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SUSTAINABLE DEVELOPMENT REPORT 2020

P J S C « T O A Z »

P J S C « T O A Z »



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ABOUT THE REPORT

The Sustainable Development Report (hereinafter — «the Report») of Public Joint Stock Company Togliattiazot (hereinafter — «the Company») for 2020 continues the practice of annual disclosure of non-financial corporate statements. It contains a comprehensive description of production, economic, environmental and social indicators for the period from January 1, 2020 to December 31, 2020.

The Sustainable Development Report of PJSC TOAZ for 2020 was prepared in accordance with the Global Reporting Initiative Guidelines for Sustainable Development, version 4.0 (Global Reporting Initiative - GRI, G4, hereinafter — «the Reporting Guidelines»), the basic version (Core).

The analysis of the Company's priorities and the events held in 2020 have outlined the main topic of the Report — «Time of Heroes». In the face of epidemiological situation and global struggle against the coronavirus infection, TOAZ managed not only to keep production output and sales in the same volumes, but also to increase these performance indicators, while ensuring the working efficiency of the entire enterprise and the safety of its personnel.

Certainly, as TOAZ is a first hazard class enterprise, the safety is its fundamental priority, which affects all the aspects of the Company's activities: from occupational and industrial safety to the production facilities modernization program and development of internal business processes. Care for the personnel health, the region of presence and the environment also comes to the forefront and becomes one of the foundations for sustainable development of the enterprise. The abovementioned guidelines for the Company's activities were formed historically and are the basis of its development.

The target audience of the Report is traditionally a wide range of stakeholders of PJSC TOAZ, including employees, shareholders and investors, residents of regions of presence, public organizations, clients and partners. The Company has various channels for obtaining feedback. Comments and suggestions on the Sustainable Development Reports are accepted by phone and e-mail specified in the Contact Information section. All received messages are considered and taken into account in the process of working on the next Report.

This Report serves as one of the instruments for creating a favorable image of PJSC TOAZ as a socially responsible company for authorities, local citizens, and other stakeholders.

SUBSTANTIVE AND PRIORITY TOPICS TO BE INCLUDED IN THE REPORT

When preparing the Report for 2020, the Company applied the Sustainable Development Reporting Standards of the Global Reporting Initiative (GRI Standards) as a methodological basis. To cover the most relevant topics in the Report, the Company analyzed significance of sustainable development aspects for individual indicators and for topics identified in the GRI Standards, based on a study of the internal and external environment of the Company with the involvement of stakeholders. The results of the analysis of the significance of sustainable development aspects carried out in 2015–2019 were taken into account.

Based on the results of the analysis, taking into account the principles of completeness, significance, interaction with external and internal stakeholders, as well as the context of sustainable development, a list of topics was formed, which are significant and mandatory for disclosure in the Report.

In 2020, as well as in 2019, when creating the Report, the Company focused on the results of the analysis of the significance of sustainable development aspects (conducted in 2015) in accordance with the approach. The identified aspects remain relevant for the designated reporting period.

This Report discloses in more detail a number of issues related to the priorities of the Company's activities in the field of sustainable development in 2020.

The sources of information in the field of sustainable development are statistical and management reporting. To show the dynamics of the results and ensure visualization of the data, key indicators are presented both for the reporting period, and for several previous years.

ECONOMIC

- economic performance;
- market presence;
- indirect economic impacts.

SOCIAL

- employment;
- occupational health and safety;
- employees training and education;
- local communities.

ENVIRONMENTAL

- energy;
- water;
- emissions;
- wastes and discharges;
- compliance with environmental requirements;
- investments in environmental protection.

CHANGES IN THE REPORT

The present Report like the Sustainable Development Report of PJSC TOAZ for 2019 was completed in line with GRI Guidelines version 4.0.

LIMITATIONS OF THE REPORT

The preparation of Sustainable Development Reports in the Company is carried out at the corporate level and includes consolidated information about PJSC TOAZ.

Information on disclosure of indicators with scopes other than those described above are provided in the respective descriptions, tables and charts. The key performance indicators of the Company in the field of sustainable development for 2020 are presented on page 14 of this Report.

ADDRESS OF THE CHAIRMAN OF THE COMPANY'S BOARD OF DIRECTORS

In 2020, the whole country and the whole world faced unprecedented difficulties and restrictions due to a difficult epidemiological situation. Even in such conditions, TOAZ managed to demonstrate its effectiveness, and employees of the enterprise proved themselves to be real professionals and a close-knit team.

For the second year in a row, TOAZ surpasses the important point of 3 million tons of ammonia annual production. The production of urea is also growing substantially - last year this figure increased by 7%, to 839,000 tons. Also in 2020, TOAZ set a record for shipment of ammonia through the Togliatti-Odesa pipeline, the level of ammonia pumping reached 2,355,000 tons. 2 million tons of ammonia were transported to the storage facilities of the Odessa Port Plant.

Such high figures were made possible due to implementation of the program for improvement of the production efficiency and modernization of production facilities, which has been carried out since 2012. The amount of investments in the renewal of plants and in increasing their efficiency and safety has exceeded 51 billion rubles over this time. All this enables TOAZ to remain one of the world leaders in production of nitrogen fertilizers.



The outgoing year has tested the strength of TOAZ plans for the future and its readiness, even in difficult conditions, to continue implementation of the large-scale investment program, which is significant for the region and the whole country. Togliattiazot continues to implement its ambitious development strategy, which covers the period to 2025. The investments in the amount of 112 billion rubles, included into it, significantly help to increase the capacities and, as a result, the factory's performance indicators, and also allow to effectively support the economy of Samara region.

The key project as part of the strategy is construction of Urea Plant No. 3. Its commissioning will be a milestone for the Company and the entire region. Last year, the construction of a key element of the future facility, the prilling tower, was completed; in November 2020, distillation and hydrolyzer columns with a height of 32 meters each were installed; at the end of December, the reactor was mounted. The implementation of the project for construction of Urea Plant No. 3 will increase the existing production capacities of the enterprise for the production of this product by 70%. The commissioning of the new plant is also beneficial from a social and environmental point of view, since its start-up will allow TOAZ to create about 80 new jobs and, due to the latest industrial technologies, to significantly reduce the level of air emissions.

TOAZ is actively developing its logistics facilities. The Company resumed delivery of urea on river-sea navigation vessels. In June 2020, the first two vessels delivered 7,000 tons of urea from the Togliatti river port to Varna, Bulgaria, just in ten days. Additionally, in 2020, TOAZ expanded its own railway fleet, which now exceeds 1,800 items, by purchasing 200 new-generation hopper cars for transportation of mineral fertilizers. The new cars are distinguished by an increased lifting capacity and a reduced repair rate, which enables to significantly reduce the cost and time of transportation of fertilizers.

During the reporting period, TOAZ has demonstrated excellent results in sustainable development and labor efficiency, has become one of the leading Russian companies in terms of these indicators. Besides the production achievements, TOAZ practically demonstrated what it means to have the status of a responsible and one of the city-forming enterprises. Thus, in a difficult period from an epidemiological point of view, the Company continued to fulfill its social obligations towards the employees and residents of Togliatti, and retained all charitable projects.

Taking care of the environment remains an important task for TOAZ. We continued to allocate financial resources for implementation of the programs for protection of air and water basins, reduction of harmful effects of industrial waste. The Company regularly participates in environmental initiatives in the region, including the restoration of fish population in the Volga River, planting of a new forest to replace the trees lost in fires, and cleaning up of urban and natural areas. TOAZ continues to increase investments in modernization, since the renovation of production facilities, replacement of equipment



with more modern one allow the Company to increase the stability and efficiency of production, while reducing resource consumption and emissions.

In 2020, special efforts were made to minimize the spread of coronavirus infection both at the enterprise and throughout Togliatti. More than 79 million rubles was allocated for organization of anti-epidemiological activities. Additionally, financial resources were allocated to preserve jobs and provide material support to employees — they were paid additional remuneration allowing them to comfortably overcome a difficult period. All this made it possible to ensure the uninterrupted operation of the factory and the safety of employees amidst the pandemic. Moreover, support from the enterprise during the epidemic was given to city hospitals: their infectious disease departments received modern personal protective equipment enabling to protect the health of medical workers, who daily work with patients having coronavirus infection.

In the conditions of financial uncertainty caused by a difficult epidemic and economic situation, the matter of principle for us was the retention of the Company's social programs, which are significant for the region. Despite the pandemic, the intellectual club «Chemistry of Word» continued its work. Following the result of yet another grants competition for social and cultural initiatives «Chemistry of Good», 13 projects of municipal and public organizations were identified; they will receive the enterprise's financial support for a total amount of 1,900,000 rubles. During the pandemic, subject to the necessary safety requirements, the engineering and technical classes created

at the initiative of TOAZ continued their work on the basis of Togliatti schools; these classes are aimed at the advanced training of children in chemical as well as physical and physical and mathematical areas.

The past year has fully demonstrated the strategic correctness of the investments made by the enterprise in the renovation of production facilities. It is due to the funds spent on modernization and the efforts of our team in previous years that today we have stably and safely operating plants and can make confident plans for the future. The professional team of TOAZ has demonstrated that even such global challenges as a pandemic cannot prevent the employees from working effectively, and that they are ready to work jointly and dedicatedly for the benefit of their home enterprise. I can firmly declare that the outstanding results of TOAZ are the merit of the entire personnel of the factory: departments which that ensured the safety of production processes amidst the epidemic, shifts of production personnel who agreed to a forced isolation in Nadezhda health resort, those who worked remotely, and those who daily came to the production site. Thanks to each employee for his/her significant contribution to the development of TOAZ. I am sure that with such a team, new records are just a matter of time, and according to the results of 2021, TOAZ will become even better and more efficient!

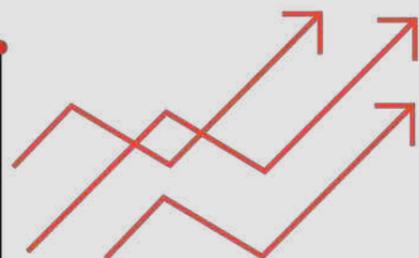
Regards and best wishes,
Petr Ordzhonikidze
Chairman of the Board of Directors of PJSC TOAZ.





THE AMOUNT OF LIQUID AMMONIA PRODUCED IS MORE THAN
3 MILLION

■ TONS



Yaroslav Kuzmin
Senior Foreman of Workshop No.26 for the repair and maintenance of hardware-based equipment for large-scale ammonia and urea plants



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CHAPTER 1

ABOUT THE COMPANY

1.1. COMPANY OVERVIEW

Public Joint Stock Company Togliattiazot (PJSC TOAZ) is one of the largest enterprises in Russian chemical industry, a recognized leader of the industry in the country and abroad.

Production facilities of PJSC TOAZ are located 12 km to the north-east of Togliatti in Samara region and on the area of more than 200 hectares, uniting an industrial complex and administrative buildings.

The main activity of the Company is production of ammonia, urea, UFC and ammonia water. The production facilities operated by PJSC TOAZ allow to produce annually:

- more than 3 million tons of liquid ammonia at seven large-scale plants;
- 960,000 tons of urea at two plants;
- 194,000 tons of UFC at three units;
- 109,000 tons of ammonia water.

PJSC TOAZ IS ONE OF THE WORLD'S LARGEST CHEMICAL ENTERPRISES CAPABLE OF PRODUCING MORE THAN 3 MILLION TONS OF AMMONIA AT ONE PRODUCTION SITE ANNUALLY.

Stable and reliable supplies of products are ensured by a developed transport infrastructure, which includes rail car and motor vehicle fleets and the unique Togliatti-Odessa ammonia pipeline of more than 2,400 km in length.

At the end of 2019, the Board of Directors of PJSC TOAZ approved a new development strategy for the Company until 2025. The strategy formalized the mission of Togliattiazot, which the management and members of the Board of Directors formulated as:

WE CARE ABOUT FERTILITY AND PRODUCTIVITY FOR THE BENEFIT OF THE WHOLE WORLD.

The document states that the Company will strive to become the leader in the production of nitrogen mineral fertilizers in Russia and enter the five largest producers in the world. To achieve this goal, the strategy assumes an increase in production (including in ammonia production by about 40% up to 4,150,000 tons per year and in urea production by more than 2.5 times, up to 2,530,000 tons per year) and an increase in EBITDA by 3.3 times.

The new strategy of PJSC TOAZ outlines the development directions that will allow the enterprise to achieve the declared indicators.

DEVELOPMENT DIRECTIONS OF THE COMPANY:

Improving Operating Efficiency

- Bringing the repair service in line with best practices in terms of frequency and duration of shutdown repairs;
- Improving labor efficiency and reducing gas consumption.

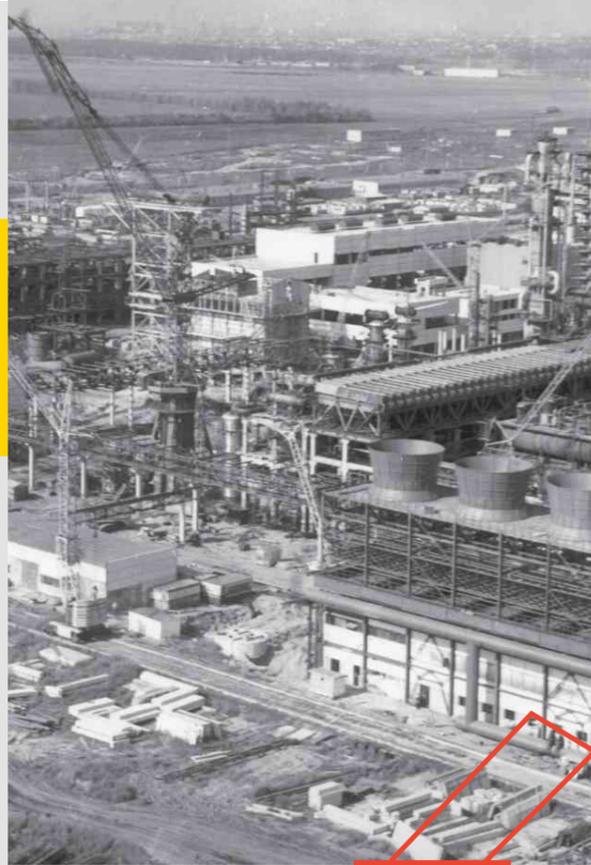
Improving Commercial Effectiveness

- Change in the structure of sales in foreign and domestic markets;
- Improving commercial terms for major products with key buyers.

Production Site Development

- Construction of Urea Plant No. 4, ammonium nitrate and urea ammonium units for the production of new products;
- Completion of the construction of a terminal for transshipment of fertilizers in Taman;
- Improvement of the performance of ammonia plants.

INVESTMENTS IN THE DEVELOPMENT OF PRODUCTION FACILITIES AND AN INCREASE IN PRODUCTION VOLUMES WILL AMOUNT TO 112 BILLION RUBLES.



1.2. THE CORPORATE HISTORY

1970-80S: CONSTRUCTION OF THE FACTORY

- 1973 — The area for construction of Togliatti Nitrogen Plant was determined. The agreement with Occidental Petroleum Corporation (USA) was concluded.
- 1974 — Start of the construction: the first load of dipper was excavated at the construction site of Togliatti complex for production, storage and transportation of chemical fertilizers.
- 1976 — Start of construction and installation works for construction of main workshops and units of Togliatti Nitrogen Plant. Until that time, preparatory works on the construction site had been carried out for two years. Start of laying of Togliatti-Odessa ammonia pipeline with the length of more than 2,400 km.
- 1978 — Commissioning of the first facility of TOAZ, i.e. liquid ammonia storage vessel.
- 1979 — «Birthday of the Chemical Colossus»: on the 7th of April, first ammonia was produced at Ammonia Plant No. 1. Before the end of the year, ammonia was produced at Plants No. 2 and 3; Urea Plant No.1 was commissioned.
- 1980 — Commissioning certificate for Ammonia Plant No. 4 was signed. By the decision of the state commission, Urea Plant No. 2 was accepted for operation (September 30). The Director of Togliatti Nitrogen Plant signed the decree on creation of a training center (November 28). Commissioning of waste water treatment facilities of Togliattiazot. Start of work of Information Technology Unit. Start of work of Automated Control System Service.
- 1981 — TOAZ withdrew from Production Association Kuibyshevazot and was transformed into an independent enterprise Production Association Togliattiazot. Togliatti-Odessa ammonia pipeline was commissioned. Commissioning certificate for Ammonia Plant No. 5 was signed.
- 1983 — Commissioning of Ammonia Plant No. 6. First tons of product were produced in carbon dioxide workshop.
- 1985 — Commissioning of urea-formaldehyde resin production unit.
- 1986 — Commissioning of Ammonia Plant No.7.

1990S: DIVERSIFIED ENTERPRISE

- 1990 — Commissioning of Ammonia Water Unit. First printed matters of the Company's own production were issued.
- 1992 — The enterprise was transformed into a joint stock company. Start of construction materials production.
- 1994 — Start of consumer goods production.
- 1998 — Commissioning of the second urea formaldehyde concentrate (UFC) production unit.

XXI CENTURY: LEADERSHIP IN THE INDUSTRY AND FURTHER DEVELOPMENT

- 2003 — Start of construction of ammonia transshipment terminal in the Port of Taman (Krasnodar Krai).
- 2006 — The produced urea formaldehyde concentrate was awarded the certificate «100 Best Russian Goods».
- 2007 — The produced technical ammonia was awarded the certificate «100 Best Russian Goods».
- 2010 — Start of work of the Line Production Department for operation of gas facilities.
- 2011 — Commencement of large-scale program for modernization and revamping of production facilities.
- 2014 — Production of the 70 millionth ton of ammonia. TOAZ entered TOP-200 largest Russian companies according to RBC magazine and Expert-400.
- 2015 — The products of the Company entered into «100 Best Russian Goods». The 1st place in the ranking «100 largest enterprises in Togliatti». TOAZ became the winner of the competition «Leader of environmental activity in Russia 2015».
- 2016 — TOAZ is one of the 50 largest companies in terms of net profit according to RBC magazine. TOAZ won the award «Philanthropist of the Year» (following the results of 2015). TOAZ health and safety inspector became one of the Top Three among the best health and safety inspectors in Russia.
- 2017 — Production of 80 millionth ton of ammonia. TOAZ entered Forbes ranking «200 Largest private companies in Russia». TOAZ held the 256th place in RAEX-600 ranking in terms of gross income from sales of products, works, services, 230th place in the annual ranking of TOP-500 largest companies in terms of revenue. Togliattiazot was among the winners in the nomination «For achievements in the field of occupational safety and health of workers» in the competition of Russian Union of Industrialists and Entrepreneurs (RUIE). TOAZ became the winner in the nomination «Safe Production Leader» in the award «People of the City».
- 2018 — Commencement of Urea Plant No. 3 construction. TOAZ continued implementation of the project for the transshipment terminal construction in the sea port of Taman. TOAZ launched corporate housing program for employees. Start of implementation of improvement program «YIW: Your Idea Works!».
- 2019 — Togliattiazot celebrated the 40th anniversary of its successful work. Achievement of a record indicator of 3 million tons for annual production of ammonia in the entire history of the Company's activities.

Achievement of a record indicator of more than 1,900,000 tons in terms of volumes of ammonia pumped through the Togliatti-Odessa pipeline.

Shipment of 60 million tons of ammonia since the start-up of the factory.

Ammonia Plant No. 7 became the leader in terms of the amount of ammonia produced, its result reached 620,000 tons.

Ammonia Plant No. 2 produced the 12 millionth ton of product since the start of production in 1979.

Creation of the engineering and technical classes on the basis of two schools in Togliatti.

Nadezhda health resort celebrated the 20th anniversary of its work.

Togliattiazot became the largest supplier of urea to the Russian market, the Company's share of the market of this mineral fertilizer in the Russian Federation amounted to over 38% (data of FAS Russia).

TOAZ took 16th place in the ranking of business leaders in terms of energy efficiency by RAEX rating agency. TOAZ entered the TOP-20 socially responsible companies in RAEX-600 (17th place).

Togliattiazot took 1st place in Samara region in the ranking of 100 largest industrial companies by labor productivity from the Production Management business portal.

TOAZ took 247th place in RAEX-600 ranking in terms of gross income from the sale of products, works, services.

Togliattiazot took 231st place in the ranking of the largest companies in the Russian Federation according to RBC.

TOAZ traditionally entered the TOP-200 largest private companies according to Forbes (173rd place, in 2018 it took 192nd).

TOAZ was included in the list of the country's largest exporters according to Expert magazine (60th place).

TOAZ was awarded «Commercant of the Year» in nomination «Modernization» by the Kommersant-Volga publishing house.

2020

Togliattiazot conducts employee engagement survey for the first time.

Togliattiazot Community Center celebrated its 20th anniversary.

Togliattiazot produced the 89 millionth ton of ammonia (December 13).

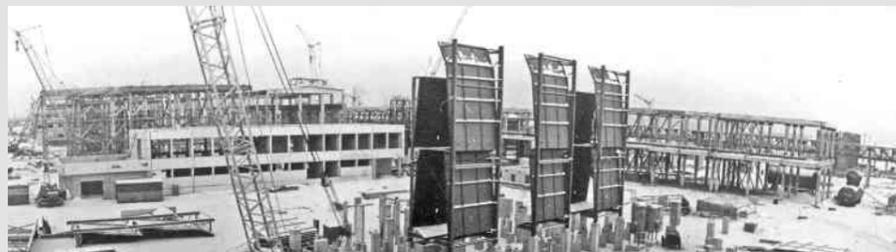
TOAZ entered the TOP-50 Russian companies in terms of sustainable development of the Expert business magazine (44th place).

TOAZ entered the TOP-200 investors in Russia, the Company went up 38 points in the rating of the country's key investors by the Expert business magazine, and took 91st place.

Togliattiazot entered the TOP-100 industrial companies of Russia in terms of labor productivity in the all-Russian rating compiled by experts from the Production Management business portal, TOAZ moved up to 69th place.

Togliattiazot took 9th place (1st place among enterprises of Samara region) in the rating of chemical industry enterprises.

For the third year in a row TOAZ has been ranked 10th in the Fertilizer Daily rating of mineral fertilizer producers.



XXI CENTURY: MODERNIZATION

2012

Togliattiazot implements a large-scale program for modernization and revamping of the production facilities, set until 2022. All projects are aimed at reducing of consumption of raw materials, abatement of the environmental impact and increasing of production.

2013

Large-scale repair of Ammonia Plant No. 2.

2014

Modernization of Ammonia Plant No. 1.

Renewal of the bus fleet for comfortable transportation of factory employees.

2015

Large-scale repair of Ammonia Plant No. 4 (completed in 2016).

The first stage of the overhaul of the water disposal system (completed in 2016).

Modernization of Ammonia Plant No. 6 (completed in 2016), which led to an increase in the capacity of the Plant by more than 20%.

The first stage of the project for renewal of thermal insulation at the technical facilities of the enterprise.

Overhaul of the isothermal ammonia storage facility.

2016

Modernization of the Company's own railway infrastructure.

Large-scale repair of Ammonia Plants No. 3 and No. 4.

2017

Overhauls of: Urea Plants No. 1, No. 2, isothermal storage facility No. 2, Ammonia Plants No. 2, No. 5 (with a complete renewal of the cooling tower).

2018

Completion of overhaul of Ammonia Plant No. 7.

Increase of Ammonia Plant No. 5 productivity to 1,750 tons/day due to modernization.

Implementation of a modern Yokogawa automated system at urea plants, which increased the safety and efficiency of plant control.

Replacing of the reactor at Urea Plant No. 2.

2019

At the end of the year, the Board of Directors of PJSC TOAZ approved a new strategy until 2025, subject to which investments in the development of production facilities and increasing production volumes will amount to 112 billion rubles.

Start of the maintenance and repair system improvement program.

Procurement of 50 mineral hopper cars for transportation of urea.

Implementation of an electronic face recognition system at checkpoints.

Active phase of construction of Urea Plant No. 3; the Prilling Tower has grown up to 35 meters.

Start of the program for repairs in social premises at the production site.

Completion of overhaul of Ammonia Plant No. 3; the project is one of the largest in the history of the enterprise in terms of scope of work and investments.

Renewal of the factory railway infrastructure; a 300-meter section of track No. 10 was repaired in the shop for preparation of ammonia for transportation (No. 13).

Technical re-equipping of the existing chemical water treatment unit at the urea production.

Completion of scheduled overhauls at Urea Plant No. 2 and Ammonia Plant No. 6.

2020

Purchase of 200 hopper cars for transportation of mineral fertilizers.

Implementation of the program for improvement of the maintenance and repair system.

Completion of scheduled overhauls and technical re-equipping of Ammonia Plants No. 2 and No. 7 and Urea Plants No. 1 and No. 2.

Overhaul at the Azotnaya railway station.

Resumption of urea shipment on river-sea navigation vessels.

Delivery of products by heavy trains has been implemented for the first time ever.

Construction of Urea Plant No. 3 is 40% complete.



1.3. KEY INDICATORS AND ACHIEVEMENTS IN 2020

Stable positive dynamics allows PJSC TOAZ to keep the leadership position among industrial enterprises of Russia and the world.



PRODUCTION

- 3,980,000 tons is the total production output;
- 3,040,000 tons is the ammonia output;
- 839,300 tons is the urea output;
- 89 millionth ton of ammonia was produced by Togliattiazot;
- 12 million tons is the product output since start-up of Ammonia Plants No. 2 and No. 3;
- 13 millionth ton of ammonia was produced by Ammonia Plant No. 7 since its start-up;
- 14 millionth ton of ammonia was produced by Ammonia Plant No. 6 in its history;
- implementation of the maintenance and repair system improvement program;
- procurement of 200 hopper cars for transportation of mineral fertilizers;
- more than 2,350,000 tons of ammonia has been pumped through the Togliatti-Odessa pipeline;
- completion of scheduled overhauls and technical re-equipping of Ammonia Plants No. 2 and No. 7 and Urea Plants No. 1 and No. 2;
- overhaul at the Azotnaya railway station;
- Togliattiazot resumed urea shipment on river-sea navigation vessels;
- Togliattiazot organized the delivery of products by heavy trains for the first time in its history;
- the height of the prilling tower of Urea Plant No. 3 amounted to 107 meters; it is one of the highest structures in Togliatti.

EMPLOYEES

- more than 4,000 employees are in the Company's team;
- 57,537 rubles is the average salary of TOAZ employees, which is 17.5% higher than the average salary in Samara region (48,983 rubles according to Rosstat);
- 100% of employees are provided with the VHI program;
- 23,100,000 rubles was allocated for training;
- more than 9,000 people underwent occupational training and advanced training;
- 75 applications with ideas were submitted as part of the incentive program «YIW. Your Idea Works», 19 of which were accepted for implementation;
- implementation of the Career Guidance program for creating a labor pool;
- 19 employees of the Company obtained apartments under the corporate housing program;
- 216 people took a course of treatment in Nadezhda health resort with subsidized vouchers;
- 170 children of employees received presents for the First-Grader Day;
- 1,408 retired employees are the members of TOAZ veteran organization.

