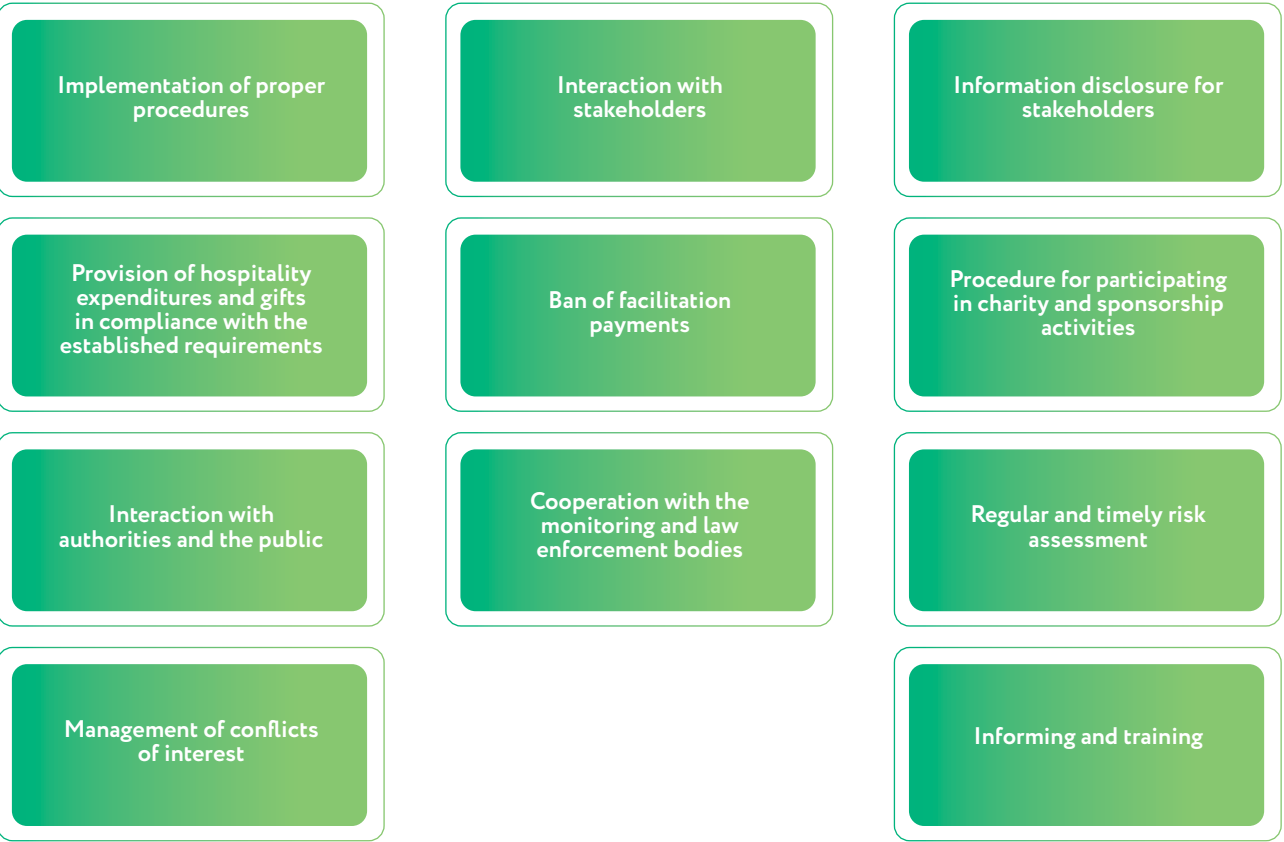
The Anti-Corruption Policy applies to all employees regardless of their position and is recommended for implementation by all companies of the Uralkali Group. It is also recommended for the Company's counterparties. The Policy is available in Russian and English on the Company's website¹.

When joining the Company, all employees must familiarise

themselves with the Anti-Corruption Policy requirements. The Company's employees are trained in person, as well as remotely by familiarising themselves with the Anti-Corruption Policy publicly available on the Company's website, as well as adapted materials in the Company's corporate newspaper, on information stands, transmitted via radio or television. The Company's employees who are listed following the results of annual reassessment of risks of fraud and corruption sign a letter stating compliance with the Anti-Corruption Policy every year according to the procedure set out by the Company's internal documents.

Additionally, in accordance with the Policy and the Regulations on Informing Employees on the Company's Anti-Corruption Principles, Uralkali conducts anti-corruption training annually. In 2019, the Company held

Key elements of the Anti-Corruption Compliance System



three training sessions on anti-corruption issues, with 776 employees taking part in the training.

Monitoring of Anti-Corruption Policy Compliance

Uralkali regularly monitors the compliance of all employees with the requirements of the Company's Anti-Corruption Policy and applicable anti-corruption legislation.

To ensure control over compliance with anti-corruption standards in all business aspects, the Company has a 24-hour hotline available for all interested parties.

Uralkali has stringent requirements for the reliability of its counterparties, their compliance with applicable legislation, and the anti-corruption standards

adopted by the Company. Uralkali monitors the existence of an anti-corruption clause in contracts concluded with its counterparties. During recruitment, candidates are assessed for possible conflicts of interest. The Company checks kinship relations with government employees who may make decisions about or influence the Company.

Corruption Risk Management

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.

The Company continuously takes actions to improve its Internal Control System, with special attention paid to areas of

activity with high risk of fraud and corruption. All identified cases of corruption risks manifested are recorded. Information on detected violations is reviewed by the Risk Management of the Internal Audit Directorate.

Anti-Fraud and Corruption Programme

Uralkali has the Anti-Fraud and Corruption Programme covering the Company's main business processes. The Programme annually determines the work plan for the following year, which includes aspects such as 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 to corruption.

¹ The Policy in English https://www.uralkali.com/upload/iblock/e66/Anti-corruption_policy_of_PJSC_Uralkali_08.09.2014_en.pdf

In 2019, the following activities were implemented as part of the Anti-Fraud and Corruption Programme:

- continuous monitoring of procurement activities, analysis of potential vulnerabilities, preparation of recommendations to minimise risks in this area;

- selective inspection of unfinished construction sites to identify possible violations;
- implementation of a unified AI-based monitoring system for the complex safety system at one of the industrial facilities, which excludes the human factor and ensures stable functioning of the system. In the long term,

the Company plans to roll out this mechanism across all of its production facilities;

- development and inclusion into the DLP system¹ of a policy for identifying signs of possible corrupt actions by employees, updates of the morphological dictionary of verbal markers. Daily monitoring is carried out.



¹ DLP (Data Leak Prevention) is a technology which prevents leaks of confidential information.

FEEDBACK MECHANISMS

GRI 102-44

Uralkali operates a 24-hour hotline, with details available in Russian and English for all stakeholders on the home page of the Company's official website. Inquiries can be made by phone or by email. Calls are received 24/7.

The Company informs its employees on available tools to provide feedback on ethical and human rights issues through its internal information resources including television, radio and corporate newspaper. In addition, there is a section with the hotline number on every employee's workstation PC screen.

The hotline accepts anonymous messages and ensures the confidentiality of information received through inquiries. Employees working with the

information received are personally responsible for confidentiality.

Uralkali considers unacceptable and strives to promptly identify and prevent retaliatory actions within the Company against employees who have reported an alleged fact of corruption in good faith.

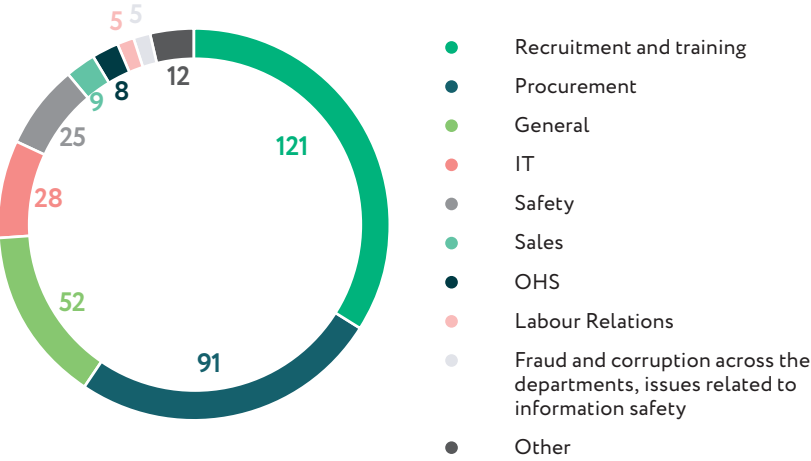
The hotline operation is subject to the Regulation on the Organisation of the Call Centre. In the course of accounting and categorisation of received calls, each of them is sent to the head of the unit whose area of responsibility covers the inquiry. If the request is not anonymous, a response is provided within 14 working days. If an in-depth investigation of the call is required, this period can be extended to 30 days. The Audit Committee of the

Board of Directors reviews the report on the received calls. In 2019, the hotline received 356 calls.

In addition to the hotline, the Company has the following feedback mechanisms:

- Q&A section on the KALIdoscope corporate portal (portal.uralkali.com);
- Q&A section in the Company's mobile application;
- Inquiries to the editors of the RU.Da corporate newspaper and corporate television;
- Institute of Ethical Commissioners;
- Meetings with the heads of production departments;
- Meetings with the HR Director on personal matters.

Number of messages received by hotline in 2019 (by category)



OUR EMPLOYEES



THE COMPANY’S SUCCESS IS RELIANT ON THE PRODUCTIVITY AND EXPERTISE OF ITS EMPLOYEES

Uralkali recognises that the performance of the Company depends directly on its employees. It is thanks to their commitment that the Company is able to deliver its strategy and achieve its objectives.

1,608

employees received corporate awards

95%

of employees are covered by the Collective Bargaining Agreement

16,723

employees received vocational training in various programmes

OUR EMPLOYEES

Progress towards achieving the goals

Goal	Status	Results for 2019
Talent Pool Development	Ongoing	The talent pool grew by 30%.
Remuneration maintained at a competitive level	Ongoing	Employee benefits increased by 3%
Improvement of local regulations about labour relations	Completed	The Company’s regulatory personnel management framework was updated in full

Documentation

Internal

- Regulations on Recruitment
- Regulations on the Performance Management System
- Regulations on the Title (Profession) Grade System
- Regulations on Employee Bonuses
- Regulations on Employee Assessment
- Code of Corporate Culture
- Regulations on Ethical Representatives
- Personnel Training and Development Policy
- Regulations on Professional Training of Employees
- Regulations on Holding a Corporate Professional Skills Championship in line with WorldSkills Russia standards
- Personnel Rotation Policy

External

- Russian labour law

Allocation of responsibility



MANAGEMENT APPROACH

Our approach

Uralkali’s ability to maintain and increase its share of the global potash market relies on the expertise of its employees across the business.

For many years, Uralkali has pursued personnel policies aimed at recruiting, training, upskilling and incentivising employees by offering a competitive salary, as well as one of the most attractive benefits packages in the sector.

Management System

The Company’s human resources management process is centralised under Uralkali’s HR Directorate to ensure a unified approach that maximises the Company’s efficiency in meeting its strategic objectives. The Directorate is comprised of five units: the organisational planning department, the recruitment and staff development department, the labour and salary department, the social department, and the administrative department.

The Company’s human resources management processes are regulated in compliance with Russian law and the Company’s internal regulatory documents which meet best national and international standards and practices.

Uralkali is constantly improving its regulatory framework. In 2019 the Company prepared the following documents:

- Regulations on the Reimbursement, Benefit and HR Policy Committee;

THE COMPANY’S KEY HR MANAGEMENT PRIORITIES

- Creating attractive working and recreation environments to optimise productivity
- Professional development
- Providing career opportunities and developing a talent pool
- Succession planning
- Attracting young specialists

- Regulations on Ethical Representatives of PJSC Uralkali;
- Personnel Rotation Policy;
- Regulations on the Referral Programme;
- Regulations on Holding a Corporate Championship of Professional Competencies according to WorldSkills Russia Standards.

The Company also updated a number of documents, including:

- Regulations on Bringing to Disciplinary Action;
- Regulations on Employee Bonuses (Mine, Combine Teams);
- Regulations on Staff Redundancy Procedure;
- Regulations on Remuneration of Workers Involved in Vocational Training, Job Descriptions,

Workplace and Occupational Safety Guidelines;

- Regulations on New Year Gifts for Children of Employees;
- Regulations on Health Improvement of Children of Employees;
- Regulations on the Rules of Accrual and Payment of Scholarships to Target Students;
- Regulations on Organisation of Practical Trainings for Students of Vocational Educational Institutions in PJSC Uralkali.

Risk Management

Uralkali constantly analyses and takes actions to mitigate HR management risks.

Due to the nature of the Company’s operations, employees require high levels of professional training and technical proficiency. A shortage of skills is one of the

Uralkali’s Achievements in Human Resources Management

In 2019, Uralkali was awarded the Crystal Pyramid Award at the 20th Russia & CIS HR Directors Summit. The Company won in three categories: HR Manager of the Year, Corporate University of the Year, and Corporate Social Responsibility.

In recognition of Uralkali’s initiatives to further enhance its human capital management practices, the Company was also included in the ranking of best employers in Russia. According to Forbes magazine Uralkali ranked 19 out of 50 and was the only representative of the Perm Region included in the ranking.

main operational risks that could significantly affect the Company’s operations, including the implementation of its Production Capacity Development and Maintenance Programme. One of the main focuses of Uralkali’s HR department is the retention of qualified personnel, which takes into consideration the plans of other companies to launch and develop mining projects in the Perm and neighbouring regions in the upcoming years.

The Company is permanently focused on retaining and developing personnel, as well as monitoring the labour market. On the resignation of an employee, a questionnaire is conducted and the department subsequently analyses that individual’s motivation for leaving the Company.

In 2019, Uralkali introduced a set of measures to mitigate the risk of a shortage of qualified personnel, including:

- the development of external and internal talent pools;
- training of employees within the talent pool, including on-the-job trainings;
- recruitment of employees in the region of presence;
- development and introduction of professional standards;
- arranging and holding career guidance events;

- launch of its referral programme;
- raising employee salaries;
- expanding the network of universities it cooperates with to attract students.

These measures enabled the Company to reduce its risk of a skills shortage from high to medium.

Personnel recruitment

The Company’s recruitment policy aims to attract highly competent and results-oriented professionals, as well as candidates driven to develop their skills. The HR Directorate works closely with the Company’s units to develop the recruitment plans, which are clearly linked to Uralkali’s goals and objectives for the expansion and development of its production operations.

The Company looks to recruit candidates from both its local labour market in the Perm Region and the Urals, as well as regions further afield. This is necessary given the high demand for certain skills. The Company’s recruitment drive is supported by its Exit to the Regions Project, which holds job fairs and interacts with urban and regional employment centres.

The Company offers very attractive packages for applicants including a high level of social security and

good working conditions, such as a maximum 40 hour working week as per the Collective Bargaining Agreement, along with other employee guarantees, rights and benefits.

The Company uses a wide range of tools to identify candidates:

- Internet and social networks;
- Mass media: newspapers, radio, TV;
- Job fairs;
- Career guidance events;
- Participation in Doors Open Days at universities and secondary schools.

The Company also encourages its employees to get involved in the recruitment of personnel. The “Bring a Friend” campaign was launched to encourage employees to refer acquaintances for roles where there is high demand for candidates.

Uralkali uses electronic communication channels, such as its website and social media accounts to actively recruit candidates, as well as sharing updates describing the Company’s attractive work environment and other perks. Uralkali also posts educational materials on the Internet.

In 2019, in addition to Uralkali’s official pages on VKontakte and

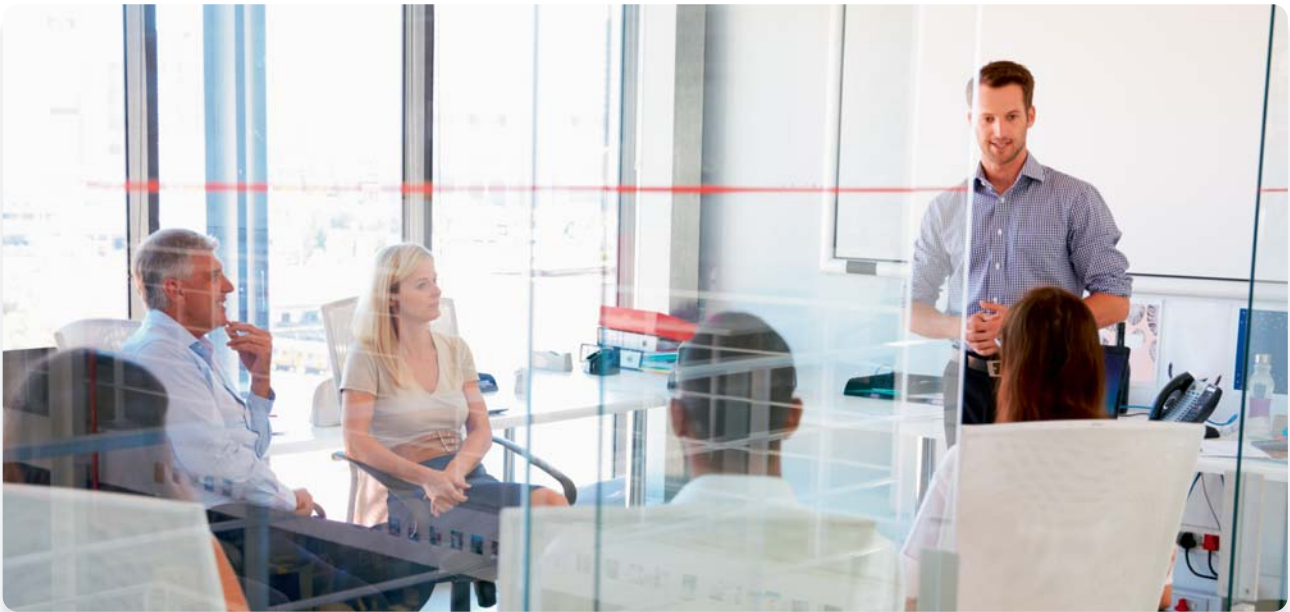
Facebook, the Company launched a dedicated VKontakte group focused on employment issues. Here it publishes information about new vacancies, job fairs and career guidance events. The new platform also offers candidates tips to help develop their CVs and interview skills advice. The Company also uses modern means of communication for direct communications with candidates on employment issues.

Plans

With regards to the management of human resources, in 2020 and in the medium term the Company plans to implement a wide range of initiatives in a number of its core business areas.

Plans for 2020 and the medium term

Areas	Measures
Personnel recruitment	<ul style="list-style-type: none">Automating recruitment and adaptation processes;Improving the mentoring programme;Developing the referral programme;Expanding recruitment sources, targeting;Automating the deficit matrix of competent employees;Establishing additional groups in educational institutions in the cities of presence in specialised jobs;Placing information boards about open vacancies of PJSC Uralkali;Outstaffing.
Personnel retention	<ul style="list-style-type: none">Housing construction for employees;Implementing the programme to improve housing conditions by compensating the interest rates on loans;Implementing the communication programme between managers and their teams;Introducing the Feedback Procedure.
Developing the remuneration and personnel assessment system	<ul style="list-style-type: none">Bringing salaries by personnel categories to the market average;Raising employee salaries;Working on the issue of applying increased values for key performance indicators (KPI);Developing the KPI performance calculation system.
Personnel training and development	<ul style="list-style-type: none">Expanding the list of Corporate University programmes;Introducing new technologies (VR, AR);Developing and involving internal experts in training;Mentoring and developing a talent pool;Creating new training programmes for workers based on the needs of the Company's subsidiaries;Participating in WorldSkills championships.
Implementation of the internal social policy	<ul style="list-style-type: none">The investment programme for Alfa-Center Polyclinic;Renovation of canteens;Reconstruction of the premises for the placement of a polyclinic within walking distance in Solikamsk.
Protection of human rights	<ul style="list-style-type: none">Operation of the Labour Disputes Commission at the Company's enterprises;Improving the social partnership efficiency.
Internal communications	<ul style="list-style-type: none">Implementing the target programme for communication between the heads of departments and enterprises with their teams.



PERSONNEL STRUCTURE

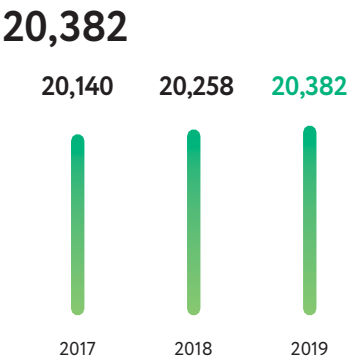
BIn 2019, the Uralkali Group headcount grew by 0.6% to 20,382 people¹. Over 96% of employees work in the Perm Region. Around 0.4% of employees work in the Moscow representative office. [GRI 102-8, GRI 102-7](#)

Almost all of the Company's employees work on a full-time basis (99.68%²) and 97.16% are employed under indefinite term employment contracts. [GRI 102-8](#)

About 69% of all Company employees are men. Women account for a lesser portion of 31% due to the industry specifics and legally regulated restrictions applied to certain types of physical labour. [GRI 102-8](#)

The age structure in the reporting period remained practically the same compared to 2018. Significant changes are observed only in the 60+ which increased by

Headcount as of the end of the year across the Group as of 31 December, 2017–2019, pers.

