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Approved by the Board of Directors of PJSC Uralkali
(Minutes No 400 dated 26.11.2021)

The HR Policy of PJSC Uralkali

Purpose

The HR Policy of PJSC Uralkali (the Policy) was developed to inform all interested parties about the key principles and approaches used by PJSC Uralkali and its Russian subsidiaries (hereinafter, Uralkali or the Company) in their HR activities.

The Company rates professionalism and motivation of its employees among the most important factors for development and achievement of corporate goals. Therefore, the Company adopts an HR management system, which aims to attract and retain the best available specialists and create conditions to unlock their potential.

The main objective of this Policy is to create a management system that creates an attractive image of the Company for new qualified talents who are willing and able to offer the highest value from their work.

Regulatory framework

All internal documents and procedures, which the Company uses pursuant to this Policy, are developed and implemented in line with Russian legislation.

This Policy is a high-level document for HR activities. In addition to that, the Policy is aligned with other policies of the Company including the Human Rights Policy, and the Diversity and Inclusivity Policy.

Key principles

This Policy is based on the following key principles of the Company's HR activity:

- Development of the Company's competitive advantages as an attractive employer;
- Priority of safe working conditions;
- Application of a fair and transparent remuneration and incentive system;
- Creation of conditions to unlock employee potential;
- Adherence to the fundamental principles of the declaration of the International Labour Organisation (the Company does not allow gender discrimination; the Company guarantees that all employees work voluntarily; any use of forced and child labour is prohibited at all production facilities of the Company);
- Establishment of a common system of corporate values and promotion of a partnership culture in interaction among fellow employees;
- Balancing of interests of employees, shareholders and the Company;
- Creation of conditions to facilitate participation of employees in the management of the Company directly or via representational bodies

Key approaches to HR activity

1. Recruitment

Objective: provide enough qualified talent to achieve corporate goals through the following means:

- Planning of recruitment based on mid-term labour demand;

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- Creation of equal selection conditions for all candidates irrespective of their gender, age, religious beliefs, nationality, social and cultural background or physical abilities (subject to medical conditions) but only on the basis of their professional qualities and qualification;
- Maintaining a transparent selection process with feedback given to candidates at each stage of the interview process;
- Giving priority to in-house candidates (including to members of the internal talent pool) provided an internal candidate meets qualification requirements to permanent or temporary vacancies and does not medical conditions for the job;
- Ensuring that candidates with special needs are recruited in line with national laws;
- Identification, analysis, assessment and management of risks related to recruitment and retention of employees (including loss of personnel).

2. Training and development

Objective: develop employees' professional potential to raise labour productivity and ensure employment security by providing employees with the following means of professional and career development:

- Basic and advanced professional training for workers;
- Pre-attestation, attestation, basic and advanced professional training for managers and specialists;
- Higher and vocational education based on individual development plans and production needs;
- Ad hoc activities to create and develop the internal talent pool.

3. Adaptation

Objective: retain professional knowledge, skills and competences within the organisation. Professional adaptation includes the following possible mechanisms:

- Coaching by an experienced specialist to explain specifics of the whole organisation and individual departments, and to transfer necessary knowledge and skills;
- Regular supervision of performance by an experienced specialist;
- Methodological and technical assistance in learning and operating equipment.

4. Work and rest regime

To protect labour rights of its employees, the Company guarantees the following:

- 40-hour normal working week;
- Shorter working hours for certain categories of employees;
- Shift regime for certain categories of employees with excessive duration of a working day and also to improve equipment utilisation efficiency;
- Overtime and holiday work is allowed in exceptional cases and only strictly in line with the national labour legislation;
- Right to rest: breaks during a working day or a shift; daily rest between working days or shifts; off-days or a period of continuous weekly off-days; public holidays; and statutory leaves provided for by Russian labour legislation and collective bargaining agreements of PJSC Uralkali and its Russian subsidiaries.

5. Compensation, benefits and incentives

Objective: motivate personnel to improve their performance and thus help the Company achieve its goals.

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A complex system of incentives and remuneration is used to account for special knowledge and skills of employees, their impact on the performance of the organisation, and their level of independence and responsibility when discharging work duties.

The size of direct financial remuneration is determined by the following factors:

- Level of professional competence is reflected by pay rates for workers, and actual salary within the range established for each position among managers and specialist. Working conditions are determined by internal labour regulations and national labour laws.
- The labour remuneration policy is based on the “equal pay for equal value work” principle.
- Salary of a Grade 1 employee who works in normal working conditions and who completed a full working month according to the production schedule cannot be below the poverty threshold established for able-bodied population in the Perm Region.
- Due to specifics of the Company’s operations, workers with harmful and/or hazardous working conditions receive compensation payments as percentage of their pay rates or salaries.
- Individual performance and achievement of results over periods are reflected by the size of bonus payments. The Company uses a system of KPIs to determine the variable part of remuneration through assessment of achievement of targets.
- Competitiveness of remuneration in the Company is assessed on the basis of both fixed and variable parts of direct financial remuneration.

Also to improve employee involvement, the Company uses a number of non-financial incentives:

- Healthcare services under voluntary medical insurance;
- Health resort treatment for employees and their children;
- Catering and partial compensation of meal expenses;
- Housing programmes for rare specialists;
- Transportation to work using corporate transport;
- Social benefits and guarantees (compensation, financial aid, one-time retirement payments);
- Accident insurance for operating personnel;
- Aid to retirees and veterans of the Company;
- New Year presents for employees’ children;
- Charity support to employees;
- Departmental and corporate awards (medals, titles, merit badges, certificates of appreciation, letters of commendation).

Indirect financial remuneration in the form of social protection and additional benefits (on top of statutory benefits) is an integral part of the overall remuneration system and is taken into account when assessing attractiveness and competitiveness or total remuneration package in the Company.

6. Working conditions

To ensure safe and comfortable working conditions, the Company undertakes to perform the following activities to improve working conditions:

- Provision (and regular replacement) of personal protective equipment given to employees with harmful and/or hazardous working conditions including special temperature or air quality conditions;
- Provision of additional personal protective equipment to prevent occupational diseases;
- Provision of milk and similar food products to employees with harmful working conditions;
- Pre-employment and periodic medical examinations of employees at the Company’s expense;

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- Pre-shift and daily physical checks of certain categories of employees as and when required by the Russian Labour Code and other national laws and regulations.
- Monitoring of harmful and hazardous workplace factors using laboratory equipment.

7. Corporate culture

Objective: create a target corporate culture to support positive image of the Company as an employer, to increase employees' performance and loyalty, and to improve psychological climate among workforce by means of the following:

- Communicating goals and objectives of the Company, corporate news and developments to employees via a system of internal communications;
- Providing each employee with access to anonymous feedback mechanisms and progress of corrective actions;
- Collecting, considering and responding to enquiries and proposals from employees;
- Implementing a system of awards and non-financial incentive programmes;
- Arranging corporate events, professional holidays, cultural and sports programmes;
- Involving employees in the management of the Company directly or via representational bodies.

Implementation and responsibility

Fully in line with its business principles, Uralkali undertakes to continuously implement and improve existing HR procedures and identify potential new best practices. The Company also undertakes to communicate key elements of this Policy to employees.

This Policy is published on the official website of the Company at www.uralkali.com and is available to all interested parties.