ECONOMIC SUSTAINABILITY

- beginning of implementation of the new strategy until 2025, approved by the Board of Directors of PJSC TOAZ to the amount of 112 billion rubles;
- revenue in 2020 amounted to 53.6 billion rubles;
- 5.47 billion rubles of taxes was paid to budgets of all levels (3% higher compared to 2019);
- TOAZ entered the TOP-50 Russian companies in terms of sustainable development according to Expert business magazine (44th place);
- TOAZ entered the TOP-200 investors in Russia; the Company went up 38 points in the rating of the country's key investors by the Expert business magazine and took 91st place;
- in the all-Russian ranking of TOP-100 industrial companies of Russia in terms of labor efficiency, compiled by experts from the Production Management business portal, TOAZ moved up to 69th place with an indicator of 13,180,000 rubles/person per year. In the ranking of chemical industry enterprises, Togliattiazot took 9th place (1st place among enterprises of Samara region);
- for the third year in a row TOAZ has been ranked 10th in the Fertilizer Daily ranking of mineral fertilizer producers.

LABOR PROTECTION

- 371 million rubles was allocated for occupational health and industrial safety.

ENVIRONMENT

- 487 million rubles was allocated to the implementation of measures and projects for environmental protection;
- 5 hectares of seedlings were planted instead of burnt-out forests;
- more than 12,000 carp fry were released into the Volga River;
- 180 m³ of garbage was collected as part of the measures to clean up unauthorized dumps in Togliatti;
- consumption of natural gas per one ton of product has been reduced by almost 8%;
- amount of air emissions at the enterprise has been reduced by 18%.

SAFETY

- LTIFR is 0.27;
- 0 occupational diseases identified.

DEVELOPMENT OF THE REGION

- 3.7 billion rubles was allocated to the budget of Samara region;
- more than 25 million rubles was allocated to charity and sponsorship programs;
- 7 socially significant projects received support for a total amount of 1.3 million rubles as part of the grant program «Chemistry of Good»;
- 7 scholars received support from TOAZ in framework of implementation of the «Impulse» program in the 2019-2020 academic year;
- 9 business projects were presented by graduates in the final of the second season of the «Chemistry of Experience» project;
- 38 students became the first graduates of the engineering and technical classes on the basis of 2 schools in Togliatti.

1.4. AWARDS OF THE COMPANY IN 2020

Contribution of PJSC TOAZ into social and economic development of the region of presence is annually marked with various awards.

Various federal and regional awards also evidence labor achievements and active stance of the Company's team.

SAMARA REGION ADMINISTRATION

14 activists of the Togliattiazot Youth Council received memorial signs from the Governor of Samara region «For serving the people» for helping the citizens during the pandemic.

TOGLIATTI CITY DUMA

Togliattiazot received a letter of appreciation addressed to the General Director Dmitry Mezheedov for active participation in public life and contribution to the improvement of Togliatti.

SECTORAL: CORPORATE, REGIONAL AND CITY AWARDS



10 employees of the enterprise were awarded Certificates of honor and letters of appreciation from the Ministry of Industry and Trade of Samara region.

10 employees were granted the title of honor «Honored Employee of PJSC TOAZ» for outstanding professional achievements, long-term conscientious work and significant personal contribution to the production development.

20 employees were awarded Certificates of entry on the Board of Honor for high professional skills, long-term conscientious work and personal contribution to the development of the chemical industry.

51 employees were awarded letters of appreciation from Togliattiazot for long-term conscientious work, high performance indicators, professionalism and responsibility in fulfilling production tasks, as well as for personal contribution to the development of the chemical industry.

7 employees were awarded in «Your Idea Works. Best Idea» nomination.



ANNUAL AWARD IN THE SPHERE OF CORPORATE SOCIAL RESPONSIBILITY «BEST SOCIAL PROJECTS OF RUSSIA-2020»

Togliattiazot's initiative «Chemistry of Experience» was awarded a diploma in the category «Support for socially vulnerable groups».

ALL-RUSSIAN COMPETITION «BEST CORPORATE MEDIA – 2020»

Illustrated edition «TOAZbuka» — laureate. Special nomination: «The best corporate publication for children.»

TRADE UNION MOVEMENT



3 young employees of Togliattiazot became winners of the regional review competition «The Best Young Trade Union Leader», organized by the Samara Regional Committee of Roskhimprofsoyuz (the Russian Trade Union of Workers of Chemical Industries).

25 employees received pin badges from the all-Russian sports complex GTO («Ready for Labor and Defense»): 23 gold, one silver and one bronze badge.

An employee of PJSC TOAZ won the review competition «The best health and safety inspector of the Federation of Trade Unions of Samara Region» following the results of 2020.

FOURTH REGIONAL COMPETITION «HERITAGE OF THE GOVERNORATE»

Special prize «For contribution to the fight against Covid-19».

XII ANNUAL INTERNATIONAL COMPETITION «PRESS SERVICE OF THE YEAR – 2020»

TOAZ was awarded Diploma of Excellence in «Best project in internal corporate PR» nomination for the «AntiCOVID» project.

CITY CHARITABLE FOUNDATION «TOGLIATTI FOUNDATION»

TOAZ became one of the winners of the citywide competition «Philanthropist of the Year».

BIG NATIONAL COMPETITION OF CORPORATE MEDIA «SILVER THREADS-2020»

At the regional stage (the jury stage), the «AntiCOVID» information project of Togliattiazot became the winner in the nomination «The best special project in corporate communications».

In the category «Highest Achievement: Creative Solutions in Corporate Communications» TOAZ won third place with a striking comic series «The Adventures of Tolik Azotov».

Our corporate newspaper «Volzhsky Chemist» won in the category «High Level of Corporate Problem Solving».

Togliattiazot also won in the category «Best gaming techniques for interacting with the target audience (social networks): «Togliattiazot employee's helmet» Instagram mask filter and the quest «The path of a real Chemist».

REGIONAL STAGE OF THE NATIONAL AWARD «SILVER ARCHER», SAMARA

The «Anti-COVID» project became the winner in the category «Anti-crisis communications during a pandemic». The project became a participant at the federal stage of the competition.

The project «Togliattiazot in the Digital Environment» received a silver award in the «Digital Communications» nomination. The project became a participant at the federal stage of the competition.

DIRECTUM`S COMPETITION «DIRECTUMAWARDS»

PJSC TOAZ project «Full cycle of the pass entry system at the restricted access facility» was awarded in the application solutions nomination.

THE STRATEGY UNTIL 2025 ASSUMES AN INCREASE IN EBITDA

BY 3.3 TIMES

P J S C « T O A Z »

■ **Svetlana Tkachenko**
Senior Shift Foreman of
Interconnections and Pipe Racks
Workshop No. 16

CHAPTER 2

STRATEGY AND GOVERNANCE

2.1. COMPANY GOVERNANCE STRUCTURE

The corporate governance of PJSC TOAZ is a set of processes ensuring regulation and control of the Company's activities for the benefit of shareholders and the team. The shareholders are represented by the Board of Directors. The interaction of the Board of Directors and senior executives is focused on maintaining of the most effective corporate governance system.

Due to reliance on its own capacities and maximum self-sustainment, PJSC TOAZ has been steadily working for more than 40 years under various external political and economic conditions.

In its activities, the Company strives to comply with the following principles of the Corporate Governance Code, recommended for use by the Bank of Russia:



- equal and fair treatment of all shareholders with the exercise of their right to participate in the management of the Company;
- equal and fair opportunity for shareholders to participate in profits of the Company through receipt of dividends;
- reliable and efficient ways of consideration of shareholders' share rights, as well as the possibility of free and unburdensome disposal of their shares;
- the right for regular and timely acquisition of complete and reliable information on the activities of PJSC TOAZ in accordance with the requirements and provisions of the Federal Law «On Joint Stock Companies», as well as on the Internet page used by the Company for information disclosure <http://www.e-disclosure.ru/portal/company.aspx?id=23343>.

In accordance with the Articles of Association, the Company's governing bodies are:

- General meeting of shareholders;
- Board of Directors;
- Single executive body (JSC «TOGLIATIAZOT Corporation»).

The General meeting of shareholders is the highest management body of the Company. The Board of Directors is a management body of the Company, consisting of five members. Independence of directors is determined in accordance with the Corporate Governance Code. The order of activities of the Board of Directors is regulated by the Articles of Association and the Regulations on the Board of Directors approved at the general meeting of shareholders held on April 29, 2017 (Minutes of meeting No. 38 dated May 3, 2017). All members of the Board of Directors have many years of experience in the chemical industry and have participated in the implementation of best practices and projects both in the industry and in other spheres. The amount of remuneration of members of management bodies of the Company and key managers directly depends on the performance of the Company.



In order to control the financial and economic activities of the Company the Audit Commission is elected. At the request of the Audit Commission, persons holding positions in the governing bodies of the Company are required to submit documents on the financial and economic activities of the Company. The Audit Commission is entitled to request the calling of the Board of Directors meeting, Extraordinary General meeting of shareholders.

2.2. DEVELOPMENT STRATEGY OF THE COMPANY AND SUSTAINABILITY TOPICS

Public Joint Stock Company Togliattiazot is guided by a long-term development program, which is aimed at strengthening the Company's competitiveness both in the Russian, and in the global chemical markets. In an effort to make business as efficient as possible, the Company modernizes production, optimizes management processes, reduces environmental burden, and invests in human capital assets and prosperity of the region of presence.



THE STRATEGIC GOAL OF PJSC TOAZ IS THE CONTINUOUS GROWTH OF THE COMPANY'S CAPITALIZATION, ACHIEVEMENT OF MAXIMUM BUSINESS EFFICIENCY AND LEADERSHIP IN THE CHEMICALS PRODUCTION TO ENSURE SUSTAINABLE DEVELOPMENT FOR THE BENEFIT OF SHAREHOLDERS, TEAM, PARTNERS AND CONSUMERS.

PJSC TOAZ VALUES AND PRINCIPLES:



- due regard for the interests and expectations of the stakeholders;
- constant search for new solutions;
- continuous improvement of the process capabilities;
- ethical business management.

According to Togliattiazot, achievement of this goal is possible only through ensuring environmental and industrial safety, preserving the life and health of employees and people affected by the Company's activities.

At the end of 2019, with the adoption of a new strategy, a clear understanding was formed, in accordance with which the direction of the Company's work will be built from 2020 and which priorities it will rely on. The document states that Togliattiazot will strive to become the leader in the production of nitrogen fertilizers in Russia and enter the five largest producers in the world.

The main strategic priorities of the Company are the growth of internal efficiency and expansion of production, which together will lead to an increase in the value of the business and will allow achieving the strategic goal of leadership in the Russian and world markets.

By 2025, the Company plans to significantly increase production, expand its sales geography and product portfolio, which will make it the world's fifth largest producer of nitrogen mineral fertilizers. Such a change in the market position will require investments in the amount of 112 billion rubles, a change in corporate culture and a significant increase in operating



efficiency. To achieve the goals, Togliattiazot intends to increase ammonia production by 40% - up to 4.15 million tons per year, to increase urea production by more than 2.5 times - up to 2.53 million tons per year. The strategy until 2025 assumes an increase in EBITDA by 3.3 times.

To achieve the growth stated in the strategy, the management of the Company will ensure significant changes in the following areas:

- **INCREASE OF OPERATIONAL EFFICIENCY.** This implies an increase in labor productivity of all groups of workers, a reduction in the specific consumption of resources, as well as an increase in the productivity of ammonia and urea plants. The latter is achieved by reducing the duration and frequency of shutdown repairs to best practice levels and in accordance with industrial safety requirements;
- **INCREASE OF SALES EFFICIENCY.** It is planned to switch to direct sales both in the domestic and foreign markets, as well as to revise the trading conditions for working with buyers;
- **PRODUCT LINE DEVELOPMENT.** It is planned to build units for production of ammonium nitrate and UAN at the factory in Togliatti, which will lead to diversification of the Company's product portfolio and an increase in its margin. There are also plans to increase the production of urea, including packed in big-bags;
- **CONSTRUCTION OF UREA PLANT NO. 4 IN TOGLIATTI AND COMPLETION OF WORK ON THE UREA TRANSSHIPMENT TERMINAL IN TAMAN** will lead to an increase in urea production and optimization of commercial costs.



An important place among the strategic priorities of the Company is given to the issues of production safety, increasing the efficiency of the Company management and increasing the involvement of employees.

In the section «production site development», the following goals were announced: construction of Urea Plant No. 4, ammonium nitrate and urea ammonium nitrate units for production of new products, completion of construction of the fertilizer transshipment terminal in Taman and an increase in the productivity of Ammonia Plants.

«THE NEW STRATEGY STATES AN AMBITIOUS VISION THAT REFLECTS LEADERSHIP ASPIRATIONS OF THE MANAGEMENT AND ENTIRE TEAM OF TOGLIATTIAZOT. WE BELIEVE THAT THE ACHIEVEMENT OF THE DECLARED INDICATORS IN THE MEDIUM TERM IS ABSOLUTELY REALISTIC, SINCE OVER THE PAST 7 YEARS A HUGE AMOUNT OF WORK HAS BEEN DONE WITHIN THE FRAMEWORK OF THE STRATEGIC MODERNIZATION PROGRAM: MORE THAN 33 BILLION RUBLES HAS BEEN INVESTED IN THE RENOVATION OF TOAZ'S PRODUCTION FACILITIES. THE NEXT STEP, WHICH IS RECORDED IN THE NEW STRATEGY, IS THE DEVELOPMENT OF PRODUCTION, EXPANSION OF THE PRODUCT PORTFOLIO, A MORE ACTIVE PRESENCE ON THE MARKET, FOR THE PRODUCTS OF TOGLIATTIAZOT TO BE ASSOCIATED WITH EFFICIENT AGRICULTURE WORLDWIDE».

Petr Ordzhonikidze
Chairman of PJSC TOAZ Board of Directors



RESULTS OF PERFORMANCE OF THE COMPANY FOR 2020 BY MAJOR AREAS OF DEVELOPMENT

Development directions	Results of performance for 2020
Improving of operational efficiency	The Company focused on improving production efficiency through the systematic implementation of modernization and overhaul of priority facilities. Technical re-equipping and modernization of basic production assets, large-scale renovation of the production base of the enterprise were carried out. In particular, overhauls of Ammonia Plants No. 2 and No. 7 and Urea Plants No. 1 and No. 2 were completed. Implementation of a program to improve the system of maintenance and repairs was continued. Ammonia production increased compared to the previous year as well as production of urea and UFC.
Increasing of commercial efficiency	The Company focused on selling ammonia and urea directly to end customers, bypassing agents and traders. This leads to an increase in margin, and thus reduces the Company's dependence on traders.
Expansion of sales markets	The existing sales markets have been preserved. The priority is to promote in the domestic market of the Russian Federation and in the Middle East.
Effective human resources management	In 2020, the Company allocated 79 million rubles to support employees during a pandemic. In 2020, the Company spent over 23 million rubles on employee training. 4,210 employees are provided with VHI policies. The Career Guidance program is being implemented to attract young professionals.
Ensuring industrial and environmental safety	In 2020, there were 2 incidents with loss of ability to work (minor injury). The LTIFR injury rate is 0.27. There were no cases of occupational diseases..
Development of the region of presence	Payments to the budget of Samara region amounted to 3.7 billion rubles. A number of social projects was implemented in the field of culture, ecology, sports, health and education. A scholarship program to support gifted musicians «Impulse», an educational project of the lectures Intellectual Club «Chemistry of Word», a program for development of personal and professional skills of people of pre-retirement age «Chemistry of Experience» were implemented. The program of grants for families who adopted children left without parental care is continuing.



2.3. RISK MANAGEMENT IN THE FIELD OF SUSTAINABLE DEVELOPMENT OF THE COMPANY

PJSC TOAZ, like any industrial company, faces certain risks in its work, the level of which is influenced by internal and external factors. External factors are associated with the economic and political situation, the situation on the labor and capital markets, which the enterprise cannot have a direct impact on. These factors include:

- geopolitical situation;
- shortage of qualified personnel in the region;
- currency fluctuations and inflation;
- negative coverage and activities of competitors' lobbying groups;
- reduction of natural resources;
- changes in legislation resulting in additional costs to bring the activity of the Company in line with them.

In addition to the external conditions, the Company is affected by the following internal factors:

- imperfection of a number of business processes;
- human mistake factor.

The risk management policy is an important component of improving the efficiency of the Company's operational and strategic activities, which is aimed at identifying and assessing unfavorable factors and threats in order to prevent or reduce the likelihood of their occurrence. Timely identification of risks and development of scenarios for their management contribute to the achievement of the Company's strategic goals in the field of sustainable development.



In addition, risk management ensures stability of the Company's operation in the changing external conditions, promotes the Company's image and builds trust on the part of stakeholders.

The Company has approved the Regulation on the Risk Management System, formed the Risk Management Department and has the Risk Management Committee.

THE MAIN INSTRUMENTS USED IN THE RISK MANAGEMENT POLICY:

- compliance of the Company's activities with the requirements of international and Russian standards;
- long-term financial and investment planning;
- rejection of risk investments;
- comprehensive insurance;
- increasing labor productivity and awareness of employees' activities;
- introduction of modern technologies and processes of production and management, contributing to the further development of the Company.



INDUSTRY RISKS

Togliattiazot is one of the leaders in the Russian chemical complex. Due to the fact that about 70% of manufactured products are exported, the Company is exposed to both internal and external factors that may have a negative impact on its activities:

- the main activity of the enterprise is related to the chemical industry, the production of hazardous substances, i.e. along with mining, metallurgical and fuel industries, it is technogenically hazardous in nature;
- an increase in prices (tariffs) for products and services of natural monopolies, including an increase in the price of natural gas used in the production of ammonia and fertilizers, an increase in the cost of energy and other resources, an increase in tariffs for railway transport;
- the inherent focus of the enterprise on foreign buyers, which makes PJSC TOAZ dependent on the uninterrupted shipment of ammonia by the ammonia pipeline;
- possible non-fulfillment of obligations in terms of transit of ammonia through the territory of Ukraine entails risks of improper fulfillment of obligations under contracts;
- establishment of quotas on the transit of ammonia through the territory of Ukraine;
- commissioning of new facilities in fertilizer producing countries with cheaper resources leads to increased competition in world markets.

PJSC TOAZ takes all necessary measures to neutralize and reduce the impact of industry risks on the enterprise activities, including construction of ammonia transshipment terminal in Volna village of Temryuk district in Krasnodar region, increase of production of urea, and development of railway logistics for the transportation of ammonia.

The Company pays much attention to modernization and technical re-equipping of the production complex, aimed at improving the quality of products and saving raw materials. This provides a margin of safety in the conditions of rising prices for raw materials and energy. Long-term contracts are concluded with major suppliers, partnership relations are strengthened.

One of the main elements of the Company's development is preservation and protection of the natural environment and reduction of man-induced impact in the area where the production site is located. All projects being carried out undergo an environmental impact assessment process from the moment of their development to implementation. Significant funds are allocated for environmental protection and industrial safety improvement.



FINANCIAL RISKS

The Company's activities are exposed to the following types of financial risks that may adversely affect it:

FOREIGN CURRENCY RISK

Among the risks that industrial enterprises active in foreign trade have to face, there is a special place for foreign currency risk.

The export share of PJSC TOAZ is more than 70% of the total volume of manufactured products; the enterprise also buys equipment, spare parts, catalysts, etc. from abroad.

The Company is exposed to the risk of changes in exchange rates in terms of cash flows related to sales, financing and investments. To mitigate this risk, the Company seeks to match assets and liabilities denominated in one currency.

INTEREST RATE RISK

This type of risk may have a negative impact on the Company's activities with an increase in the cost of borrowed resources.

The following measures are taken by the Company to minimize exposure to interest rate risk:

- continuous monitoring of macroeconomic indicators and the conditions in the financial market in order to predict changes in interest rates;
- maintaining an impeccable credit history;
- exercising control over the increase in the cost of paying interest or reducing the income from investments and receipts.



LIQUIDITY RISK

PJSC TOAZ constantly analyzes cash flows and, due to the dynamic development of the business, strives to provide a flexible financing system.

To minimize the impact of liquidity risk, the Company takes the following actions:



- implementation of effective cash flow planning tools (payment calendar);
- improving the efficiency of using available cash;
- strengthening the expenditure control (improving the payment procedures);
- strengthening the budget control;
- assessment of non-core production facilities' effectiveness.



CREDIT RISK

It is connected with the possibility of a decrease in the value of assets as a result of the inability of counterparties to fulfill their obligations to Togliattiazot.

In order to reduce credit risk, the Company uses instruments such as maintaining a system of long-term relations with buyers with an appropriate credit history, effective counterparty accreditation procedures, continuous monitoring of counterparty creditworthiness, the use of letters of credit and bank guarantees, settlements for partially supplied products and a decrease in the share of advance payments.

INFLATION RISK

Inflation risk has a comparable degree of influence with foreign exchange risk. Only that part of costs is subject to inflation risk, which is formed from resources that do not depend on prices for similar resources abroad, such as energy resources, labor costs, etc.

PJSC TOAZ also sells its products on the domestic market, where prices for finished products are also affected by inflation. In order to limit inflation, the Company is taking measures to improve production efficiency, including reduction in resource consumption, accelerating the turnover of current assets and reducing the terms of turnover of accounts receivable.

LEGAL RISKS

In the Russian economy, there is a risk of changes in tax conditions: tax legislation is being reformed, and the existing laws allow their ambiguous interpretation and can negatively affect the activities of the enterprise. Changes in the rules of currency regulation, customs control and duties can also have a significant impact on the enterprise due to the high volumes of product export.

The Company is forced to spend significant efforts and funds to protect its assets, conduct legal proceedings related to unfounded claims of tax authorities and minority shareholders. State authorities regularly carry out numerous checks. At the request of the Investigative Committee of the Russian Federation, the court imposed a temporary arrest on the property of PJSC TOAZ within the framework of a criminal case against the former managers of OJSC Togliattiazot and related persons, which limits the possibility of disposing of it. At the same time, this temporary arrest does not impose any restrictions on the operational management of property and its use for the production activities of the Company, does not block or interfere with the normal operation of the Company as a whole, does not affect the operational and financial and economic activities of the Company.



KEY RISKS OF THE COMPANY AND MITIGATION ACTIVITIES

Direction	Basic risks	Risk mitigation activities
Production process	Risks of delivery of low-quality products. Risks of late delivery. Risks of lack of local suppliers with sufficient qualifications. Risks of increase of raw material prices. Technogenic hazard of products.	Modernization and technical re-equipping of production complex. Conclusion of long-term contracts, strengthening of partnership relations. Supplier accreditation procedure. Development of procedure for suppliers assessment. Measures for reduction of technogenic impact in the region of presence.
Human resources management	Risks of a shortage of qualified employees. Risks of an ineffective training system. Risks of insufficient motivation of employees.	Providing a systematic approach to training, proficiency enhancement, retraining of the Company's employees. Youth engagement, cooperation with educational institutions. Implementation of a system of key performance indicators for all levels and categories of personnel.



Direction	Basic risks	Risk mitigation activities
Finance	Foreign currency risks. Interest rate risks. Liquidity risks. Credit risks. Inflation risks. Legal risks.	Compliance of assets and liabilities denominated in one currency. Continuous monitoring of macroeconomic indicators and the conditions in the financial market in order to predict changes in interest rates. Maintaining an impeccable credit history. Exercising control over the increase in the cost of paying interest or reducing the income from investments and receipts. Implementation of effective cash flow planning tools (payment calendar). Improving the efficiency of using available cash. Strengthening the expenditure control (improving the payment procedures). Strengthening the budget control. Assessment of non-core production facilities' effectiveness. Effective counterparty accreditation procedures and continuous monitoring of counterparty creditworthiness. Reduction in resource consumption. Accelerating the turnover of current assets and reducing the terms of turnover of accounts receivable.
Environment	Negative environmental impact risks (emissions, discharges, waste disposal, and resource consumption).	Compliance with environmental legislation and adaptation of internal regulations to new requirements. Long-term investment in environmental improvement of the region of presence. Obtaining quotas for waste disposal. Obtaining a license for waste disposal activities. Introduction of technologies for processing and reuse of waste. Undergoing of ecological expert review.
Occupational health and safety (OHS)	Risks of accidents at work. Risks of professional diseases. Risks of accidents and incidents.	Compliance with legislation requirements in terms of OHS, in particular, conduction a special assessment of labor conditions. Actions to ensure facilities' operation in line with the imposed requirements. Development of plans and strategic scenarios for emergency response. Conducting regular comprehensive emergency training exercises for all services and workers. Team training to reduce the risk of errors leading to work injuries, accidents and incidents. Conducting behavioural safety audits (BSA). Leader-Winner program aimed at developing an effective system of occupational safety and ensuring a high level of industrial safety.

Realizing the existence of the abovementioned risks, the Company makes every effort to minimize the potential impact of risks and to reduce the likelihood of their occurrence.

Timely identification of risks, development and implementation of measures to manage them contribute to the achievement of the Company's strategic goals in the field of sustainable development. In addition, risk management ensures the stability of PJSC TOAZ in a volatile external environment, as well as enhances the image of the Company and the confidence of stakeholders.

The main tasks for 2021 in the field of risk management are development of the regulatory framework and a comprehensive assessment of the identified risks, implementation of approved measures aimed at reducing the level of risks. Further plans for development of the risk management system at PJSC TOAZ include process automation and improvement of the risk management culture, integration of risk management into the decisionmaking and planning processes at all levels of the Company's management.

2.4. STAKEHOLDER ENGAGEMENT

When building up its activities, PJSC TOAZ takes into account the interests of all groups of stakeholders (parties interested in the Company's activities) and seeks mutually beneficial cooperation based on the principles of respect and responsible fulfilment of its obligations. Such open dialogue with stakeholders is the key to achieve high results and set strategic goals, improving business efficiency and risk management.

Togliattiazot determines a certain range of external and internal stakeholders directly or indirectly influencing the management decisions.

Stakeholder engagement is governed by legal requirements, the Collective Bargaining Agreement, documents on certain areas of activity, and existing agreements with stakeholders.

To build an effective dialogue, the Company uses a wide range of communication channels, the choice of which depends on the specific features of interaction with a particular group of the stakeholders.

The most popular channels of interaction with internal stakeholders are Volzhsky Chemist corporate newspaper, corporate newscast on the radio, enterprise information portal, feedback boxes and information kiosks.



In 2020, at the initiative of the Company's administration, meetings of the General Director with the teams of the main production departments began to take place on a regular basis. This became a new communication channel with employees of the enterprise and for the team it is the opportunity to discuss important issues with the management within each functional unit, to build an effective and fruitful dialogue in the «question-answer» mode.

THE STAKEHOLDERS ARE:

- shareholders and investors;
- workers and Trade Unions;
- consumers and partners;
- state bodies;
- local communities;
- mass media.



Since 2019, another feedback channel, called a «hot line», has been working, where employees of the enterprise can address if they notice the fact of any violation. This allows to maintain a high level of workplace discipline.

To interact with external audiences, the Company uses both its own channels (a corporate website, social networks, the Togliattiazot TV studio, newsletters, events) and public mass media. The Company strives for open, honest and multilateral dialogue with all audiences. TOAZ website has been translated into English.

Messages on important events are published in Press Center section of the official website of PJSC TOAZ. The News section contains the official press releases of the Company. The Mass Media About Us section contains publications of external mass media about the enterprise. The Corporate Newspaper section contains electronic versions of all issues of Volzhsky Chemist newspaper since 2017.