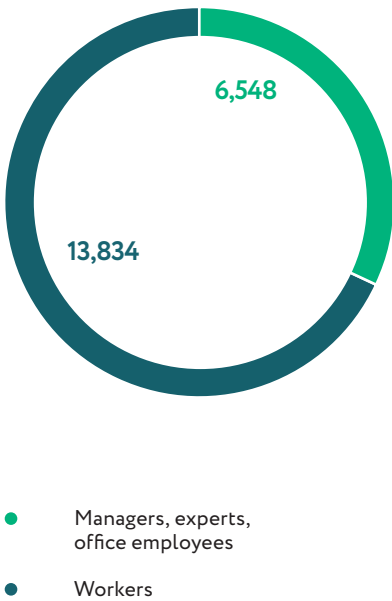


10% against the previous reporting period.

The labour turnover rate dropped in 2019 against the previous year and amounted to 8.65%. [GRI 401-1](#)

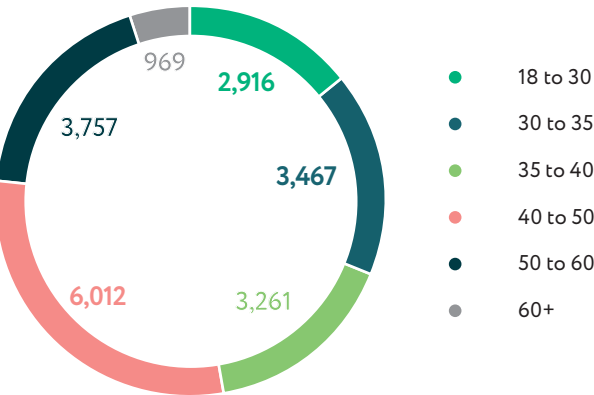
The percentage of senior

Personnel structure by employee category across the Group as of 31 December 2019, pers. [GRI 102-8](#)



¹ The annual average headcount of Uralkali Group amounted to 20,036 people.
² In 2019, the Company employed 578 people under fixed-term contracts.

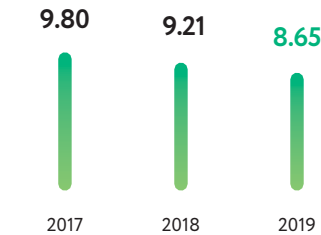
Personnel structure by age category across the Group in 2019, pers. *GRI 405-1*



The percentage of senior managers¹ from the local population² permanently remains high. Women account for 24% of the management team in Uralkali. The distribution of managers by age groups also reflects the overall age structure of the Company.

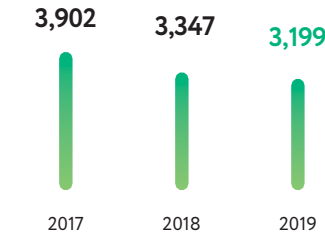
Labour turnover across the Group in 2017–2019, %

8.65

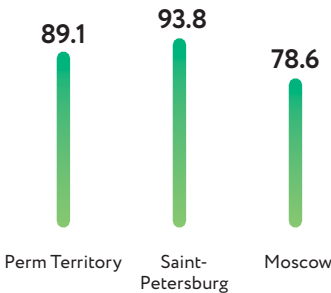


Newly employed personnel, 2017–2019, pers. *GRI 401-1*

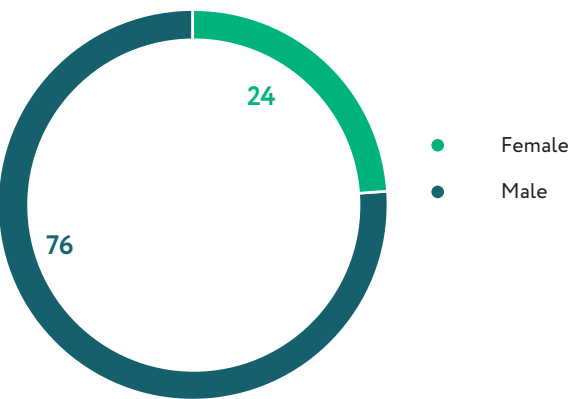
3,199



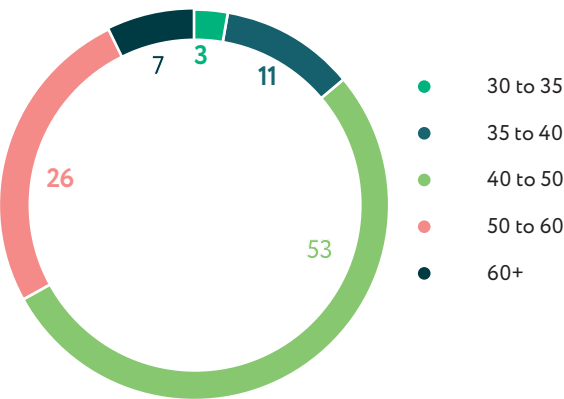
Proportion of senior management hired from the local community, 2019, % *GRI 202-2*



Gender structure of governance bodies, 2019, % *GRI 405-1*



Age structure of governance bodies, 2019, % *GRI 405-1*



¹ Senior management: the CEO, area director, deputy CEO, chief accountant and its deputy, head of department, chief engineer, head of mine, head of plant, head of department, head of complex, and project manager and its deputy.
² Residents of the Perm Region, Moscow, and St. Petersburg.

MOTIVATION AND REWARD

Uralkali offers both financial and non-financial incentives to its personnel, recognising the contribution of each individual employee and encouraging excellence and productivity. The Company provides its employees with competitive salaries and offers attractive benefits packages. In addition, the Company's employees have the opportunity to take part in training and development events, to engage in efficiency improvement activities, and to participate in professional skills competitions.

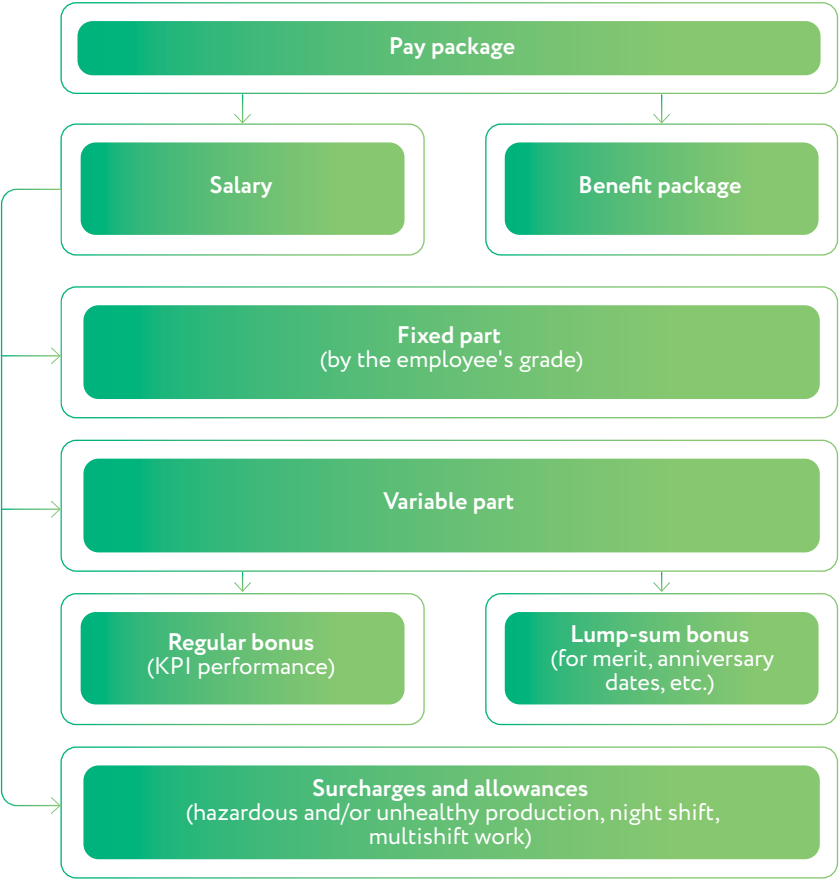
Financial Incentives

Uralkali's remuneration system is transparent, fair, and consistent for all categories of employees, and does not allow for discrimination of any kind. The terms of employee remuneration are determined by local regulations of the Company, including the Regulations on the Performance Management System, Regulations on the Title (Profession) Grade System, Regulations on Employee Bonuses, as well as the articles of the Collective Bargaining Agreement.

The Company is guided by the principle of equal pay for work of equal value. Salaries may be differentiated solely depending on the degree of complexity and the need for highly specialised skills of specific professions and in compliance with the title grading system applicable in Uralkali.

Salaries of the Company's employees are comprised of fixed and variable parts, as well as various surcharges and allowances. The fixed part is set on the basis of the employee's grade. In order to determine the variable remuneration part, the employees are assessed based on KPI's to determine to their bonus level.

Pay Package Structure

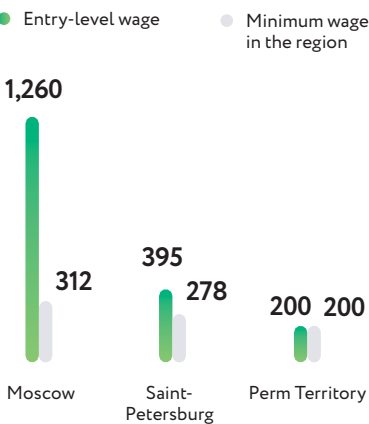


The grade system and the KPIs provide for an objective assessment of personnel performance by linking the achievements of an individual employee with the performance of the department and the entire Company.

While maintaining employee remuneration at a competitive level, Uralkali carries out annual salary indexation. The indexation amount is determined by the results of a labour market analysis and the defined consumer price index for all goods and services. In 2019, employee remuneration increased by 3% compared to the previous year.

It is important for the Company to provide entry-level employees with at least a living wage. In accordance with the Company's commitments set out in the Collective Bargaining Agreement, the salary of a 1st category employee working under normal working conditions, who has worked for a full month according to the occupational calendar, cannot be lower than the living wage of the working population in the Perm Region.

The ratio of entry-level salaries in Uralkali and minimum wage in regions of activity, 2019, USD [GRI 202-1](#)



Recognition of Employees

The Company strives to maintain a high level of personnel engagement through non-financial motivation, encouraging employees to contribute to finding solutions to production issues and recognising their achievements.

This work is carried out in accordance with the internal regulations and provisions of the Collective Bargaining Agreement, and is supervised by the Social Department of the HR Directorate of Uralkali.

Talented employees, as well as those who have made a significant

contribution to the Company's performance, are recognised annually with corporate awards. Uralkali rewards its employees for dedicated long-term work in the Company. The winners of professional skills competitions enjoy well-deserved recognition.

The Company awards the best performing employees with the Honorary Potash Worker title, Uralkali Certificates of Merit, Letters of Gratitude to celebrate the employee's anniversary, as well as portraits of some employees being placed on the board of honour. In 2019, a total of 1,608 employees received corporate awards. Some Company employees are also recommended for municipal, departmental, government and state awards for special work merits.

Following the results for 2019, new awards were established to celebrate the achievements of entire teams, such as "The Best Mining Department", "The Best Directorate" and "The Best Subsidiary". The teams of Solikamsk-3 mine, the Economics and Finance Directorate, and Avtotranskali LLC received these awards for the first time in 2019.

Holiday Packages for Winners of Professional Skills Competitions

In 2019, in order to motivate production employees, Uralkali held the «Best Employees of the Cargo-Handling Operations Station, SPP (Sylvinite Processing Plant), Foremen of the Face Crew» competition as part of its Chemist's Day and Miner's Day celebrations. Winners were awarded with tickets to the Ozeraya Recreation Centre (full package of services included) for groups of up to 10 people.

In 2019, winners of professional skills competitions were awarded with a trip to the Black Sea coast, where they enjoyed a stay at the Primorye Resort in Gelendzhik.



EQUAL OPPORTUNITIES

Uralkali guarantees equal opportunities both for potential candidates and for existing employees with regard to promotion, professional improvement and remuneration.

The creation of equal opportunities and intolerance to any discrimination in the workplace are enshrined in Uralkali's Code of Corporate Culture. The corporate regulations and the Collective Bargaining Agreement require that the Company provides the conditions for employees to reach their full potential.

Employment of Young People

Uralkali carries out targeted recruitment of school graduates by sponsoring them through industry-specific higher education. In order to qualify for this programme, students have to do well at the Unified State Exam (USE). A total of 60 students in higher education are currently receiving employer-sponsored education thanks to Uralkali.

Starting from the second year, the Company pays a scholarship to the students involved in this programme, the amount of which depends on their academic performance. In addition, the students receive paid practical training at Uralkali's divisions. All graduates of the programme are guaranteed to receive employment from Uralkali as well as additional payments depending on their results averages.

The Company is constantly expanding the network of educational institutions

it cooperates with for the training and recruitment of young professionals. Since 2019, students of the South-Russian State Polytechnic University Named After M.I. Platov (Novocherkassk, Russian Federation) and Irkutsk National Research Technical University will be able to take part in Uralkali's training practice programmes and be considered for employment by Uralkali.

The Company supports various career guidance events to help schoolchildren and students with their career choices. In 2019, Uralkali ran an extensive information programme with

different presentations, quizzes and consultations, as well as a virtual excursion to a depth of 400 meters below ground, using VR glasses.

The Company's management are also actively involved in attracting future specialists, and hold career guidance meetings at different educational institutions. In 2019, the management also held informal personal meetings. One of the meetings with high school students was led by Dmitry Osipov, CEO of PJSC Uralkali, in January 2019. The CEO discussed with the children their plans for studying at universities and future careers at Uralkali.

Interaction with Educational Institutions

Uralkali works closely with various educational institutions that train specialists in the professional areas relevant to the Company.

Uralkali supports the improvement of facilities and resources at the Perm National Research Polytechnic University and its Berezniki branch, as well as the Solikamsk Mining and Chemical College and the Berezniki Polytechnic College, and St. Petersburg Mining University. The Company allocates funding for professors conducting research work and for equipping university laboratories. Since 2015, the Company has contributed approximately USD 2 million to promote the development of these institutions.

As part of this cooperation, universities support Uralkali's targeted recruitment for the following areas: Mine Survey, Electrification and Automation of Mining, Power Supply, Mining Machines and Equipment (Perm National Research Polytechnic University), Chemical Technology of Inorganic Substances (Berezniki Branch, Perm National Research Polytechnic University), Geological Survey, Prospecting and Exploration of Solid Minerals, and the Geophysical Methods for the Prospecting and Exploration of Mineral Deposits, (St. Petersburg Mining University), Heat Engineering (Ural Federal University Named After the First President of Russia B.N. Yeltsin).

Employment of People with Disabilities and Vulnerable Segments of the Population

People with disabilities are employed according to the standards of the Russian legislation¹ establishing the quota for hiring people with disabilities, as well as Uralkali’s Regulations on Recruitment and articles of the Collective Bargaining Agreement that grants, other things equal, the pre-emptive right to every candidate becoming disabled at the Company’s enterprise. In 2019, 123 people with disabilities (0.6% of the total number of employees) worked at the Company.

Likewise, all family members of an employee, who is deceased or loses his or her working capacity due to any work accident, have an advantage in their future employment. This right is also

established in the Regulations on Recruitment and the Collective Bargaining Agreement.

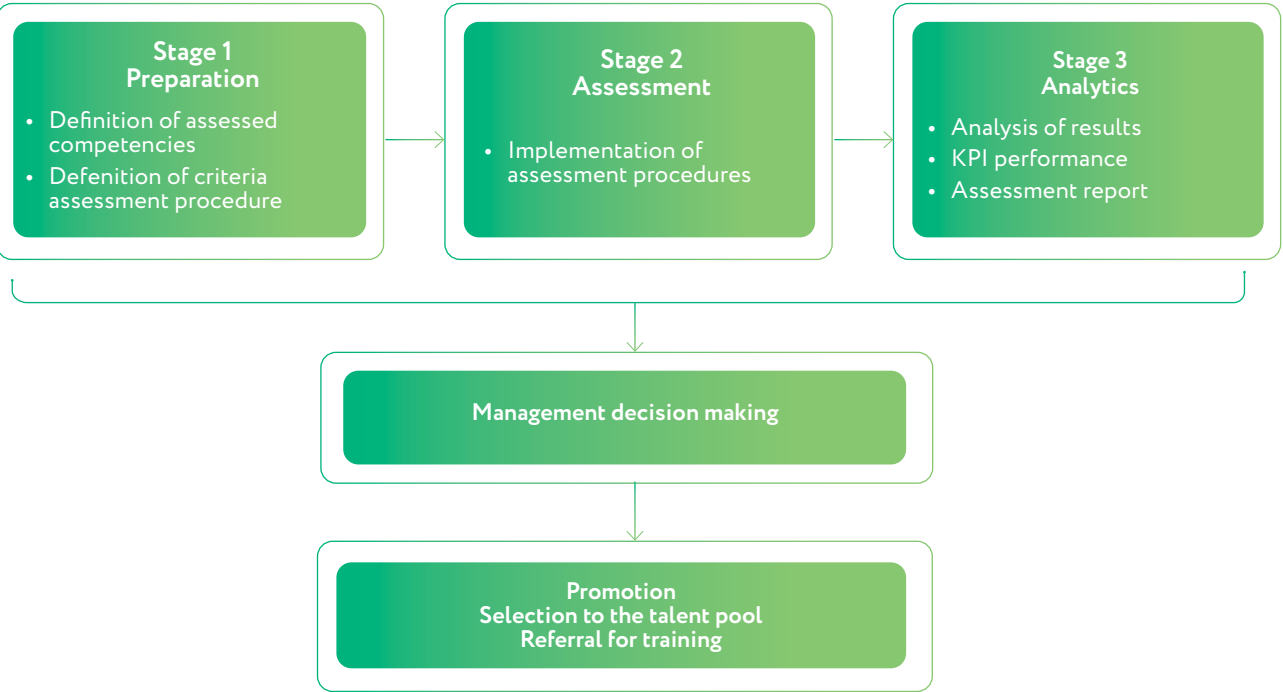
Uralkali introduces the practice of hiring people who do not have any documents confirming their qualifications. According to the Regulations on Recruitment, such candidates can be accepted into the Company as students and receive free training as received by the Company’s employees.

Equal Opportunities for Employees

Uralkali guarantees equal opportunities for career growth and takes the necessary measures to support the professional development of its employees while offering a wide range of training programmes, developing its own talent pool and promoting talented and efficient employees.

The Company’s employee assessment system allows for an objective and informative assessment of skills levels, as well as the assessment of performance efficiency using a set of methodological and analytical tools. The first provides for the unbiased assessment of the Company’s employees when hiring, selecting candidates for the talent pool, and determining the need for advanced training and professional training. Therefore, the assessment of the performance efficiency is the basis for the objective calculation of the employee’s bonuses based on KPIs and is performed on a monthly basis according to the results of the year.

Employee assessment



DEVELOPMENT AND TRAINING

GRI 404-2

One of the areas of focus for increasing labour productivity and production performance is the development of every employee’s creative and professional potential.

From the first days of their employment, Uralkali employees undergo an induction process. New hires are introduced to the Company’s main documents covering labour practices — the Collective Bargaining Agreement, HSE Policy and the Code of Corporate Culture. They also take an online induction course and are introduced to the production facilities.

Every new hire is assigned to an experienced mentor, who helps integrate them into team, oversees their tasks and helps them develop the knowledge and professional skills they need to do their work. Mentors are also assigned to all employees receiving training and retraining in Uralkali’s talent pool.

Uralkali’s ability to offer broad opportunities for professional development and career growth make it an attractive employer in the labour market. Company employees have the opportunity to train in the country’s leading training centres, attend

professional conferences and seminars, and study according to specially developed corporate programmes. In 2019, 16,723 employees or 82% of the Company’s team received training.

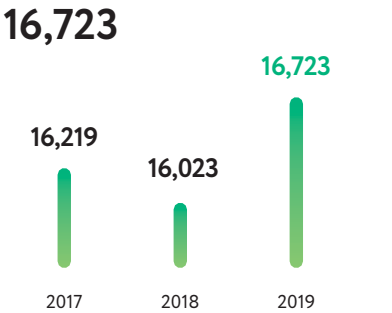
Over the years, the Company has been running a programme whereby it provides funding for employees to receive higher and secondary professional education. This is available to employees who pass a competitive selection process.

Corporate University

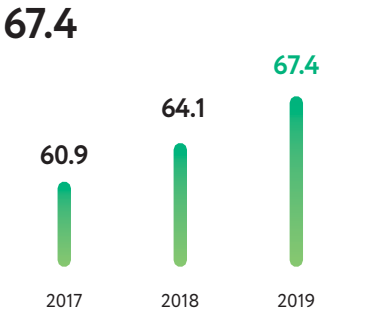
The Corporate University of PJSC Uralkali is the main institution licensed to provide professional training for the Company’s employees. The Company continues to actively develop its Corporate University, annually updating and expanding the list of training programmes.

The Company’s employees have numerous opportunities for self-improvement. Uralkali provides systematic and comprehensive training for all of the Company’s employee groups to support their professional development and career growth, and offers different world-class programmes that combine various training formats using educational technologies. The University has an online platform where employees can access courses themselves.

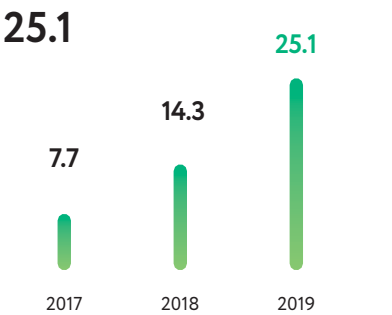
Number of Employees Trained¹, 2017–2019, pers. GRI 404-2



Average Number of Training Hours per Employee During the Year, 2017–2019 GRI 404-1



Proportion of Employees who Passed a Periodical Evaluation of their Efficiency Performance and Career Development, 2017–2019, % GRI 404-3



¹ Federal Law No. 181-FZ “On the Social Protection of People with Disabilities in the Russian Federation”, Article 21. Establishment of the Quota for the Employment of People with Disabilities.