Volzhsky Chemist is engaged in the creation of a media product and as a newspaper does everything possible to conduct a meaningful dialogue with the public. In 2020, the corporate newspaper began to appear on the Yandex.Zen platform. Volzhsky Chemist in such a new convenient format is an opportunity for the reader to keep up-to-date of the events of the chemical giant at any time, having a smartphone at hand.

Also at the end of 2020, Togliattiazot launched the Company's official telegram channel «Together we are TOAZ», where on-line and exclusive news are available.

In 2020, Togliattiazot continues to actively develop and use the following social networks:

- https://vk.com/toaz_official
- <https://www.facebook.com/toazofficial/>
- https://twitter.com/toaz_official
- https://instagram.com/toaz_official

All news releases of the corporate television studio Togliattiazot TV are available on the official YouTube channel: https://www.youtube.com/c/toaz_official

The main objectives of the Company's presence in social networks are:

- informing an unlimited number of people;
- working with an external audience;
- increasing loyalty to the Company;
- maintaining the image of a modern, technological enterprise;
- attracting the employees.

Interaction with stakeholders as part of Urea Plant No. 3 construction project is performed separately. Detailed data and contact addresses are listed on the site in the section About Company / Investment Projects / Urea Plant No. 3 https://toaz.ru/rus/about/invest_projects/project_1phtml?prod=1

Comments and suggestions on Sustainability Reports are accepted by phone and e-mail, indicated in the Summary section. All received messages will be considered and taken into account during the work on the next Reports.



OFFICIAL WEBSITE



YOUTUBE



YANDEX.ZEN



VKONTAKTE



FACEBOOK



TWITTER



INSTAGRAM



STAKEHOLDER ENGAGEMENT IN 2020



Expectations of a stakeholder	Forms of interactions
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EMPLOYEES AND TRADE UNION

<p>Fair salaries. Occupational safety. Social benefits and bonuses. Opportunities for professional development. Consideration of employees' opinions and dispute resolution. Implementation of the Company's activities taking into account the interests of employees.</p>	<p>Conclusion of labor and collective bargaining agreements. Holding regular meetings with management to get the employee feedback on social and production issues. Professional training of employees of various specialities and management levels. Lecturing on safety and labor protection. Implementation of internal social programs. Informing about the activities of the Company through the regular Information Days, Volzhsky Chemist corporate newspaper, radio newscasts, information kiosks, and other channels of internal communication. Consideration of appeals filed through the «hot line», the editorial board of Volzhsky Chemist, corporate email as well as on «hot line» telephone 60-17-77. Participation of Trade Union representatives in labor dispute resolution. Participation of Trade Union representatives in industrial safety compliance checks. Preparation of the Report on compliance with the Collective Bargaining Agreement.</p>
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SHAREHOLDERS AND INVESTORS

<p>Economic performance of the Company. Increase in the Company value. Investment potential of the Company. Stability of business over a long period.</p>	<p>Involvement in the activities of the Company through the General Meeting of Shareholders. Informing of shareholders through:</p> <ul style="list-style-type: none"> • Publication of annual reports; • Publication of sustainable development reports. <p>News portal of PJSC TOAZ website.</p>
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PUBLIC AUTHORITY

<p>Maintaining of community employment level. Ensuring safe production. Reducing negative environmental impact. Assistance in environmental monitoring by regional enterprises. Support of social and economic development of the regions.</p>	<p>Implementation of social programs and projects of the region of presence development. Legislative and regulatory dialogue. Participation in expert councils and industry associations. Coordination of the Company's projects in the framework of production modernization. Reporting on the Company's activities.</p>
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CONSUMERS AND PARTNERS

<p>Transparent competitive procedures for procurement of goods and services. Compliance with contractual obligations. Improving production and environmental safety. High quality product guarantee. Stability of business over a long period.</p>	<p>Concluding contracts and monitoring compliance with their provisions. Quality control of incoming raw materials. Conducting competitive procurement procedures. Organization of meetings and negotiations with buyers and suppliers.</p>
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Expectations of a stakeholder	Forms of interactions
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LOCAL COMMUNITIES

<p>Local communities support programs. Implementation of the Company's activities with due account for the local communities' interests. Reducing the negative environmental impact and contributing to environmental improvement.</p>	<p>Conclusion of cooperation agreements. Implementation of the Company's social initiatives and charity projects. Holding public events. Publications in local mass media. Communication with non-profit organizations.</p>
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MASS MEDIA

<p>Completeness and accuracy of public information on the Company's activities and its impact on the life of the region.</p>	<p>Press releases on important events. Arrangement of press conferences. Informing of mass media through news and public reports.</p>
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2.5. DIGITAL TRANSFORMATION



In modern business, the role and importance of information technologies is increasing.

Since 2013, TOAZ has been consistently implementing the Transformation Program, which determines the development strategy and ways to optimize the main processes of the Company. The Program includes digital transformations in such areas as production and repair planning, procurement and project activities, workflow, budget policy, remuneration and motivation system. The introduction of digital processes allows to free up financial and human resources.

The IT infrastructure was modernized. The computing capacity of the servers running corporate information systems has been increased, which has made it possible to reduce the time spent by users on typical operations in information systems, and to reduce the time spent on routine maintenance to keep information systems in optimal condition.

The implementation of projects for the introduction of new information systems using mathematical forecasting models that solve the problems of planning of the production and repairs has been launched.

The electronic document management system (EDM) of the EDMS DIRECTUM is actively developing, which, along with the ERP system, is the main system in terms of coordinating certain business processes of the Company.

To reduce the cost of manual labor and minimize errors, methods of document analysis using machine learning and artificial intelligence technologies (recognition of the details of documents received in the form of scans) are being developed.

There are development of TOAZ own information systems. Thus, one of the key system is the Transport Logistic System («TLIS») developed by TOAZ specialists, which centralizes and automates the logistics of receiving and shipping goods and materials, and also provides control over the fulfillment of safety requirements at every stage: from submitting an application for the shipment of finished products to departure of a vehicle with cargo from the territory of the enterprise.

Integration mechanisms between the information systems of the Company have been significantly optimized and redesigned. The transition from the transmission of information «according to the schedule» to the exchange «by event» is carried out. This significantly increases the relevance and efficiency of data in the systems at a specific point in time, reduces the load on the computing resources of the Company, and allows to control the integration data flows more precisely.

The list of counterparties is expanding, interaction with which is carried out in digital form through the operators of legally significant EDM. This allows to reduce the time spent on the exchange of primary documents, to avoid using paper documents when interacting with counterparties.

Since TOAZ is one of the largest chemical enterprises in Russia, much attention is paid to the information security of key information systems. Systems of preventive monitoring, operational notification, as well as intrusion detection and protection of the perimeter of the Company's information systems have been introduced.

2.6. INNOVATION DEVELOPMENT OF THE COMPANY

Research and innovative technologies play an important role in the Company's development. TOAZ employees implement their active life position taking part in development of various solutions aimed at production processes improvement, based on their many years of experience and high qualifications.

Scientific and practical activities are an important component in terms of operation and modernization of the enterprise. The Company actively invests in the production facilities re-equipping and introduces into the production process both advanced world technologies and the solutions developed with the participation of TOAZ employees. The Company has Intellectual Property Development and Protection Department (hereinafter – IPDPD).

IPDPD employees conduct research and develop innovative technologies for application in the chemical industry. All the innovative development results of the Company are legally protected, currently the Company has more than 100 patents for inventions. These up-to-date solutions are implemented as part of the modernization process and are used to increase the operational efficiency of production and solve specific problems in the field of environmental protection.

Eight Candidates and two Doctors of Science work at Togliattiazot.

TOAZ is always open to exchange information on the existing technical achievements with the expert community and other enterprises of chemical industry.

IPDPD specialists regularly publish research papers on topics relevant both for the Company and for the whole industry, and also generalize the accumulated information and publish it in the form of textbooks for universities, which are sent to the scientific libraries of the region of presence and other regions.



At the end of 2020, the head of IPDPD of PJSC TOAZ, Candidate of Chemical Sciences, Doctor of Technical Sciences, Professor Sergey Afanasyev published the textbook «Processes and Equipment of Chemical Technology», which contains more than 400 pages of the latest information on the production of nitrogen fertilizers and related industries. The textbook includes twenty-six sections devoted to the production of Togliattiazot (the synthesis of ammonia, urea, urea-formaldehyde concentrate) and the improvement of processes. In addition, the author considered related industries, for example, materials science for reforming furnaces, processing of carbon dioxide, which is a valuable raw material for the production of urea, methanol, acetic acid, motor fuels and oil production. The textbook includes sections on industrial and fire safety standards. The book is intended for professionals, people with higher chemical education, and will help TOAZ employees to improve their qualifications, and future colleagues to prepare for work at the factory. In 2021, the textbook will be transferred to major specialized universities and libraries of the country.

In 2018, the motivational program «YIW. Your idea works» was started. It is aimed at increasing the involvement of employees in development of the enterprise, increasing productivity and quality of work performed, eliminating economic and organizational losses, improving working conditions, increasing the comfort and safety of the workplace.

In 2020, as part of the «YIW. Your idea works» 75 applications with ideas were submitted from PJSC TOAZ employees, 19 applications were accepted for implementation based on the results of the commission review.

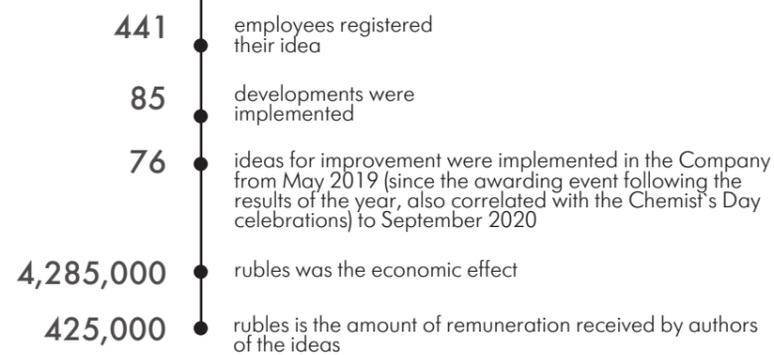
The total economic effect from ideas accepted for implementation in 2020 is more than 650,912 rubles.



REFERENCE: YIW



«YOUR IDEA WORKS»



PERFORMANCE INDICATORS OF THE FACTORY FOR 2020:
 3,040,500 TONS – AMMONIA OUTPUT
 839,300 TONS – UREA OUTPUT
 56,600 TONS – UFC OUTPUT

P J S C « T O A Z »

Andrey Garaev
 OHS Lead Specialist

CHAPTER 3

PRODUCTION, SAFETY AND SALES OF PRODUCTS

3.1. TYPES OF PRODUCTS AND PRODUCTION VOLUME

PJSC TOAZ is one of the largest chemical enterprises in Russia, which is one of the three major producers of ammonia in the country and among the ten world leaders.

The main activity of the enterprise is the production of mineral fertilizers and chemical products. Currently, the factory is comprised of seven ammonia plants and two urea plants, located on the territory of more than 200 hectares.

THE INTRODUCTION OF 100 KG OF AMMONIA PER HECTARE OF LAND INCREASES YIELD OF WHEAT BY 8-10%, CORN BY 60 %.

Togliattiazot is one of three chemical complexes in the world capable of producing more than 3 million tons of ammonia at one production site annually. Ammonia is one of the most important products of the chemical industry; it is used to obtain nitrogen-containing compounds, nitric acid and fertilizers (ammonium nitrate, urea, complex fertilizers).

In 2020, Saint-Petersburg International Mercantile Exchange (SPIMEX) exceeded the indicators of trading of mineral fertilizers by more than nine times. In 12 months, 100,300 tons were sold, in the same period of 2019, 10,800 tons were sold. For the first time, mineral fertilizers were sold from bases in Belgorod, Bryansk, Voronezh, Kirov, Kursk, Lipetsk, Moscow, Nizhny Novgorod regions, Primorsky and Stavropol territories, as well as in the Republic of Bashkortostan, Mordovia and Tatarstan. Due to the high demand for provision, the mineral fertilizer market did not experience any significant shocks since the beginning of the pandemic and was actively developing.

Despite the difficult economic situation in the world and the epidemiological situation, 2020 became a record year for Togliattiazot in terms of production indicators. TOAZ broke the 2019 record and produced 3,040,000 tons of ammonia, which is 0.7% more compared to 2019.

Urea output in 2020 amounted to 839,300 tons, which is 7% higher compared to 2019. This indicator is the best for the Company since 1990. Successful sales activities allowed the Company to become the largest supplier of urea to the Russian agricultural market in 2020.

UFC output in 2020 increased in relation to the result of 2019 by 25.6% and amounted to 56,600 tons.

However, the budget plan for production was not fulfilled due to the lack of the main raw material, methanol, in the 4th quarter of 2020 due to the stoppage of the methanol supplier LLC TOMET.

In 2020, Ammonia water output decreased compared to 2019 by 22.2% and amounted to 46,400 tons.



«CHEMISTRY IS A HIGH-MARGIN INDUSTRY, IT IS IN THE TOP 3 IN RUSSIA BY THIS INDICATOR, RIGHT AFTER THE EXTRACTION AND PROCESSING OF OIL AND NATURAL GAS. NOW THE LION'S SHARE OF THE EXPORT OF THE RUSSIAN FEDERATION AND THE BUDGET-FORMING SECTOR IS OCCUPIED BY THE SEGMENT OF ENERGY CARRIERS, IN PARTICULAR, COAL, CRUDE OIL AND NATURAL GAS CONDENSATE. IN RECENT YEARS, RUSSIA HAS EXPORTED ABOUT HALF OF THE EXTRACTED ENERGY RESOURCES (47% IN 2019 AND 53% IN 2020). FURTHER DEVELOPMENT OF HIGH VALUE-ADDED CHEMISTRY CAN FACILITATE RUSSIA'S ENTRY INTO INTERNATIONAL MARKETS AS ONE OF THE PROMINENT LEADERS. FOR EXAMPLE, IN SUPPLY OF CHEMICAL FERTILIZERS. TO DO THIS, THE COUNTRY NEEDS TO ESTABLISH LOGISTICS CHAINS AND COMPETENTLY BUILD PARTNERSHIP AND INVESTMENT STRATEGIES OF COMPANIES. AS A FINANCIAL EXPERT, I WILL USE MY BEST ENDEAVOURS TO DEVELOP THIS VECTOR, CONTRIBUTING TO THE STRENGTHENING AND GROWTH OF THE ECONOMY OF OUR COUNTRY».

PRODUCTS OUTPUT, `000 TONS

	2017	2018	2019	2020	2019 2020
Ammonia water	51,5	46,3	59,6	46,4	-22,2%
UFC	96	43	45	56,6	25,6%
Urea	720	655	785	839,3	7%
Ammonia	2 642	2 754	3 019	3 040	0,7%
Total	3 510	3 498	3 909	3 982,3	1,9%

RESOURCES

Natural gas	3,740 million cubic meters
Ammonia	491,500 tons
Methanol	39,000 tons
Urea	13,900 tons

OUTPUT

Ammonia (7 plants)	3,040,500 tons
Urea (2 plants)	839,300 tons
UFC	56,600 tons
Ammonia water	46,400 tons



INTERESTINGLY, TOGLIATTIAZOT CONSUMES ANNUALLY AS MUCH NATURAL GAS AS ARMENIA AND GEORGIA TOGETHER.

«FOR THE FIRST TIME IN THE HISTORY OF TOGLIATTIAZOT, A THREE-YEAR GAS SUPPLY CONTRACT WAS SIGNED. IT IS IMPORTANT THAT THIS HAPPENED ON BENEFICIAL TERMS FOR BOTH PARTIES, ALTHOUGH THE NEGOTIATIONS WERE LENGTHY AND DIFFICULT. ONE OF THE ESSENTIAL CONDITIONS OF THIS CONTRACT IS THAT TOGLIATTIAZOT WILL BUY 100% OF THE GAS CONSUMED FROM GAZPROM MEZHREIONGAZ SAMARA, FOR US THIS IS A GUARANTEE OF DELIVERIES, RELIABILITY OF PRODUCTION AND SUPPLY OF RAW MATERIALS, AS WELL AS THE ABILITY TO ENSURE THE CONTROLLED ECONOMY OF OUR ENTERPRISE IN TERMS OF ITS COST. WE ARE VERY PLEASED WITH THIS HISTORIC EVENT AND LOOK FORWARD TO FRUITFUL COOPERATION BETWEEN OUR COMPANIES IN THE FUTURE».

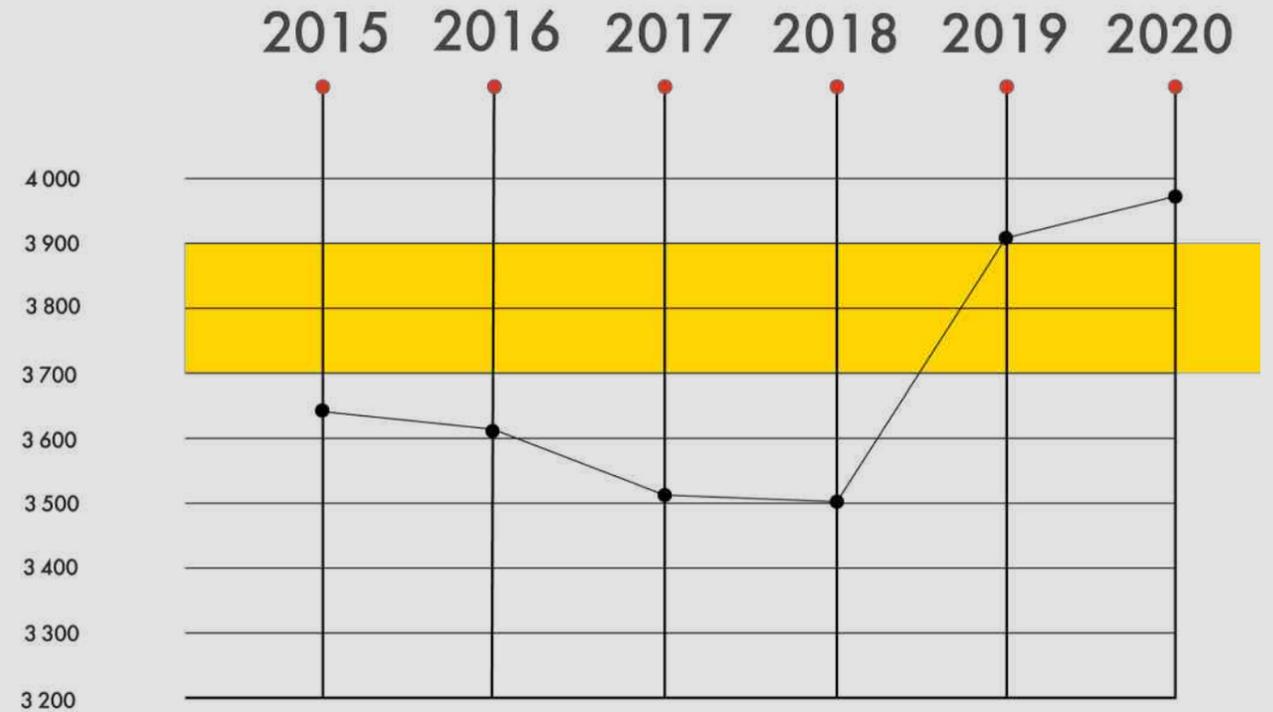
Dmitry Mezheedov,
General Director of JSC «TOGLIATTIAZOT Corporation»

At the end of 2019, PJSC TOAZ and LLC Gazprom Mezhhregiongaz Samara, the main supplier of natural gas in Samara region, entered into a contract on the supply of gas, which is the main raw material for the production of nitrogen fertilizers, for 3 years.

TOAZ was previously the largest consumer of gas in Samara region, but purchased it either under short-term contracts (no more than 1 year) or on the exchange.

Own in-house subdivision, operating the facilities of the main pipeline transport, is responsible for the most important production processes. Natural gas is the main component from which ammonia is produced.

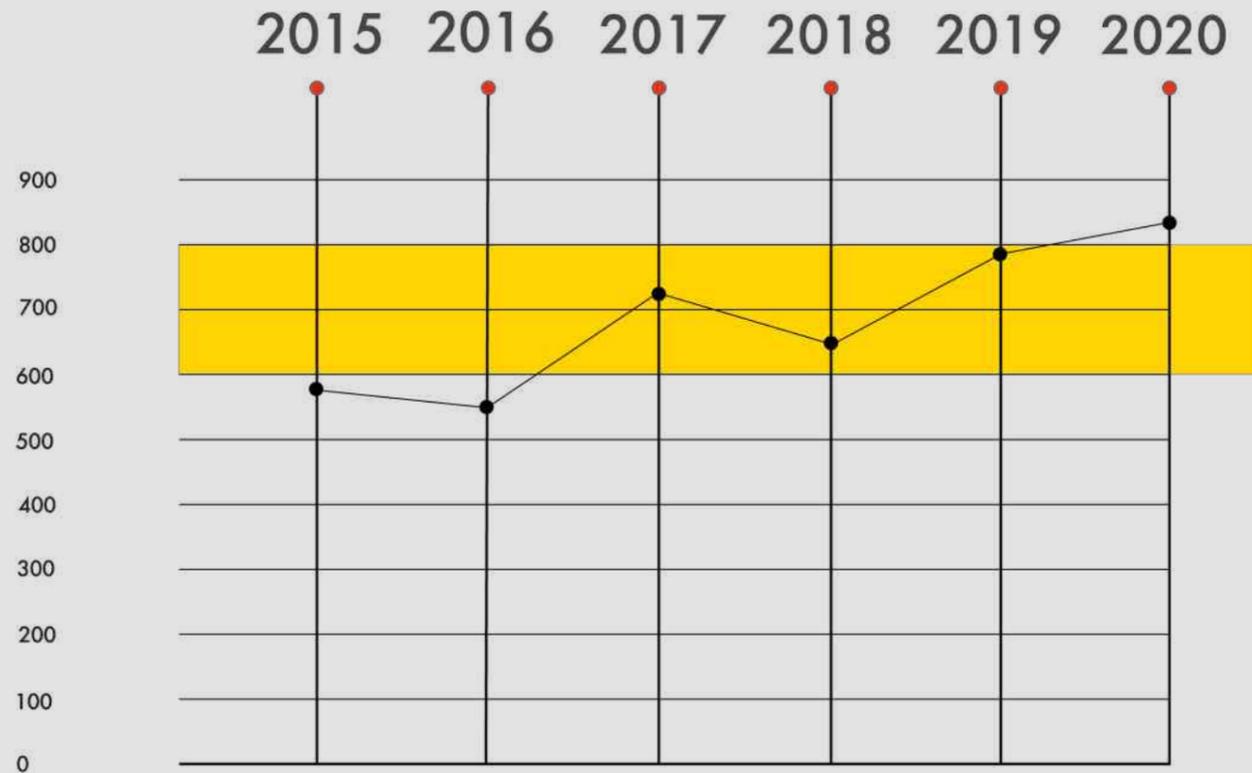
PRODUCT OUTPUT FOR 2015-2020, `000 TONS



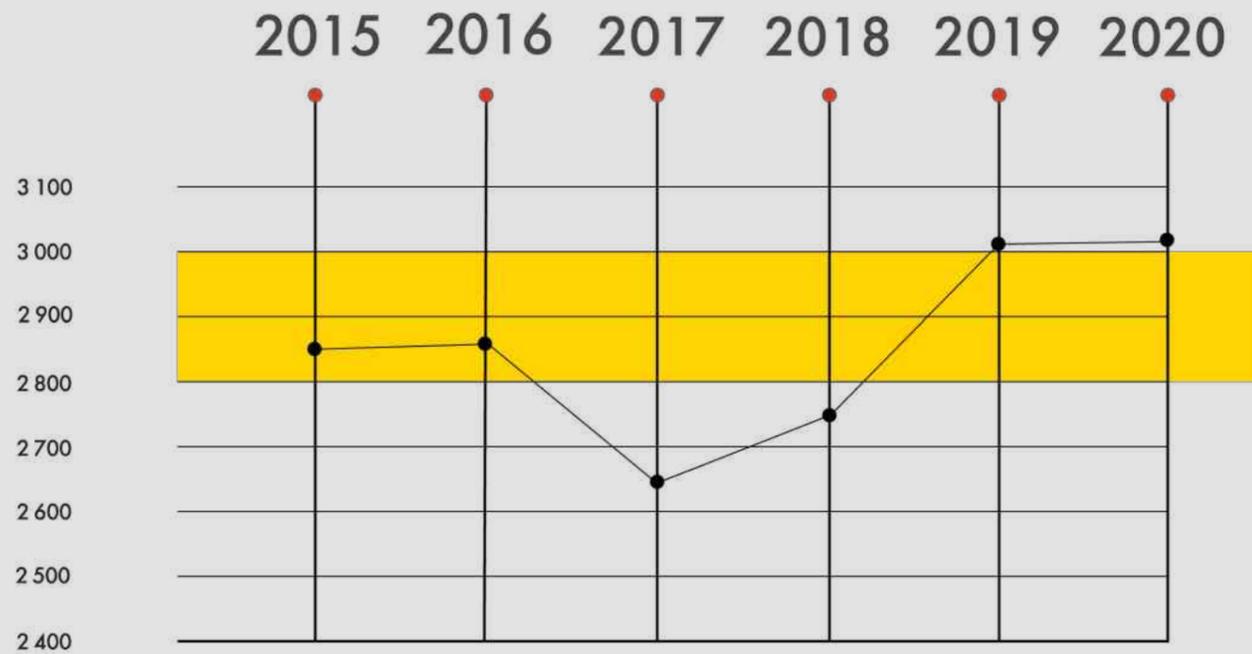
UFC OUTPUT, `000 TONS



UREA OUTPUT, `000 TONS



AMMONIA OUTPUT, `000 TONS



TRANSPORTATION

Way of transportation	Volume of sales, tons	%
Ammonia pipeline	2 355 210	68%
Railway transport	985 093	28%
Motor vehicles	136 952	4%

Shipment and transportation of products is an integral part of the production process, in this regard, the well-managed operation of the Company's transport services is of great importance in the chain of delivery of finished products to customers.

47 kilometers of railway tracks, 88 railroad switches, 32 railroad crossings, three bridges, and crossovers comprise the track facilities of Togliattiazot.

In 2020, Togliattiazot purchased 200 new generation hopper cars, which will be used to transport mineral fertilizers. Innovative cars with a cubic capacity increased up to 120 cubic meters and a carrying load of 76 tons (6 tons more than their analogues) were produced at the Tikhvin Freight Car Building Plant. The cars are equipped with trucks with increased axle load (25 tons per axle), their service lifetime has been increased to 32 years, and the possibility of maintenance-free use is increased up to 8 years or up to a run of 1 million kilometers. Additional advantages are the treatment of the car body with a special two-component coating to protect against the effects of the transported cargo, as well as the use of adapters for easy replacement of loading hatches.

The need to purchase hopper cars is associated with the planned replacement of the railway fleet: Togliattiazot purchases cars of increased productivity. Taking into account last year, the Company purchased 550 cars under the renovation program. Earlier in 2019, Togliattiazot purchased 200 cars produced by the Barnaul Car-Building Plant. At the beginning of 2020, Togliattiazot purchased 150 innovative cars of 71 tonnes carrying capacity from the Tikhvin Freight Car Building Plant.

«RENEWAL OF THE LOGISTICS INFRASTRUCTURE FOR TOAZ IS JUST AS IMPORTANT AS MODERNIZATION OF ITS MAIN PRODUCTION FACILITIES. THEREFORE, WE STRIVE TO USE IN THIS PROCESS INNOVATIONS AND MODERN SOLUTIONS, ESPECIALLY THOSE THAT ALLOW TO MAINTAIN A HIGH LEVEL OF QUALITY WITH GREATER EFFICIENCY. INCREASED CARRYING LOAD AND A REDUCTION IN THE FREQUENCY OF REPAIRS OF NEW CARS WILL SIGNIFICANTLY OPTIMIZE THE PROCESS OF TRANSPORTING FERTILIZERS FROM A FINANCIAL AND LOGISTIC POINT OF VIEW».

Dmitry Mezheedov,
General Director of JSC «TOGLIATTIAZOT Corporation»

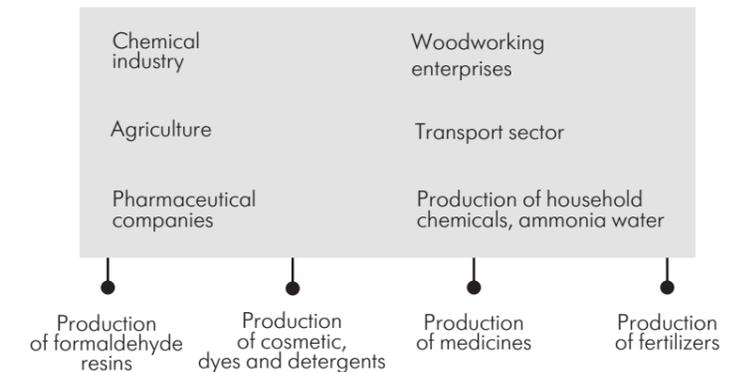
As part of the planned fleet renewal in 2019 and 2020, TOAZ has already purchased 550 cars in total. Taking into account the new supply, Togliattiazot has more than 1,800 units of its own rolling stock.

Togliattiazot has an established circle of customers and consumers of products, both in the external and domestic markets. The Company's permanent partners appreciate the reliability and high quality of products under TOAZ brand.

OWN ROLLING STOCK:

- 4 UNITS diesel locomotives (operating)
- 2 UNITS diesel locomotives (under repair)
- 4 UNITS diesel locomotives (preserved)
- 355 UNITS tanks (for ammonia, UFC, ammonia water, methanol);
- 777 UNITS mineral hoppers
- 921 UNITS special machinery (cars, buses, tractors etc.)

CONSUMERS



3.2. ENSURING SUPPLY OF RAW MATERIALS AND EQUIPMENT

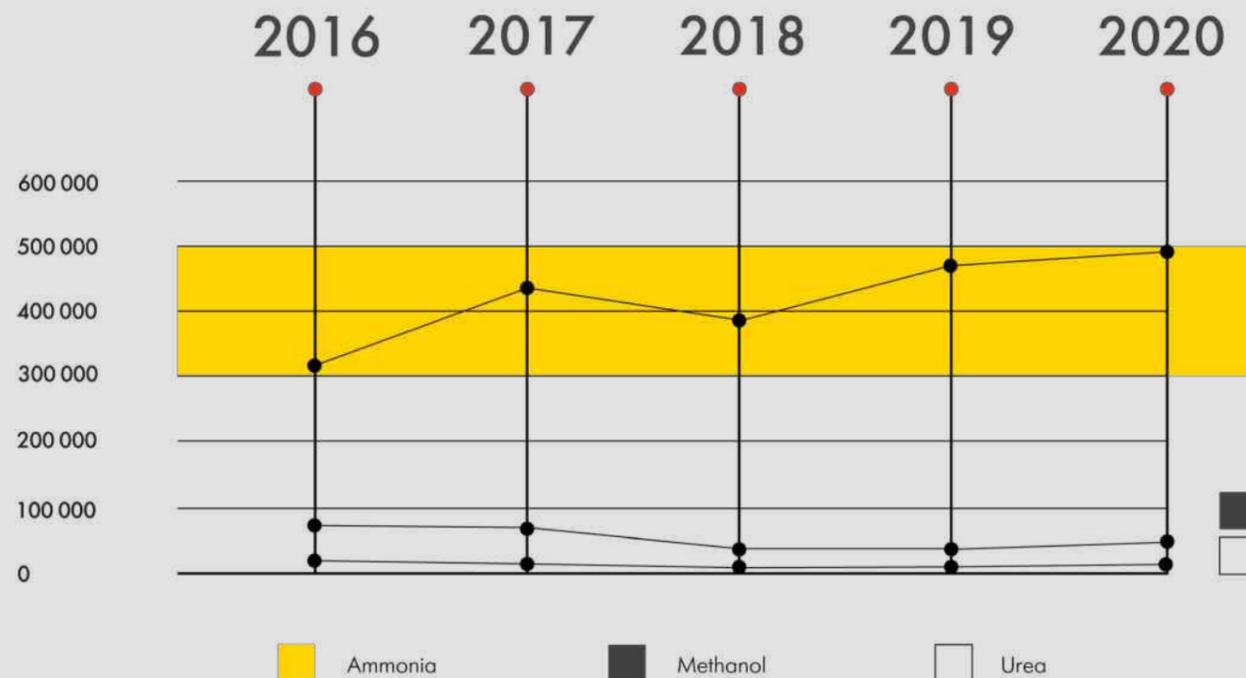
PJSC TOAZ does not import products or raw materials, which guarantees protection of end customers from currency fluctuations.

In addition to the raw materials needed for the production process, Togliattiazot purchases other types of goods, materials and services.

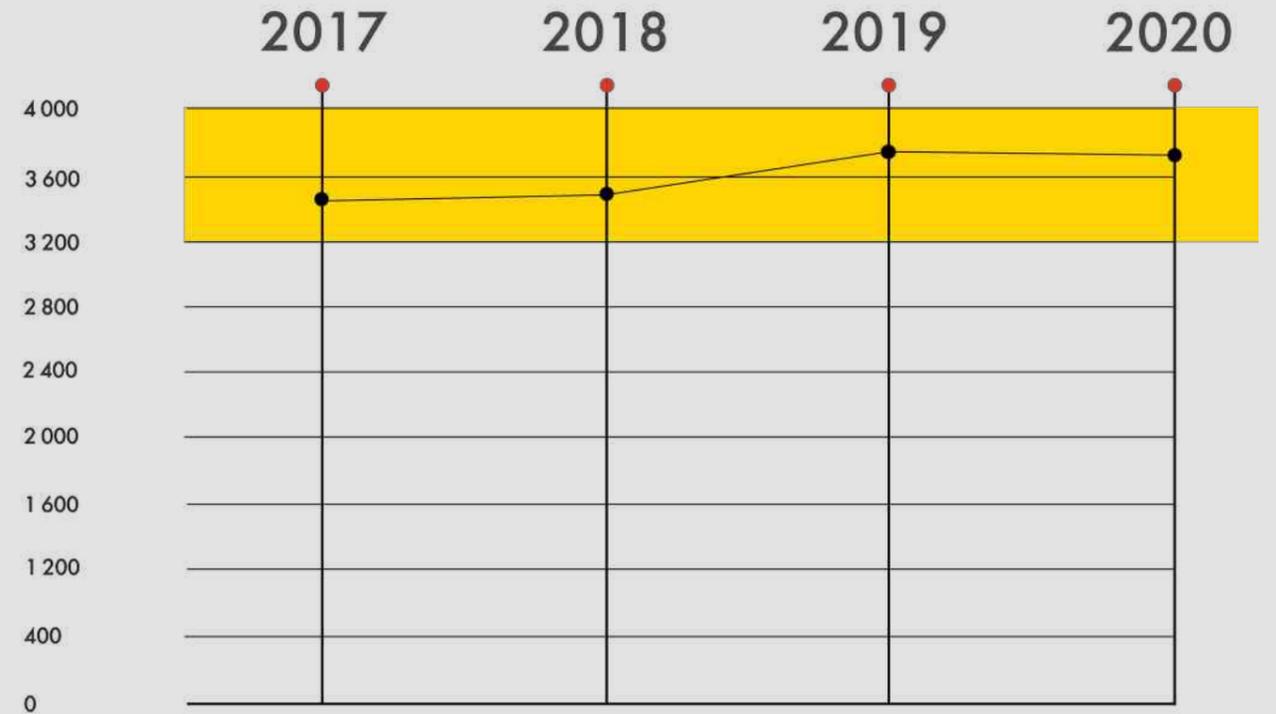
One of the Company's strategic targets is to increase competitiveness through more efficient operating activities, including reduction of production costs. In conditions of the outstripping growth in the cost of resources, this task is of particular importance.



VOLUME OF AMMONIA, METHANOL AND UREA USED AS RAW MATERIALS, TONS



VOLUME OF NATURAL GAS USED AS RAW MATERIAL, MILLION M³



3.3. PRODUCTION EFFICIENCY

In 2020, TOAZ continued work on the modernization and overhaul of priority facilities in order to increase the efficiency of the enterprise. Renewal of basic production assets and technical re-equipment required both significant labor costs and significant financial resources.

In 2020, Ammonia Plants No. 3 and No. 5 have produced 12 million tons of ammonia each since the start-up, Ammonia Plant No. 7 produced 13 million tons, Ammonia Plant No. 6 produced 14 million tons.

The Ammonia Plants have cumulatively reached 89 million tons since the start-up. Both Urea Plants have produced 27 million tons of product since the start-up.

Ammonia plant No. 5 increased its productivity; it has reached a record output of 597,000 tons per year.

In the reporting year, a record volume of 60 million tons of ammonia shipment since the start-up of the Factory has been achieved.

After the technical re-equipment of Plant No. 3, a record (among Chemico Plants) minimum flow rate for natural gas per ton of ammonia was reached and amounted to 1,175 m³/t.

2020 was a significant year for Ammonia Plant No. 6; it produced 627,392 tons of product, which is more than produced by any other Plant in a year in TOAZ history. The

record of 2019 was broken again — 624,747 tons. Plant No. 6 remains the leader in terms of overall productivity, its total production volume amounts to 14,154,072 tons from the date of its commissioning (1983). High performance indicators of Plant No. 6 is due to its high-quality modernization which was carried out in 2014. The Plant underwent a large-scale overhaul, the key points of which were the replacement of the reformer tubes and the process control system. As a result, the Plant's non-stop operation time increased.

In addition, in 2020, for the first time at TOAZ, a Chemico Plant exceeded the production level of 500,000 tons of ammonia per year. The record (500,290 tons) was set by Plant No. 3, improving its own result of 2017 (480,985 tons). The most productive among Chemico Plants remains Plant No. 1 which has produced 12,951,690 tons of product since its start-up.

High production rates in 2020, achieved under the restrictions imposed due to the coronavirus epidemic, were made possible by the implementation of the program to improve production efficiency and modernize production facilities, which has been under way since 2012. The volume of investments in the renewal of the Plants, increasing their productivity and safety during this time has exceeded 51 billion rubles.

TOGLIATTIAZOT PRODUCED THE 89 MILLIONTH TON OF AMMONIA. THE MILESTONE EVENT TOOK PLACE ON DECEMBER 13, 2020 AT 12 HOURS 36 MINUTES. IT TOOK TOAZ 41 YEARS, 8 MONTHS AND 6 DAYS, OR 15,226 DAYS, TO REACH THE 89 MILLIONTH TON, SO THE ARITHMETIC AVERAGE OF DAILY OUTPUT IS 5,845 TONS. FOR COMPARISON, IN 2019 AND 2020 THIS FIGURE EXCEEDED 8,200 AND 8,300 TONS PER DAY, RESPECTIVELY. AT THE CURRENT PRODUCTION RATE, TOGLIATTIAZOT PRODUCES ITS MILLIONTH TON OF AMMONIA 3 TIMES A YEAR.

In 2020, Plant No. 3 worked at an accelerated tempo. In production, the success factor is the well-coordinated work of the process and maintenance personnel. The equipment, which was updated on Plant No. 3 during a large-scale repair in 2018, did not let down either. Mainly due to the improved equipment, it was possible to achieve high results. At the Plant, catalysts were replaced, which directly affect acceleration of chemical reactions, increase in the output of ammonia and economy of resource consumption, which ultimately has a positive effect on reducing the cost of production. The automated process control system was updated, the low and high pressure turbines of the synthesis gas compressor were overhauled and the air compressor turbine was replaced, all of this increased the productivity and efficiency of the Plant. In April, during shutdown repairs at Ammonia Plant No. 3, among the main completed tasks there were the repairs of D-115 heater, E-101 waste heat boiler, revision and repair of K-602 process air compressor bearings. In 2020, work was carried out at Ammonia Plant No. 5 to increase the efficiency of the air coolers. To ensure a normal process mode in the warm season, the fins of air coolers are flushed to get rid of contamination. It is necessary to carry out this work every year on the eve of summer: the accumulated fouling on the tubes impairs heat transfer and leads to a decrease in the efficiency



of cooling process streams, and flushing prevents this. As a result, the air permeability through the unit is improved and the heat removal is increased. A planned overhaul of Ammonia Plant No. 7, the goals of which were to stabilize the production operation and update the process control system, was carried out. During the overhaul, a step-by-step update of the control system started: at Plant No. 7, secondary recording devices were replaced with paperless ones and new relays were installed in the interlocking and emergency protection circuits. Other key positions include repair of Water Cooling Cycle (WCC) No. 1 and reinforcement of metal structures at WCC No. 2, overhaul of compressors, turbines, pumps and smoke exhausters, replacement of waste heat boilers, repair of a flare tip and shut-off and control valves, diagnostics of reforming furnace tubes. The drawbacks in the synthesis gas compressor vacuum manifold were rectified. After the repair, the vacuum deepened, which made it possible to reduce consumption of steam with the pressure -100, and, ultimately, to reduce the gas consumption at the entire Plant. Flushing of the heat transfer equipment helped to clear the blockages and depositions that had formed in two years of non-stop operation. Flushing helped to restore the thermal conductivity, and hence the efficiency of the equipment. Industrial safety expert review following the overhaul was successful. The repair of equipment made it possible not only to stabilize the operation of the production facilities, but also to reduce the consumption indexes for gas and electricity. After the overhaul, Plant No. 7 holds the leadership among all Ammonia Plants in terms of the consumption ratio for natural gas and electricity. In 2020, a short-term scheduled repair of Ammonia Plant No. 1 was carried out. The turbine of K-602 process air compressor was repaired, the seals on the synthesis gas compressor, the feed pump and the seals on the ammonia compressor were replaced. There was also an audit of the boilers in the carbon dioxide purification section. Short-term repairs on Plant No. 1 took place under special conditions: due to the coronavirus epidemic, social contacts were minimized. The work was organized in such a way that the employees of shop No. 01A did not come across with the personnel of the repair departments. Process personnel, who were isolated in Nadezhda health resort, also joined in the fulfillment of the tasks. Speaking about the results of repairs in 2020 at Togliattiazot, it can be said with confidence that not only the operation of equipment has improved, but also the level of safety has been increased, which is extremely important for the production process. TOAZ not only rectifies shortcomings, but also tries to prevent possible problems that may appear in the near future. In a chemical enterprise, a risk-mitigating approach is one of the components of efficiency.

3.4. PROGRAM OF MODERNIZATION AND REVAMPING OF PRODUCTION FACILITIES

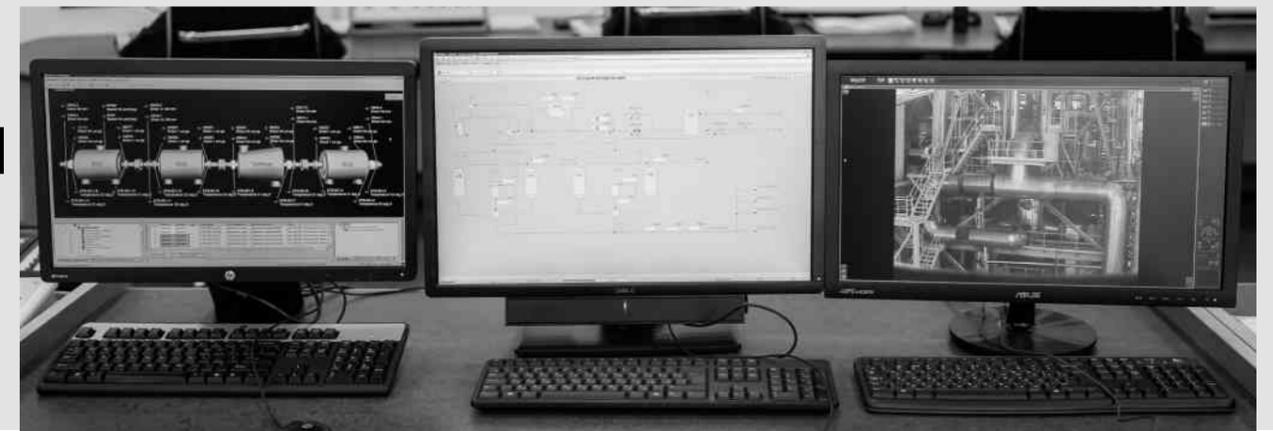
Since 2012, PJSC TOAZ has been implementing a program for modernization of production facilities, designed until 2022, under which a large-scale renewal of the enterprise is being performed.

The implementation of the strategic investment program aimed at the modernization and development of the production facilities of PJSC TOAZ remains a priority task, the results of which are already positively affecting the performance of the enterprise. In particular, during 2015–2020 the overhaul and modernization of ammonia plants, both isothermal ammonia storages, factory's process pipelines system, railway infrastructure were carried out.

This program allows Togliattiazot to ramp up production volumes by increasing efficiency and uninterrupted operation of plants, as well as to reduce negative environmental impact due to introduction of modern high-efficiency equipment. Under the program, TOAZ introduces the latest technologies, which result from the engineering work of both the world's leading developers and the Company's employees.

The major overhaul and modernization projects implemented in 2020 are set out below:

- Commissioning of new interconnecting piping for «warm» and «cold» liquid ammonia;
- Ammonia Plant No. 2 — replacement of the transfer header of D-101 primary reformer, repair of H-101 secondary reformer;
- Ammonia Plant No. 4 — installation of D-101 primary reforming furnace, overhaul of the transfer header of D-101 primary reforming furnace, introduction of a new automatic process control system of the Plant, replacement of the lining of H-101 secondary reforming reactor, replacement of the methanation catalyst, replacement of the deaerator packing, introduction of system of an automatic control and regulation for turbine plants, installation of an additional separator of pure fraction carbon dioxide, replacement of sections of air coolers;
- Ammonia Plant No. 7 — replacement of waste heat boilers, replacement of secondary Instrument devices at the central control room with modern ones;
- Urea Plant No. 1 — repair of the reactor lining, replacement of the juice condensate collector;
- Urea Plant No. 2 — replacement of the vacuum system of the carbon dioxide compressor;
- Workshop No. 16 — technical re-equipment of acid and alkali storage facilities.



THE TOTAL VOLUME OF CAPITAL INVESTMENTS WITHIN THE FRAMEWORK OF THE PRODUCTION RENOVATION AND DEVELOPMENT PROGRAM HAS EXCEEDED 51 BILLION RUBLES SINCE 2012. MORE THAN 3.5 BILLION RUBLES WAS INVESTED IN MODERNIZATION IN 2020.

Modernization and overhaul of production facilities is the most important stage in implementation of the Company's plans in terms of development and increase of capacity of the enterprise.

In total, the modernization program allows to significantly increase the operational and economical efficiency of the enterprise.

In order to increase productivity, improve efficiency and ensure the stability and safety of production processes in the ammonia production, the following technical measures were carried out:

- in May: new interconnecting piping for «warm» and «cold» liquid ammonia were commissioned;
- in July – August: replacement of the transfer header of D-101 primary reformer, replacement of catalyst at primary reformer, repair of H-101 secondary reformer were carried out at Ammonia Plant No. 2;
- throughout the year, at Ammonia Plant No. 4, installation of D-101 primary reforming furnace continued, overhaul of the transfer header of D-101 primary reforming furnace, introduction of a new automatic process control system for the plant, the system of an automatic control and regulation of turbine units, replacement of the lining of H-101 secondary reforming reactor, replacement of the methanation catalyst, replacement of R-104 deaerator packing;
- in April – May: at Ammonia Plant No. 7, replacement of waste-heat boilers pos.111, secondary instrument devices at the central control room with modern ones was carried out.

At the urea production facility the following works within the modernization framework have been performed:

- in July, Urea Plant No. 1 was undergoing scheduled maintenance, during which the lining of 11-R-1 reactor was repaired, and 11-V-5 juice condensate collector was replaced;
- from July to August, Urea Plant No. 2 was undergoing a scheduled overhaul, during which 14-EA-4 vacuum exhaust of 14-TK-1 carbon dioxide compressor was replaced, and 14-EJ-1 ejector was installed. New equipment was installed at the urea production, increasing the reliability of the compressor, which is responsible for supplying CO₂ to the synthesis reactor.



Since February 2020, a more productive train No. 5 has been in operation at the UFC production.

In 2020, a centrifuge for sludge dewatering was installed at the Togliattiazot waste water treatment facilities. The installed centrifuge will allow a faster and more efficient disposal of the sludge formed after biological wastewater treatment. In Togliatti, such equipment is successfully operated only at the waste water treatment facilities of PJSC TOAZ. Due to dewatering, the weight and volume of the sludge is reduced, and disposal costs are lowered. The dewatered sludge is temporarily stored in sludge drying beds to dry it out. The sediment, that has reached the permissible moisture content and complies with the standards, is disposed. As part of the routine repair and

THE WASTE WATER TREATMENT FACILITIES OF TOGLIATTIAZOT PROCESS ABOUT 52,000 TONS OF WATER EVERY DAY. TOAZ NOT ONLY PURIFIES ITS OWN WASTEWATER, BUT ALSO RECYCLES DOMESTIC WASTEWATER FROM THE ENTIRE KOMSOMOLSKY DISTRICT OF TOGLIATTI.



maintenance program, and as per recommendations of the equipment manufacturer, the specialists of the workshop for installation of process equipment and metal structures installed an additional ventilation system for the ALDEC G2-45 decanter centrifuge. In addition, the pump at the control facilities for the integrated pumping station and the gate valve at the sludge pumping station were replaced.

In 2020, an overhaul was carried out at the Azotnaya railway station. 8,400 meters of railway tracks and 10 railroad switches were repaired.

During 2020, a large-scale repair works of production premises were carried out in the demineralized water treatment facilities, as well as a comprehensive repair of amenity rooms at all production facilities.

Despite the restrictions associated with the coronavirus pandemic, the urea production continued to undergo technical re-equipment at the demineralized water facilities. The peculiarity of the project is that the works are carried out at the operating production in parallel with construction and installation works, the unit prepares demineralized water for Urea Plants No. 1 and No. 2 on around-the-clock basis. However, the process of technical re-equipment does not affect the work of the main production. The construction of a new urea plant for the production of urea required an increase in demineralized water output, in connection with this, a project for reconstruction of demineralized water facilities was launched in 2018. The unit will be able to meet the needs of three Urea Plants, including the one, which is under construction at the TOAZ site. The installation of a tank with a volume of 1,000 cubic meters was completed. It is used during revamping as an intermediate tank for storing of demineralized water. In the future, the tank will be used to receive condensate



from the plants and feed water from the demineralized water workshop. The installation of piping for new tanks and filters, piperacks for pipelines, cable channels and laying of power cables was carried out. The Yokogawa control cabinets were installed, and demineralized water facilities operators moved to a new building. At the demineralized water facilities the supply ventilation is to be replaced with a modern automatic system. The overhaul of the effluent neutralize pit is at the final stage.

In the demineralized water facilities, an important item was installed, the lime-coagulated water storage tank. The new lime-coagulated water storage tank was put into operation. It is necessary for operation of the clarifier, which provides water for the production of ammonia.

In 2020, a new type of lime was tested in the water treatment workshop, granulated concentrate was used to prepare demineralized water. The need to use granulated lime is due to two reasons. To prepare lime milk, TOAZ receives lump lime from Zhigulevsk lime plant. It has up to 35% of insoluble impurities. Togliattiazot has to transport stones with its own transport, reload it by hand during slaking, and then dispose of it (transport stones to the landfill). By using another product in the process of water demineralization, there is a saving of vehicle resources, that is seven to eight dump truck trips per week. The second reason is the need to repair the existing unit. Therefore, instead of lump lime from Zhigulevsk lime plant, TOAZ used this time more convenient and economical granulated lime, a concentrate that does not contain waste material, quickly dissolves and turns into lime milk almost without residue. Granulated lime is delivered to the factory by rail in bags, which reduced transport costs. The freed trucks will be used for other work. The introduction of a lime slaking scheme using concentrate allows savings of up to two million rubles per year.

In the autumn, modernization of two out of its three existing water heating boilers started in Togliattiazot boiler house. Preparations are underway to serve a new major heat consumer (Urea Plant No. 3) in the near future. New water heating boilers were installed, they will produce 15–20% more power.

In order for the production process to remain uninterrupted, a special approach to equipment is required. As in the workshop for preparation of ammonia for transportation, where one of the key items, K-01B compressor, was repaired. The centrifugal compressor has two tasks: to maintain cold in isothermal storage facilities and ensure condensation of gaseous ammonia coming from the loading rack and spherical tanks. Passing through the production process chain, gaseous ammonia is condensed and in a liquid form is directed to isothermal facilities. The compressor is powerful enough to handle over 16 tons of ammonia gas per hour.

CONSTRUCTION OF UREA PLANT NO. 3

In 2020, PJSC TOAZ continues to implement one of the key investment projects in the country's chemical industry, the construction of Urea Plant No. 3 with a capacity of 2,200 tons/day.

EVENTS OF 2020

- main fundamental and excavation works for buildings are completed;
- installation of underground utilities is completed;
- metal structures of the HP and LP pump house building are mounted;
- a positive report based on the results of the repeated State Environmental Expert Review was obtained;
- a positive report upon the second State Expert Review was obtained;
- a public report on the construction of Urea Plant No. 3 was presented;
- joint training of firefighters and rescuers with the construction contractors was carried out;
- distillation column and hydrolyzer were mounted;
- construction of the prilling tower was completed;
- synthesis reactor was installed.



Construction work at Urea Plant No. 3 is being carried out in compliance with all industrial safety requirements, as well as taking into account the ongoing main production process: the prilling tower of Urea Plant No. 2 is located nearby. In particular, a safe work plan has been developed and strictly observed, which takes into account the process mode of Urea Plant No. 2 and the use of personal protective equipment. Construction progress and safety regulations are regularly inspected by representatives of the organizations, which had provided financing of the project. Such inspections are a mandatory requirement for the facility agreement.

In July 2020, PJSC TOAZ received a positive report of the second State Expert Review. The need to undergo the review was caused by changes in the design documentation of the Plant. Earlier, the design documentation of Urea Plant No. 3 with the amendments made received a positive report from the State Environmental Expert Review. At the next stage of the project implementation, the Ministry of Construction of Samara region shall amend the permit for construction of a new production facility at TOAZ, taking into account the latest amendments.