¹ The scope for this indicator have been expanded with respect to the information presented in the 2019 Annual Report: it includes Russian companies of the Group in addition to PJSC Uralkali.

Education at Uralkali's Corporate University

Training area	<ul style="list-style-type: none">Professional development in the areas of the Company's activitiesNew equipment, machinery and production methodsPre-certification training and certification for admission to hazardous production facilitiesPreparation of the talent poolEmployee training and retraining
Number of programmes and courses	<ul style="list-style-type: none">39 distance learning courses45 self-improvement training courses370 employee training and retraining programmes3,000 professional development programmes
Training formats	<ul style="list-style-type: none">Distance learning and e-learningTheoretical and industrial trainingTraineeshipSelf-training

The Corporate University is continually expanding its offer to accommodate different groups. Since 2017, it not only provides training for Uralkali employees, but also for third parties and representatives of other entities. The Company holds more than 30,000 educational events during the year.

Talent Pool Programme

Since 2003, Uralkali has been developing a talent pool as part of a targeted training programme to develop employees for key positions. By identifying and training different specialists for

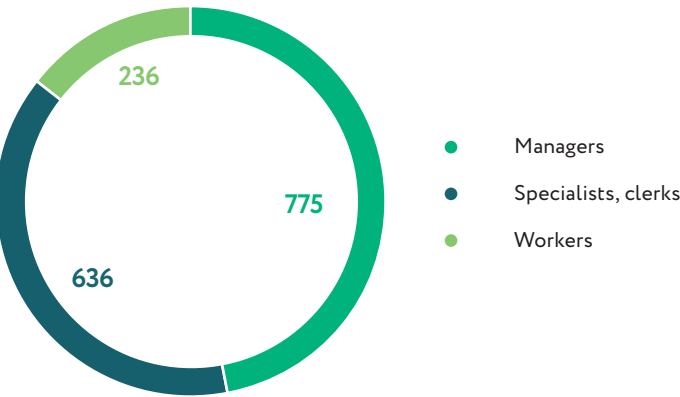
expert and managerial positions the Company ensures the continuity and stability of its workforce. More than 300 members of the talent pool have been promoted since the programme was launched.

The talent pool is formed based on the results of employee assessments, which are carried out in accordance with the Company's Regulations on Formation of the Talent Pool and the Regulations on Organisation of the Employee Assessment. This assessment makes it possible to identify the most motivated and engaged employees (with the greatest promise). In 2019, the Company's talent pool

increased by 30% compared to 2018 and included 1,647 employees.

As for the employees included in the talent pool, the development programmes, which ensure the targeted training for all key management positions and the development of the Company's employees in the positions that they currently hold, are currently implemented. The development programme for employees within the talent pool gives them systematic access to information concerning various business processes and new approaches to business management, as well as helping to develop their professional skills.

Number of Employees in the Talent Pool, 2019, pers.



INTERNAL SOCIAL POLICY

Uralkali's Collective Bargaining Agreement (2018–2020) guarantees one of the most attractive employee benefits packages in the industry. The Company's employees have an extensive range of social benefits aimed at enhancing stability, solving social issues, and improving quality of life.

Uralkali has its own sports facilities, which are included in the All-Russian Register of Sports

Facilities — the Kaliyets Sports Centre, the Dolphin swimming pool and the Kaliyets ski base. The Company has its own Ural Gems health & wellness centre for children. Moreover, Uralkali is currently developing its residential construction activities.

The Company holds various corporate and sports events for its employees. Its Cultural & Leisure also organises creative leisure activities for employees,

with more than ten creative associations offering different master classes.

The Company also looks after its retired employees. Through its Kindness and Care Programme, Uralkali supports potash industry veterans in Berezniki and Solikamsk. The Company provides annual funding, pays quarterly supplements, and provides funding for treatment of veterans at sanatorium-resorts.

Uralkali's employee benefit package

Programmes	Contents of programmes
Healthcare	<ul style="list-style-type: none">100% of the Company's employees participate in the Voluntary Health Insurance ProgrammeRegular medical examinations
Reimbursement of meal expenses	<ul style="list-style-type: none">Hot meals for all employeesDiscounts in the Company's dining rooms and canteens
Sanatorium-resort treatment for Company employees	<ul style="list-style-type: none">Implementation of the Employee Wellness ProgrammePayment of up to 90% of the cost of health resort packagesRehabilitation Programmes at the Ural Gems health centre Referrals for treatment at the centre
Housing Improvement Programme	<ul style="list-style-type: none">Reimbursement of interest rates on the bank loans for the purchase of housing
Summer wellness campaign for the children of all employees	<ul style="list-style-type: none">Parents and preschool children relax in the Company's health & wellness centreWellness holidays in the children's campTrips for teens to seaside centres in Russia
Partial reimbursement of sports expenses	<ul style="list-style-type: none">Reimbursement of 50% of the cost of access to swimming pools and ski resorts
Free transportation to and from the place of work	<ul style="list-style-type: none">Transport between Berezniki and SolikamskTransport within the cities
New Year gifts for children of employees	<ul style="list-style-type: none">Gifts for children paid for by the Company

Programmes	Contents of programmes
Financial assistance	<ul style="list-style-type: none">• Compensation to military servicemen returning to employment at Uralkali• Reimbursement for orphans employed by the Company• Financial assistance to all families with newborns• Financial assistance to all employee children who are successfully studying at universities• Financial assistance to all young specialists at the start of their employment at Uralkali• Financial assistance for funeral services
Additional paid leaves	<ul style="list-style-type: none">• For the marriages of employees or their children• For parents of first graders on Knowledge Day• For pregnant employees
One-time retirement remuneration	<ul style="list-style-type: none">• Retirement remuneration• Payments on the anniversary of any employee• Payment for annual vacation
Attention and Care Veterans Support Programme	<ul style="list-style-type: none">• Financial support for veterans• Financial and organisational support for the activities of Uralkali's Veterans Council



CORPORATE CULTURE

The creation of a shared and strong corporate culture is critical to maintaining the sustainability and integrity of the Company, enhancing its reputation, and creating an attractive work environment.

The mission, vision and values of Uralkali, which are shared by all employees, form the basis of the Company's corporate culture. Uralkali's corporate culture is the platform that ensures a balance in the interests of the Company's employees and all stakeholders. The basic principles, standards and rules of interaction and behaviour are described in the Code of Corporate Culture of Uralkali.

A system of internal and external communications creates a single information space and ensures corporate values are shared throughout the business. Uralkali uses its corporate media and other communication channels to ensure employees are regularly updated on all key issues, and that any questions or suggestions from employees are quickly responded to.

To ensure the cohesion of the team Uralkali organises various corporate sporting and other all-company events (Chemist's Day, Miner's Day, Uralkali

Corporate Sports Games) as well as professional skills competitions held by Uralkali. The Company is also developing its own volunteer movement (see the *Volunteering subsection below for more details*, p. 56).

Relationship with the Working Team

Uralkali maintains a social partnership with its employees through constant dialogue, engaging employees in the Company's strategy and activities, and enhancing the corporate culture.

The main regulatory act establishing the relationship with the working team is the Collective Bargaining Agreement. This document (as well as the Code of Corporate Culture) was prepared in collaboration with the Company's employees.

The Collective Bargaining Agreement concerns 95% of the Company's employees and grants the right for all employees to participate in trade unions and hold collective negotiations, and ensures that all employees have the opportunity to participate in Company management decisions through various trade union

organisations and employee meetings. The Company's management and trade unions interact on the development and adoption of local regulations containing labour law standards, discuss Uralkali's current and future activities, consider any proposals aimed at improving Uralkali's efficiency received from Company employees, and jointly implement various social programmes. *GRI 102-41*

Uralkali's corporate culture promotes internal communication and informational transparency so that that any employee can propose ideas or submit questions for consideration. To facilitate this, the Company has a call centre that aggregates enquiries. The Company also runs its Initiative programme, which invites young specialists to propose efficiency improvement initiatives.

The representatives of the working team and veterans can discuss the most relevant issues with the CEO at annual information meetings. In addition, Uralkali's Institute of Ethical Commissioners works hard to reduce the risk of conflicts and violations, which also helps maintain employees' mental well-being.

Uralkali Corporate Sports Games

Uralkali encourages its employees to pursue a healthy lifestyle and encourages sports in particular. Uralkali's Corporate Sports Games are one of the Company's major sporting events that contribute to the health and fitness as well as developing teambuilding among all employees.

In 2019, more than 2,500 employees from different departments and enterprises took part in the Corporate Sports Games. The Games were held in Solikamsk and included 12 different sports: swimming, darts, shooting, skiing, volleyball, futsal, track and field athletics in the arena, table tennis, minifootball, cross-country run and basketball.

All the winners were awarded with cups and diplomas. Some also won a trip to a national sports event in 2020.

Internal communications

Uralkali's internal and external communications system ensures that employees receive information on all key issues. The most important sources of information for any employee are: the RU.DA corporate newspaper, the KALIdoscope portal, and the Uralkali mobile app, which ensure all employees have access to the same information. Uralkali's interactive communication channels give employees prompt access to the Company's most important news, and allow them to participate in surveys on any key issues, as well as offering various personal services.

Annual information meetings between representatives of the working team and the CEO enable the Company to maintain a strong internal dialogue between employees and the senior team. In 2020, Uralkali plans to launch a targeted programme of communications between the heads of departments and enterprises with their teams.

To solve and discuss emerging personnel issues, and obtain any feedback from employees, the Company uses several platforms:

- The KALIdoscope corporate portal, Q&A section,
- Uralkali's mobile app, Q&A section,
- Call centre for collecting and processing calls,
- Q&A section, RU.DA newspaper,
- Institute of Ethical Commissioners,
- Information meetings with the heads of all production departments,

Employee Engagement Assessment

At Uralkali every employee's engagement level is assessed on an annual basis. The Company also surveys employee perceptions of Uralkali's goals and strategies, its leadership, working conditions employee development, remuneration, attitudes to training, talent management and recruitment, and employee assessment and recognition.

The review is performed anonymously and online with the assistance of various consulting companies in order to ensure its objectivity. The survey includes all categories of employees: top managers, heads and specialists, and shop-floor workers. In 2019, the review covered 84% of the Company's employees.

The results are assessed in comparison with the previous year and benchmarked against other production companies. Based on the results of the review, Uralkali develops and introduces a list of different measures to enhance the corporate culture and address any urgent business or social issues.

Based on the results of the 2018 survey, 34 areas for improvement were identified. A set of social measures was introduced, including providing part of employees with different transport cards for public transport, allocating additional quotas under the housing programme, more comfortable conditions for inpatient treatment under the VHI policy, and the introduction of special health rehabilitation programmes for employees of the underground complex.

- Meetings for Company employees on any personal issues with the Human Resources Director.

At Uralkali, the documentation and categorisation of all incoming questions and requests from any employee is mandatory. The information is sorted and sent to the relevant heads of the departments in order to resolve any issues.

Volunteering

Uralkali's volunteer movement began as part of its environmental movement in 2009. Today, it unites around 800 Company

employees and has several key areas of activity. Volunteers hold charity events in nursing homes, orphanages, children's hospitals and animal shelters, as well as supporting children from low-income families. They also hold environmental clean-up days and competitions and support federal, regional and urban projects. In 2019, the Company's volunteers held more than 40 different events.

Uralkali actively supports the volunteer movement and engages all employees in environmentally and socially important projects while expanding the spheres of activity and the geographic reach of its campaigns. In

90 Years of the RU.DA Corporate Newspaper

In 2019, on its 90th anniversary, the RU.DA corporate newspaper received a Letter of Recognition from the Perm Territory Organisation of the Russian Union of Journalists, for its efficient partnership in communicating support for socially significant projects related to the development of the Verkhnekamsky region.

The corporate newspaper was first launched in 1929 at the time when the first potash mine in the USSR (Chernaya River, Solikamsk) was constructed. At that time it was called Soviet Potash.

Today, the RU.DA newspaper describes production processes, new projects, employees, their achievements and interests, discusses current issues, and provides all readers with the relevant information about the life of Uralkali.

2019, the Company's volunteers established new areas and forms of interaction:

- Hospital volunteering — visiting sick children in hospital, playing games and distributing corporate gifts,
- Inclusive volunteering — Events for children with disabilities,
- Joining the Perm Region volunteer movement — Participation in different forums, seminars, and joint events.

Uralkali's volunteer activities are supervised by the Administrative Department's Centre for the Organisation of Corporate Events and Sports. At the beginning of 2019, the plan of volunteer activities for the year was drawn up with the movement leaders. During the reporting period, representatives from the centre held regular meetings with volunteer activists, in an effort to engage employees in volunteering activities and

popularised these activities on social networks.

The activities of the Company's volunteers are widely covered in the corporate media and are recognised by all colleagues and heads of the Company. On International Volunteer Day (7 December), Uralkali held its annual corporate event dedicated to its volunteers, who were awarded with Company diplomas.

Volunteer projects

Project	Contents	Number of events in 2019
Children's Joy	Activities in nursing homes, as well as support for low-income families	19 volunteer events
Help a Friend	Assistance to shelters and temporary shelters for homeless animals	12 volunteer events
Green Contour	Ecological and volunteer clean-up days, improvement of all territories of botanical gardens	8 times
Warm Care	Visits to care homes for the elderly and disabled (International Day of Older Persons), as well as the presentation of gifts from PJSC Uralkali to each war veteran in Berezniki and Solikamsk (Victory Day)	2 volunteer events

LABOUR AND INDUSTRIAL SAFETY



PUTTING SAFETY FIRST

Safety is an unconditional value and forms the basis of all our activities and decisions. We recognise that careless and thoughtless actions may have tragic consequences not only for ourselves and our colleagues, but also for their families and loved ones. We appreciate that there is nothing more important than the preservation of life and well-being.

0.11

injury rate (LTIFR)

LABOUR AND INDUSTRIAL SAFETY

Progress towards achieving the goals

Goal	Status	Results for 2019
Zero injuries	Underway	LTIFR value stood at 0.11
Zero accidents	Achieved	No accident was reported

Documentation

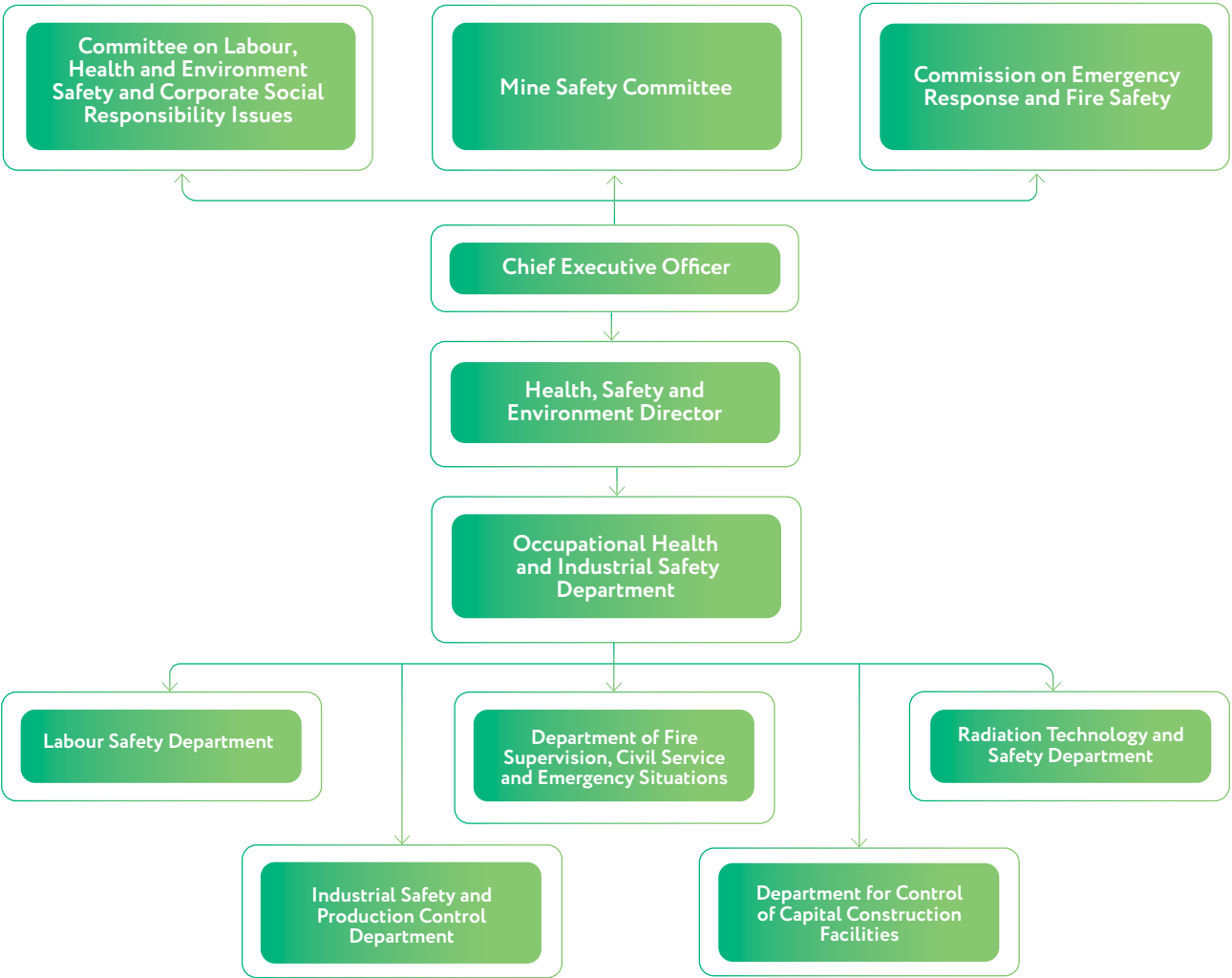
Internal

- HSE Policy
- Regulations on the Labour Safety Management System

External

- OHSAS Standard 18001:2007 (100% asset coverage)

Allocation of responsibility



MANAGEMENT APPROACH

Our approach

We strive to pursue the highest level of occupational health and industrial safety practices to protect our employees. The life and health of our employees is of utmost priority across all operations within the Company. In order to achieve our goals of occupational and industrial safety, the Company implements a number of measures to ensure safe working conditions, taking into account the specifics of production processes.

Management system

Uralkali recognises that occupational health, labour, industrial and environment safety are key priorities which form the basis of all actions and decisions by the Company, irrespective of the line of work. The LS and IS management system apply to all employees of the Company. [GRI 403-1](#)

The HSE Policy was adopted by the Company in 2012. The document is regularly revised and updated as necessary.

Uralkali improves its system of labour and industrial safety management on an ongoing basis. In 2019, the Company established an LS, IS and HSE Directorate that included the LS and IS Department. [GRI 403-3](#)

Uralkali's system of labour and industrial management covers 100% of the Company's assets and was certified to meet the requirements of OHSAS 18001-2007 Standard. The certification was extended for a further period in 2018 and is valid until 2021. [GRI 403-8](#)

The Company regularly monitors strict adherence of all employees

THE COMPANY'S KEY PRIORITIES IN THE FIELD OF OCCUPATIONAL HEALTH AND INDUSTRIAL SAFETY MANAGEMENT

- Creating safe working conditions for all employees;
- Continuous training of employees in the field of occupational safety;
- Preparedness for emergency response;
- Continuous enhancement of safety processes and security risk management

to the labour safety requirements, as well as closely monitors LTIFR, LDR indicators and tracks the number of incidents. Internal audits of the labour and industrial safety system are conducted regularly. [GRI 403-3](#)

Senior management engagement

The Committee on Labour, Health and Environment Safety and Corporate Social Responsibility Issues carries out its activities under the CEO supervision. The Committee meets on a quarterly basis, but in the event of the need to address urgent matters, the Committee may meet more frequently. Control over the implementation of the decisions of the LS, IS and HSE Directorate.

In 2019, the Committee decided to revise the LS and IS methodology in relation to punishment for "minor" incidents at the workplace. In particular, it was agreed not to punish employees (except in cases of recurrence) in order to identify the root causes of the incidents and to eliminate them. This measure will help reduce the number of "minor" incidents and prevent those with more serious consequences in the future.

In addition, the CEO also oversees the work of the Mine Safety Committee and the Commission on Emergency Response and Fire Safety.

The entire management team of the Company actively participates in the work of the committees and the commission.

At the Board level, all labour and industrial safety issues are supervised by the Sustainable Development Committee. The Committee's areas of responsibility include, among other things, reviewing the LS and IS policies and monitoring the Company's compliance with legislative requirements relating to labour and industrial safety.

The Committee's meetings in 2019 addressed the following issues:

- injury statistical data, including all accidents and minor injuries, as well as measures to reduce them;
- statistical data on violations of industrial safety rules and applicable sanctions against employees and contractors;
- the initiative to develop a separate industry-specific document "Infrastructure of

The Company has created an extensive regulatory framework for labour and industrial safety.

In line with the Health, Safety and Environment Policy, the Company has the following internal regulations in place:

- Regulations on PJSC Uralkali's Labour Safety Management System;
- Regulations on the safety processes for works performed by contractors at surface and underground facilities of assets;
- Regulations on the Occupational Safety and Health, Environment and Corporate Social Responsibility Committee under the supervision of PJSC Uralkali's CEO;
- Regulations on the Occupational Safety Commission in PJSC Uralkali;
- Instructions on labour, industrial and fire safety, and industrial sanitation for all employees working in underground mines;
- Quick access instructions aimed at compliance with labour safety requirements and maintaining order in the workplace in the mine management divisions, etc.;
- Internal Regulatory Act «Identification of hazards, risk assessment and development of measures to reduce the risk of accident for facilities».

Potash Industry Enterprises. Fire Protection Requirements»;

- additional costs for measures of hazardous production facilities (HPFs) safety;
- test results of the new OSR industrial self-rescuers;
- prospects for the operation of the Solikamsk-2 sludge storage, and others.

Risk Management

Risks and hazards are regularly identified across the Company's production facilities as part of the procedures of the Occupational Safety and Safety Management Systems. Identification is carried out in accordance with the internal regulatory act "Identification

of Hazards, Risk Assessment and Measures Development to Reduce the Risk of Accidents for Facilities". Based on the results of this work, safety data sheets are developed, which provide an analysis of the risks of accidents.

The Company has also developed a Risk Assessment Report on Accidents at Hazardous Production Facilities. In accordance with the Russian legislation, requirements of Rostekhnadzor and the Ministry of Emergency Situations, Uralkali regularly conducts risk assessments for new projects. [GRI 403-2](#)

Uralkali is constantly improving its system of risk assessment in the field of occupational health and

labour safety, analyses risks on an annual basis and takes measures to mitigate them. In particular, in 2019 a risk assessment was carried out when working next to an operating pipeline. The assessment was carried out as part of measures to prevent accidents after an incident with a breakthrough in a slurry pipeline tragically resulted in the death of a Company employee.

Additionally, based on the results of the injury risk assessment, training is conducted in the area where the highest risk was identified. As such, one of the significant risks identified is the risk of workers falling from height. In 2019, with the aim of acquiring practical skills by employees and conducting training to perform work at height on the territory of Berezniki-3, a training complex of the Corporate University was launched.

Managing Geological risks

Flooding of mines is one of the most significant operational risks of the potash business.

Monitoring

Therefore, the Company conducts constant monitoring of the geological environment in all operating mine fields as well as sites being prepared for processing. The main objective of the monitoring is the timely identification of hazardous processes for the development of emergency prevention and response measures.

A comprehensive analysis of the research results allows us to forecast the development of the situation, identify potentially dangerous zones, as well as the possible degree of their impact on the vital activity of the cities of Berezniki and Solikamsk. Uralkali submits the results of monitoring observations to scientific institutions, relevant government departments and various supervisory bodies.

Preventative activities

With increased attention paid to mining operations, Uralkali calculates the parameters to ensure safe development of deposits. In particular, mining parameters are determined at which deformation of the earth's surface has acceptable values and does not lead to damage of the surface facilities. Project development for mining of the deposits is prepared by engineering organisations, on the basis of previously conducted studies of the geological structure of the deposit and regulatory documents on the protection of mines from flooding.

The Company pays great attention to the issues of safe development of deposits; where backfilling is one of the key activities. Currently, backfilling is carried out at all Company mines, and are planned to be carried out at the newly built mines for the duration of the entire mine life.

Modernisation programmes and increase in the capacity of backfilling complexes are being carried out at Uralkali mines. For instance, the volume of hydraulic filling amounted to 8.3 million tonnes in 2011, the volume of hydraulic filling already stood at 18.2 million tonnes in 2019.



Employee engagement and trainings

The key to a safe working environment is ensuring employee awareness and the development of a culture of compliance with the latest labour, industrial and fire safety requirements. Prior to commencing work at production facilities, Uralkali employees undergo workplace training. Ensuring workplace safety and monitoring employee compliance with the safety requirements are part of the responsibilities of all the foremen and supervisors.

Labour and industrial safety implies strict adherence by the Company's employees and contractors to the various safety requirements aimed at reducing the risks of industrial accidents. Among those, it is worth distinguishing the Cardinal Rules. Moreover, the work of the HSE Committee has been streamlined, which considers violations of the Cardinal Rules amongst other issues. A proven violation of the rules entails the dismissal in accordance with the Labor Code of the Russian Federation. Employees of contracting organisations, who have violated the regulations, are deprived of the right to stay on the territory of the Company's premises for a period of one year.

The Council for Prevention of LS, IS and HSE Violations organises joint meetings with the Company's production asset.

In 2019, the work on the Initiative project continued, the main goal of which is to involve and motivate staff to research potentially dangerous working conditions and develop initiatives on improvement of working conditions. Employees are also involved in the creation of working groups, consultations on relevant security issues, and in the development of local regulations: separate provisions of the regulatory documentation,

Cardinal Rules

- Smoking in mines is prohibited.
- Work in electrical installations under voltage is prohibited.
- Loading and unloading operations when people are in the danger zone are prohibited.
- It is forbidden to carry out repairs and maintenance of conveyors without disconnecting from energy sources, use of conveyors for transfer of people and goods (materials and/or equipment), crossing (either above or under) operating conveyors by employees are not allowed.
- Work at heights without wearing a safety harness is prohibited.
- It is forbidden to perform work and stay in the bottomhole zone during the operation of the mining machine.
- Working in underground mines with unsecured and/or unassembled roofing is prohibited.
- It is forbidden to carry out welding and flame work in underground mines and mine buildings without the necessary safety measures preventing fire.

instructions on types of work and professions. [GRI 403-4](#)

The Company regularly conducts mandatory statutory labour and industrial safety trainings. The main areas of training are:

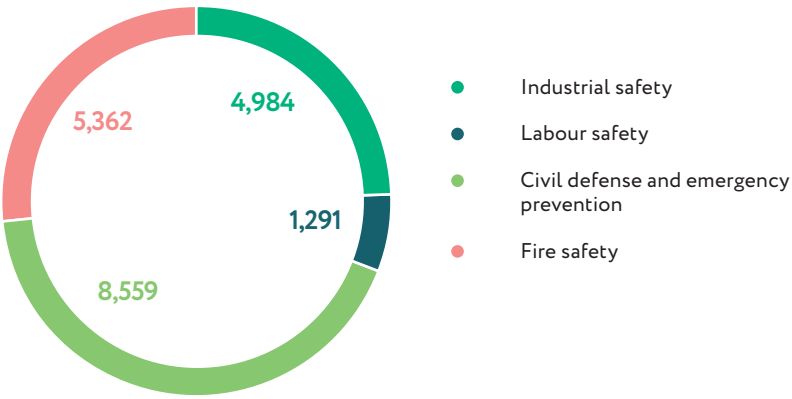
- industrial safety;
- labour safety;
- fire safety;
- protection in emergencies [GRI 403-5](#)

Throughout the year, regular trainings for emergency response were held for Company employees and contractors. Uralkali continues training and certificating the mine rescue crew members.

Employees of the Company are required to conduct contractor's briefings.

In 2019, the Company held the WorldSkills Corporate

Number of employees trained and certified in labour and industrial safety in 2019



Championship, which was attended by employees of various professions. Chemistry lab technicians and labour and industrial protection management employees took part in the championship.

Over the course of the reporting year, 20,196 employees were trained on various labour and industrial safety programmes.

Requirements for contractors

Uralkali pays close attention to contractors' compliance with the labour and industrial safety requirements both in procurement procedures and directly in the course of work performed under the signed contracts. When conducting procurement procedures, the Company verifies that the contractor has a labour protection system, timely staff training, staff qualifications, and the availability of permits to use the necessary tools and equipment. Uralkali also tracks injuries amongst contractors.

As a result of joint efforts on the part of the Company and its employees, as well as contractors and effective control over the execution of work, it was possible to significantly reduce the number of injuries. However, to our great regret, in 2019 one fatal accident occurred in a contracting organisation involved in the production of works, and one severe accident.

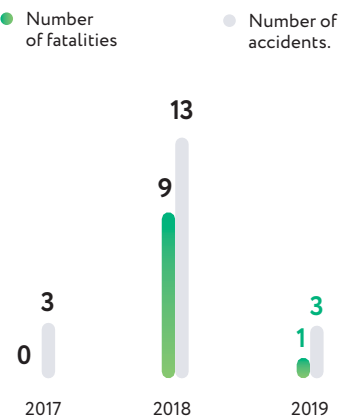
The Company has developed the Regulations on the Procedure for Production of Works by Contracting Organisations, which regulates the admission of contractor employees to work, as well as the qualifications of contracting organisations in terms

of requirements to ensure work safety. Contractors' compliance is checked by both the LS and IS Department employees, and the process control and supervision services. Penalties are provided for failure to comply with the labour protection requirements, up to contract termination.

Employees of contracting organizations carry out work in accordance with the approved work production plans (WPPs) and corresponding work permits. These documents stipulate that, in case of danger or an emergency situation, workers must suspend works immediately and inform their direct supervisor. There is also a helpline through which any worker can report a dangerous situation at the site. Contractors attend induction briefings before entering the facility where the work is performed as well as a special briefing prior to commencing specific tasks.

Control over contractor compliance with labour safety requirements is also exercised at the CEO level. The company monitors whether contractors comply with the

Number of accidents at contracting organisations in 2017–2019, ea.



OHS requirements stipulated by the contract. In 2019, two working meetings between the CEO and the representatives of major contractors were held.

Plans

During 2020, as well as in the medium term, the Company plans to implement a number of measures and programmes in the field of occupational health and safety.

Plans for 2020 and the medium term

Areas	Measures
Labour safety	Carrying out an unscheduled special assessment of working conditions during the commissioning of new projects and introducing new technological processes or changes to existing processes Providing employees with personal protective equipment (PPE) of quality that meets international standards
Industrial safety	Improving risk management efficiency in relation to technological processes at HPFs
Safety culture	Research and development of measures to enhance the safety culture at the organization

INJURY PREVENTION

Injury rates
GRI 403-9

The absence of accidents, incidents and emergencies is one of the most important goals for ensuring business efficiency. Every employee expects to have favourable conditions in the workplace. At the same time, the Company expects each employee to adhere to the principles of safe behaviour and follow all the safety rules.

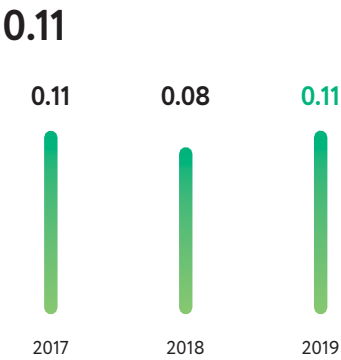
Investigations of injuries are carried out in accordance with the established procedure. If an injury occurs to an employee of a contractor at the Company's facility, Company's employee shall be included in the commission to assist the investigation and analysis of the incident. According to the procedure established by law, the commission during the investigation without exception develops measures to prevent such cases from happening again. [GRI 403-2](#)

Unfortunately, despite Company's considerable efforts, in 2019, 18 accidents occurred at the Company's facilities in Russia, including, tragically, three fatalities and six employees severely injured at production sites. The Fatal-Injury Frequency Rate (FIFR) was 0.019. All of the cases have been investigated. [GRI 403-9](#)

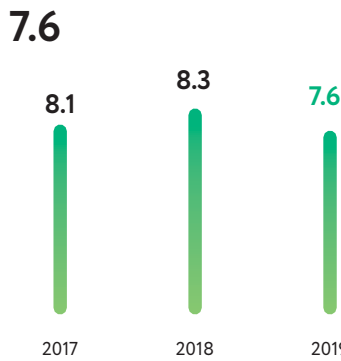
The causes of the fatalities were determined to be the following: a rupture of the slurry pipeline; an employee crossed a conveyor during its operation; and operator's execution of rock removing works not specified in the work instructions.

Lost days rate (LDR) amounted to 7.6 which is the lowest indicator achieved over the last three years. The main injuries sustained by

Lost Time Injury Frequency Rate in 2017–2019, LTIFR



Lost days rate in 2017–2019, LDR



Number of accidents and incidents in 2017–2019, ea.



OUR KEY PRIORITIES

- Absence of industrial accidents
- Absence of emergencies

employees in 2019 are related to falling as a result of tripping and slipping, as well as being hit by falling objects.

In 2019, there were no accidents at the Company's production sites. In February 2019, there was an incident that involved the combustion of a mobile compressor plant at the Berezniki-4 mine.

Injury prevention activities

Uralkali develops measures to prevent injuries both in relation to the requirements of the legislation and taking into account internal hazard analysis and risk assessment. Within the framework of the Labour Safety and Industrial Safety Strategy, the main areas of activities are:

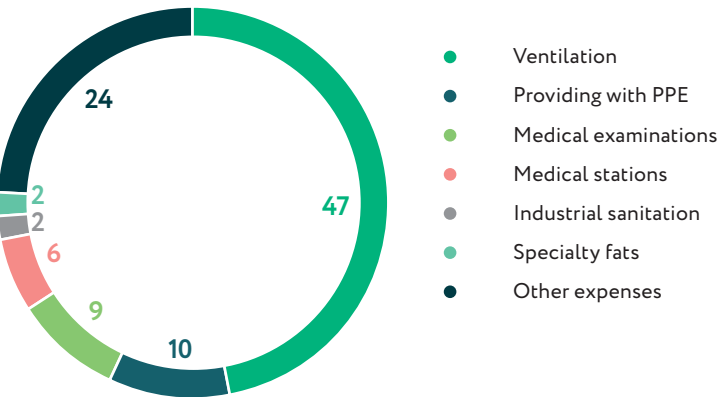
- providing all employees with personal protective equipment (PPE) which meets international standards;
- carrying out an unscheduled special assessment of working conditions following the introduction of new jobs and changes in technological processes;
- development of measures related to the technological processes at HPF, work at heights, passenger transportation, etc.

In 2019, Uralkali allocated approximately USD 13 million to various measures in the field of occupational health and safety.

Measures implemented in the field of occupational health and safety in 2019

Affected area	Actions and control/protection measures
Analysis of the results of accident investigation	As a result of the investigation into the accident caused by the rupture to the slurry pipeline, the Technological Regulations for Stowing Operations have been updated and a document on risk assessment of pipeline operations is being developed
Assessment of workplace conditions	At Company's facilities work was conducted on a special assessment of working conditions at newly organized workplaces, as well as in workplaces where technological changes, accidents and occupational illnesses have occurred
Road traffic and passenger transportation safety	In order to ensure the safety of employee transportation and goods delivery processes in the underground conditions, a project is being implemented for the installation of tachographs on vehicles in the Company's mines
Control measures related to labour safety	To strengthen control and record the instances of violation of the requirements of labour, industrial and fire safety in the divisions, Uralkali employees are equipped with DIAMANTE chest video recorders and voice recorders.

Total expenditure and investment on occupational health and safety by type, %



Safe heights

In 2019, the Company has acquired a unique facility – a training ground for employees working at heights. The training ground for work at heights is located in a separate building with a large gym and training classroom. Here, employees will be able to gain theoretical knowledge and practice it.

OCCUPATIONAL HEALTH

The protection of occupational health is an important aspect of the Company's activities in the framework of occupational safety. In particular, medical examinations are provided for workers involved in hazardous working conditions based on a special assessment of working conditions. In cases of detection of occupational illnesses, an investigation takes place and measures are developed to reduce the impact of harmful factors on the health of workers.

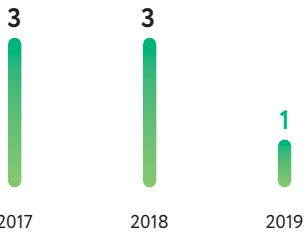
GRI 403-7

Pre-shift express testing of workers

In 2019, pre-shift express testing of employees working underground in the Solikamsk-3 mine was launched using the Kuzbass-TsOT software package and medical examination terminals. The main purpose of the complex is to reduce industrial injuries establishing confidence and consistent safety skills amongst employees.

The complex is operated using the Method of Mass Development and Control of Employees' Expertise, which helps to control the required level of their competence. The complex allows you to quantify the risks of injuries due to incompetent actions of employees.

Number of identified occupational diseases in 2017–2019, ea.



In addition, a number of related programmes ensuring health of employees and their families are being implemented as part of the social policy provisions (for detailed information see section *Internal Social Policy*, p. 53). [GRI 403-6](#)

Since 2019, a mobile fluorograph screening device has been operating at Solikamsk sites, which enables employees to undergo an X-ray

examination without the need to travel to Berezniki's city clinic. Screening is mandatory once a year not only for all employees undergoing periodic medical examinations, but also for all the residents of the Perm Region. Anyone holding a passport of the Russian Federation and a compulsory medical insurance policy can undergo screening. [GRI 403-10](#)

Preventive measures against the coronavirus COVID-19

At the time of reporting, the Company, along with the rest of the world, is facing a new risk factor – the coronavirus pandemic. In this regard, a set of timely measures have been implemented in full compliance with the approved federal and regional regulations to prevent the spreading and development of COVID-19, including:

- a special internal Commission has been established to analyse the current situation and promptly inform the Company employees;
- all business travel for Uralkali employees was prohibited;
- Company employees who have returned from abroad are obliged to self-isolate for 14 days;
- Company employees not involved in ensuring continuous production processes were transferred to remote working;
- mandatory sanitization and disinfection of premises is being implemented;
- Company facilities are equipped with hand sanitisers, and daily temperature checks of employees involved in ensuring continuous production processes were organised;
- Health care centre and the Company's sport facilities (swimming pool, training hall, and ski centre) have been temporarily closed;
- Company employees are constantly informed about the preventative measures taken to contain COVID-19 through the internal portal, corporate newspaper, TV channel, corporate Uralkali mobile app, as well as via social media.

INDUSTRIAL AND RADIATION SAFETY

In 2019, Uralkali continued to develop and improve production control over compliance with the industrial safety requirements at its hazardous production facilities.

On the basis of the list of technical devices, buildings and structures operated at hazardous production facilities (HPF), within the framework of the implementation of the 'Regulation on the Procedure for Organising and Conducting Industrial Safety Reviews of Technical Devices, Buildings and Structures of Hazardous Production Facilities at the Company', the 'Strategic Plan for Performing Industrial Safety Examinations of Engineering Devices, Buildings, and Constructions of Hazardous Production Facilities' was developed and approved by the CEO. This document enables the Company to evaluate and correctly plan the expenses required for performing the industrial safety examinations based on the engineering devices, buildings, and constructions, the time of safe operation of which expires in the next calendar year as well as within the next 5–10 years.

The Company complies with all the relevant requirements of the control and supervisory bodies in the field of industrial safety. For instance, the Company has prepared all of the 76 hazardous production facilities for the planned on-site inspection by Rostekhnadzor. As a result of the inspection,

Exchange of experience amongst mine inspectors

Since 2019, the Company has been implementing an initiative for sharing the knowledge and experience of mine inspectors — specialists visit other mining departments every month and conduct joint inspections of the facilities with their colleagues. This working approach allows inspectors to exchange experience, study the way their colleagues work and familiarise themselves with the features of other mines.

Rostekhnadzor's specialists issued recommendations and established deadlines to implement the necessary corrections. The work on the recommendations is an important aspect of ensuring industrial safety. The Company is fully responsible for HPF which are an integral part of the working environment and the technological process.

Radiation technology and safety

Radiation safety control is entrusted to the Department for Radiation Engineering and Safety of the Company.

The production (radiation) control programme, scheduled for 2019, has been fully implemented. The department's employees examined 79 facilities. The results of the analyses of samples of mineral raw materials, finished products and halite waste have been issued in a timely manner. During 2019, 599 measurements were taken, 197 protocols were issued.

In March 2019, the Radiation Technology and Safety Department took part in an inter-laboratory comparative examination of radiation control in residential, public and industrial buildings and structures in St. Petersburg. The department staff's expertise was confirmed by the results of the quality assessment. The organisers of the event commended the high level of professional training of the Company's employees.

During 2019, the department also passed the assessment of its activity for compliance with the accreditation criteria according to Order No. 326 of the Ministry of Economic Development dated 30 May 2014 and the requirements of ISO/IEC 17025-2009 "General Requirements for the Competence of Testing and Calibration Laboratories".

EMERGENCY RESPONSE

The scope of preparation and response to emergency situations is regulated in detail by the Russian legislation. In accordance with the requirements of the legislation, the Company's enterprises have developed action plans for localizing and eliminating the consequences of accidents.

To coordinate activities in the field of fire safety and emergency prevention, the Company operates:

- Commission on Improving Sustainability of Operations;
- Commission on Prevention of and Response to Emergencies and Fire Safety chaired by the CEO of PJSC Uralkali;
- Commission on Flood Control.

No emergencies were recorded at the Company's facilities in 2019.

At all of the Company's mines, voluntary emergency rescue units (Mine Rescue Crews — MRC) and freelance formations consisting of surface complex workers were established. The Company also signed contracts with professional services and organisations.

Fire safety

Within the framework of compliance with forest legislation, work has been carried out to meet the fire safety requirements in leased forest areas — two fire-fighting equipment warehouses operate at the Company's facilities for extinguishing possible forest fires; fire line ploughing has been completed; information boards on fire-fighting themes installed.

In order to ensure fire safety of the surface complex facilities during the reporting period, scheduled

maintenance and preventive maintenance of more than 1,000 systems and automatic fire alarm systems, warning and evacuation systems, as well as automatic fire extinguishing systems and warning systems in case of emergency was carried out.