In summer, the installation of the first unit of process equipment, an ammonia storage tank, took place. The tank weighs about 65 tons, but due to the complexity of location, the installation was carried out with two cranes of 250 tons lifting capacity.

In autumn, an important stage of the project was completed, i.e. installation of the distillation column and hydrolyzer, 32 meters high and weighing more than 35 tons each.

Also in autumn, at the Urea Plant, joint training was held for firefighters and gas rescue team of Togliattiazot with the new plant construction contractors, employees of Casale SA. The purpose of the training was to practice joint actions in an emergency situation both for production divisions and for contractors. The trainings at the urea production were attended

by the contractor employees, shift personnel, duty shifts of the departmental gas rescue team and fire brigade, medical workers and security personnel.

At the end of November, construction of the most important production facility of the new Plant, the prilling tower, which is 107 meters high and 14.6 meters in diameter, was completed. For construction of the monolithic seamless structure, that will become the tallest structure at the production site of Togliattiazot and one of features with dominating height in Togliatti, 6,600 m³ of concrete, 465 tons of reinforcement and 2,900 embedded items were needed. The prilling tower is a key facility of the urea production process. The finished product is finally formed in the prilling tower: freely falling melt drops crystallize in the approach flow, which makes it possible to obtain uniform-size granules. This method of production of commercial urea provides high product quality and is the most widespread in the world.

«THE PERFORMED INSTALLATION OF THE REACTOR IS SIGNIFICANT NOT ONLY FOR THE EFFECTIVE FUTURE OPERATION OF THE NEW UREA PLANT. IT ALSO HAS BECOME AN IMPORTANT MILESTONE FOR THE PROJECT, DEMONSTRATING THAT, DESPITE THE DIFFICULTIES CAUSED BY THE CORONAVIRUS PANDEMIC, TOGLIATTIAZOT OBSERVES THE SCHEDULE OF CONSTRUCTION OF UREA PLANT NO. 3 AND WILL STEP UP THE PACE IN 2021».

Alexander Postnov
Project Manager of construction of Urea Plant No. 3

During construction of the prilling tower, an advanced technology of concreting using sliding formwork was applied: when using it, the fixed formwork moved upward with the structure, providing a construction with the speed of 2 m/day. To ensure the smoothness of the concrete and the high quality of the joints, 140 installers worked in three shifts for 50 days, carrying out concreting, including at subzero temperatures.

At the end of 2020, a synthesis reactor was installed at the plant, which is the highest (49 meters) and heaviest (320 tons) apparatus in the plant, and which is key for the stable and efficient operation of the new production. To install the reactor, a crane with a lifting capacity of up to 750 tons, specially delivered to Togliatti, was used. The disassembled crane was delivered to TOAZ by more than fifty haul cycles in dozens of trucks. Its assembling and preparation for operation took 6 days, even moving from the assembly site to the site for installing the reactor required several hours.

In September 2020, representatives of Togliattiazot held public hearings with participation of city dwellers. At the meeting with the city dwellers, the representatives of the Company reminded the goals of construction of Urea Plant No. 3 and answered questions about the environmental friendliness of production at TOAZ and safety at the construction site.

To control occupational health and safety and safety of work, at the request of the lending banks, the enterprise has developed and implemented an environmental and social management system. In 2019, 80 inspections were carried out, which were aimed at assessing the working conditions of

personnel and the impact of the construction on environment. The shortcomings revealed during these inspections were promptly rectified. Environmental monitoring was carried out in three areas: soil, water and air. No violations were found.

«THE NEW PLANT IS AN EXAMPLE OF MODERN TECHNOLOGY. IT WILL BE EQUIPPED WITH THE LATEST PURIFICATION SYSTEMS, A CONTROL SYSTEM WITH MULTI-STAGE PROTECTION AGAINST EMERGENCIES. AN IMPORTANT POINT IS THAT AFTER THE COMMISSIONING OF UREA PLANT NO. 3, TOAZ WILL FURTHER REDUCE THE VOLUME OF CARBON DIOXIDE EMISSIONS INTO THE ATMOSPHERE. IT WILL BE USED AS A RAW MATERIAL FOR PRODUCTION OF THE FERTILIZER; IN FACT, PRODUCTION WASTE WILL BECOME A RAW MATERIAL FOR ANOTHER PRODUCT. IN ADDITION, TOGLIATTIAZOT WILL INCREASE THE SHARE OF AMMONIA PROCESSING, WHICH WILL MAKE IT POSSIBLE TO OFFER A PRODUCT ON THE MARKET WITH A HIGHER ADDED VALUE».

Viktor Kazachkov
Director of Technical Policy of PJSC TOAZ, Member of the Duma of Togliatti

PROJECT IN FIGURES AS OF THE END OF 2020

- Designed 95.5%;
- Equipment delivered 84%;
- Construction progress 40%;
- 1,410 tons of equipment were mounted;
- 44,162 m³ of ground were excavated;
- 3,843 m of underground pipelines were mounted;
- 651 foundation piles were driven;
- 15,450 m³ of concrete structures were mounted;
- 3,409 tons of metal structures were mounted.



ENVIRONMENTAL ASPECTS



- PJSC TOAZ organizes noise level monitoring and measurements of harmful substances concentration in the atmosphere both on the construction site and on the boundaries of the sanitary protection zone.
- The monitoring is carried out by an independent laboratory Ecostandard LLC, which meets the requirements of the International Finance Corporation.

ABOUT PJSC TOAZ UREA PLANT NO. 3

THE COMPANY MADE THE DECISION TO BUILD UREA PLANT NO. 3 IN 2014. IN OCTOBER 2018, TOGLIATTIAZOT STARTED CONSTRUCTION OF UREA PLANT NO. 3 AT THE PRODUCTION SITE IN TOGLIATTI. THE DESIGN CAPACITY OF THE PLANT WILL BE 2,200 TONS OF UREA PER DAY, WHICH WILL ALLOW TO INCREASE THE EXISTING UREA PRODUCTION CAPACITY OF THE ENTERPRISE BY MORE THAN 70%. COMMISSIONING OF THE PLANT IS EXPECTED IN 2022. THE PROJECT BUDGET IS OVER 25 BILLION RUBLES. THE PROJECT IS FINANCED BY PJSC TOAZ'S OWN AND BORROWED RESOURCES. IN MARCH 2018, TOGLIATTIAZOT SIGNED A LOAN AGREEMENT WITH THE SYNDICATE OF BANKS COMMERZBANK AG (ZURICH, SWITZERLAND) AND LANDESBANK BADEN-WÜRTTEMBERG (STUTTGART, GERMANY) FOR 180 MILLION EUROS FOR THE PERIOD OF 9 YEARS. THE GUARANTOR IS SWISS EXPORT RISK INSURANCE AGENCY (SERV). THE PROJECT DOCUMENTATION OF THE PLANT WAS DEVELOPED IN COLLABORATION WITH CASALE S.A. (LUGANO, SWITZERLAND) TAKING INTO ACCOUNT THE LATEST TECHNOLOGIES IN THE FIELD OF INDUSTRIAL AND ENVIRONMENTAL SAFETY, WHICH WILL GUARANTEE A SIGNIFICANT REDUCTION IN AIR EMISSIONS.

PRIORITY ACTIVITIES AND PROSPECTS FOR DEVELOPMENT

The development of the enterprise is carried out in accordance with the new development strategy of the Company until 2025 adopted by the Board of Directors, Investment program of PJSC TOAZ for the period until 2022 and the schedule of major overhauls. These documents determine the major projects of the Company, which meet production and management goals, social policy and corporate activities.

The tasks of the enterprise for 2021 are step-by-step implementation of the investment program for development of the Company.

In 2021, PJSC TOAZ will focus its efforts on the following projects, implementation of which will contribute to ensuring stable operation of production and reliability:

- Technical re-equipping of Ammonia Plant No. 1;
- Technical re-equipping of Ammonia Plant No. 2;
- Technical re-equipping of Ammonia Plant No. 4;
- Technical re-equipping of Ammonia Plant No. 7;
- Technical re-equipping of Urea Plant No. 1;
- Technical re-equipping of Urea Plant No. 2;
- Technical re-equipping of the workshop responsible for ammonia preparation for transportation;
- Technical re-equipping of demineralized water treatment plant of urea production;
- Modernization of the water treatment workshop of PJSC TOAZ;

- Revamping of gas metering and pressure reduction unit;
- Technical re-equipping of gas consumption piping network;
- Revamping of waste water treatment facilities;
- Construction of new Urea Plant No. 3 with a capacity of 2,200 tons/day;
- Technical re-equipping of the Azotnaya Station.

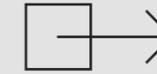
In the framework of implementation of the new Strategy, it is planned to build a new complex for production of nitric acid and ammonium nitrate, which will become another step for the Company on the way to leadership in production of nitrogen fertilizers in Russia, allowing it to become one of the five largest producers in the world.



«THE TRANSFORMATION OF RUSSIAN INDUSTRY CHANGES BUSINESS PROCESSES WITHIN ENTERPRISES, REQUIRES REGULAR SKILLS DEVELOPMENT AMONG EMPLOYEES, CREATION OF A NEW OPERATING MODEL OF MANAGEMENT, AND AFFECTS CULTURE WITHIN COMPANIES. TOAZ HAS AMBITIOUS GOALS TO BE ACHIEVED BY 2025. THE COMPANY SHOULD BECOME A LEADER IN PRODUCTION OF NITROGEN FERTILIZERS IN RUSSIA AND BECOME ONE OF THE FIVE LARGEST PRODUCERS IN THE WORLD, WHICH REQUIRES EVERY EMPLOYEE OF THE COMPANY TO CONSTANTLY SEARCH FOR WAYS TO IMPROVE EFFICIENCY AND PRODUCTIVITY. THEREFORE, THE POSITIVE TRENDS NOTED BY EXPERTS AND THE SYSTEMATIC ENTRY OF TOAZ INTO THE LEADING RATINGS INSPIRE ADDITIONAL OPTIMISM AND CONFIDENCE».

Dmitry Mezheedov,
General Director of JSC «TOGLIATTIAZOT Corporation»

3.5. RESTRUCTURING OF THE REPAIR SERVICE



In 2019, TOAZ began implementing a program to improve the maintenance and repair system (MRS). The need to transform the repair service has appeared after strategizing the Company's development program until 2025, which implies a significant increase in production through increased business efficiency. The growth of production cannot be imagined without high quality repairs.

THE KEY TASKS OF THE TRANSFORMATION ARE BUILDING OF A SYSTEM FOR ORGANIZING REPAIRS IN ACCORDANCE WITH WORLD PRACTICES, REDUCING SHUTDOWN REPAIRS AND INCREASING EQUIPMENT RELIABILITY.

It is worth noting the general tendency to reduce the time of shutdown repairs at chemical enterprises in Russia, i.e. once every two or three years for up to forty days. The restructuring of the entire repair service of a large factory is a complex process that takes into account many characteristics, features and details. Therefore, at the stage of launching a new system, constant monitoring and adjusting of processes was required.

Overhauls are one of the main reasons for the downtime of the main production. In order for the Company to develop, repairs are to take place less often and be performed faster and

with better quality. This should be facilitated by the separation of the process and maintenance personnel service. Another key principle is the separation of the functions of formation of the need for repairs, planning and execution. It is also necessary to strengthen the service of management of shutdown repairs and equipment reliability.

In connection with the new principles, several services and departments appeared in the organizational structure of the Repair Directorate. For example, the repair management service now includes departments for equipment reliability, preparation of shutdown repairs, planning and contracting of repairs, equipment diagnostics.

Process personnel is not excluded from repair processes. Operators shall promptly report discovered defects to the repair customer service. The repair customer service organizes all repair work, monitors the timing and quality.

All actions during repairs are recorded in the electronic accounting system. It will «remember» all operations that occur on a specific equipment item. This will allow to determine the owning cost, that is, to become aware of all the costs that were required for this equipment for a specific period. Due to such analysis, conclusions can be drawn, for example, about the need to replace such equipment, since it is cheaper and more efficient than continuing to repair it.

When forming the organizational structure of the repair service, individual areas were strengthened with additional personnel. A reliability department was created, which is responsible for the reliability of equipment, since the main task of MRS is to make the switch to a three-year cycle of operation of the plants.



3.6. TRANSPORTATION OF PRODUCTS AND SALES MARKETS

The main products of the enterprise are liquid technical ammonia, urea, urea-formaldehyde concentrate (UFC), ammonia water.

Foreign buyers are located in dozens of countries around the world on five continents.

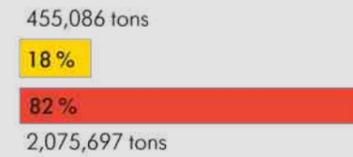
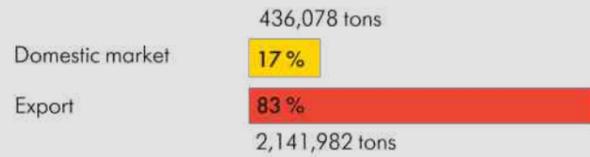


PJSC TOAZ PRODUCT SALES IN THE DOMESTIC MARKET AND FOR EXPORT IN 2019-2020

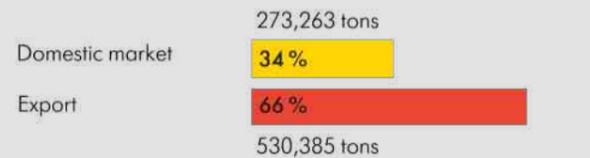
2019

2020

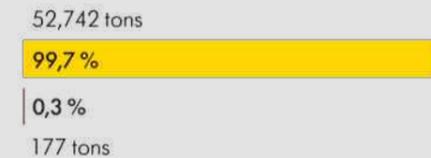
AMMONIA



UREA



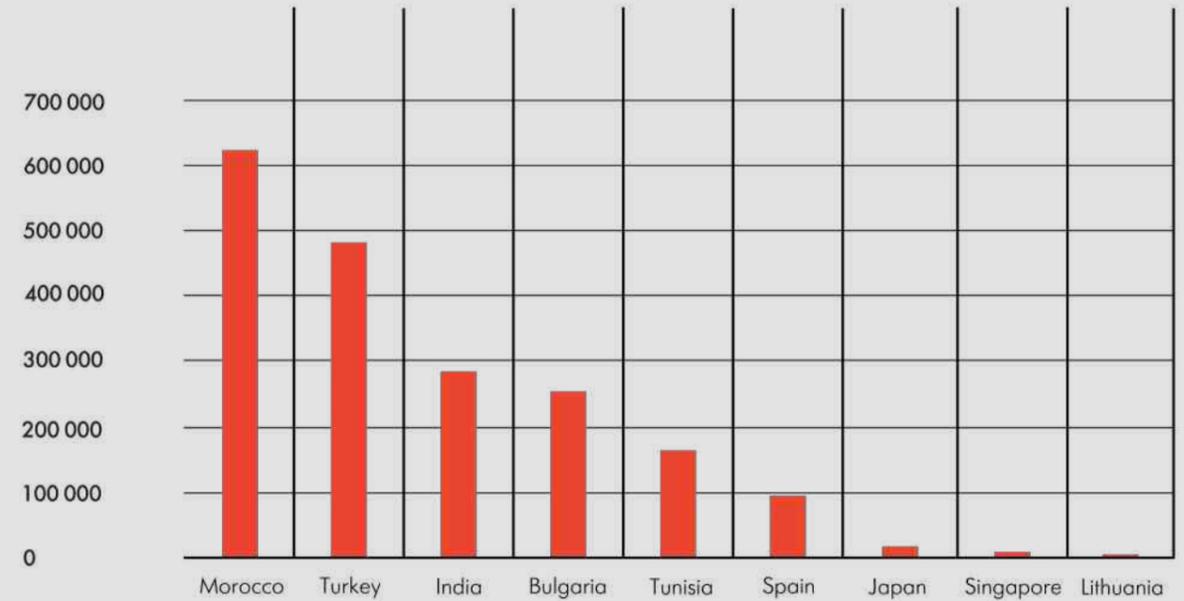
UFC



AMMONIA WATER



AMMONIA EXPORT VOLUME BY COUNTRY IN 2020, TONS



In 2020, the main buyers of ammonia are Morocco, Turkey, Belgium, India, Bulgaria, Tunisia and Spain. In 2020, TOAZ took more than 10% of world ammonia exports and about 35% of the Russian market.

In 2020, there is a significant decrease in prices for ammonia and urea in the world market due to a drop in prices for gas, which is the main raw material used in production of ammonia. In addition, new marginal ammonia producers, which had the opportunity to sell ammonia at a profit, put pressure on world prices, including FOB Yuzhny. During this period, Ukrainian producers of ammonium nitrate and urea were back into production of ammonia. It has become efficient for Ukrainian factories to produce their own ammonia due to lower production costs at reduced prices for natural gas. The fall in gas prices resulted in increased competition in the Odessa port Yuzhny, where TOAZ is the key seller.

The global negative sanitary and epidemiological situation contributed to a fall in the prices of ammonia and urea, a decrease in market activity. Nevertheless, in 2020 the Company managed to maintain the volume of sales of ammonia and urea in tons at the level of 2019: 47,000 tons less of ammonia was sold, than in 2019, 50,000 tons of urea more was sold than in 2019.

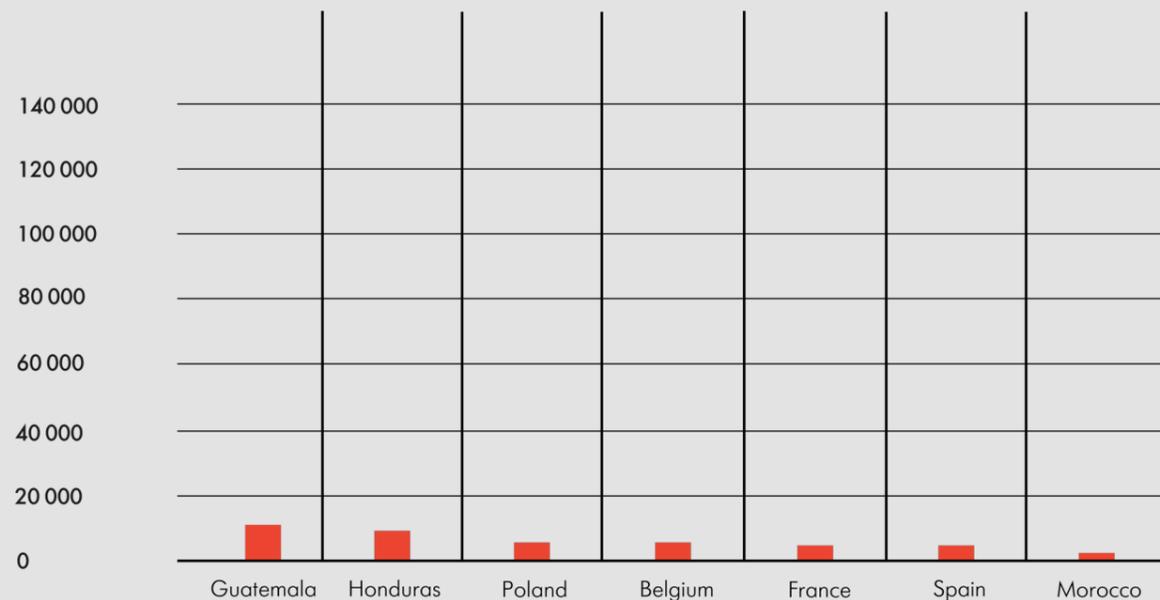
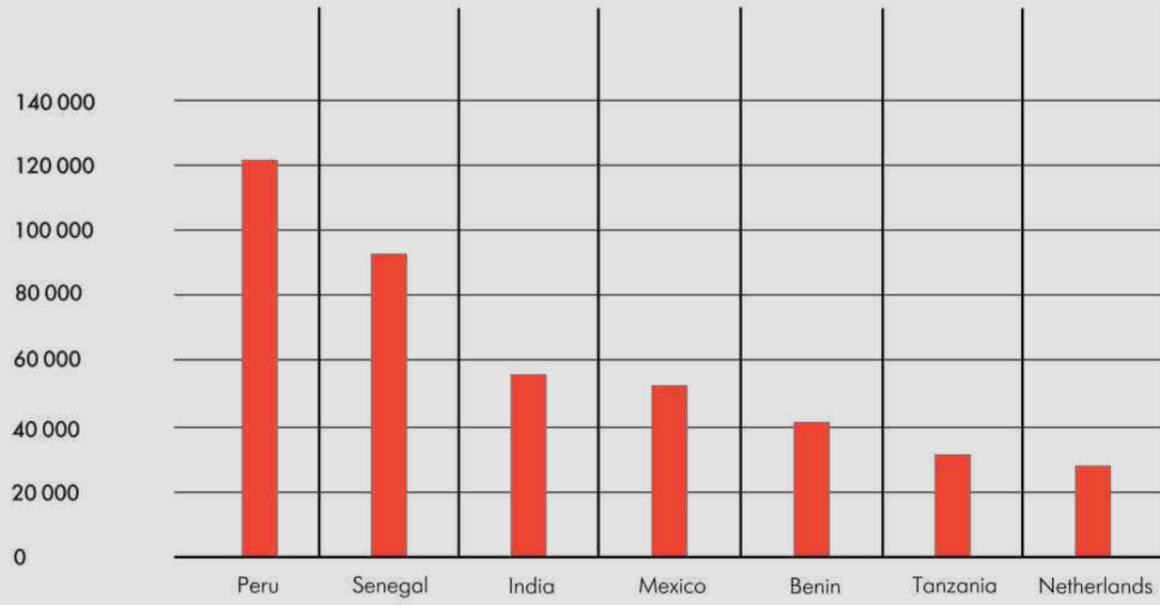
The main importer countries of TOAZ urea in 2020 were Peru, Senegal, India, Mexico, Benin and Tanzania. In 2020, TOAZ share in the world urea market was 1%.

According to the Russian Association of Fertilizer Producers (RAFP), in 2020 TOAZ shipped about 250,000 tons of urea to the Russian market, taking more than 15% of the Russian urea market. In 2020, TOAZ increased sales of urea to agricultural producers. The distribution of urea volumes between agricultural producers and industrialists in 2020 was 75% to 25%, respectively. In 2019, this ratio was 70% to 30%.

Krasnodar Krai, Rostov, Ulyanovsk, Volgograd, Voronezh, Lipetsk, Kursk, Tambov, Sverdlovsk, Chelyabinsk, Samara and Penza regions, the Republic of Mari El, Mordovia and Tatarstan represent the geography of buyers of Togliattiazot urea on the Russian market. The scope of the buyers' activities covers agriculture, resin, plastics, other chemical industries, as well as the production of wood-based panels and furniture.



UREA EXPORT VOLUME BY COUNTRY IN 2020, TONS

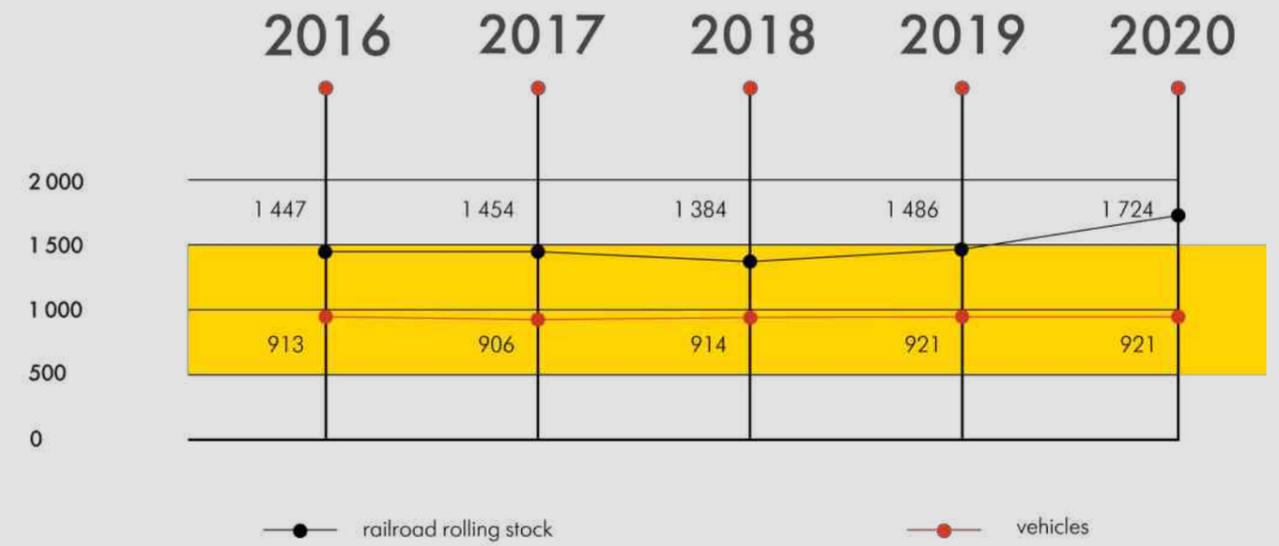


TOAZ ensures uninterrupted supplies with the help of a developed transport infrastructure: own railway fleet (1,724 units), unique Togliatti-Odesa ammonia pipeline (with a length of more than 2,400 km). The length of TOAZ own railways is about 47 km.

The dynamics of the number of units of TOAZ own rolling stock and vehicles is presented below.



TOAZ OWN TRANSPORT FLEET STRUCTURE IN 2016-2020, UNITS



THE VOLUME OF TRANSPORTATION OF THE MAIN PRODUCTS, '000 TONS

Type of transportation	2019		2020	
	'000 tons	%	'000 tons	%
Ammonia pipeline	2 332	54%	2 355	57%
Railway transport*	1 843	43%	1 672	40%
Motor transport	151	3%	137	3%
Total	4 326	100%	4 164	100%

* The volume of deliveries by railway transport is indicated taking into account the methanol of TOMET LLC, transported by PJSC TOAZ under the service agreement.

In the domestic market, urea is shipped mainly by rail, as well as by road, for export it is shipped by rail with transshipment to ships in the seaport of the Finnish city of Kotka.

In 2020, a record was set in terms of shipment of ammonia through the Togliatti-Odesa pipeline, about 2 million tons of ammonia were transported to the storages of the Odessa Port Plant (Ukraine), and the total volume of ammonia transported through the pipeline in 2020 amounted to more than 2.3 million tons as indicated in the table above.

For the first time, logistics and railway workers organized the delivery of products by heavy trains with a total weight of 7,000 tons. Due to heavy trains, the delivery of products from the plant to the Finnish port of Kotka, where the products are transhipped to end consumers, is twice as fast: instead of eight or nine days from the Khimzavodskaya station to the Buslovskaya border crossing station, the train is on the way four or four and a half days. This is due to the fact that small groups of cars along the route are periodically connected/disconnected to/from different trains. All these procedures at marshalling yards take a long time, and heavy trains run non-stop. Routing sets the rhythm in the work, which allows not to reserve redundant rolling stock.