During 2019, in order to further enhance the fire protection of employees and property, the phased implementation of round-the-clock monitoring of fire alarm systems and automatic fire extinguishing units in the facilities of the Company's surface complex continued, which enables to react quickly to possible failures in the operation of the fire automation system through the monitoring centre.

Emergency prevention monitoring

As a responsible miner, Uralkali uses a wide range of modern monitoring methods to prevent emergency situations:

- surveying;
- water monitoring;
- visual;
- geophysical;
- gas geochemical;
- satellite;
- seismological.

The combination of different monitoring types allows us to obtain the most comprehensive and objective information about the field as a whole and the processes at specific mines. This provides an opportunity to detect decompaction in the mountain area at an early stage, to detect the accumulation of subsoil gases, in particular methane, to determine the concentration and to understand whether it poses a threat if it reaches the surface.

Emergency alert systems

Local warning systems operate at the facilities classified as highest hazard at the Company. Sound warning systems are installed to alert the local population in areas of possible sludge flooding, (the sound of a siren to attract attention and information about the incident with instructions for evacuation). In underground complexes, safety management systems have been installed to alert miners.

During the reporting period, work was carried out to improve the alarm systems. In particular, in 2019, work was performed on the local warning system installation on the sludge storage facility of Berezniki-4. Necessary measures have been taken to prevent accidental oil spills. Comprehensive targeted inspections at all mining departments of the Company have been carried out, as well as Plans for Emergency Oil Spills

Elimination were updated for fuel and lubricant materials storage sites.

In addition, work on maintaining readiness of Civil Defence structures are ongoing. In 2019, the necessary measures were taken to further increase their protective properties.



ENVIRONMENTAL PROTECTION



ENVIRONMENTAL SAFETY IN REGIONS OF OUR OPERATIONS IS OUR TOP PRIORITY

Mitigation of adverse ecological impact and environmental protection are critical aspects of Uralkali’s activities. We are committed to ensuring environmental safety in the regions where we operate. The Company takes environmental protection measures aimed at improving its ecological monitoring system, enhancing water resources and waste management practices, implementing air quality control and reducing energy consumption and GHG emissions.

76.8 USD mln

invested in environmental protection measures

96 kg per tonne of products

direct GHG emissions

ENVIRONMENTAL PROTECTION

Progress towards achieving the goals

Goal	Status	2019 Results
Water intake reduction by 10% from 2017 to 2022	Underway	Water intake reduced by 9.8%
Energy consumption reduction by 10% from 2017 to 2022	Underway	Energy consumption reduced by 6.5%

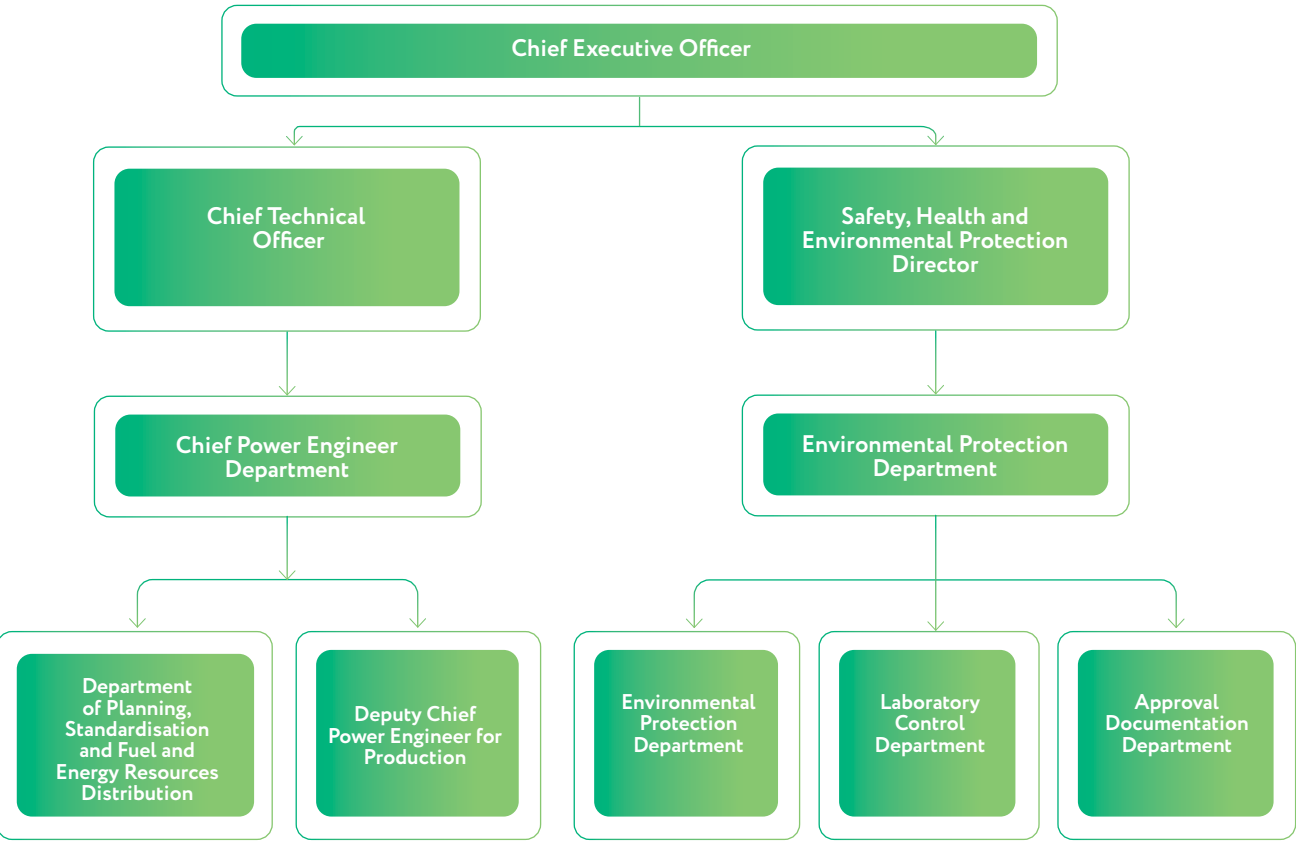
Documentation

- Internal

 - IS, LS and HSE Policy
 - Technical policy in energy management
 - Regulation on Production Control in Health, Safety and Environment
- External

 - Russian environmental legislation
 - International Fertilizer Association (IFA) standards on environmental and community activities

Allocation of responsibility



MANAGEMENT APPROACH

Environmental Management System
GRI 307-1

Uralkali fully recognises its obligations concerning environmental protection and mitigation of adverse impact from its industrial activity. The Company fulfils these obligations by complying with environmental legislation and developing its environmental management system.

HSE activities are supervised by the Board of Directors' Sustainable Development Committee. Additionally, Management Board members regularly review and discuss the results of the environmental protection activity. The Company also has a department responsible for HSE management (LS, IS, HSE Directorate). Employees responsible for occupational safety manage environmental matters at the Company's mining units.

The Company has developed and approved internal HSE regulations, which serve as the basis for annual Environmental Activity Plans. In 2019, activities were carried out in the following key areas as part of the plan:

- protection of the atmosphere;
- environmental monitoring;
- waste management (disposal, use);
- staff training;
- scientific research.

The Environmental Management System has been introduced at all facilities of the Company. Uralkali has a Protect & Sustain International Standard Certificate from the International Fertilizer

THE COMPANY'S KEY PRIORITIES IN ENVIRONMENTAL PROTECTION

- Mitigation of environmental impact
- Efficient water resources and waste management
- Control and reduction of GHG and pollutant emissions
- Reduction of energy consumption
- Comprehensive and regular assessment of environmental risks

Association (IFA). The certificate covers several aspects of management systems including environment (ISO 14001).

Production activities are subject to industrial ecological control (IEC), with relevant data entered into annual reports. IEC includes routine environmental monitoring of production facilities. Monitoring data are sent to supervisory bodies as part of reporting on progress and results of IEC at industrial facilities with potential negative impact on the environment.

In case of emergencies or accidents involving negative environmental impact, the Company conducts technical investigation of causes of such accidents in compliance with legislation. The Company is compliant with the Regulation on Industrial Environmental Control, which provides the option of running unscheduled inspections if ordered by Head of the Environmental Protection Department (EPD).

In compliance with environmental legislation requirements, all industrial facilities of the Company have undergone

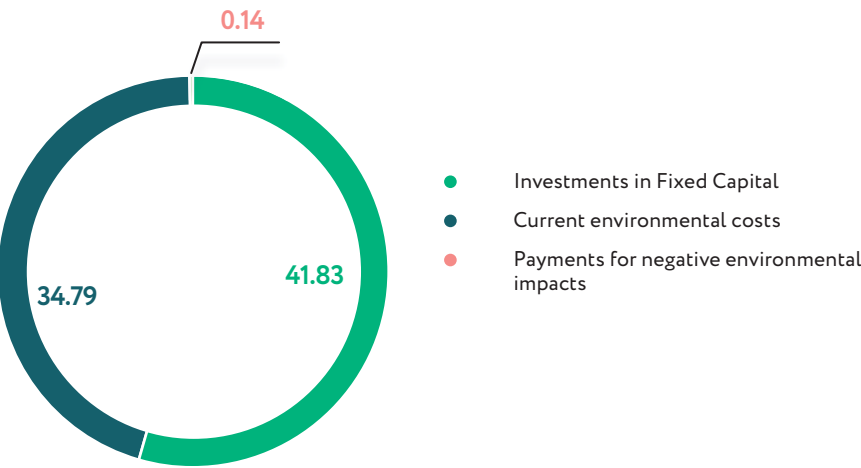
environmental impact assessment (EIA), which includes identification of environmentally adverse processes and their environmental impact. During the implementation of new construction and reconstruction projects, Uralkali takes measures to prevent environmental impact, which are set out in the design documentation.

In its industrial activities, Uralkali strictly complies with the requirements of the Russian environmental legislation, as well as the requirements of internal environmental standards. In 2019, the Company received just one note of breaching environmental legislation and made the corresponding payment (11 notes in 2018).

In 2019, the Company's expenses¹ for environmental protection measures totaled USD 76.8 million (RUB 4,969.3 million). These expenses include current environmental costs (operating costs, payment for environmental services, training costs for managers and specialists), investments in fixed capital aimed at protecting the environment and rational use of natural resources, as well as payments for negative environmental impacts.

¹When preparing this Report, the method of calculating environmental costs for 2019 was changed. Due to this, the data are presented only for this year and they differ from the same indicator presented in the Uralkali Annual Report 2018.

Environmental protection measures cost structure in 2019, USD mln



Development Plans

In 2020 and in the medium term, the Company plans to implement measures on key aspects of environmental protection

Involvement of stakeholders in managing environmental issues

The Company consistently informs its stakeholders via special communication channels about measures related to environmental protection and mitigation of environment impact. Communication is conducted by posting relevant information in national regional and local media, as well as by placing press releases on the Company’s website and information in social media.

To involve and notify stakeholders in the region of its operations, the Company holds public hearings at any stage of EIA when planning new production projects. It also analyses information and monitors enquiries from stakeholders.

Environmental initiatives

The Company continuously develops its corporate environmental culture. Uralkali

- Investments in Fixed Capital
- Current environmental costs
- Payments for negative environmental impacts

Uralkali’s achievements in environmental and energy efficiency

In 2019, Uralkali became a Top-10 company in terms of environmental and energy efficiency, according to the Interfax Group’s rating. The annual rating included 150 major companies from Russia and Kazakhstan.

The rating includes five categories: energy conservation, engineering efficiency, ecological safety, efficiency trends and transparency.

2020 and medium-term plans

Area	Measures
Waste management	Sheltering salt tailings piles from slurry storage Increasing the share of recyclable waste
Energy management	Energy consumption reduction under planned KPI

and its volunteers participate in community clean-ups and similar events in Berezniki and Solikamsk. The Company supports environmental initiatives from its personnel and public organisations, thus helping to draw the attention of its employees and their families to environmental issues.

In 2019, Uralkali took part in the following events:

- National ecology event “Water of Russia”;
- National Earth Day “Green Spring – 2019”;
- National event “Ecological Safety Days”;

- National Earth Day “Green Russia”;
- ECOIMAGE-2019 Contest. Uralkali won in the nomination “The Best Commercial

Enterprise. Support of Environmental Events”.

At its corporate university Uralkali also conducts corporate training

sessions on environment for its employees. There is a special resource with actual reports for managers.



WATER RESOURCES MANAGEMENT

GRI 303-1

Uralkali fully recognizes its responsibility for preservation of availability and quality of water resources in the region of its presence. Although our activity has no significant impact on the volume or flow of water bodies used, as well as on water bodies significant for other water users (e.g. the Kama River), Uralkali strives to minimize any impact from its operations on water bodies.

The Company’s impact on water bodies includes water consumption for production needs and sewage

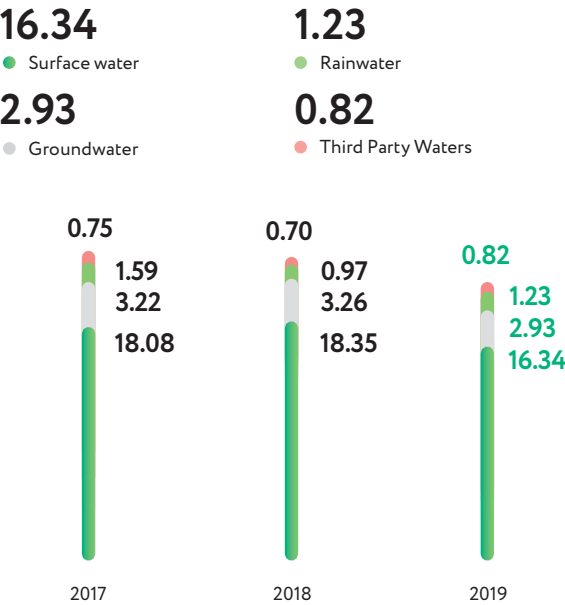
discharge. Uralkali takes measures to reduce its impact on water bodies in both areas

The Company has established quantitative target indicators to reduce water consumption by 2022 compared to 2017, as expressed in monetary terms. If annual target values are achieved, managers are additionally rewarded at the end of the year.

Uralkali conducts routine measurements of water intake rate and water consumption rate

in accordance with environmental legislation of the Russian Federation. In addition, we implement various measures and engineering solutions to reduce risks of negative impact on water bodies; such measures can include adjustment of water circulation system, and collection of condensate and rainwater. Thus, in 2019, flow meters were installed and temperature control in cooling towers was introduced as part of the project to modernise water recycling. In the reporting period, research activities were completed

Total volume of intake water per source¹, million m³
GRI 303-3



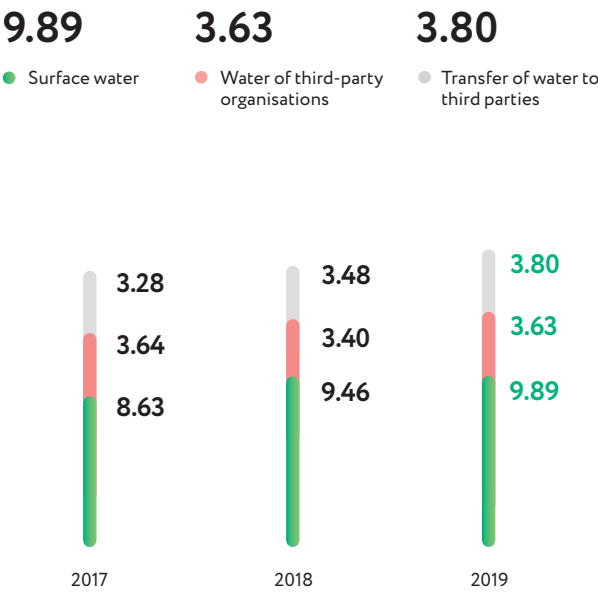
to detect and assess geological and hydrogeological areas with regard to the prospects for pumping sewage water into the underground horizon.

In 2019, total volume of water withdrawal was 21.32 million m³, a 8.4% decrease year-on-year (23.28 million m³). In particular, the volume of water taken for the Company's needs totalled 17.57 million m³ in 2019. The main source of water intake is in surface waters. Surface water is taken from the Kama river (for Solikamsk-1, Solikamsk-2, Solikamsk-3), and the Verkhne-Zyryansky reservoir at the Zyryanka river. Furthermore, water is taken from underground reservoirs², and Company also utilizes water reserves of third-party organisations and collects rainwater.

Industrial water consumption³ for the reporting period was 4.00 million m³. Total water consumption dropped by 42.4% compared to 2018 (6.94 million m³). The specific water consumption rate per tonne of products was at 0.36 m³/t in 2019, which is 40% less than in 2018.

Availability of recycled and circulating water supply systems at the Company's facilities contributes to

Wastewater disposal³ by receiving facility, million m³
GRI 303-4



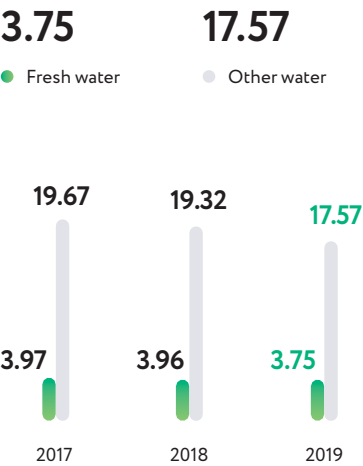
Volumes of recycled and circulating water in total water consumption, million m³

	2017	2018	2019
Recycled and circulating water	104.3	122.4	128.9
Recycled and circulating water volume surplus vswater consumption	13 times	18 times	32 times

reducing water consumption, therefore reducing the burden on water bodies. In 2019, water consumption via recycled and circulating water supply systems totalled 128.9 million m³, a 5.3% increase year-on-year (2018: 122.4 million m³).

Uralkali constantly monitors water discharge volumes in accordance with legal requirements. There are no

Total amount of water extracted, split into fresh and other water¹, million m³
GRI 303-3

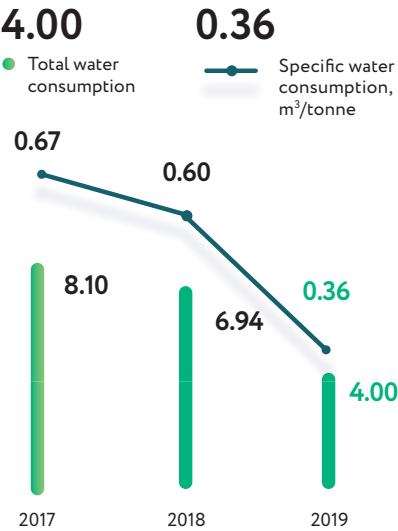


WASTE MANAGEMENT

As a major producer of potash fertilisers that mines ore underground, Uralkali is committed to responsible waste management. As part of our activities to mitigate the negative impact associated with waste management, we implement the following measures:

- modernising both existing and new facilities to increase the recovery ratio of valuable components from ore (top priority);
- backfilling mined-out areas;
- secondary use of waste (waste recycling into products for sale, transfer for the production of raw materials used in soda manufacture);
- neutralising and disposing of waste at sites that meet the requirements of sanitary and environmental legislation;

Water consumption², million m³ GRI 303-5



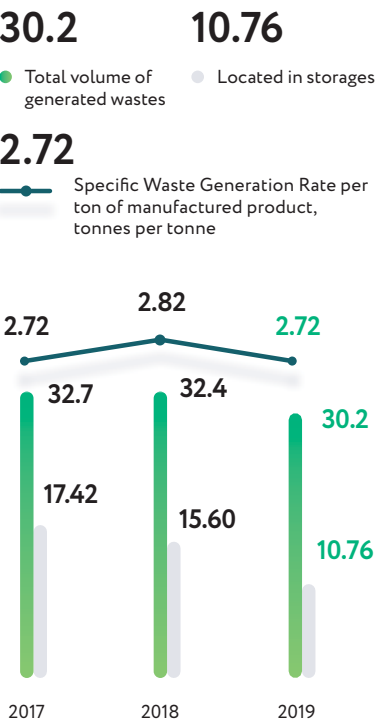
uncontrolled sources of water discharge at our production sites. The total volume of wastewater discharge into water bodies in the reporting year totalled 13.52 million m³, which is 5.1% more compared to 2018 (12.86 million m³).

- implementing a production control programme to oversee the technical condition of slurry storages and salt tailing piles.

Uralkali's main production wastes are halite waste and clay-salt slurries (Hazard class V). In 2019, 30.213 million tonnes of waste³ was generated by the Company's facilities, including 30.208 million tonnes of hazard class V waste, 4,000 tonnes of hazard class IV waste; 1,100 tonnes of hazard class III waste, and 0.5 tonnes and 9 tonnes of II and I hazard classes, respectively.

Halite waste is used for the production of secondary products, transferred to consumers and placed at salt tailing piles. Clay-salt slurries are located in the slurry storages. Both types of waste are used by the Company

Volume of waste generated, million t GRI 306-2



¹ 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.
² Water intake from underground reservoirs carried out from drill holes located at Berezniki-3, Solikamsk-1, Solikamsk-2, Solikamsk-3, the Sanatorium Preventorium.
³ Discharge figures are different from those submitted in PJSC Uralkali Annual Report 2019 due to clarification of the data on water discharge by third-party organisations and transfer of the water taken to third parties..