For the transportation of ammonia, TOAZ has been using its chartered fleet for about three years. The enterprise operates seven marine gas tankers of various capacities: five medium-sized vessels for 23,000-25,000 tons, one large vessel for 40,000 tons and one vessel for 15,000 tons. TOAZ operates vessels not only for its own needs, but also offers its services to participants in the ammonia market in order to optimize freight costs. In 2021, TOAZ will operate with five tankers, since one vessel of 23,000 tons was subleased and a vessel for 15,000 tons will go out of lease from 2021.

«THE RESULTS OBTAINED ARE A GOOD EXAMPLE OF TEAMWORK. THE COMMERCIAL DEPARTMENT MONITORS ON-LINE THAT THE EMERGING CHANGES IN THE SALES MARKETS DO NOT SLOW DOWN THE PRODUCTION. THE PRODUCTION DEPARTMENT, IN TURN, ENSURES THE UNINTERRUPTED OPERATION OF THE PLANTS, WHICH GIVES US AND OUR PARTNERS CONFIDENCE IN THE TIMELY RECEIPT OF THE FACTORY'S PRODUCTS IN FULL.»

Dmitry Mezheedov,
General Director of JSC «TOGLIATTIAZOT Corporation»



«FROM THE TERRITORY OF THE FACTORY, AMMONIA IS LOADED INTO THE AMMONIA PIPELINE CONNECTING TOAZ STORAGE FACILITIES WITH STORAGE FACILITIES AT THE ODESSA PORT PLANT. THE LENGTH OF THE AMMONIA PIPELINE IS OVER 2,400 KILOMETERS. FINISHED PRODUCTS ARE TRANSPORTED BY SEA FROM ODESSA TO CONSUMERS. MAJOR CUSTOMER COUNTRIES ARE TURKEY, BULGARIA, SPAIN, TUNISIA AND MOROCCO. OUR LARGEST VESSEL CLIPPER MARS CARRIES PRODUCTS TO INDIA, MAKING UP TO 8 VOYAGES PER YEAR.»

WHEN DEALING WITH AMMONIA, SECURITY OF SUPPLY IS OF PARTICULAR IMPORTANCE. MOST BUYERS USE AMMONIA AS THE MAIN RAW MATERIAL FOR THEIR OWN PRODUCTION. IN THE EVENT OF A FAILURE IN THE SUPPLY OF AMMONIA, THERE IS AN INCREASED LIKELIHOOD OF INTERRUPTING THE PRODUCTION OF THE BUYING COMPANY, WHICH, IN ADDITION TO FINES AND PENALTIES, ENTAILS HIGH REPUTATIONAL RISKS AND LOSS OF CUSTOMERS.»

Vladislav Pustynnikov
Deputy General Director - Director on Commercial Affairs
of JSC «TOGLIATTIAZOT Corporation»

3.7. LABORATORY RESEARCH AND DEVELOPMENT

PJSC TOAZ values the trust of consumers and carefully monitors the quality and safety of its products, therefore close attention is paid to internal quality control at all stages of the production chain.

Quality assessment is carried out in accordance with legal requirements, state standards, regulatory and technical documents, internal standards and procedures.

Incoming control is performed in order to establish compliance of the supplied products with the requirements of regulatory documents (state and technical specifications) to determine possibility of its further use in production and to prevent the use of products which do not meet the established requirements in the production process.

Operational control is carried out in order to ensure control and maintenance of stable parameters of processes in accordance with operational procedures and approved schedules.

Acceptance control of products is performed in order to obtain certificates of compliance of quality of the finished product to the established requirements.

Many years of experience, a high level of expertise and a leading position in the market allow the Company to conduct unique research and the latest developments in order to increase the efficiency of the enterprise.

The Company has the Central Factory Laboratory and the Technical Control Department.

The object of activity of the Central Factory Laboratory is organization and ensuring of research and development works on improvement of existing and introduction of new technologies, implementation of analytical control of production facilities while performing pilot studies, introducing new and improving existing processes, identifying and eliminating reasons of process malfunctions.

RESPONSIBILITIES OF THE CENTRAL FACTORY LABORATORY INCLUDE AS FOLLOWS:

1. Development of recommendations aimed at intensification of production.
2. Optimization of process parameters to increase output of products, improve their quality, reduce consumption rates of raw materials and energy resources, and reduce production waste.
3. Carrying out, jointly with other divisions of the Company and third-party research organizations, of surveys to stabilize production and develop measures to improve technology, clarify the norms of the process mode, eliminate excessive consumption of raw materials and utilities.
4. Preparation of necessary data and verification of analysis methods for projects developed by TOAZ, and revision of existing specifications and standards.
5. Methodological guidance provided for laboratory departments of the Company, ensuring correctness of analysis methods, development of new methods of analytical control of production.

In the work of the technical control department, any direction in the activity can be called the main one. Incoming control of any raw materials, reagents and materials allows saving expensive equipment from undesirable consequences when using it. Quality control in the course of processes contributes to obtaining exactly the products that meet the requirements of regulations and national standards. Quality control of finished products and products shipped to the consumer is a key and most important stage in the work of the technical control department and the entire enterprise as a whole. The technical control department, along with production laboratories, includes a sanitary and industrial laboratory and a laboratory for waste water treatment facilities. In accordance with the legislation of the Russian Federation, both laboratories are accredited for technical competence by the Federal Agency for Accreditation, which allows to be confident in the reliability and accuracy of test results, measurements and studies, and conclusions on them. The objects of control and monitoring of the sanitary and industrial laboratory and the laboratory of waste water treatment facilities within the framework of industrial environmental control are industrial discharges from controlled and fugitive sources, atmospheric air at the production site, the air of the working area, physical and chemical factors at workplaces, control of hazardous substances at temporary waste storage sites, wastewater control, process control of biological treatment stages and control of treated wastewater before discharge into the Volga River. In 2020, air quality control in the sanitary protection zone of the enterprise was carried out by an accredited laboratory Federal State Budgetary Institution Volga Territorial Administration for Hydrometeorological

The Central Factory Laboratory consists of the following divisions:

- Ammonia and methanol laboratory;
- UFC and urea laboratory;
- Analytical laboratory.

PJSC TOAZ laboratories are completed with modern equipment, which allows conducting research work, ensuring high accuracy of product quality analysis and effective control of the production process.

and Environmental Monitoring, and a number of indicators that are not included in the scope of accreditation of the sanitary and industrial laboratory in industrial emissions was controlled by the accredited laboratory FSBI «CLATM VFD» (Federal State Budgetary Institution «Center for Laboratory Analysis and Technical Measurements of the Volga Federal District»).

Thus, there was no aspect of the Company's activities related to control that was left aside. In 2020, the laboratories of the Company carried out more than 500,000 tests, measurements and studies.



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REVENUE FOR 2020 AMOUNTED TO

53,580,000,000

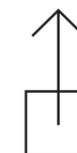
■ P J S C « T O A Z » ■ RUBLES

Viktor Kazachkov
Director for Technical Policy

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CHAPTER 4 ECONOMIC SUSTAINABILITY



4.1. ECONOMIC GROWTH INDICATORS

Revenue for 2020 amounted to 53,580,000,000 rubles, which is 1% or 579 million less than in 2019. The decrease in revenue from selling the main products was primarily due to a decrease in prices for them. The net profit of the Company in 2020 amounted to 1,252,000,000 rubles, which is 4,258,000,000 rubles lower than the net profit in 2019, which amounted to 5,510,000,000 rubles. In 2019, other income included compensation in respect to the insured event at Ammonia Plant No.4 in the amount of 3,920,000,000 rubles. The main factors for the decrease in the financial result in the reporting year are the decrease in prices and the increase in expenses for selling the main products.

The decrease in prices for the main products in 2020 was due to fall the in prices in the world market of ammonia and mineral fertilizers in dollar terms. The increase in expenses for selling the main products in 2020 products was primarily due to the increase in currency rate against the Russian ruble.

In 2020, Togliattiazot fulfilled all of its tax and social obligations on time and in full, and implemented a broad social responsibility program aimed at developing the key region of its activities, i.e. Samara region. The Company has again confirmed its status as one of the largest taxpayers in Samara region.

IN THE REPORTING PERIOD, TAX PAYMENTS TO THE BUDGETS OF ALL LEVELS AMOUNTED TO 5.47 BILLION RUBLES, WHICH IS 3% HIGHER THAN IN 2019 (5.33 BILLION RUBLES).



KEY FINANCIAL INDICATORS

Indicator	2020, `000 rubles	2019, `000 rubles
Revenue (less VAT)	53 579 660	54 158 927
Cost of goods sold	(24 420 951)	(24 986 263)
Profit (loss) on sales	6 502 179	8 671 263
Profit (loss) before taxation	2 652 073	11 242 627
Income tax and similar mandatory payments, deferred tax assets and liabilities	(1 399 644)	(5 732 415)
Net profit (loss) from ordinary activities	1 252 429	5 510 212

GENERATED AND DISTRIBUTED ECONOMIC VALUE OF THE COMPANY (BILLION RUBLES)

	2017	2018	2019	2020
Generated straight economic value	43,07	54,31	54,5	53,68
Revenue	42,18	53,53	54,16	53,58
Income from financial investments	0,87	0,78	0,34	0,10
Income from sales of tangible assets	0,02	—	—	—
Distributed economic value	38,83	45,67	50,80	52,64

AMONG SUPPLIERS AND CONTRACTORS

Operational costs excluding salaries	33,93	38,02	42,56	44,27
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AMONG EMPLOYEES

Salaries	2,12	2,44	2,64	2,81
Other payments and benefits for employees	0,04	0,03	0,06	0,06

AMONG LOCAL COMMUNITIES

Charitable donations	0,008	0,010	0,011	0,024
Sponsor support	0,003	0,002	0,005	0,002

AMONG SHAREHOLDERS AND INVESTORS

Payments to capital providers	0,33	0,27	0,22	0,07
including dividends	0	0	0,11	0
including finance costs	0,33	0,27	0,11	0,07

AMONG STATE BODIES

—	2,4	4,9	5,3	5,4
Undistributed economic value	4,24	8,64	8,64	1,04

4.2. COMPANY`S ASSETS

In 2020, in order to reduce the influence of exogenous factors on the economic performance of the Company, a number of measures were taken.



MEASURES TO REDUCE EXOGENOUS FACTORS:

- Implementation of more efficient cash flow planning tools;
- Evaluation of the performance of non-core production units;
- Improvement of the efficiency of the available cash asset use;
- Strengthening of budget control.



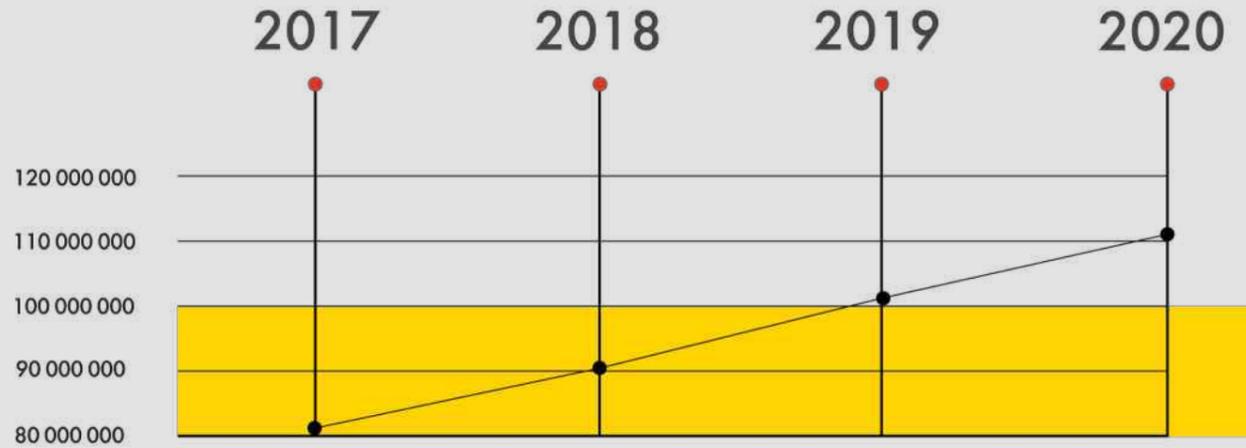
ASSETS

Indicator	Code	As of 31 December 2020, '000 rubles	As of 31 December 2019, '000 rubles	As of 31 December 2018, '000 rubles
I. NONCURRENT ASSETS				
Intangible assets	1110	327	1	2
Research and development results	1120	—	—	—
Intangible development assets	1130	—	—	—
Tangible development assets	1140	—	—	—
Fixed assets	1150	65 416 182	43 605 451	39 441 083
Income bearing investments in tangible assets	1160	2 358 021	—	—
Financial investments	1170	1 007 729	1 136 424	1 259 793
Deferred tax assets	1180	2 142 792	250 793	201 299
Other noncurrent assets	1190	222 673	25 080 130	16 061 521
Total Section I	1100	71 147 724	70 072 799	56 963 698
II. CURRENT ASSETS				
Inventory	1210	7 045 358	6 547 071	7 885 991
Value added tax on acquired assets	1220	67 968	130 850	265 339
Intangible development assets	1230	21 290 453	16 115 643	11 464 014
Financial investments (excluding monetary equivalents)	1240	—	15 671	3 418 100
Cash assets and monetary equivalents	1250	10 654 381	8 909 777	10 272 578
Other current assets	1260	422 314	114 810	143 484
Total Section II	1200	39 480 474	31 833 822	33 449 506
Balance	1600	101 628 198	101 906 621	90 413 204

EQUITY AND LIABILITIES

Indicator	Code	As of 31 December 2020, '000 rubles	As of 31 December 2019, '000 rubles	As of 31 December 2018, '000 rubles
III. EQUITY				
Share capital (joint capital, authorized fund, contributions of partners)	1310	97 116	97 116	97 116
Own shares repurchased from shareholders	1320	—	—	—
Re-evaluation of non-current assets	1340	1 233 477	1 233 477	1 233 477
Additional fund (without re-evaluation)	1350	—	—	—
Reserve fund	1360	4 856	4 856	4 856
Undistributed profits (uncovered loss)	1370	79 103 958	78 127 040	73 972 793
Total section III	1300	80 439 407	79 462 489	75 308 242
IV. LONG-TERM LIABILITIES				
Borrowed assets	1410	14 207 282	9 817 302	4 804 729
Deferred tax liabilities	1420	523 528	538 668	442 491
Estimated liabilities	1430	—	—	—
Other liabilities	1450	—	—	—
Total section IV	1400	14 730 810	10 355 970	5 247 220
V. SHORT-TERM LIABILITIES				
Borrowed assets	1510	2 751 398	1 648 039	1 658 045
Accounts payable	1520	9 446 945	9 361 322	6 338 036
Income of future periods	1530	411	429	16
Estimated liabilities	1540	1 490 075	1 075 928	1 860 002
Other liabilities	1550	1 769 152	2 444	1 643
Total section V	1500	15 457 981	12 088 162	9 857 742
Balance	1700	110 628 198	101 906 621	90 413 204

DYNAMICS OF THE BALANCE SHEET TOTAL VALUE (` 000 RUBLES)



THE VALUE OF BALANCE SHEET TOTAL FOR 2020 INCREASED BY 8.7 BILLION RUBLES.

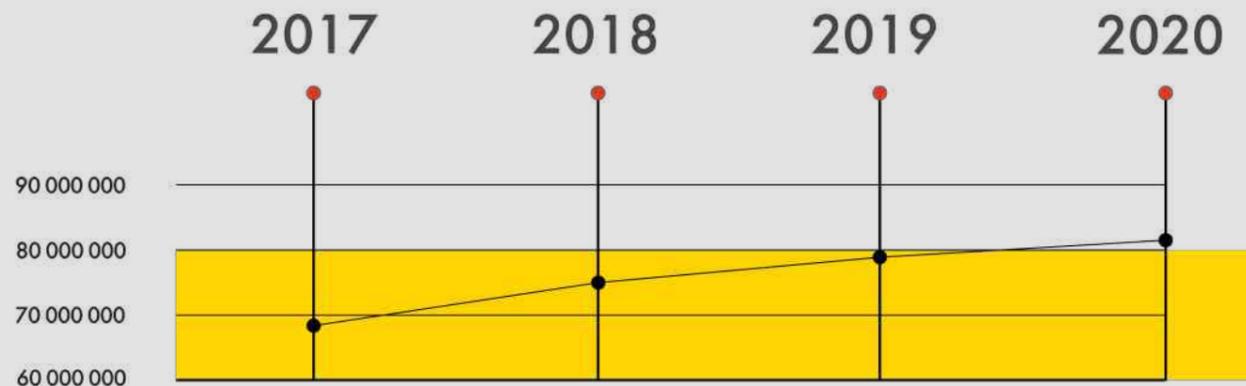


As at the end of 2020, net assets amounted to 80.4 billion rubles.

According to the results of 2020, PJSC TOAZ maintained the Company's net assets at high level, having significantly increasing the values of 2019. This indicates that the Company retained and increased its investment attractiveness among shareholders, creditors and employees.

In order to improve the liquidity indicators of the Company and to improve the efficiency of cash flow planning, the forms of settlements using discounted letters of credit were used for settlements with customers for operating activities in 2019.

DYNAMICS OF THE COMPANY'S NET ASSETS (` 000 RUBLES)



AVERAGE SALARY
OF TOAZ EMPLOYEE IS
57,537

■ RUBLES

P J S C « T O A Z »

Irina Badiyanova
Head of the Physiotherapy Department,
physiotherapist of Nadezhda health resort

CHAPTER 5

HUMAN CAPITAL ASSETS

5.1. THE COMPANY STAFF AND FORMATION OF A PROFESSIONAL TEAM

The general approach of the enterprise to sustainable development is formed on the basis of the principle of creating a professional, well-coordinated team. PJSC TOAZ invests in human resources, providing employees with competitive remuneration, opportunity for professional development and career growth, social support programs, and ensures health care and disease prevention, takes care of safe and comfortable working conditions.

«PRODUCTION ACHIEVEMENTS HAPPEN DUE TO TEAM COHESION».

Dmitry Mezheedov,
General Director of JSC «TOGLIATTIAZOT Corporation»

As part of the employee motivation program, the Company offers salaries, which are competitive in the region of presence, as well as various forms of material and nonmaterial rewards. The policy in the field of remuneration and motivation system is aimed at encouraging employees to increase interest in the efficiency of work and improve its quality in order to achieve targets of the enterprise by creating a common effective remuneration system.

The Company pursues an active personnel policy, which is an integrated coordinated system, including the recruitment, training and retraining of all categories of employees. One of the most important directions is creation of conditions for increasing efficiency, developing staff business initiative and creative activity. As part of long-term planning, a labor pool in key areas is being formed subject to the Company's strategic goals.

In connection with the production modernization and construction of Urea Plant No. 3, the Company is continuously implementing programs for personnel development and attracting new employees.

For future employees, career guidance is also being carried out through initiatives aimed at popularization of chemical education, active interaction with universities, colleges, schools.

In the field of labor relations and social protection, PJSC TOAZ is guided by the Collective Bargaining Agreement, which is the main document regulating the relationship between the employee and the employer, contributing to the formation of reliable partnership relations. The Collective Bargaining Agreement of the enterprise for many years has been a leader among similar enterprises and is recognized as the best in the



- LABOR SECURITY
-
- REWARDS SYSTEM
-
- TRAINING AND DEVELOPMENT
-
- SOCIAL SUPPORT
-
- HEALTH PROGRAM

region. All aspects of labor relations are regulated in strict accordance with the requirements of the Labor Code, Industry Agreements and other legal acts.

PJSC TOAZ takes care of employees' health. The policy in the field of health insurance is being actively implemented, analysis and constant monitoring of existing voluntary health insurance programs are being carried out. During the pandemic, the constant provision of employees with the recommended means of protection has been implemented. Much attention is being paid to sports and cultural initiatives, ensuring of a healthy socio-psychological and emotional climate in the team.

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PERSONNEL POLICY PRIORITIES:

- Improvement of the human resources management system;
- Upbringing of effective managers and highly qualified specialists capable of implementing the Company's strategy;
- Provision of competitive working conditions;
- Employees development;
- Maintenance of corporate culture.

KEY INDICATORS FOR 2020:

57 537	• is an average salary of a TOAZ employee
79 000 000	• rubles was allocated by the Company to support employees during the pandemic
595	• employees have a higher education
43,8	• is an average age of a TOAZ employee
11,1	• is an average number of years working for PJSC TOAZ
2 453	• employees are aged 30-50
4 210	• employees are provided with VHI policies
19	• employees received apartments for corporate residence

ORGANIZATIONAL STRUCTURE OF HUMAN RESOURCES MANAGEMENT AND THE COLLECTIVE BARGAINING AGREEMENT

The Company has developed and approved a number of official documents regulating various areas in the field of labor management of PJSC TOAZ employees:

1. Regulations on recruitment of employees.
2. Regulations on equipping of workplaces.
3. Regulations on labor remuneration.
4. Regulations on the rate of bonuses to employees, including regulations on special kinds of bonuses.
5. Regulations on the establishment of professional statuses and personal bonuses to PJSC TOAZ employees based on the results of an annual assessment.
6. Regulations on the awards.
7. Regulations on honored employees.
8. Regulations on financial assistance to employees.
9. Regulations on additional pension benefits.

other regulatory documents ensuring implementation of benefits.

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In 2020, Togliattiazot switched to electronic work books. Now all information about the work activity of employees will be stored in the Pension Fund information system. Improvement of the efficiency and personal interest of employees in achieving high results are the main areas of personnel policy. The personnel structure over the past years has remained stable and meets the needs of the enterprise. Comfortable working conditions and expanded employment benefits ensure low turnover of employees.

IN 2020, THE AVERAGE HEADCOUNT OF EMPLOYEES WAS 4,062 PEOPLE.

TURNOVER OF EMPLOYEES DYNAMICS, %

Year	Turnover Dynamics (%)
2018	5,8
2019	5,4
2020	4,6

THE COMPOSITION IN 2018-2020 BY GENERATION

Year	1923	1943	1963	1984	2000
Generation		Baby boomers	Generation X	Generation Y	Generation Z
2018 (%)	0,1	21	56	23	0
2019 (%)	0,1	14	56	30	0
2020 (%)	0,1	12,4	56,9	30,5	0,1

The average age of PJSC TOAZ employees is 43.8 years. The ratio of employees with work experience (baby boomers generation) and promising young workers (X and Y generation) is currently optimal; this contributes to the succession of personnel, the transfer of professional expertise and highly specialized knowledge. Generation X continues to be the core of the workforce. Their experience and employment history allow them to efficiently carry out production tasks even in difficult situations. In 2020, Generation Z employees were hired at PJSC TOAZ. Their exceptional features, such as understanding of digital processes, striving for self-education, multitasking, allow them to solve problems of increased complexity.

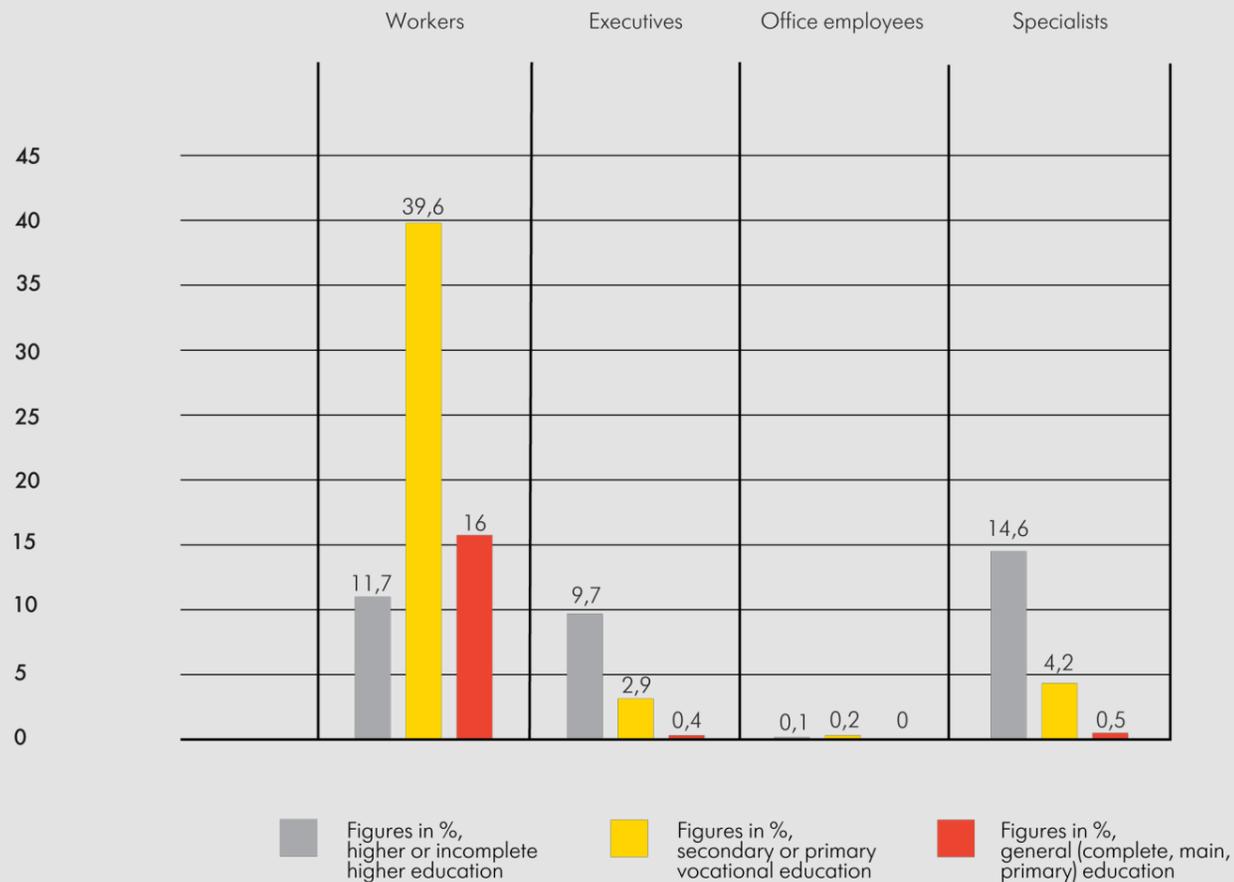
The average term of employment at the enterprise is 11.1 years, which, combined with low turnover of employees indicators, reflects high stability, loyalty of employees, as well as reliability of PJSC TOAZ as an employer in the region of presence.

The percent of workers with secondary vocational education and higher is 83.1%. Automation of production processes leads to an increase in the number of workers with higher and secondary specialized education.

PJSC TOAZ has a grant training program, which implies training in higher educational institutions at the expense of the enterprise.



EDUCATION LEVEL OF EMPLOYEES



5.2. TRAINING AND DEVELOPMENT, PROFESSIONAL IMPROVEMENT



Togliattiazot is interested in the professional improvement of its employees. The Company allocates significant amount of funds in this direction, focusing on implementation of the best practices.

As a result of modernization and implementation of investment projects, TOAZ receives high-technology equipment and creates new jobs for qualified specialists. In this regard, with an equal level of qualification, the recruitment advantage is given to specialists with a higher specialized education who are able to work on the latest equipment, which makes it possible to gradually improve the general level of employees' qualifications. The employees of the enterprise undergo training to effectively apply new technologies and procedures.