¹ Fresh water (or water for drinking water supply) is water, which total mineralisation is equal to or does not exceed 1,000 mg/L. The other water is water, the total mineralisation of which exceeds 1,000 mg/L.
² The absolute and specific water consumption (irretrievable) figures are different from those submitted in PJSC Uralkali Annual Report 2019 due to clarification of the calculation method. The numbers given do not include the volumes of water transferred to third parties without any use or discharge.
³ According to the environmental law of the Russian Federation, waste of classes I–IV are recognised as hazardous, and of class V as non-hazardous.

for stowage at idle mines. The Company implements technical measures to increase the volume of waste product stowage, such as the construction of hydraulic stowage facilities.

The Company’s halite waste is also used for the production of:

- industrial sodium chloride;
- halite mineral concentrate.

Halite waste is transferred to third parties for the production of:

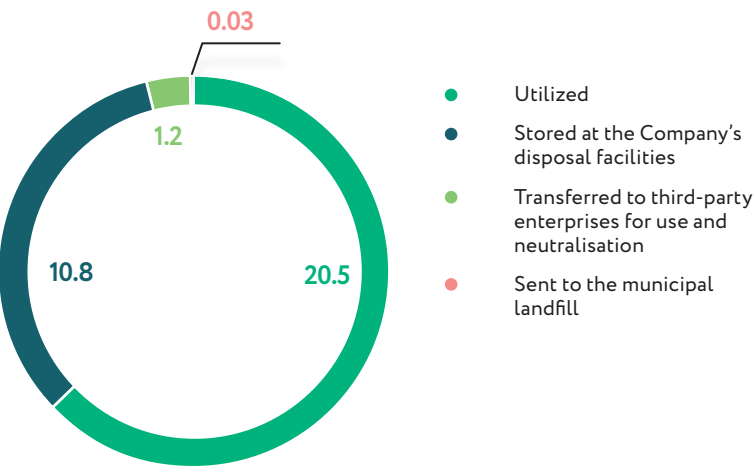
- deicing agent;
- saline solution for production of soda;
- drill fluid used for drilling oil and gas wells;
- chemicals for water softening during the water treatment stage at HPPs and boiler rooms.

In 2019, 20.5 million tonnes of non-hazardous waste were disposed of, 10.8 million tonnes were stored on the land of the enterprises, 1.2 million tonnes were handed over to third-party organisations for utilisation and processing, and 0.02 million tonnes were transferred to the municipal landfill.

In the reporting period, 27.7 thousand tonnes of waste were sent to the municipal landfill. This is an increase of 18.6% and 47.5%, compared to 2017 and 2018, respectively. The increase in waste tonnage was due to the increase in repair and construction works.

In 2019, the volume of waste not received by the Company’s disposal facilities increased by 10% compared to 2018 and amounted

Waste management methods in 2019, million tonnes



to 20.5 million tonnes. 18.8 million tonnes of halite waste and clay-salt slurries (including 2.3 million tonnes of halite waste earlier accumulated at the disposal facilities) was used for stowage at idle mines. This is an increase of 15.3% compared to 2018 (16.3 million tonnes). In 2019, the Company also processed 18.2 thousand tonnes of reinforced concrete, thus preventing its placement at the municipal landfill.

Operation of waste disposal facilities

Uralkali operates its waste disposal facilities in compliance with the requirements of project documentation. The development of a temporary shelter for salt tailings piles is currently underway. The Company regularly monitors the condition and pollution of the environment in the area of its waste disposal facilities. In the reporting period, work was carried out at Berezniki 2 to build up slurry storage dams to increase the storage capacity for clay-salt slurries.

There are nine hydraulic structures (HS) at Uralkali’s facilities, which include seven slurry storages and two dams. Their safe operation is an important priority for the Company. A full range of analytical activities are conducted at these facilities, with experts monitoring hydraulic structures and their reliability, and long-term durability.

In 2019, the Company evaluated the stability of slurry storage dams at Berezniki-3 and Solikamsk-3 to ensure safe operation of their hydraulic structures, as well as developing recommendations to ensure the continued safe operation of these facilities.

In the reporting period, the Company also studied the impact of slurry storages on water ecosystems. The studies included the assessment and forecasting of likely exposure, as well as measures to reduce their impact on the environment. The work was carried out by a contracting organisation.



AIR QUALITY
GRI 305-7

Uralkali carefully monitors atmospheric emissions from its production facilities. Emissions are produced by technological equipment and boiler shop pipes during fuel combustion (natural gas, associated petroleum gas, fuel oil) at ore mines.

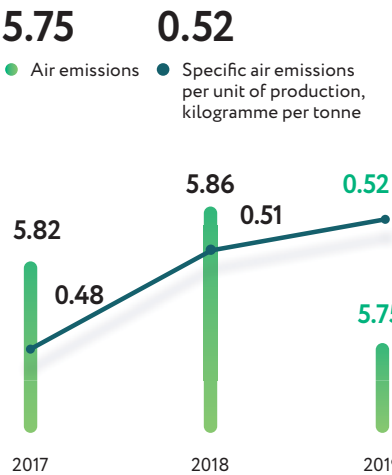
The sources of emissions at the Company’s enterprises are surveyed and equipped with purification equipment. Emission volumes are controlled using instrumental and calculation methods. Instrumental methods for determining industrial emissions into the atmosphere use approved techniques. As part of the Company’s programme

to expand its existing facilities, Uralkali invests in upgrades of its waste treatment equipment.

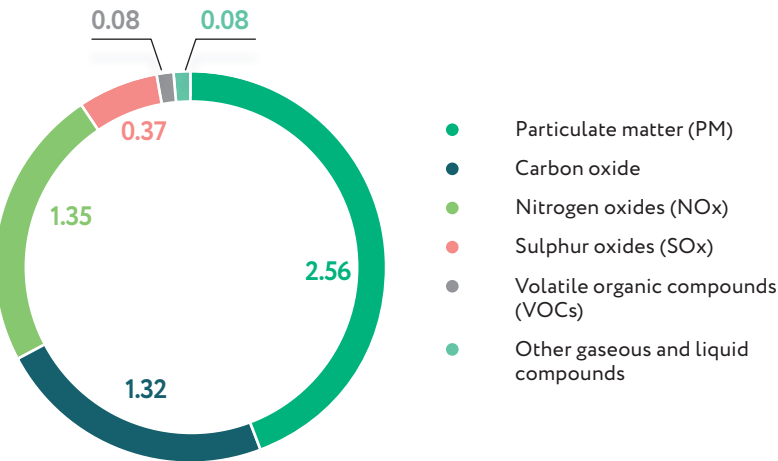
In 2019, the total volume of air pollutant emissions from the Company’s facilities amounted to 5.75 thousand tonnes, which is 1.9% lower than in 2018 (5.86 thousand tonnes). The volume of air pollutant emissions per unit of production remained at the 2018 level and amounted to 0.52 kg/t.

All air emissions from the Company’s stationary sources are within the regulatory limits. In 2019, there were no unplanned (accidental) emissions.

Total volume of air pollutant emissions, 2017–2019, thousand tonnes
GRI 305-7



Structure of pollutant emissions in 2019, thousand tonnes
GRI 305-7



CLIMATE CHANGE AND ENERGY MANAGEMENT

In December 2015, 175 countries, including Russia, signed the Paris Climate Agreement, defining measures to combat climate change, primarily aimed at reducing greenhouse gas emissions. Greenhouse gas emissions are the main contributor to climate change, regulated by the UN Framework Convention on Climate Change. An increase in the concentration of greenhouse gases in the atmosphere enhances the natural greenhouse effect, which contributes to an increase in the air temperature, which, in turn, can lead to negative consequences for natural ecosystems and humanity.

As a member of the International Fertilizer Association (IFA), Uralkali accepts and supports the position¹ of the Association regarding the importance of climate change management for fertiliser producers and consumers.

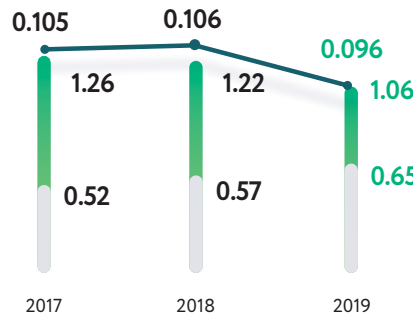
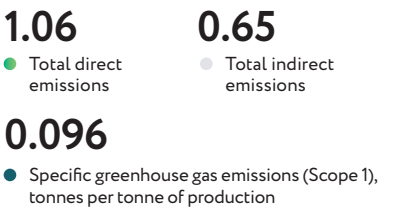
In 2019, Uralkali continued to carry out activities aimed at improving energy efficiency, as well as accounting and control of greenhouse gas emissions. The Company has also begun to consider possible risks and opportunities related to climate change.

Greenhouse Gas Emissions

Uralkali conducts mandatory control of greenhouse gas emissions at its facilities. All sources of emissions at the Company's facilities are inventoried; data are disaggregated by type of gas in accordance with the requirements of the environmental legislation of the Russian Federation.

Direct emissions from the Company's facilities per tonne of production decreased by 9.4% compared to 2018. The Company's combined

Greenhouse gas emissions at the Company's facilities, million t CO₂-eq. (Scope 1 and Scope 2)
GRI 305-1, GRI 305-2, GRI 305-4



Scope 1 and Scope 2 emissions amounted to 1.7 million tonnes of CO₂-eq., which is 4.5% lower than in 2018.

Energy efficiency
GRI 302-4

One of Uralkali's priorities is the efficient management of energy resources. We annually reduce energy consumption in order to minimise the burden on the environment and preserve energy resources. Uralkali aims to reduce the share of energy expenditures in the cost of its products.

Energy saving issues are handled by the Company's Energy Saving Commission. The Commission sets goals and objectives for the implementation of measures to control energy supply for production, data accounting and energy efficiency.

The Company has internal documents regulating its performance in this area, such as the Technical Policy on Energy Management adopted since 2013, as well as the Regulation on Remuneration for Energy Saving. Uralkali's technical strategy also includes a quantitative target for reducing energy consumption to 2022 compared to the 2017 level.

Uralkali is actively implementing projects related to energy saving. Such projects include the use of dry colouring of the finished product, the introduction of adjustable frequency drives, a mathematical model for the load distribution between boiler-turbine halls; as well as projects to transfer the reserve fuel for boiler shops from fuel oil to diesel.

In 2019, energy saving measures were fully implemented. The Company has established annual KPIs for the implementation of

Structure of direct greenhouse gas emissions (Scope 1), thousand tonnes of CO₂-eq. GRI 305-7

Greenhouse gas	2017	2018	2019
Carbon dioxide (CO ₂)	1,259	1,214	1,062
Methane (CH ₄)	0.58	0.56	0.49
Nitrous oxide (N ₂ O)	0.75	0.72	0.63

Uralkali is recognised as The Most Energy Efficient Enterprise of the Western Urals

Uralkali won the award as The Most Energy Efficient Enterprise of the Western Urals in 2019.

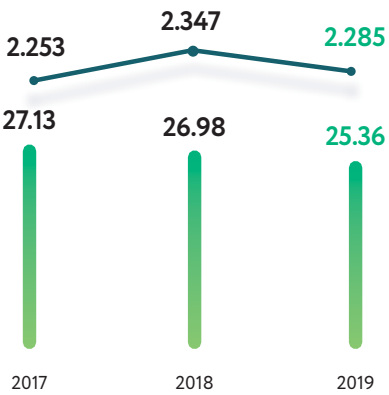
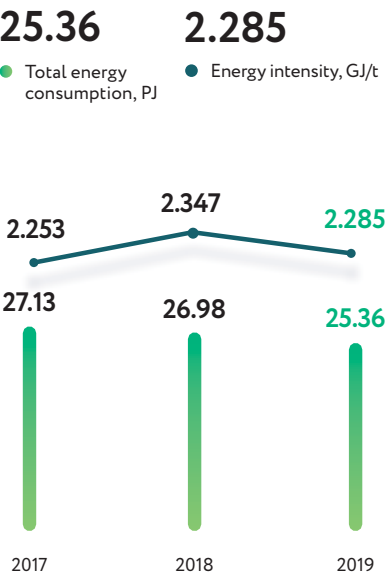
The competition was organised by the Association of Energy Engineers of the Western Urals together with the Ministry of Tariff Regulation and Energy of the Perm Region. Twenty-four industrial enterprises were nominated in categories such as The Most Energy Efficient Enterprise of the Western Urals and The Best Power Engineer of the Western Urals. Sixteen service organisations took part in The Best Energy Service Enterprise nomination.

The contest jury evaluated measures and projects aimed at reducing energy intensity and saving fuel and energy resources, increasing energy efficiency of production introducing digital technologies, and other environmental aspects.

its energy saving measures. An award system has been introduced for employees of the production facilities that reached the established indicators.

The main fuel resource used for Uralkali's operations is natural gas. Natural gas accounts for 79% of the total volume of gas consumed, with the other 21% attributed to associated petroleum gas. The Company purchases associated petroleum gas from oil companies of the Perm Region. This enables the Company to reduce its natural gas consumption and mitigate its negative impact on the environment. The use of associated petroleum gas as a fuel and energy resource also encourages oil companies to apply oil products more thoroughly and efficiently.

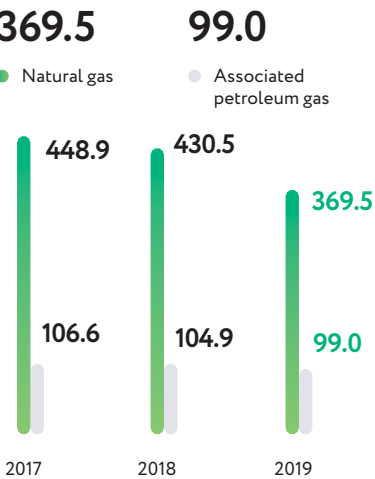
Total energy consumption¹, PJ
GRI 302-1, GRI 302-3



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

¹ The consumption of heat, electricity and fuel resources is taken into account;
The value for 2018 differs from the similar value represented in PJSC Uralkali' Annual Report for 2019 due to the data clarification.

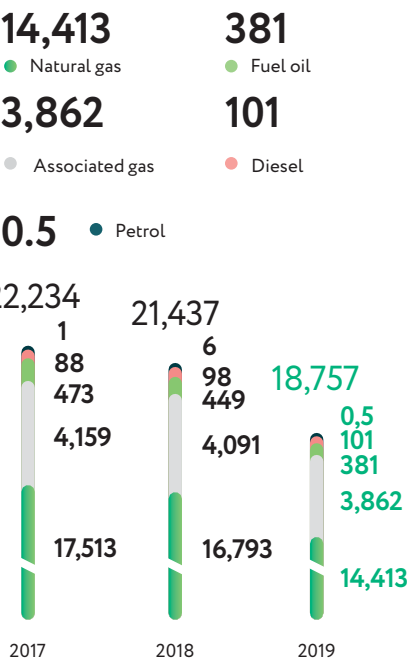
Gas consumption, million m³



In 2019, total consumption of non-renewable fuel and energy resources amounted to 18.8 thousand TJ, of which natural gas accounted for 369.5 million m³ (14.4 thousand TJ), associated petroleum gas for 99.0 million m³ (3.9 thousand TJ), diesel fuel for 2,324.1 tonnes (100.7 TJ), petrol for 12 tonnes (0.5 TJ), fuel oil for 9,487 tonnes (381.3 TJ).

During the reporting period, the Company acquired 1,543,142 MWh of electricity (5.6 thousand TJ), which is 0.4% less than in 2018. 4,892 MWh of electricity (17.6 TJ) was sold to third-party consumers. In addition, 267,648 MWh of electricity (964 TJ) was generated by the Company for its own consumption. The heat volume purchased increased by 3.1 times compared to last year and totalled 279,488 Gcal of heat energy (1.2 thousand TJ). 25,100 Gcal (105.1 TJ) of heat was sold to third-party consumers.

Structure of non-renewable energy consumption, TJ

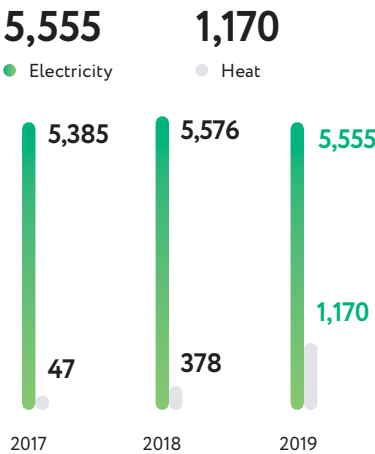


In 2017–2018, the Company conducted an energy survey. The survey resulted in the development of the Company's Energy Passport and drafting of the 2019–2023 Energy Saving Programme.

As part of the Programme implementation, the following activities were carried out in 2019:

- replacement of lamps with energy-efficient LED in production units and the administrative and household complex;
- installation of variable frequency drives for process equipment;
- replacement of pipeline heat insulation;
- implementation of the automatic load distribution system based on efficiency across LOOS boilers at Berezniki-4 BTW;
- investment project for the automation of the Solikamsk-3 boiler unit;

Purchased energy, TJ



- adjustment of operating modes for heating grids at production facilities;
- development of electronic and mathematical models of heating grids for certain production facilities (the Berezniki-2 SPP, the Berezniki-4 SPP).

As a result of the Energy Saving Programme implementation in the reporting period, the Company achieved certain results in reducing energy consumption. Electricity savings amounted to 14,000 MWh (50.4 TJ), while natural gas saving totalled 5.5 million m³ (213.5 thousand TJ).

The Company's specific energy consumption in 2019 amounted to 2.29 GJ per tonne of products manufactured. The specific indicator¹ decreased by 2.6% compared to 2018 (2.347 GJ/t).

¹ The values for specific energy consumption for 2018 differ from the value represented in the PJSC Uralkali Annual Report for 2019 due to the data clarification.

BIODIVERSITY AND LAND RECLAMATION

Biodiversity conservation GRI 304-1

Uralkali's production facilities are not located in Russia's protected areas. The Company's activities do not threaten species included in the Red List of International Union for Conservation of Nature and Natural Resources (IUCN) and Russia's Red Book.

In the reporting period, the Company conducted activities to compensate for the damage of biological resources of water bodies. Such measures included the release of more than 55

thousand sterlet fry in the areas of the Kama and Votkinsk reservoirs. Sterlet is a sturgeon fish listed in the Red Book of the Russian Federation and the Red Book of the Perm Region. This measure helps balance biological resources of water bodies and restore local ecosystems. Uralkali has carried out artificial rehabilitation of water resources annually since 2015.

Land Reclamation Planning

In accordance with Russian legislation, the Company makes plans for the liquidation of assets in the early stages of each

project and estimates costs associated with restoration of the land. During the project implementation, a reassessment of these costs is carried out.

Information on Uralkali's current liabilities related to asset liquidation is disclosed in the Consolidated Statement of Financial Position (see PJSC Uralkali Annual Report for 2019, p. 116). As at 31 December 2019 liabilities related to land restoration, decommissioning and reclamation liabilities amounted to RUB 12,744 million.



SOCIO-ECONOMIC DEVELOPMENT OF THE REGION



CONTRIBUTING TOWARDS REGIONAL DEVELOPMENT IN ITS AREAS OF OPERATION IS KEY TO URALKALI MEETING ITS STRATEGIC GOALS AND THE SUSTAINABILITY OF THE BUSINESS

Social stability in our region of presence and continued support from local residents are fundamental to Uralkali's success. Therefore the Company is committed not only to assuring the economic development of Berezniki and Solikamsk, fulfilling its tax obligations and creating employment, with a significant proportion of the local population being employed by the Company, but also to implementing socially significant projects and charitable initiatives aimed at improving living conditions and creating all-round development opportunities for local residents.

11.7 USD mln

Social investments in 2019

SOCIO-ECONOMIC DEVELOPMENT OF THE REGION

Progress towards achieving the goals

Goal	Status	Results for 2019
Open a new sports ice rink	Completed	First competitions were held and children were registered to join hockey and figure skating clubs
Healthcare development in regions of presence	Ongoing	<ul style="list-style-type: none">Vehicles were purchased for Solikamsk City Children's HospitalMedical equipment purchased for the Regional Hospital named after E. A. Vagner in Berezniki
Continue implementing a housing programme for employees of the Company	Ongoing	Progress on residential construction to provide housing for employees and their families

Documentation

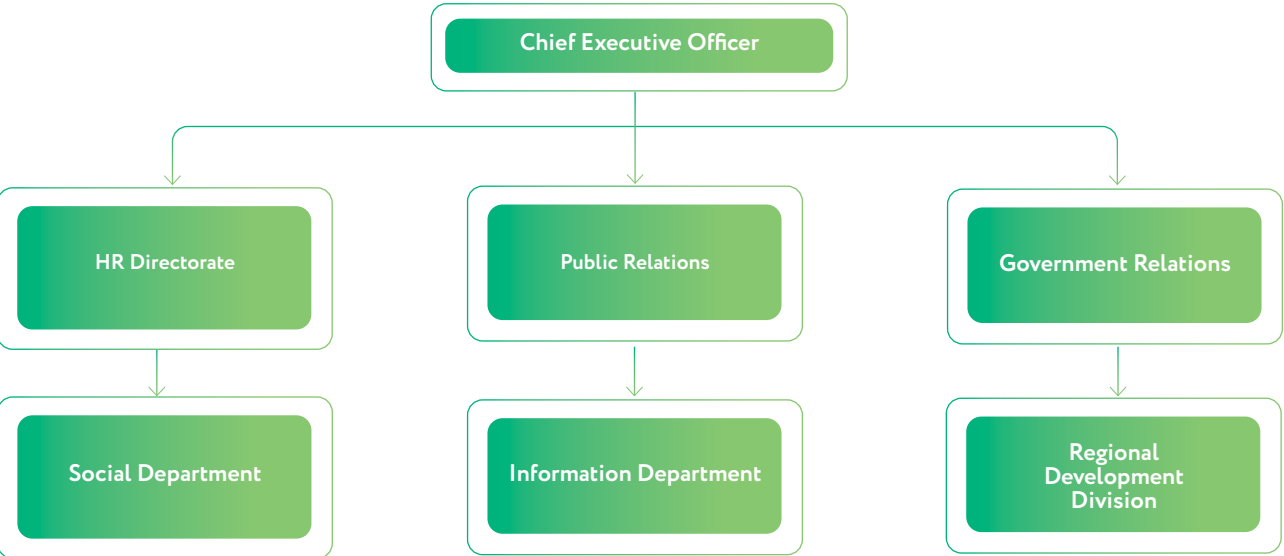
Internal

- Corporate social responsibility policy
- Regulations on charity work

External

- Trilateral Agreement between the Government of the Perm Region, the administration of Berezniki and PJSC Uralkali
- Cooperation agreements with the administrations of Berezniki and Solikamsk

Allocation of responsibility



MANAGEMENT APPROACH

Our approach

Every year Uralkali commits to implementing socially significant projects and activities aimed at developing the regions where it carries out its main operations – Berezniki and Solikamsk. These projects are aimed at ensuring comfortable living conditions and a high level of social well-being in the region of presence, as well as constructive interaction with local communities.