In the long run, the success of Togliattiazot depends on the availability of labor pool of employees who have the potential to continue to work in senior positions or perform tasks of high level of complexity that require special technical knowledge and skills. The Center for Training and Employees Development of PJSC TOAZ was created specifically to provide the enterprise with professional workers and to ensure advanced training for engineering and technical workers and specialists.

57 employees were qualified for work at the second workstation (among them, 15 remote control console operators). 3 remote control console operators took training and skills improvement program in technological process conducting at a computer simulator.

In the reporting year, the procedure for assessing the professional status of TOAZ employees and the subsequent formation of a labor pool was carried out. Over 3,950 employees were assessed. In 2020, 702 employees were evaluated out-of-schedule, over 400 employees were included in the lists of candidates for the labor pool.

In 2020, 4 candidates for the labor pool were trained under the «Management training for organization of the national economy of the Russian Federation» program (Presidential Program). Based on the results of the training, the participants completed project work on topics relevant to the enterprise.

THE ACTIVITIES OF THE CENTER FOR TRAINING AND EMPLOYEES DEVELOPMENT IS A PART OF A MOTIVATION SYSTEM THAT ALLOWS EACH EMPLOYEE TO COUNT UPON CAREER GROWTH AND REMUNERATION CORRESPONDING TO HIS/HER LEVEL OF TRAINING AND PERSONAL CONTRIBUTION TO THE COMPANY'S BUSINESS. PJSC TOAZ ASSISTS YOUNG EMPLOYEES OF THE ENTERPRISE IN OBTAINING HIGHER EDUCATION BY PARTIAL OR FULL TUITION ASSISTANCE AT A UNIVERSITY.

IN 2020, ACCORDING TO THE RESULTS OF TRAINING, A TOTAL OF 9,517 DIPLOMAS, LICENSES AND CERTIFICATES WERE ISSUED. 305 EMPLOYEES IMPROVED THEIR QUALIFICATIONS IN THIRD-PARTY ORGANIZATIONS, WHICH IS 44.5% MORE THAN IN 2019 (211 EMPLOYEES).

In 2020, Andrey Akolzin, the head of Togliattiazot medical unit, reached the semifinals of the «Leaders of Russia» federal management competition. This is the third time the management competition has been held on the initiative of the President of the Russian Federation, Vladimir Putin. The event organizers have expanded the range of opportunities for those wishing to prove themselves: since 2019, the «Leaders of Russia», in addition to the main competition, has introduced three industry specializations: health care, science, as well as finance and technology. Thus, specialized managers can also contribute to the development of their industry. The head of the medical unit No. 7 Andrey Akolzin took part in the competition for the specialization «health care».

In the end of 2019, TOAZ employees were tested for the general level of numerical and verbal abilities. 98% of the Company's employees in the category of managers, specialists and workers attended the testing. As a result, the employees of the Company demonstrated a level of numerical and verbal abilities sufficient for professional performance. The employees were additionally tested for the factors of unsafe behavior. Based on the test results, managers provided feedback to their subordinates. The test results will be used when deciding on the development of the employee (his/her training, transfer to other departments, etc.).

In 2020, the work of the factory certification commission for industrial safety at the Center for Training and Employees Development was carried out using the established Unified Testing Portal system of Rostekhnadzor (Federal Service for Environmental, Technological, and Nuclear Supervision). 145 employees were certified using this system.

Also, in order to prepare employees for certification in industrial safety, the adaptive remote training system EVA was introduced; it allows to prepare for the examination in a short time. The training is held using remote technologies. More than 200 employees received training, having studied 1,000 areas of certification.

In 2020, TOAZ own remote training portal Ispring was launched. Remote training courses on management skills were developed and uploaded into the system; remote training courses on the basic software package for MS Office of basic

and advanced levels were purchased.

Since 2020, in connection with restrictive measures, the courses «Labor Protection», «Fire-technical minimum», «Rules for accounting, control and handling of precursors of narcotic drugs and psychotropic substances» and «First aid» have been transferred to a remote format. More than 350 people were trained in remote training courses.

«THE WORK FOR THE LONG RUN WILL EARN ITS KEEP. AT THE CHEMICAL INDUSTRY ENTERPRISES, THE PERSONNEL ROTATION PROCESS IS RUNNING SLOWLY ENOUGH, THE AVERAGE DURATION OF EMPLOYMENT AT TOAZ IS ABOUT 11 YEARS. NOW THERE IS A CONCERN ABOUT THE BALANCED REPLACEMENT OF THE RETIRING ELDERLY EMPLOYEES, TRANSFER OF THEIR EXPERIENCE AND KNOWLEDGE TO YOUNG SPECIALISTS. WE EXPECT THE FIRST GIVE-BACK FROM THE ENGINEERING AND TECHNICAL CLASSES IN 5-6 YEARS WHEN THEIR GRADUATES, AFTER GRADUATING FROM SCHOOL AND THE CHOSEN UNIVERSITY, COME TO TOGLIATTIAZOT AS WELL TRAINED SPECIALISTS.»

Sergey Gulkin, Deputy General Director -
HR Director of JSC «TOGLIATTIAZOT Corporation»

In addition to training its own employees, PJSC TOAZ considers the creation and long-term development of a comprehensive rotation of workforce to be an important area of its social and personnel policy. The Company not only attracts young professionals, but also educates them from school.

PJSC TOAZ carries out active work among schoolchildren and students, systematically implementing educational projects. In partnership with leading technological universities and colleges in the region of presence, the Company is implementing a program to attract students of industry-specific educational institutions for subsequent employment in PJSC TOAZ. Students conclude agreements on mutual obligations with payment of scholarships and provision of the opportunity to have on-the-job training at the enterprise.

In 2020, 9 graduates of the Career Guidance program of Togliatti Chemical Engineering College and Togliatti State University joined TOAZ team (workshops No. 01A, No. 03A, No. 05A, No. 29, No. 28, No. 32, and No. 34).

The enterprise assists schoolchildren in choosing the future job already at the secondary education stage. For this purpose, TOAZ continues to cooperate closely with Togliatti schools No. 10, No. 35, No. 39, No. 41, No. 57, No. 94 and No. 80.

At the beginning of 2020, Togliattiazot became a member of the project of the Chamber of Commerce and Industry of Togliatti «My future in the profession. Let's do Chemistry?» which is aimed at vocational guidance of schoolchildren and involves meetings dedicated to a particular profession throughout the year. Within the framework of the project, a meeting was held with schoolchildren of grades 7-9 and schoolchildren's parents, at which they got acquainted with the profession of a chemist. Togliattiazot representatives



told their parents about their work in the chemical industry, emphasizing that the salaries of employees were at a high level, the demand for personnel exceeded supply, and significant funds were constantly being invested in modernization. TOAZ organized an interactive platform where it introduced the children to the profession of a chemist. The chemical analysis laboratory assistants showed the children chemical experiments.

In 2020, a scientific and practical conference «First steps into science» for schoolchildren of grades 5-9 was held in Togliatti for the 16th time. Representatives of Togliattiazot joined the jury.

Togliattiazot continues to support talented youth - participants in the city research project competition «Takeoff». It is not the first year that «Takeoff» helps to search for and raise young people interested in science, engineering and technology. In 2020, students of grades 10 and 11 submitted ten research projects for the competition.

«TOGLIATTIAZOT NEEDS WELL TRAINED, INITIATIVE YOUNG SPECIALISTS. THESE QUALITIES ARE IMPORTANT BOTH TO EMPLOYEES FOR THEIR PROFESSIONAL GROWTH, AND TO THE COMPANY IN IMPLEMENTING ITS STRATEGIC OBJECTIVES. WE EXPECT THAT STUDENTS OF ENGINEERING AND TECHNICAL CLASSES, UPON ACQUIRING DEEP THEORETICAL KNOWLEDGE AND KEY PRACTICAL SKILLS, WILL BECOME OUR COLLEAGUES IN THE FUTURE. THIS IS THE IDEA OF OUR PROJECT. ANYWAY, WE ARE SURE THAT THE ENGINEERING AND TECHNICAL CLASSES OF PJSC TOAZ WILL ALLOW TALENTED YOUTH TO DIVE INTO THE TECHNOLOGICAL ENVIRONMENT, BROADEN THEIR HORIZONS AND INCREASE THE CHANCES OF ENTERING THE BEST TECHNICAL UNIVERSITIES.»

Sergey Gulkin, Deputy General Director -
HR Director of JSC «TOGLIATTIAZOT Corporation»

Togliattiazot representatives, as part of the Career Guidance program, attended an open day at Togliatti Chemical Engineering College and a Career Day at Togliatti Mechanical-Engineering College.

In 2020, Togliatti Chemical Engineering College conducted a demonstration examination according to Worldskills Russia standards for the first time. This examination allows graduates of secondary and higher education institutions to demonstrate their skills and receive an assessment of their knowledge according to international standards. Former college graduates, who are now PJSC TOAZ laboratory assistants, joined the commission as experts from Togliattiazot.

In 2019, PJSC TOAZ launched the Engineering classes project together with vocational guidance partners, Municipal Budgetary Institutions School No. 41 and Gymnasium No. 35. These classes include training in two fields — chemical-physical (in-depth study of chemistry, physics and mathematics) and physico-mathematical (in-depth study of physics, mathematics, computer science). TOAZ provided the classrooms with modern equipment: microscopes, reagent cabinets and interactive boards.

The main objectives of the initiative are to create conditions for the development of students' interest in the field of polytechnic education, to develop engineering and project thinking, to form a technological culture and design skills, technological process modeling skills, as well as to motivate graduates to make a conscious choice of engineering-technical and working professions according to the labor market situation and their own capabilities.

PRIORITY AREAS OF ACTIVITY AND DEVELOPMENT PROSPECTS

In 2021, TOAZ will continue to implement career guidance programs, namely:

- Engineering classes: involvement of students of 8th - 9th grades;
- Dual training system: increase in coverage by 50%.

Professional development and training of employees also remain among the priority areas of the enterprise. Within the framework of these areas, the following activities are planned:

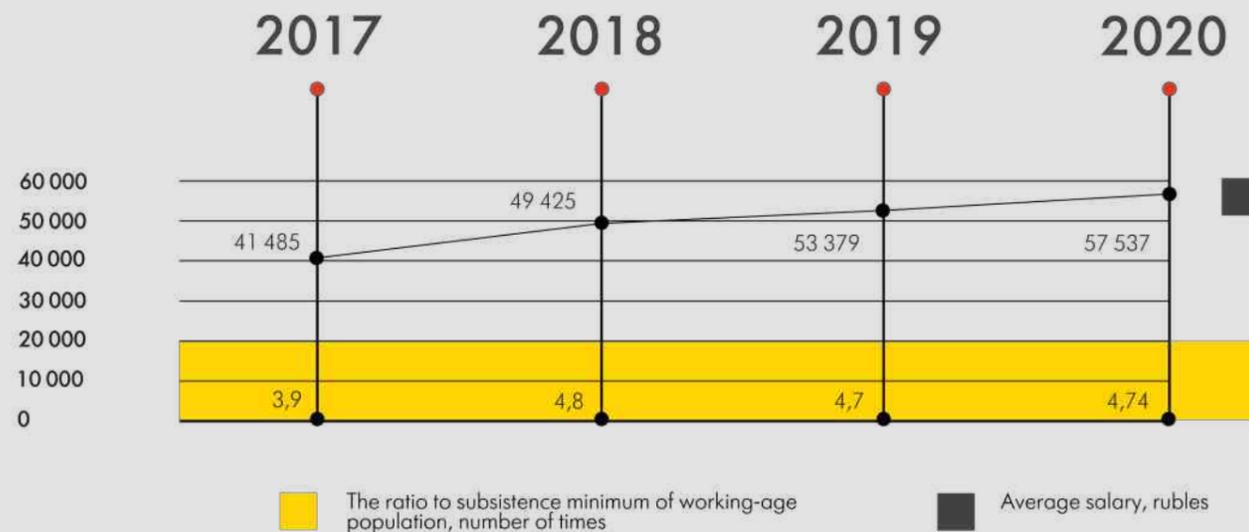
- internal training program on personal and team effectiveness, management trainings, development of online training;
- revision of the mentors' motivation system;
- updating the criteria for assessing professional statuses;
- training and development of employees;
- formation of the labor pool of the Company;
- revision of the Collective Bargaining Agreement for 2021–2023;
- indexation of salaries by 5%.



5.3. REMUNERATION SYSTEM AND PERSONNEL COSTS

AVERAGE SALARY OF EMPLOYEES, RUB

The salaries accounting system of PJSC TOAZ is in full compliance with employment and labor legislation.



The average salary at the enterprise in 2020 amounted to 57,537 rubles, which is 4.74 times higher than the subsistence minimum of working-age population.

In 2020, PJSC TOAZ implemented additional measures to support employees during the pandemic. Additional payments were made to employees meeting the special requirements during the pandemic. The first part of payments was received by the employees in April; the second part will be paid after the abolition of the face mask requirement. The total amount of payments to each employee will be 10,000 rubles.

The decision to provide financial support to employees was made by the General Director of JSC «TOGLIATIAZOT Corporation». By this means, the management of the plant supported the team and families of employees in a difficult epidemiological situation.

In addition, in order to support the families of employees during the pandemic, each employee of the enterprise received a payment of 5,000 rubles timed to coincide with the Chemist Day.

In April-June, employees who ensure the non-stop work of the main production workshops during the peak of the pandemic were provided with special working conditions at their workplaces and accommodation in Nadezhda health resort at the employer's expense in order to exclude cases of mass infection. Following the reduction of restrictive measures, these workers received additional payments.

In 2020, the Company allocated the total of about 91

million rubles to support employees during the pandemic. Another 79 million was allocated to ensure safety measures and the continuity of the production process amidst the coronavirus infection.

The salary, in addition to the main and motivational parts, includes compensation payments, incentive payments and bonuses for performing particularly important tasks outside the framework of main responsibilities. In 2020, salaries were indexed by 5%. Salary indexation applies to all PJSC TOAZ employees, regardless of their profession and position; the increase affects the fixed salary.

«THE MAIN PURPOSE OF THE MEASURES BEING CONDUCTED AT THE FACTORY IN THE CURRENT SITUATION IS TO PROVIDE THE MAXIMUM PROTECTION TO EMPLOYEES AND THEIR FAMILY MEMBERS IN A DIFFICULT EPIDEMIOLOGICAL PERIOD. OUR GENERAL SAFETY PRINCIPALLY COMES OUT OF THE PERSONAL RESPONSIBILITY AND DISCIPLINE OF EACH OF US».

Dmitry Mezheedov,
General Director of JSC «TOGLIATIAZOT Corporation»

5.4. SOCIAL SUPPORT OF THE PERSONNEL, INCENTIVES

EXISTING BENEFITS AND COMPENSATIONS

The policy of the Company is aimed at creating conditions for the social protection of employees, maintaining stability and a favorable psychological climate in the team.

The Collective Bargaining Agreement of PJSC TOAZ is recognized as one of the best among those of the chemical industry enterprises in Samara region. The social program of the enterprise includes more than 50 benefits, guarantees and compensations such as provision of financial support in various circumstances, preferential vouchers for children's camps and for treatment in health resorts, provision of transport and beneficial transportation services, additional paid vacations, remuneration for work on anniversary dates, etc. (53 in total).

In 2020, due to the pandemic in the midst of COVID-19, some of the most demanded benefits were not fully implemented (recreation of the employees' children in camps) or were partially implemented (recreation of employees in Nadezhda health resort). A total of 196 vouchers were sold. Payments after a birth of a child were received by 34 employees for a total amount of 680,000 rubles. A monthly allowance for children aged 1.5 to 3 years was provided to 43 people for a total amount of 558,000 rubles.

Togliatti's only departmental kindergarten Tulip, which receives full financial support from the Company, was created for children of PJSC TOAZ employees. The kindergarten has been operating since October 1993 and is the only kindergarten with a swimming pool in the Shlyuzovy microdistrict. TOAZ fully provides the pupils of the kindergarten with toys, textile products, furniture, and regularly carries out renovation of the building and internal premises. The Tulip kindergarten, in addition to preschool teachers, has single-subject specialists: music teachers, physical instructor, art teacher, teachers-logopedists. Among teaching personnel, 50% of employees are people with higher education, having the highest and first professional category. In 2020, 164 children spent time under the watchful attention and supervision.

For the third year, PJSC TOAZ implements a housing program for employees. The apartment house consisting of 726 apartments constructed by the Company is located in the Central district of Togliatti at 7 Novopromyshlennaya Street. Over the two years of the program, 161 apartments have found their owners. By the decision of a housing committee, 19 employees got an opportunity to move into the corporate

FINANCIAL ASSISTANCE WAS PROVIDED TO 211 EMPLOYEES IN DIFFICULT CIRCUMSTANCES, FOR A TOTAL AMOUNT OF 6.1 MILLION RUBLES.

«WE ARE TRYING TO TIME THE MOVE TO A NEW APARTMENT TO COINCIDE WITH THE MAIN FAMILY HOLIDAY OF THE YEAR. AFTER ALL, WELCOMING THE NEW YEAR IN A NEW APARTMENT IS VERY SYMBOLIC AND PLEASANT. WE UNDERSTAND THAT THE OPPORTUNITY TO IMPROVE THE LIVING CONDITIONS IS IMPORTANT FOR MANY TOGLIATIAZOT EMPLOYEES, AND WE DO EVERY EFFORT TO PROVIDE EMPLOYEES WITH COMFORTABLE ACCOMMODATION».

Yulia Petrenko, Deputy General Director -
Director on Public Relations of JSC «TOGLIATIAZOT Corporation»



house in the 4th quarter of 2020. The factory allocates housing according to the following rule: minimum 12 m² per person. The larger the family is, the more spacious apartment is provided.

In 2019, a partnership agreement was concluded with JSC Togliattikhimbank on preferential mortgage loans for the members of the Youth Council and the members of the Trade Union at the request of these public organizations.

In 2021, the Company will continue to collect applications from employees in need of housing.

TOAZ renews the Collective Bargaining Agreement every three years. At the end of 2020, the effect of the current one expired. Before concluding the new Agreement, the Togliattiazot administration conducted a survey to find out how satisfied the employees are with the scope of the benefits package. 25% of the team (1,050 employees) took part in the survey. 84% of respondents are satisfied with the scope of the benefits package. The employees named the free transport to and from the factory as the most demanded benefit (86% of respondents). The undisputed leader among the benefits offered for inclusion in the Collective Bargaining Agreement is the tourist destination. 80% of the respondents would like to receive vouchers to recreation centers of Samara region and resorts of the Black Sea coast at a discounted price.

«OUR IMMORTAL REGIMENT» EVENT FOR THE ANNIVERSARY OF THE VICTORY

In 2020, Russia celebrated the 75th anniversary of the Victory of the Soviet people in the Great Patriotic War. On the eve of May 9, a spread with «Our Immortal Regiment» photo project was published on the pages of PJSC TOAZ corporate newspaper Volzhsky Chemist. The stories of the Great Patriotic War veterans, told by the Company's employees, became the basis not only for this project, but also for the photo exhibition organized on the eve of May 9 located in the factory management hall.

«The Immortal Regiment» is an informal, family event. In 2020, the traditional large-scale march was canceled due to the pandemic. Thus, in order to honor the Great Patriotic War soldiers, the PR department organized the «Our Immortal Regiment» event at Togliattiazot. The Company's employees brought photographs to the editorial office and told about their heroes, i.e. relatives who fought at the front line and took part in fierce battles. In total, 56 stories of the war participants, witnesses and heroes were collected. Throughout 2020, publications about them have been printed on the pages of the newspaper.



«THE CONTRIBUTION OF YOUR COMPANY AND THE EMPLOYEES PARTICULARLY TO THE DEVELOPMENT OF THE REGION CANNOT BE OVERESTIMATED. TOGLIATIAZOT IS THE LARGEST UREA SUPPLIER ON THE RUSSIAN AGRICULTURAL MARKET AND ONE OF THE MAJOR AMMONIA PRODUCERS IN RUSSIA. THIS IS THE RESULT OF THE WORK OF THOUSANDS OF PEOPLE, WHICH SETS THE PACE AND THE PROSPECT FOR THE ECONOMIC RISE OF SAMARA REGION».

Andrey Shamin,
Deputy Minister of Industry and Trade of Samara region

Company's employees who participated in the construction and commissioning of plants, in equipment repair, and those who have shown their worth in day-to-day activities. Particular attention was paid to those employees who have been working at TOAZ for most of their lives.



Dmitry Mezheedov,
General Director of JSC «TOGLIATIAZOT Corporation»

CHEMIST DAY

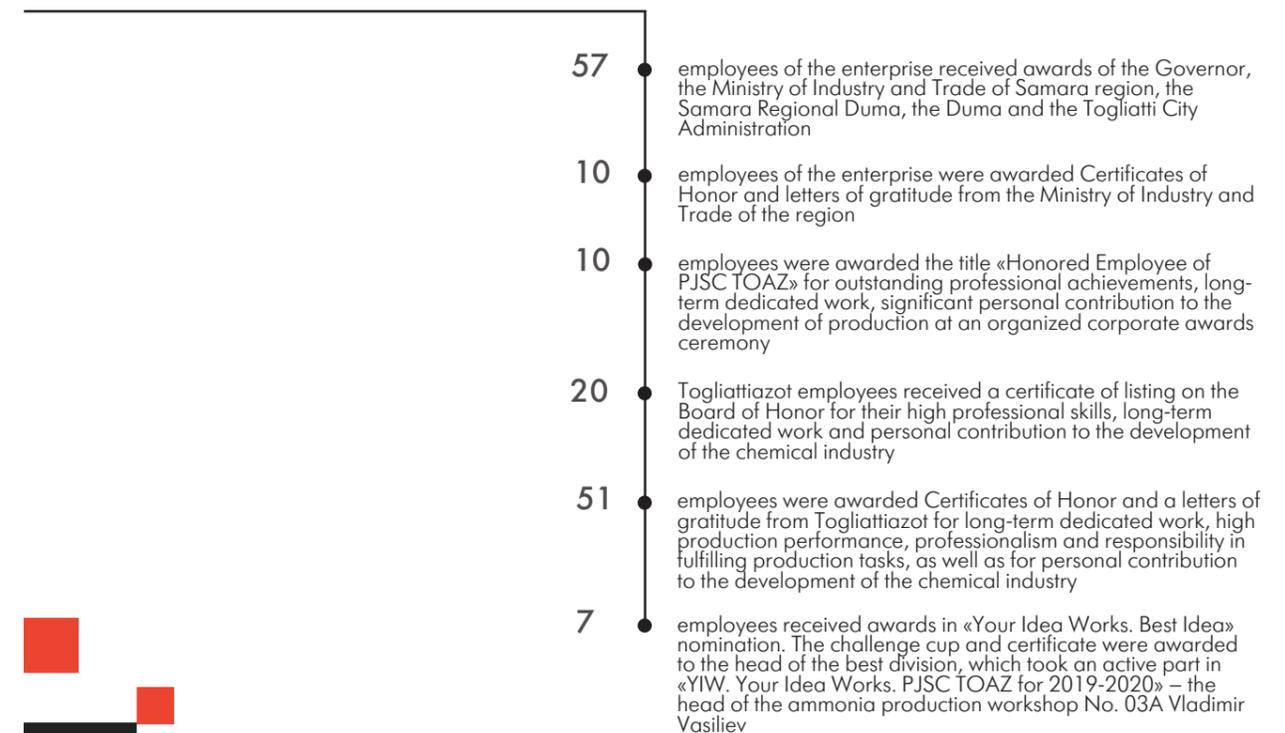
The coronavirus pandemic put a veto on all public events. The main holiday for Togliattiazot, the Chemist Day, was no exception. In the reporting year, the traditional celebration at the factory's Community center, where TOAZ employees are usually honored, had to be canceled. The traditional awards ceremony took place later than usual.

The enterprise celebrated the Chemist Day on September 16. On this day, Andrey Shamin, the Deputy Minister of Industry and Trade of Samara region — curator of the petrochemical complex, visited Togliattiazot with an important and pleasant mission. He and the heads of the enterprise presented regional, departmental and factory awards to the main figures of the celebration: experienced production workers,

«THE CHEMICAL INDUSTRY IS ONE OF THE LEADING BRANCHES OF THE COUNTRY'S ECONOMY, ONE OF THE MOST DIFFICULT, INTERESTING AND PROMISING BUSINESS AREAS. UNDOUBTEDLY, THE MAIN PRIDE AND THE HERITAGE OF TOGLIATIAZOT ARE THE PEOPLE WHO CONSTANTLY PROVIDE EFFICIENT AND NON-STOP WORK OF THE HOME FACTORY. BEHIND THE SUCCESS AND ACHIEVEMENTS OF OUR ENTERPRISE, THERE IS THE WORK OF THOUSANDS OF PEOPLE, REAL PROFESSIONALS, WHO WORK WITH FULL COMMITMENT - THEY ARE WORTHY OF RESPECT AND THE HIGHEST APPRECIATION OF THEIR WORK».

Dmitry Mezheedov,
General Director of JSC «TOGLIATIAZOT Corporation»

AWARDS



MEDICAL SERVICES AND PROGRAMS TO PROMOTE A HEALTHY LIFESTYLE

Promoting a healthy lifestyle and caring for the health of employees is an essential component of the personnel policy of PJSC TOAZ. On the territory of the enterprise, there is a polyclinic with a team of narrow-profile medical specialists.

The employees' health protection program provides for qualified medical care and is aimed at reducing morbidity, organizing preventive work to improve the health of employees and to provide them with treatment, and eliminating occupational diseases. The polyclinic has the procedure, vaccination, physiotherapeutic rooms, a gym, a speleochamber, an aromatherapy room.

On the basis of the day in-patient facility, there is an ozone therapy room. General physicians, an ophthalmologist, an otolaryngologist, a dentist receive patients daily. Consultations with a surgeon, an ophthalmologist, a urologist, an endocrinologist, a neurologist, a pulmonologist and a gynecologist are carried out twice a week.

The enterprise has a free voluntary health insurance program.

IN 2020, 4,210 EMPLOYEES WERE PROVIDED WITH VHI POLICIES, 3,068 EMPLOYEES USED THE PROGRAM.

In the formation of a healthy lifestyle, the basic direction is the stimulation to engage in physical culture and sports. For employees of PJSC TOAZ and their children, there is a 30% discount on visits to the gym and swimming pool in the sports complex of the Togliattiazot Community Center. In 2020, 434 people used this service. Twice a day, the factory radio broadcasts an industrial gymnastics complex developed by the specialists of Nadezhda health resort.

Sports events such as basketball, volleyball, multidiscipline competition, carp fishing are held annually for the employees. The enterprise has organized hockey, football, volleyball and basketball teams. Due to the epidemiological situation, 430 tickets were purchased for cultural and sports events in 2020.





PROGRAM FOR SOCIAL SUPPORT OF THE RETIRED

One of the important areas of PJSC TOAZ social policy is the provision of support to employees of retirement age. According to the Regulations on non-state pension provision, which is in force in Togliattiazot, an employee who has worked at the enterprise for at least 10 years, and has no violations of labor and production discipline, has the right, upon dismissal due to retirement, to a monthly non-state pension in the amount of at least 10 percent from earnings prior to dismissal. The non-state pension is paid for five years, its amount, taking into account the labor contribution of a particular employee, can be increased.