During the reporting period, the Company’s social investments amounted to USD 11.7 million (RUB 760 million), USD 1.3 million (RUB 85 million) of which was allocated towards infrastructure development. [GRI 203-1](#)

In determining the focus areas for social investment, the Company primarily focuses on the needs of local communities. In 2019, Uralkali provided support to public and non-profit organisations, and invested in developing sports, education and infrastructure in the region of presence. Excluding funds allocated for infrastructure development, the Company invested a total of USD 10.4 million (RUB 675 million) in social initiatives over the course of the reporting period. [GRI 413-1](#)

The Company’s actions in implementing external social policy are governed by its Regulations on Charity and fall within the responsibility of the Government Relations Department, Public Affairs Department and Personnel Directorate.

Social projects are chosen based on the Company’s strategic priorities, analysis of stakeholder expectations and best practices in the field of charity and sponsorship activities. The main beneficiaries are residents of Berezniki and

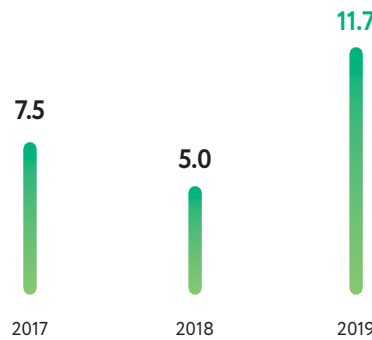
KEY PRIORITIES OF THE COMPANY IN LOCAL COMMUNITY DEVELOPMENT [GRI 203-1](#), [GRI 413-1](#)

- Contribution towards the economic development of the territories 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 where we operate

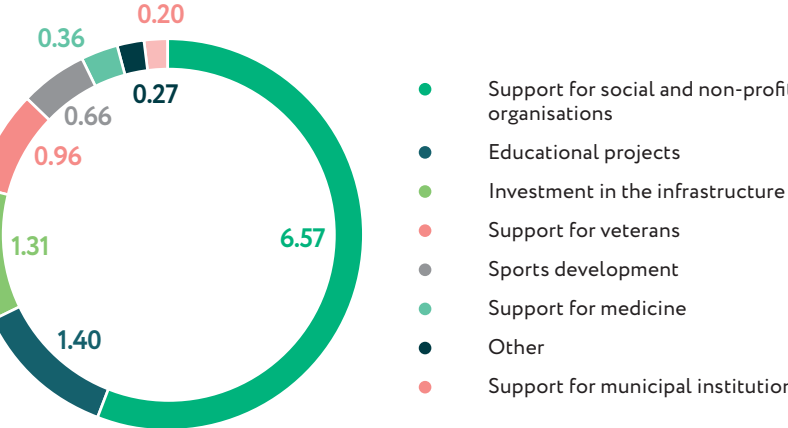
Solikamsk, especially those who have found themselves in difficult situations, charitable foundations, as well as various public organisations.

The Company timely develops plans for the liquidation and conservation of decommissioning production facilities, paying particular attention to replenishing the resource base through the construction of new mines and providing staff with new jobs.

The amount of social investments in 2017–2019, USD million



Amount of social investments by key area in 2019, USD million [GRI 203-1](#), [GRI 413-1](#)



External communications

Uralkali works closely with both federal and local authorities, representatives of trade union organisations and the media to help achieve the greatest impact when implementing socially important projects. Uralkali acts in good faith, responsibly and with the interests of all stakeholders in mind. The Company has signed partnership Agreements with local authorities for implementing social and economic development projects in its regions of presence.

Maintaining open and trusting relationships is highly important to the Company’s interaction with residents of the Perm

Region. Uralkali values feedback from local communities and has various feedback channels in place, including a hotline (more information on the hotline can be found in the *Business Ethics section*, p. 34). In addition, regular meetings are held with representatives of the local population to discuss economic, environmental and social initiatives significant for local communities. During project planning stages, the Company also organises public hearings under the Environmental Impact Assessment (EIA) procedure in accordance with the legislation. [GRI 413-1](#)

One of Uralkali’s channels of communication is the corporate

newspaper RU.DA, which in the reporting period, celebrated its 90th anniversary (for more information about the newspaper RU.DA see section “*Our employees*”, p. 40). Festive events were held to honour the holiday in Berezniki including an awards ceremony for the winners of the ‘Zarifmui Gazetu’ (Rhyme the Newspaper) contest from Berezniki and Solikamsk, as well as various competitions and workshops.

Plans

In the coming years, the Company plans to further enhance existing areas of support in its regions of presence, implementing a large number of different activities and programmes.

Plans for 2020 and the medium term

Areas	Measures
Social well-being	Implement socially significant projects aimed at ensuring the safety of local communities and high levels of social well-being in the region
Infrastructure	<ul style="list-style-type: none">• Complete the second stage of construction of residential housing in Solikamsk and Berezniki for Uralkali employees• Maintain close involvement in the implementation of the resettlement project in the region of presence• Commence the construction of a polyclinic in Solikamsk
Sponsorship and charity	Provide assistance to municipalities in addressing issues of local importance, as well as regular support for socially vulnerable groups
Comprehensive development of our communities	<ul style="list-style-type: none">• Develop projects aimed at encouraging young people to take up sports• Allocate financial resources towards providing quality healthcare• Continuous implementation of educational programmes

SOCIAL INVESTMENTS

Charitable Programs

Uralkali is committed to supporting society in tackling local issues. Cooperating with local communities and developing infrastructure in the regions in which we operate are key elements of the Company’s strategy. In accordance with Uralkali’s Regulations on Charity, charitable activities are carried out in response to relevant appeals from citizens and organisations, as well as at the Company’s own discretion.

Every year the Company collaborates with the authorities and public organisations to run various charitable projects aimed at supporting vulnerable groups, including veterans, children, people with disabilities and other disadvantaged groups. In 2019 the Company allocated a total of USD 6.6 million (RUB 425 million) to support non-profit organisations.

In the reporting period, the following organisations received support from the Company:

- Solikamsk Town Public Organisation of Disabled People ‘Luch’;
- Berezniki Local Organisation All Russia Society of Disabled People;
- Berezniki town Organisation All Russia Organisation of Disabled People Chernobyl Russia Union;
- Berezniki and Solikamsk of war, labour, military and law enforcement veterans;
- Berezniki town Wildlife Conservation Society;
- Berezniki Local Public Organisation Army Veterans Union.

Cultural enrichment within the region

Ensuring a diverse programme of cultural events is available in

Berezniki and Solikamsk is one of the Uralkali’s social investment priorities. The Company systematically participates in the organisation of cultural and public events aimed at improving the sense of community in the region where it operates.

In 2019, Uralkali was the main sponsor of Berezniki Town Day, and Solikamsk City Day which was once again celebrated at the same time as Miner’s Day. In addition, in 2019, the Company helped organise the holiday celebrations for New Year, Maslenitsa, Spring and Labour Day, as well as Victory Day. In 2019, Uralkali provided financial support for the construction of a New Year ice town for residents of Solikamsk, which included a skating rink and playground complexes. In addition, the Company allocated funds for the purchase of 600 New Year gifts for children from orphanages and children from disadvantaged families, as well as children living in rural parts of the Solikamsk urban district.



Every year Uralkali supports the organisation of festivals of different scales. In Solikamsk, the Company funded a folklore festival for students and also supported the cultural and educational project “Svet Valaama (Light of Valaam)”, for which the choir of Valaam Monastery, performed in Berezniki and Solikamsk during its tour of Russia. The Company also supports international festival of bells and spiritual music “Bells of Russia” in Usolsky district.

Demonstrating that the Company recognises and respects all areas of community focus in the regions, in 2019, Uralkali continued to sponsor the construction of the Nikolsky Church, one of the largest in the Perm region.

Education projects

Uralkali supports the development of future generations through a number of diverse educational projects.

Every year, the Company provides financial support to educational

institutions to improve their materials and enhance their expertise. For example, in 2019 the following equipment was procured as part of cooperation contracts with Perm National Research Polytechnic University and its branch in Berezniki, Saint-Petersburg Mining University, Berezniki Polytechnic University, and Solikamsk Mining and Chemistry Technical University: equipment for gas-dynamic research of saliferous rocks and for tests; equipment for the development of the educational and research laboratory “Software and Hardware Automation Tools” for Mining Electrical Engineering and Exploitation of Mineral Deposits departments; equipment for the upgrade of the educational and research laboratories of Equipment and Automation of Chemical Productions and Chemical Technologies departments. A test unit “Determination of Pure Bending Stress” and a basic set of study equipment to test “Stability of a Rod under Longitudinal Compression” were

procured for the Technology and Comprehensive Mechanical Operations Department. Moreover, funds were allocated for the modernisation and re-equipment of the universities’ workshops.

In 2019, Uralkali supported the improvement of resource materials and the upgrade of historical buildings and structures of Russia’s leading higher education technical institution – Saint-Petersburg Mining University.

The department of technology and complex mechanisation of mineral deposits development, as well as the Institute of Potassium – educational and research centre with laboratories, continue to operate. In addition, the Company allocates funds for grants to teachers for research work and, starting from 2006, has paid scholarships to students who show outstanding results in training for specialisms required by Uralkali, as well as carrying out targeted recruitment (more information on cooperation with educational institutions can be found in the section “Our employees”, p. 40).

During the reporting period, Uralkali signed a cooperation agreement with non-profit organisation Rossiya – Strana Vozmozhnostey (“Russia is a Country of Opportunities”) to improve social mobility for young people, develop career-oriented education, and train qualified personnel. The “Professional internships 2.0” project provides students from federal and regional universities with access to internships at large industrial companies, such as Uralkali, giving them a solid platform from which to launch their careers.

In addition, Uralkali regularly participates in education and career fairs, where it introduces school and university students to the Company, and describes the specialisms needed by the business as well as career prospects.

Restoration of the Museum of the History of Salt

The Museum of the History of Salt is a vital component of Solikamsk’s cultural heritage. The museum is located at the Ust-Borovsky salt plant, which has a rich, centuries-old history. The plant was decommissioned in 1972 and, as it was recognised as Russia’s only example of a 19th-century salt-making enterprise which had seen salt production taking place over many centuries, it was decided that a museum should be established in its place. The doors were opened in 1986.

The museum operated as a branch of the local history museum for several years. Guests could learn about the history and geography of salt extraction and application and even take part in the process of its production.

In 1996 and 2003, major fires broke out on the museum grounds, severely damaging the buildings and some of the exhibits. Thanks to Uralkali’s financial support over several years, the repair and restoration of significant objects of the museum – the office of the salt factory, and the Aleksandrovskaya brine tower have taken place. In 2019, Uralkali allocated funds for the installation of an arts and crafts fence at the museum.



Uralkali, Sergey Krylov. On this occasion, over 350 ski fans of different ages demonstrated their skills over distances of 10, 20 and 30 km.

Additionally, Uralkali helped to arrange participation in all-Russian and international competitions for Solikamsk sportsmen and members of the Kickboxing Federation in 2019, and helped to arrange the Stroganovskaya Regata sailing races. The Company also provided financial support to the Perm Region's Swimming Federation, the Solikamsk judo, boxing, arm wrestling and hockey federations and supported Greco-Roman wrestling tournaments.

Opening a robotics, 3D modelling and prototyping laboratory

In 2019 assisted by the Company, the Centre for Children's (Youth) Scientific and Technical Creativity opened, laboratories with children's clubs on robotics, 3D modelling and prototyping. Uralkali allocated approximately USD 62,000 in 2018 for the purchase of 3D printers, laptops and special building sets to help develop children's technical skills. As a result, approximately 550 schoolchildren aged between 9 and will receive multi-level training, covering IT to digital control elements and robotics.

Sports development

Uralkali is committed to encouraging local residents to take up physical activities and sports, as well as promoting healthy lifestyle. To this end, the Company sponsors sports organisations every year and funds the construction of sports facilities.

In 2019, the Company continued to support the organisation of sports events at regional and interregional levels. With the support of Uralkali, "Stroganovskaya mile — 2019" was the All-Russian snowkiting championship "Stroganovskaya

mile — 2019" was held. The event took place in the Kama River in Usolye and brought together approximately 80 athletes from all over the country to compete. A lively festival programme was organised for the duration of the championship, including interactive entertainment venues, workshops and tours of the territory of the museum and historic complex Stroganoff Chambers.

The 40th skiing festival in memory of S.I. Krylov was yet another significant sports event. Every year, residents of the Perm Region take part in competitions launched former Deputy CEO of

The Company prioritises promoting sports and healthy lifestyles among young people. With this in mind, Uralkali has been running a campaign to promote basketball regions of presence since 2013. 28 basketball centres have been opened, in the last few years, and around 1,500 young athletes are receiving training from experienced Russian and international coaches. In the reporting period, yet another season of the Kali-Basket Junior league was completed with Uralkali's support. 79 teams and over a thousand young basketball players aged 8–10 took part in this event.

Opening of Berezniki Arena Sport sports complex

Berezniki Arena Sport, the city's first indoor ice arena, opened its doors to Berezniki residents in 2019. The festive event coincided with the celebration of Berezniki City Day. Uralkali's financial support made a big contribution to the construction of the large-scale sports facility. The 3,152 sq. m. complex accommodates approximately 50 athletes and 300 spectators and includes a skating rink, a skate hire shop, a gym, a medical station, utility rooms and parking. Local residents will now have more options for recreation throughout the year — skating, visiting the children's hockey and figure skating areas, as well as participating in sports and group events and competitions.

The first teams to compete in the arena were young hockey players from Solikamsk and Aleksandrovsk, and recruitment programmes for children's teams have started since September 2019. As a result of this project, the Company has contributed to the promotion of sports among local residents, as well as the development of winter sports in the region.



children's polyclinic, which is part of the Regional Hospital named after E. A. Vagner. Children now have a more comfortable waiting area, with special play areas including easels for art classes.

Investment in infrastructure and improving the local area

Uralkali is committed to creating favourable conditions for residents of the Perm Region, and invests time and financial resources in the development of infrastructure in Solikamsk and Berezniki.

In addition to investing in local infrastructure to improve living conditions, the Company runs environmental protection initiatives and invites local residents to participate. For example, partnership with local authorities and public organisations, Uralkali organised, a cleanup event at Ogurda Pine Forest in 2019. Six tonnes of waste were removed from the forest. In addition the Company supported the "Live Forest" campaign and the planting of trees in Solikamsk.

Also during the reporting period, the regular "My Courtyard is the Most Beautiful" flower bed contest took place, run by Berezniki and Solikamsk City

Medical support

Uralkali is committed to ensuring quality healthcare is available to local residents in its regions of presence. In this regard, the Company has initiated a healthcare support programme in Solikamsk and Berezniki, aimed at attracting qualified medical staff to the area, as well as improving medical services.

The programme was launched with the purchase of two Lada Largus Universal vehicles for the City Children's Hospital of Solikamsk, which enable the

hospital to transport emergency patients and carry out home visits.

At the Regional Hospital named after E. A. Vagner in Berezniki in order to ensure quality medical assistance can be given quickly, the Company procured medical equipment for several medical departments, including general surgery, palliative surgery and urology during the reporting period considered.

In addition, Uralkali supplied furniture and television equipment for displaying doctors' schedules in the reception area of the



Improving preschool education

In 2019, the Company allocated more than USD 124,000 for the installation of 50 new playground complexes in Berezniki kindergartens, meeting all quality and safety requirements. These complexes are aimed at supporting the social and physical development of young children through play. Now, kindergartens are equipped with sandpits and tents for children aged 1 to 3 years old, as well as special walls for climbing, slides and small cars for children aged from 3 to 7.

Duma officials with the support of Uralkali. Over 200 participants arranged more than 100 flower beds in the city's courtyards.

Summer fitness camps for children

In 2019, more than 1,000 children aged 7–12 spent part of their summer holidays in the Ural Gems health improvement camp. With support from Uralkali, four 21-day stays were organised in the reporting year. The children were looked after by healthcare and pedagogy specialists. The camp was fully fitted with dormitories for the children, who had the options of spending their time on the volleyball and basketball courts or in the indoor swimming pool, or joining in with events on the summer stage, including various workshops and clubs. Holidays at Ural Gems traditionally combine health improvement with entertainment and educational programmes, making the camp one of most appealing in the Perm Region.

In addition, Uralkali sponsored teenagers aged 9 to 15 to spend time at the Vita sanatorium near Anapa. The healing air of the Black Sea coast and advanced treatment techniques at the spa result in improved health and revitalisation ahead of the new school year.

Housing for employees

In 2018, Uralkali launched a unique large-scale project to construct residential housing for employees. This has become one of the Company's social policy priorities. The housing programme involves the construction of homes in Berezniki and Solikamsk.

In 2019, the second stage of construction was commenced, which will see four more housing blocks built, containing 455 apartments allocated for Company employees. These apartments will be sold to employees on preferential terms.

The surroundings of the buildings will also be improved: parking, recreational areas for children and adults, sports grounds, and bicycle storages will be installed.

Participation in the Lyubimov resettlement project

The Perm Region's Ministry of Construction is currently running a development programme for housing and infrastructure in Lyubimov, a new residential district on the right bank of Berezniki. This will create a comfortable and safe new living environment. Uralkali is contributing to the project; in the reporting period, the Company continued to finance the construction of housing, thereby fulfilling its resettlement obligations.



ABOUT THE REPORT

APPROACH TO REPORTING

Uralkali’s Sustainable Development Report (hereafter, the Report) reflects the key results of the Company’s sustainable development activities for the period 1 January–31 December 2019, 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](#) Uralkali’s previous Integrated Report was published in April 2019 and disclosed information about the Company’s performance in 2018. [GRI 102-51](#) The electronic versions of the reports are available on the Company’s corporate website: https://www.uralkali.com/investors/reporting_and_disclosure/

With a view to increasing the transparency of non-financial activities, the Company’s management decided to produce

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](#)



Business Reporting on SDGs.

In addition, we were guided by the following documents:



SASB Standards (Sustainability Accounting Standards Board) in terms of the identification of material topics;



UN Global Compact.

the 2019 Sustainable Development Report separately from the Annual Report, in line with best international practices in non-financial reporting.

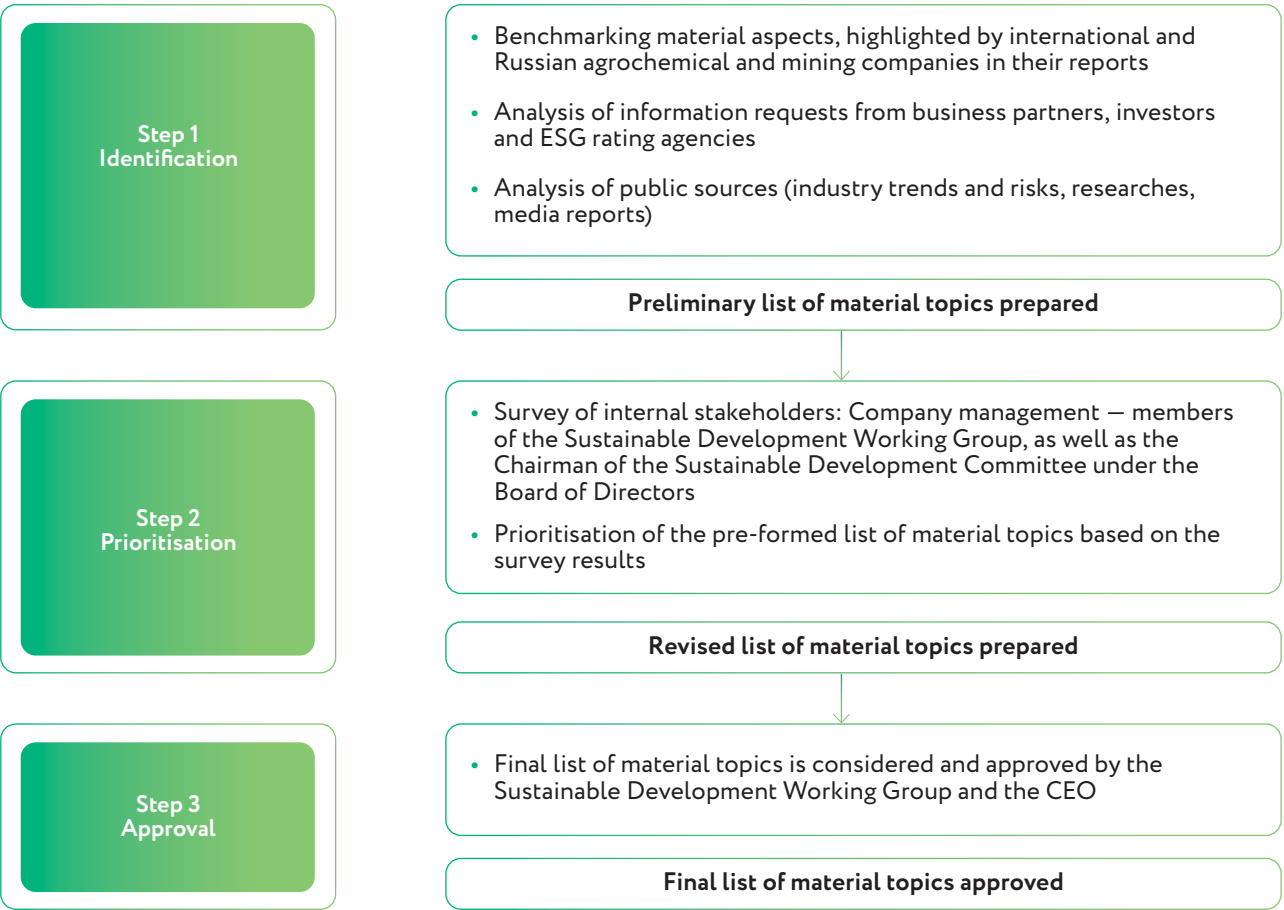
Uralkali’s Working Group on Sustainable Development participated in the preparation of, identification of material topics for and determining the contents of the Report, as well as its approval. The Report was also reviewed and approved by the Board Sustainable Development Committee.

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.

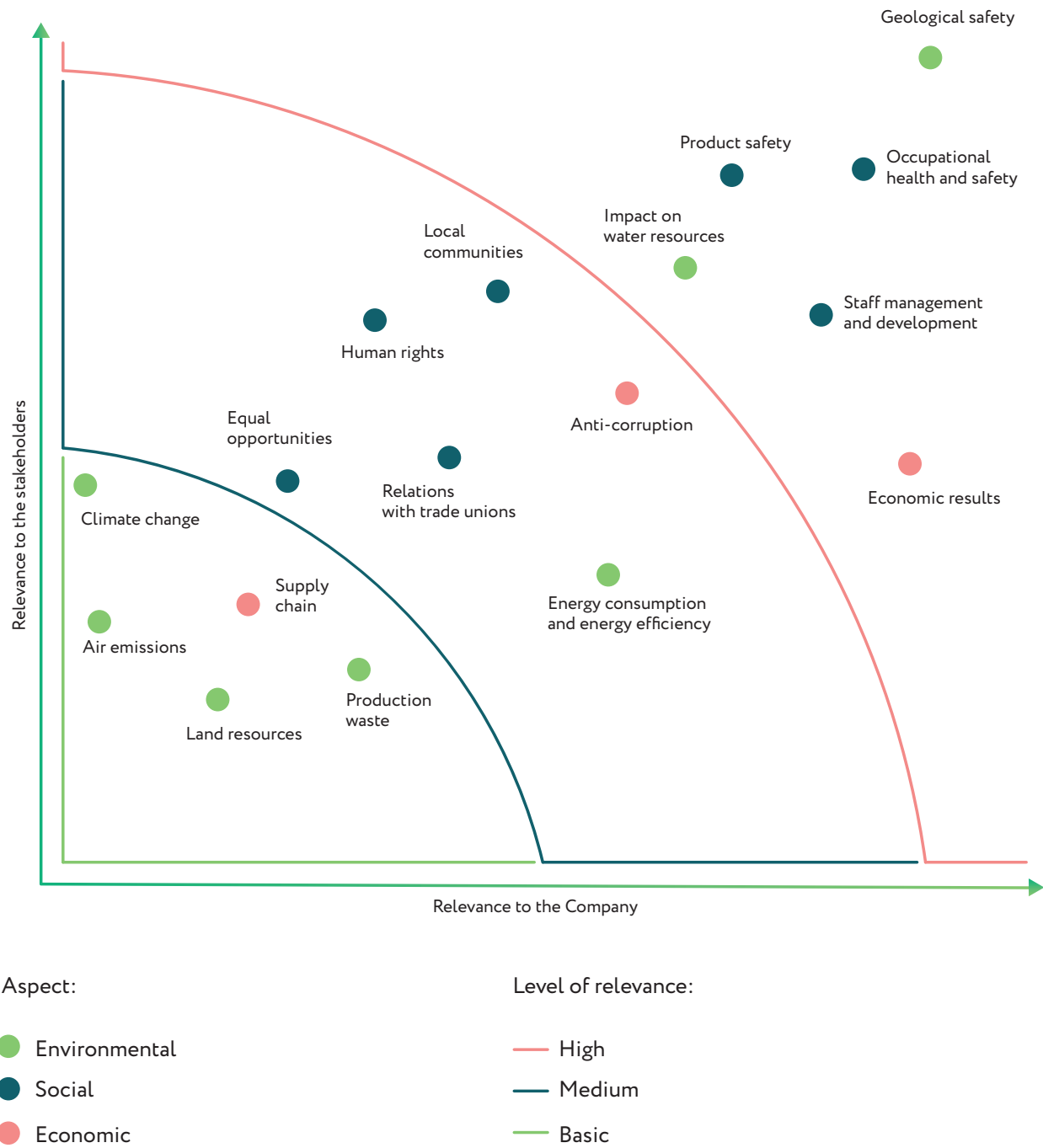
Materiality Assessment



MATERIALITY MATRIX
GRI 102-47

Following the results of materiality analysis, a list was developed of 17 topics subject for disclosure in the Sustainable Development Report and the materiality matrix, taking into account the significance of these topics for the Company and its stakeholders.

Materiality matrix



INDEPENDENT
ASSURANCE REPORT



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

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 2019.

Limited assurance procedures and roles

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

1. Selected key performance indicators specified below in the section "Selected non-financial performance data for public limited assurance"; and
2. PJSC Uralkali's self-declaration in preparing its Report 2019 in accordance with the requirements of Global Reporting Initiative (GRI) Sustainability Reporting Standards as stated on page 94 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 assurance conclusion.

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To form our conclusions, we undertook the following procedures:

- Conducted site visit to Uralkali headquarter in Berezniki, and to production facility Solikamsk-3 in Solikamsk;
- 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;
- 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 2019 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, 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), absolute value, mln. kWh.
Water resources	<ul style="list-style-type: none">• Amount of water withdrawn, total (mln. m³) and broken down by:<ul style="list-style-type: none">— sources, mln. m³;— entities, mln. m³;• Volume of water discharged, total thousand m³ and broken down by:<ul style="list-style-type: none">— entities;— receiving objects;— the quality of water treatment.
Greenhouse gas emissions	<ul style="list-style-type: none">• Direct GHG emissions (Scope 1):<ul style="list-style-type: none">— total, thousand tons of CO₂ equivalent;— by type of gas;— by entities;• Energy indirect GHG emissions (Scope 2).
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;— by entities.
Waste	<ul style="list-style-type: none">• Waste generated, mln. tons:<ul style="list-style-type: none">— total;— by hazard classes;— by entities;— by types of handling and disposal.
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);— Fatal-Injury Frequency Rate (FIFR).
HR management	<ul style="list-style-type: none">• The headcount at the end of the year broken down by, person:<ul style="list-style-type: none">— contract type (indefinite period / fix-term contract);— type of employment (partial / full);— the region;— gender;— categories of employees;— age;• The average annual headcount;• Employee turnover, %;• Diversity of management bodies and employees broken down by:<ul style="list-style-type: none">— gender;— 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

Certificate of state registration № 1128, issued on 14 October 1992 by the Berezniki Administration.

Certificate of registration in the Unified State Register №1025901702188 issued on 11 September 2002.

Location:
63, Pyatiletki ul., Berezniki, 618426, the Perm Region,
Russian Federation.

Audit Firm: AO “Deloitte & Touche CIS”

Certificate of state registration № 018.482, issued by the Moscow Registration Chamber on 30.10.1992.

Primary State Registration Number: 1027700425444

Certificate of registration in the Unified State Register № 77 004840299 of 13.11.2002, issued by Moscow Interdistrict Inspectorate of the Russian Ministry of Taxation № 39.

Member of Self-regulatory organization of auditors Association “Sodruzhestvo”, ORNZ 12006020384.

GRI INDEX TABLE

GRI 102-55

Index		Section	Page
GRI 102	GENERAL DISCLOSURES		
1. ORGANISATIONAL PROFILE			
GRI 102-1	Name of the organisation	About the Company	8
GRI 102-2	Activities, brands, products, and services	About the Company	8
GRI 102-3	Location of headquarters	About the Company	8
GRI 102-4	Location of operations	Location of activity	10
GRI 102-5	Ownership and legal form	About the Company	8
GRI 102-6	Markets served	About the Company Annual Report 2019	8, 10
GRI 102-7	Scale of the organisation	Personnel Structure	8, 10, 45
GRI 102-8	Information on employees and other workers	Personnel Structure Headcount by category of employees in 2018: managers, specialists, and employees – 6,517; and workers – 13,741 pers. The total headcount remained flat over the year. Core activities are performed by Company employees, and contractor employees are involved if necessary and mainly to perform non-core work.	45
GRI 102-9	Supply chain	Supply chain	28
GRI 102-10	Significant changes to the organisation and its supply chain	Annual Report 2019	–
GRI 102-11	Precautionary principle or approach	Sustainable Development Risk Management	22
GRI 102-12	External initiatives	Sustainable Development Goals	18, 30
GRI 102-13	Membership of associations	Product safety	30
GRI 102-15	Key impacts, risks, and opportunities	Sustainable Development Risk Management	22
2. STRATEGY			
GRI 102-14	Statement from senior decision-maker	Statement from the Chairman of the Sustainable Development Committee CEO’s Statement	2, 5
3. ETHICS AND INTEGRITY			
GRI 102-16	Values, principles, standards, and norms of behaviour	Sustainable development strategy Business ethics and human rights	14, 35
4. CORPORATE GOVERNANCE			
GRI 102-18	Governance structure	Annual Report 2019	87
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	Sustainable Development Management	15
GRI 102-22	Composition of the highest governance body and its committees	Annual Report 2019	87

Index		Section	Page
GRI 102-29	Identifying and managing economic, environmental, and social impacts	Sustainable Development Risk Management	15
GRI 102-31	Review of economic, environmental, and social topics	Sustainable Development Risk Management	15
5. STAKEHOLDER ENGAGEMENT			
GRI 102-40	List of stakeholder groups	Stakeholder Engagement	12, 24
GRI 102-41	Collective bargaining agreements	Corporate Culture	55
GRI 102-42	Identifying and selecting stakeholders	The Company selects stakeholders based on the influence and mutual interests.	24
GRI 102-43	Approach to stakeholder engagement	Stakeholder Engagement	–
GRI 102-44	Key topics and concerns raised	Feedback Mechanisms Stakeholder Engagement	24, 39
6. REPORTING PRACTICE			
GRI 102-45	Entities included in the consolidated financial statements	Annual Report 2019	163
GRI 102-46	Defining report content and topic boundaries	About the Report	95
GRI 102-47	List of material topics	About the Report	96
GRI 102-48	Restatements of information	About the Report	94
GRI 102-49	Changes in reporting	About the Report	94
GRI 102-50	Reporting period	About the Report	94
GRI 102-51	Date of most recent report	About the Report	94
GRI 102-52	Reporting cycle	About the Report	94
GRI 102-53	Contact point for questions regarding the report	About the Report	108
GRI 102-54	Claims of reporting in accordance with the GRI Standards	About the Report	94
GRI 102-55	GRI content index	GRI Index Table	101
GRI 102-56	External assurance	About the Report	97
GRI 103	MANAGEMENT APPROACH		
GRI 103-1	Explanation of the material topic and its boundary	All material topics shown on the matrix are significant both inside and outside the Company. Information on the reasons for the materiality of a topic is disclosed in the sections devoted to relevant topics	–
GRI 103-2	The management approach and its components	The management approach is presented in the Report prior to the disclosure of each material topic	–
GRI 103-3	Evaluation of the environmental management approach	Reports on these activities are presented in the text of the Report.	–
MATERIAL TOPICS			
GRI 200	ECONOMIC		
GRI 201	ECONOMIC PERFORMANCE		
GRI 201-1	Direct economic value generated and distributed	Transparency	31

Index		Section	Page
GRI 202	MARKET PRESENCE		
GRI 202-1	Market presence	Motivation and Reward	48
GRI 202-2	Proportion of senior management hired from the local community	Personnel Structure	46
GRI 203	INDIRECT ECONOMIC IMPACTS		
GRI 203-1	Infrastructure investments and services supported	Socio-economic development of the region	86
GRI 203-2	Significant indirect economic impacts	Socio-economic development of the region	86
GRI 205	ANTI-CORRUPTION		
GRI 205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption	36
GRI 205-3	Confirmed incidents of corruption and actions taken	Anti-corruption	
GRI 300	ENVIRONMENTAL		
GRI 302	ENERGY		
GRI 302-1	Energy consumption within the organisation	Energy efficiency The Company does not consume renewable sources of power. The information was calculated in accordance with the calculation methodology adopted by the Company. Information on energy generated is contained in the Annual Report 2019 (p. 58). Coefficients used: 1 kWh = 0.0036 GJ 1 Gcal = 4.187 GJ The amount of heat energy produced by the company: 2019: 2 366 715 Gcal 2018: 2 735 140 Gcal The amount of electricity consumed: 2019: 1 806 mln Kwh 2018: 1 872 mln Kwh Information on the energy consumed for cooling was not collected for purposes of the report.	81
GRI 302-3	Energy intensity	Energy efficiency	81
GRI 302-4	Reduction of energy consumption	Energy efficiency	81
GRI 303	WATER		
GRI 303-1	Interactions with water as a shared resource	Water Resources Management	75
GRI 303-3	Water withdrawal	Water Resources Management The region of the Company's presence is not water stressed.	76, 77
GRI 303-4	Water discharge	Water Resources Management Discharge volume in 2018: 13,524 thousand m³, including fresh water (1,601 thousand m³) and other water (11,923 thousand m³). The region where the Company operates is not water deficient. In determining the limits of regulatory discharge, the Company relies on Russian law.	76
GRI 303-5	Water consumption	Water Resources Management The following calculation method is used to record water consumption: water intake less the volume of water transferred to third parties without use or discharge. All data is disclosed in cubic metres in line with the local practices.	77

Index		Section	Page
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	Biodiversity conservation	83
GRI 305	EMISSIONS		
GRI 305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas Emissions The Company does not keep track of biogenic CO ₂ emissions. GHG emissions are calculated following the GHG Protocol methodology.	80
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emissions The Company does not take into account HFC, PFC, SF ₆ , and NF ₃ gases when calculates indirect GHG emissions.	80
GRI 305-4	GHG emissions intensity	Greenhouse Gas Emissions	80
GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Quality For the purpose of this report, information on emissions of persistent organic pollutants and hazardous air pollutants has not been collected.	79, 81
GRI 306	EFFLUENTS AND WASTE		
GRI 306-1	Water discharge by quality and destination	Water Resources Management In this section, discharge values are given in accordance with the GRI 303 approach. In order to comply with this standard, below are presented the discharge data with a breakdown by quality of treatment, thousand m3 (not transferred to any third party): 2019 (total: 12,637) 1. Clean (according to the standard) – 0. 2. Treated (according to the standard) – 6,852. 3. Insufficiently treated – 5,785. 4. Contaminated (without treatment) – 0. 2018 (total: 11,994) 1. Clean (according to the standard) – 0. 2. Treated (according to the standard) – 6,418. 3. Insufficiently treated – 5,576. 4. Contaminated (without treatment) – 0. 2017 (total: 11,391) 1. Clean (according to the standard) – 0. 2. Treated (according to the standard) – 5,565. 3. Insufficiently treated – 5,826. 4. Contaminated (without treatment) – 0.	–
GRI 306-2	Waste by type and disposal method	Waste management	77
GRI 307	ENVIRONMENTAL COMPLIANCE		
GRI 307-1	Non-compliance with environmental laws and regulations	Environmental Management System No legal proceedings related to non-compliance with the environmental law took place in the reporting period.	73

Index		Section	Page
GRI 400	SOCIAL		
GRI 401	EMPLOYMENT		
GRI 401-1	New employee hires and employee turnover	Personnel Structure Information on staff turnover broken down by sex, age and region, as well as information on newly hired employees in a similar breakdown was not collected for the purpose of the report.	46
GRI 403	OCCUPATIONAL HEALTH AND SAFETY		
GRI 403-1	Occupational health and safety management system	Labour and Industrial Safety: Management System	60
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Labour and Industrial Safety: Risk Management Injury Prevention The Code of Corporate Culture sees safe behaviour as one of the Company's priorities. No employee shall be prosecuted or punished for adherence to the rules and guidelines of the Code.	61
GRI 403-3	Occupational health services	Labour and Industrial Safety: Management System	60
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety: Employee Engagement and Training	63
GRI 403-5	Worker training on occupational health and safety	Occupational Health and Safety: Employee Engagement and Training	63
GRI 403-6	Promotion of worker health	Occupational health	67
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational health	67
GRI 403-8	Workers covered by an occupational health and safety management system	Labour and Industrial Safety: Management System	60
GRI 403-9	Work-related injuries	Injury prevention The number of fatalities, related to the Company's production activities, among contractor employees was 1 in 2019. In 2017 and 2018 these numbers were 0 and 9 respectively. FIFR is calculated as a number of fatal injuries per 200,000 hours worked. In 2017 and 2018, FIFR stood at 0.006 and 0.000 respectively. The indicators of performance and efficiency in the area of labour safety are calculated for all Company employees, relations with whom are regulated by the Labour Code of the Russian Federation. 2019 Number of hours worked: 31.9 mln. hours (2018: 31.6 mln. hours) Information about the hazards that create the risk of injury has not been collected or disclosed for the purposes of this report. The source of information for calculating injury rates are the statistics within the company.	65
GRI 403-10	Work-related ill health	Occupational health	67

Index		Section	Page
GRI 404	TRAINING AND EDUCATION		
GRI 404-1	Average hours of training per year per employee	Development and Training	51
GRI 404-2	Programmes for upgrading employee skills and transition assistance programmes	Development and Training	51
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	25.1% of Company employees passed a regular performance and career development assessment in 2019	51
GRI 405	DIVERSITY AND EQUAL OPPORTUNITY		
GRI 405-1	Diversity of governance bodies and employees	Personnel Structure	46
GRI 412	HUMAN RIGHTS		
GRI 412-2	Employee training on human rights policies or procedures	The Company has developed its Human Rights Policy. The Company is developing training programmes for employees who work in this area. In the next reporting period, the Company plans to increase its disclosure on this issue.	–
GRI 413	LOCAL COMMUNITIES		
GRI 413-1	Operations with local community engagement, impact assessments, and development programmes	Socio-economic development of the region	86, 87

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 in the below table. [GRI 102-5](#)

Reporting boundaries

Company	Our Employees	Labour and Industrial Safety	Environmental Protection	Social and Economic Development
PJSC Uralkali				
LLC “SMT “BSHSU”				
LLC “Vagon Depo Balahonzi”				
LLC “Uralkali-Remont”				
LLC “Avtotranskali”				
JSC “Baltic Bulker Terminal”				
JSC “VNII Galurgii”				
Other subsidiaries, operating on the territory of the Russian Federation ¹				
Uralkali Trading SIA				
Uralkali Trading Chicago				

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

In contrast to the previous reporting period, no significant changes occurred in terms of the disclosure boundaries. [GRI 102-49](#)

Data preparation method

Production, 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 USD in accordance with the average annual exchange rate of the Central Bank of the Russian Federation.

The data sources are official reporting forms, submitted to state statistics bodies every year, as well as information from management reports. [GRI 102-8](#)

No significant changes took place in the calculation and reporting methods used in the reporting period. This Report does not contain any significant changes in wording of indicators and data for historical periods, published in previous reports. [GRI 102-48](#)

¹ Other subsidiaries, operating on the territory of the Russian Federation, refer to: as part of the Our Employees section — LLC N-Resource, JSC Solikamsk Construction Trust, JSC Novaya Nedvizhimost, LLC Vodokanal, JSC Uralkali-Tekhnologiya, LLC Sylvinite-Transport, LLC Sylvinite-Capital, and LLC Uralkali-Proekt; as part of Labour and Industrial Safety, and Social and Economic Development sections — LLC N-Resource, JSC Solikamsk Construction Trust, JSC Novaya Nedvizhimost, and LLC Vodokanal.

Independent audit *GRI 102-56*

In 2019, the Company's non-financial information passed an independent assurance. To confirm the reliability of information, provided as part of non-financial statements, the Company engaged the independent auditors JSC Deloitte & Touche CIS.

The independent audit of the Report was conducted in full 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 Sustainable Development Report, see *Appendix* – the Assurance Engagement Report.

CONTACT INFORMATION*GRI 102-53***CONTACTS FOR INVESTORS
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