The non-state pension is one of the most stable options for pension provision since it is built on a contractual basis and has security guarantees. The pension program of Togliattiazot works as follows: the non-state pension fund forms pension reserves at the expense of the employer's contributions, keeps a personalized record of liabilities for each of the pension accounts. In this case, the fund cannot dispose of clients' funds at its own discretion. It has a legal obligation to place pension reserves on the market on the principles of repayment, liquidity, diversification and reliability, in accordance with the placement rules established by law. In 2018, a rule that allows the Central Bank to force non-state pension funds to accrue additional income to clients if it is established that the fund, as a result of its actions, receives a yield below the market average, came into force. In addition, the fund operates a system of internal control, risk management, and each action of a non-state pension fund is accompanied by strict multilevel control.

Since 1993, employees of the Company have had the opportunity to receive an increase in state pension payments through the non-state pension fund Togliattiazot (later on – through the non-state pension fund Titan). The clients of the non-state pension fund Titan were not only TOAZ employees, but also employees of other organizations of the city. In September 2018, Togliattiazot transferred an agreement on non-state pension provision for its employees from Titan to another non-state pension fund called JSC Vnesheconombond with all obligations. This is a large fund, the capital of which is more than a billion rubles, and Vnesheconombank is the main client of

the non-state pension fund. The fund has been operating since 1992 and is one of the leaders in this segment of the economy.

In 2020, 121 employees received payments upon dismissal (more than 3 million rubles), 36 million rubles was sent to non-state pension fund.

The interests of former employees are represented by the Veteran Council. As of 2020, 1,408 people are members of the Veteran Council. Preferential payments such as quarterly financial assistance, New Year's gifts, as well as participation in various holiday events are provided for them.

In 2020, quarterly financial assistance was provided to 1,438 people for the total amount of 6,376,000 rubles.

Traditional quarterly celebrations of anniversary heroes and International Days for the Elderly were canceled due to the pandemic.



THE YOUTH COUNCIL

The Youth Council is involved in engaging young personnel in the active production and social activities of the enterprise. Its main task is to adapt new employees and participate in activities to attract new personnel. As of December 2020, the Youth Council consisted of 200 TOAZ employees (9 people joined the Youth Council in the reporting year).

The Youth Council organized 25 events with a total of more than 4,000 participants.

The active work of the Youth Council in 2020 is associated with volunteer activities: a volunteer headquarters was organized and assistance was provided to former employees and elderly residents being in self-isolation. Youth Council activists delivered food packages, medicines, and provided the necessary assistance.

PJSC TOAZ team took second place in the regional competition «Practical School of Teamwork in Management», the TOAZ Club for the Lightheaded and Quick-witted team entered the final of the Club for the Lightheaded and Quick-witted of Labor League of Samara region.

In 2020, the Togliattiazot Youth Council successfully held its own Olympic Games in the gym of the TOAZ Community Center. 26 athletes took part in the competition: 19 applicants in the men's part of the program competed in 8 disciplines, seven applicants in the women's part of the program competed in 7 disciplines.

THE TRADE UNION

77.8% of the Company's employees are members of the Trade Union. One of the main tasks of the Trade Union committee is the preparation, conclusion and monitoring of implementation of the Collective Bargaining Agreement. In addition, one of the most important tasks of the Trade Union is to monitor the conformity with labor protection requirements, safety rules and standards, industrial health. There are 43 public health and safety inspectors at TOAZ. Togliattiazot health and safety inspectors have repeatedly received winner's certificates and taken top places in competitions for the title of the best health and safety inspector of Samara region.

Since 2016, the Trade Union, together with the Administration, has been organizing weekend travel trips. The employees visit tourist places of Samara region and neighboring regions. In 2020, the trips were canceled due to the pandemic.

Due to the pandemic, the sporting life was not much intense: 179 employees took part in 7 events. The traditional corporate passing of GTO («Ready for labor and defense») physical training standards for TOAZ employees did not take place.

The own library is the pride of the Trade Union. It is considered to be one of the best libraries in Togliatti in terms of collection of books. In 2020, 6,515 people visited it, 11,317 books were borrowed. 158 new editions were purchased for the library. 402 books were donated to the library by the Company's employees.

For TOAZ first-graders, the Day of Knowledge is always preceded by the children's favorite holiday - the First-Grader Day, on which prospective schoolchildren are honored on the



stage of Togliattiazot Community Center. In 2020, the mass celebration was canceled, but the tradition was preserved, and the children of the employees were not left unattended – the first graders received their gifts, which, by the decision of the Trade Union of the enterprise, were enlarged. Through parents and grandparents who work at TOAZ, 170 schoolchildren received sets with pencils, felt-tip pens, notebooks and much more. TOAZbuka, a book about chemistry and chemists with fascinating tasks on science and production topics, became a pleasant and useful addition to the festive set. TOAZ did not forget about the traditional candy bar, at which the children and grandchildren of the Company's employees used to gather at the Community Center on the First-Grader Day after the stage performance. This year, the sets for first-graders were supplemented with a sweet gift. The employees of the enterprise received them for their children and grandchildren at the Trade Union organization.

In the reporting year, 2,522 employees received financial assistance. Moreover, the Trade Union allocated 60 interest-free loans to the people in need.

«THE TOGLIATTIAZOT TRADE UNION IS KNOWN FOR ITS ACTIVE POSITION AND CONTINUOUS ACTIVITIES FOR THE GOOD OF THE PERSONNEL. SIGNIFICANTLY, MOST OF THE INITIATIVES GET SUPPORT BY THE COMPANY'S MANAGEMENT. THEREFORE, IT'S NOT SURPRISING THAT OUR YOUNG SPECIALISTS WILLINGLY PROPOSE THEIR INITIATIVES, WHICH WILL CONTRIBUTE TO FURTHER SUCCESS OF TOAZ».

Olga Sevostyanova, Chairman of the primary Trade Union organization of PJSC TOAZ, Member of the Samara Regional Duma

In 2020, three young employees of PJSC TOAZ became the winners of the regional review competition «The Best Young Trade Union Leader» organized by the Samara Regional Committee of the Russian Trade Union of Workers of Chemical Industries. Each participant of the competition, which was held in three nominations, presented to the organizers a personal trade-union project on the topic «Innovative improvement of the activities of the primary trade union organization or the youth structure». The personal trade-union projects presented by the contestants were highly appreciated by the members of the Samara Regional Committee of the Russian Trade Union of Workers of Chemical Industries and were recommended for use in the activities of primary trade union organizations.

According to the decision of the competition committee, Ilya Sivolobov, Chairman of the workshop committee of the Trade Union, workshop No. 28 of PJSC TOAZ, became the best workshop leader of the Trade Union committee. Ekaterina Shmeleva, a member of the Youth Council of PJSC TOAZ responsible for intellectual development, a member of the workshop committee of the Trade Union, workshop No. 12, was recognized as the best young leader of the elected youth body. Anna Agaeva became the best young Trade Union activist. At a ceremony held on July 13, the winners received Certificates of Honor from the Russian Trade Union of Workers of Chemical Industries and cash prizes.

5 HECTARES

■ OF SEEDLINGS WERE PLANTED



Elena Efimova
Battery Technician of Power Supply
Workshop No.18

+ + +
+ + +

P J S C « T O A Z »

CHAPTER 6 ECOLOGY AND ENVIRONMENTAL PROTECTION

6.1. ENVIRONMENTAL POLICY OF THE COMPANY

PJSC TOAZ pays great attention to issues of environmental protection in the region. One of the main conditions for this activity is strict observance and implementation of environmental requirements of the Russian legislation. The management of the enterprise considers it its duty to maintain a favorable environmental situation and safe living conditions in the region of presence.

«PJSC TOAZ TAKES CARE OF THE ENVIRONMENT OF TOGLIATTI. WE ARE RENEWING PRODUCTION AND WASTE WATER TREATMENT FACILITIES, THEREBY ENSURING LEADERSHIP NOT ONLY IN PRODUCTION, BUT ALSO IN REDUCING THE IMPACT ON THE ENVIRONMENT. WE ACTIVELY PARTICIPATE IN CAMPAIGNS AIMED AT PRESERVING NATURE (PLANTING FORESTS, REMOVING LANDFILLS). TOGLIATTIAZOT IS RESPONSIBLE FOR THE ENVIRONMENT, BECAUSE OUR AND OUR CHILDREN'S FUTURE DIRECTLY DEPENDS ON THE STATE OF THE ENVIRONMENT».

Dmitry Mezheedov,
General Director of JSC «TOGLIATTIAZOT Corporation»

The Company implements environmental programs in three main areas:

- Air basin protection;
- Water basin protection;
- Reduction of the negative impact of production waste.

Effective environmental policy is the key to sustainable development of the Company and successful engagement with stakeholders as part of their commitments.

The environmental principles of PJSC TOAZ are based on the following principles of the Company:

- Sustainable development;
- Rational nature management;
- Integrated environmental management.

Togliattiazot in its work tries to adhere to strict compliance with the requirements of the legislation of the Russian Federation, in the field of environmental protection, industrial safety and labour protection, also taking into account the requirements of international standards.

To ensure the most efficient use of natural resources, TOAZ invests in the introduction of innovative technologies and



methods for ensuring environmental and industrial safety. 51 billion rubles were spent on modernization in 2020, including upgrading the equipment and introducing new, more environmentally friendly and reliable technologies.

The Company widely practices the use of internal regulatory documents and procedures governing activities in the field of ecology and ensuring the health of employees. The fundamental principles are reflected in PJSC TOAZ policy in the field of industrial and environmental safety, health and labour protection.

Every year, the Company implements a number of measures aimed at reducing the negative impact on the environment and at preventing risks in the field of industrial safety and labour protection.

ORGANIZATIONAL STRUCTURE OF HSE MANAGEMENT

Management of Health, Safety and Environment (HSE) is implemented at all organizational levels of the enterprise. In the managing company, responsibility for strategic decisions in this area is assigned to the Deputy General Director – Production Director and his deputy in the field of environmental protection and labor protection.

At the enterprise, there is Environmental Protection Department under the control of the HSE Chief Specialist, which carries out internal inspections of the Company for compliance with the requirements of the legislation of the Russian Federation in the field of labor and environmental protection.



GOALS AND TASKS IN THE FIELD OF ENVIRONMENTAL PROTECTION

The strategic goal of PJSC TOAZ is a constant reduction of the negative impact on the environment at all stages of the production cycle. For each essential aspect, the most important tasks are the following:

- Reduction of harmful emissions into the atmosphere;
- Reduction of wastewater discharges into water bodies and improving the quality of wastewater discharged;
- Reduction in the volume of production waste and an increase in the percent of recovered waste;
- Compensation of environmental impact due to implementation of environmental initiatives to restore natural resources and improve the quality of the environment.

Implementation of PJSC TOAZ development strategy until 2025 and the modernization programs are aimed at creating a modern enterprise, where the work of the Company's employees is aimed at the careful use of natural resources and solving urgent environmental problems. The responsible and sensitive attitude of the team towards the preservation of the region's natural resources allows TOAZ to proceed towards improving the quality of life of employees, their families and the city as a whole.



KEY ACHIEVEMENTS FOR 2020:

- about **488,000,000** rubles is allocated for implementation of environmental protection actions and projects
- **5** hectares of seedlings planted for reforestation of the woods burned down in Togliatti
- more than **12,000** fry is released into the Volga
- **8%** reduction in natural gas consumption
- **18%** reduction of volume of emissions of pollutants into the air by the enterprise

6.2. ENVIRONMENTAL IMPACT

The enterprise takes measures to reduce the total amount of air emissions, wastewater discharges and solid waste disposal. In 2020, the emission of pollutants into the atmospheric air at the enterprise, taking into account all structural divisions, amounted to about 9,000 tons, which is 18% less than in 2019. To reduce emissions of pollutants into the atmosphere, dust and gas recovery units are used. In addition, TOAZ currently recovers 41% of carbon dioxide generated during the production of ammonia, mainly due to its use as a raw material for the production of urea and carbon dioxide. At the same time, after commissioning of Urea Plant No. 3, Togliattiazot will increase the CO₂ recovery rate by another 35%, and the overall decrease in CO₂ emissions into the atmosphere will amount to 26.64 million Nm³ per month. TOAZ strategy until 2025, approved by the Board of Directors in 2019, provides for construction of Urea Plant No. 4, the start of which will allow the Company to achieve carbon neutrality.

To monitor the quality of atmospheric air at the factory's production site and in the sanitary protection zone, the enterprise uses its own unique accredited sanitary and industrial laboratory, which, in accordance with approved schedule of the analytical control, conducts air sampling at sources of polluting emissions. In addition, the control is carried out by the third-party accredited laboratory FSBI «CLATM VFD». During 2020, more than 1,200 air samples were taken.

Togliattiazot in its activities depends on the availability of water resources. That is why improving the ecological state of the Volga river is one of the most important aspects of the enterprise's environmental activities. The key role in ensuring this task is assigned to the wastewater treatment facilities of PJSC TOAZ, which not only treat the Company's own wastewaters, but also serve the facilities of the Northern industrial hub and household customers of the Komsomolsky district of Togliatti. Due to the ongoing modernization of treatment facilities, TOAZ has managed to reduce wastewater discharge by 1.3% over the past six years, from 20,754,000 m³ in 2015 to 20,480,000 m³ in 2020 (in 2019 – 20,502,000 m³).

One of the main working units here is aeration tanks with activated sludge. For biological treatment, aeration tanks and secondary clarifiers are needed. At the treatment facilities of TOAZ there are four aeration tanks, located in units of two, with a total volume of 64,000 m³ of waste water, and three secondary clarifiers. They operate in the system in a flow-through mode. Activated sludge in an amount of at least 40% of the waste water volume is constantly fed into the first tunnel of the aeration tank, mixed with waste water and, moving along the second and third tunnels, continuously cleans the incoming waste water. Then the mixture of sludge and waste water enters the secondary clarifiers, where, under the action of gravity, the purified water is separated from the sedimentating activated sludge. Activated sludge is a self-replicating bacteria colony that is regenerated monthly. Waste water entering the treatment facilities of Togliattiazot has a constant composition of contaminants and all the necessary elements for the comfortable conditions for microorganisms, i.e. nitrogen (from the industrial site), carbon and phosphorus (from



TOGLIATTIAZOT TAKES A RESPONSIBLE APPROACH TO THE PRESERVATION OF VOLGA WATERS: FOR 40 YEARS IN A ROW, THE FACTORY'S WASTEWATER TREATMENT FACILITIES HAVE BEEN PURIFYING AND DISINFECTING MUNICIPAL AND INDUSTRIAL WASTEWATER (DESIGN CAPACITY – 104,000 M3 PER YEAR).

domestic wastewater). Over the years of operation of treatment facilities, activated sludge on them has been specialized for «established flow».

A lot of work is being done to revamp the wastewater treatment facilities at the enterprise. In 2020, in order to improve the quality of wastewater, the following activities were taken at the wastewater treatment facilities, which allowed reducing the negative impact on the environment:

- replacement of germicidal lights for ultraviolet disinfection was carried out at the installations of the UDV-1000/360-D23 type, which made it possible to efficiently perform the disinfection of waste water;
- replacement of the centrifuge of OGS 631-K02 type, which made it possible to increase the efficiency of effluent sludge dewatering;
- a major overhaul of the primary clarifier No. 4 was carried out with the replacement of ISO-30 sludge scraper, which made it possible to improve the quality of mechanical wastewater treatment.

In addition, the following activities for control over the state of water bodies are implemented at the enterprise:

- monitoring of wastewater at the discharge to the Saratov water reservoir;
- mixed flow biotesting;
- virological analyses;
- microbiological research at dissipating discharge with a hygienic assessment of the results with involvement of specialized organizations.

The whole range of activities carried out in 2020 at the wastewater treatment facilities of PJSC TOAZ is aimed at reducing the negative impact on the water bodies of the region.

To reduce water consumption, Togliattiazot uses circulation water supply system for ammonia plants, in which water undergoes special treatment with reagents that restore its characteristics for further use. In addition, the factory provides water recycling systems, in which water is used repeatedly without special preparation. The functioning of these process systems can significantly reduce the consumption of water resources from natural sources.

In addition to caring about water quality, the enterprise is actively implementing a program for reproduction of the Volga's biological resources. In total, since 2008, within the framework of systematic work, the enterprise has released almost 285,000 carp and sterlet fry. In 2020, more than 12,000 fry was released.

At the territory of the enterprise, there is a landfill for waste disposal and sludge lagoons for temporary storage of sludge. The hydraulic structures comply with all regulatory requirements of the legislation of the Russian Federation. Monitoring of hydraulic structures is carried out annually with the involvement of specialized organizations. The activated sludge formed at the wastewater treatment facilities, after passing through analytical control carried out by the federal supervision services, is used as fertilizer when restoring the fertile soil layer on the burned out forest lands of the region.

The environmental activities of PJSC TOAZ are aimed at improving the reliability of equipment operation through a modernization program, improving the system of environmental monitoring and control over the state of atmospheric air, water and soil, and reducing the technogenic impact on the environment.

Moreover, PJSC TOAZ initiates and supports numerous environmental campaigns, including:

- Campaigns for reproduction of biological resources, for landscaping;
- Forest planting in Togliatti;
- Annual community work days in the city, ecological bicycle races;
- Waste paper and batteries collection.

«THE MAIN TOOLS THAT OUR FACTORY USES TO REDUCE ENVIRONMENTAL IMPACT ARE CONTINUOUS MODERNIZATION AND IMPLEMENTATION OF THE BEST AVAILABLE TECHNOLOGIES. ONE OF THE MOST IMPORTANT TASKS OF OUR ENTERPRISE IN THE FIELD OF ENVIRONMENTAL PROTECTION IS TO REDUCE EMISSIONS INTO THE ATMOSPHERE. BY OPTIMIZING TECHNOLOGICAL PROCESSES AND REPLACING EQUIPMENT WITH MORE ENVIRONMENTALLY FRIENDLY, TOGLIATTIAZOT HAS REDUCED EMISSIONS OF NITROGEN OXIDES AND CARBON MONOXIDE. ONE OF THE EMISSION COMPONENTS, CARBON DIOXIDE, IS REUSED IN PRODUCTION. NOW TOGLIATTIAZOT IS BUILDING UREA PLANT NO. 3, THE COMMISSIONING OF WHICH WILL MAKE IT POSSIBLE TO PRACTICALLY COMPLETELY PROCESS CARBON DIOXIDE GENERATED DURING THE PRODUCTION OF AMMONIA».

Viktor Kazachkov
Director of Technical Policy of PJSC TOAZ



6.3. ENERGY EFFICIENCY

In the course of its work, PJSC TOAZ focuses on indicators of efficient energy consumption. The Company uses the following types of energy resources in its activity: natural gas, as the raw material and energy source for production of ammonia and urea, electric and thermal energy.

«SINCE 2012, PJSC TOAZ HAS BEEN IMPLEMENTING A PROGRAM FOR MODERNIZATION OF PRODUCTION FACILITIES, TO BE CARRIED OUT UNTIL 2022, WITHIN THE FRAMEWORK OF WHICH A LARGE-SCALE RENOVATION OF THE ENTERPRISE IS UNDERWAY. DUE TO THE MODERNIZATION PROGRAM, TOAZ HAS SIGNIFICANTLY REDUCED GAS CONSUMPTION RATES (I.E. REDUCED THE CONSUMPTION OF THIS NATURAL RESOURCE PER UNIT OF PRODUCTION), FOR EXAMPLE, AT AMMONIA PLANT NO. 3, DUE TO THE TECHNICAL RE-EQUIPMENT, THE CONSUMPTION OF NATURAL GAS PER TON OF PRODUCT HAS BEEN REDUCED BY ALMOST 8%».

Viktor Kazachkov
Director of Technical Policy of PJSC TOAZ

Production facilities consume significant resources, which affect the prime cost of production. Therefore, one of the strategic goals of the Company is to increase competitiveness through more efficient operational activities, also by reduction of production costs. Every year, PJSC TOAZ implements a number of activities aimed at reduction of energy consumed, increase of energy efficiency and strengthening control over energy consumption. In the context of rapid growth of resources cost, this objective is of particular importance.

The starting point for energy efficiency projects at TOAZ was entry into force of Federal Law dated November 23, 2009, No. 261-FZ «On energy saving and improvement of energy efficiency». In 2012, an Energy Audit was conducted at the enterprise. By implementing the proposals of specialized organizations, the factory continued technical re-equipping of the plants in order to increase efficiency and reduce energy costs. Ensuring energy supply control allows the enterprise to guarantee uninterrupted operation, improve energy efficiency indicators, and reduce the negative impact on the environment due to energy saving.

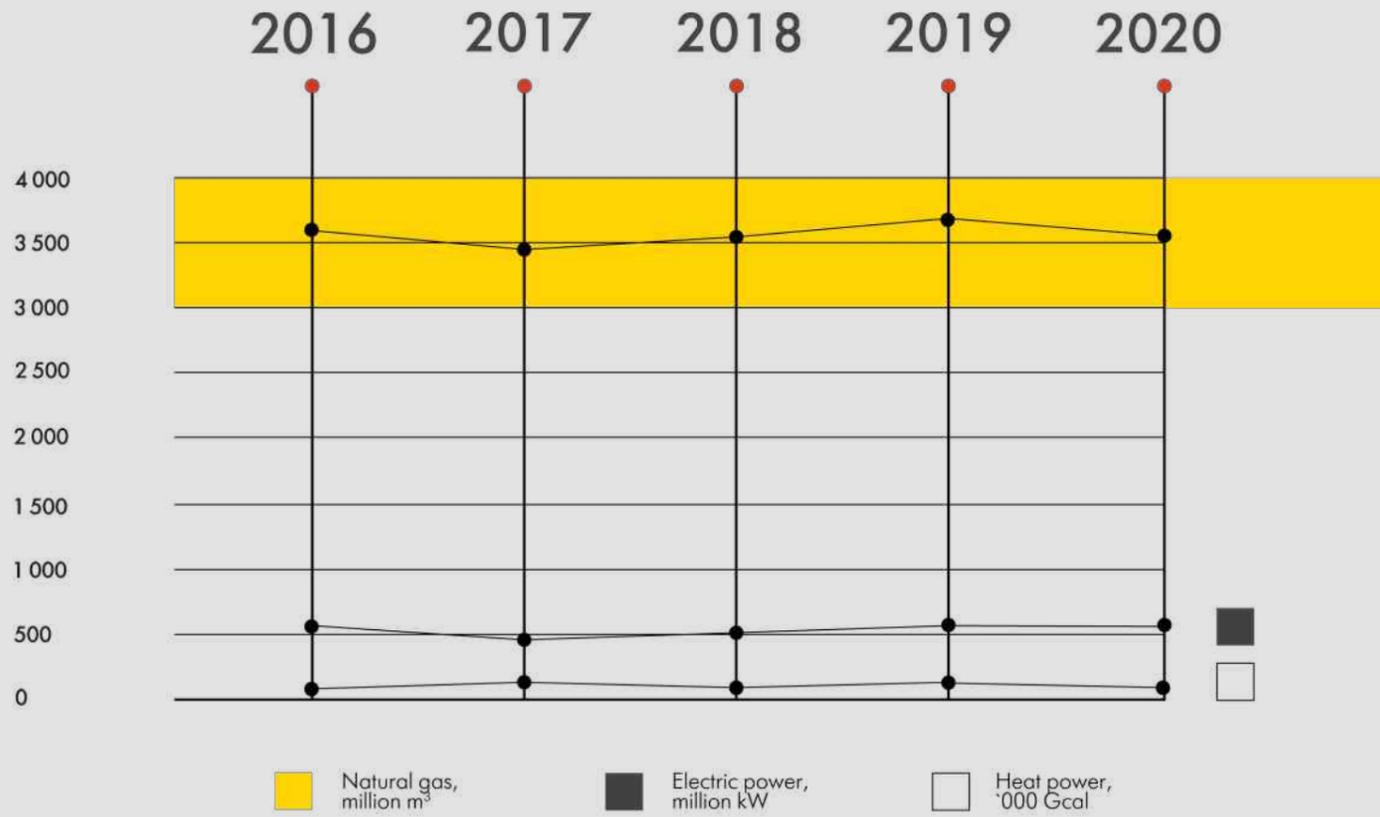
The Company implements programs for replacement and modernization of equipment, increasing the efficiency of its use, reducing indirect losses, as well as organizational activities aimed at involving personnel in resource saving.

In 2020, the enterprise's consumption of energy resources was as follows:

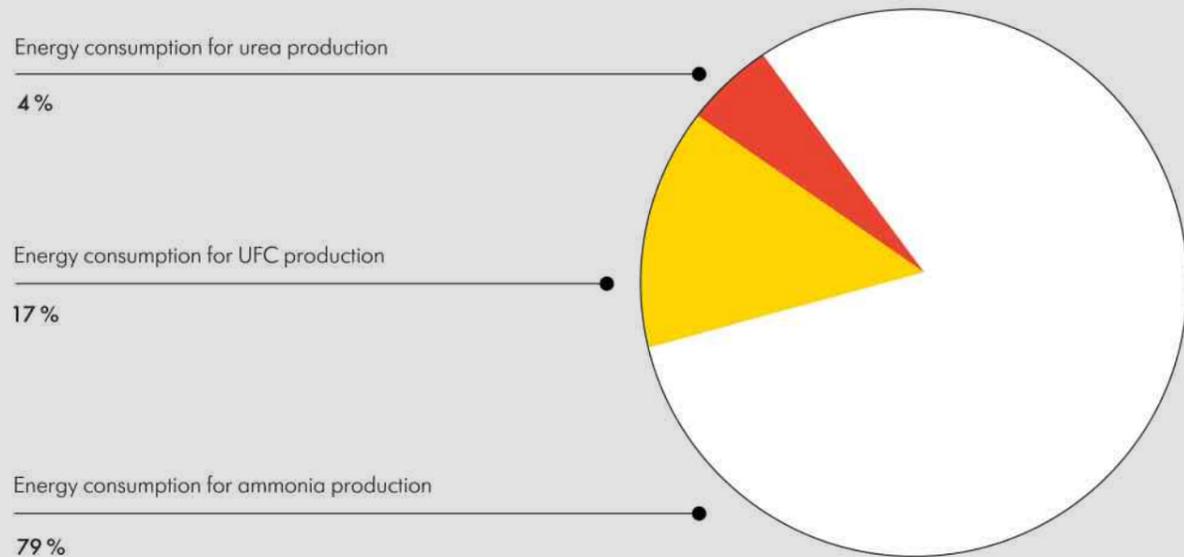
Natural gas	3,740,003,25 m ³
Electrical power	547,854,181 kWh
Heat power	144,206.34 Gcal
Diesel fuel	1 371 t
Motor petrol	229 t



ENERGY RESOURCES CONSUMPTION



SHARE OF ENERGY INTENSITY OF PRODUCTS IN 2020



IN 2020, A NUMBER OF ACTIONS AIMED AT REDUCING OF ENERGY CONSUMPTION AND INCREASING OF ENERGY EFFICIENCY OF PRODUCTION PROCESSES WERE PERFORMED, INCLUDING:

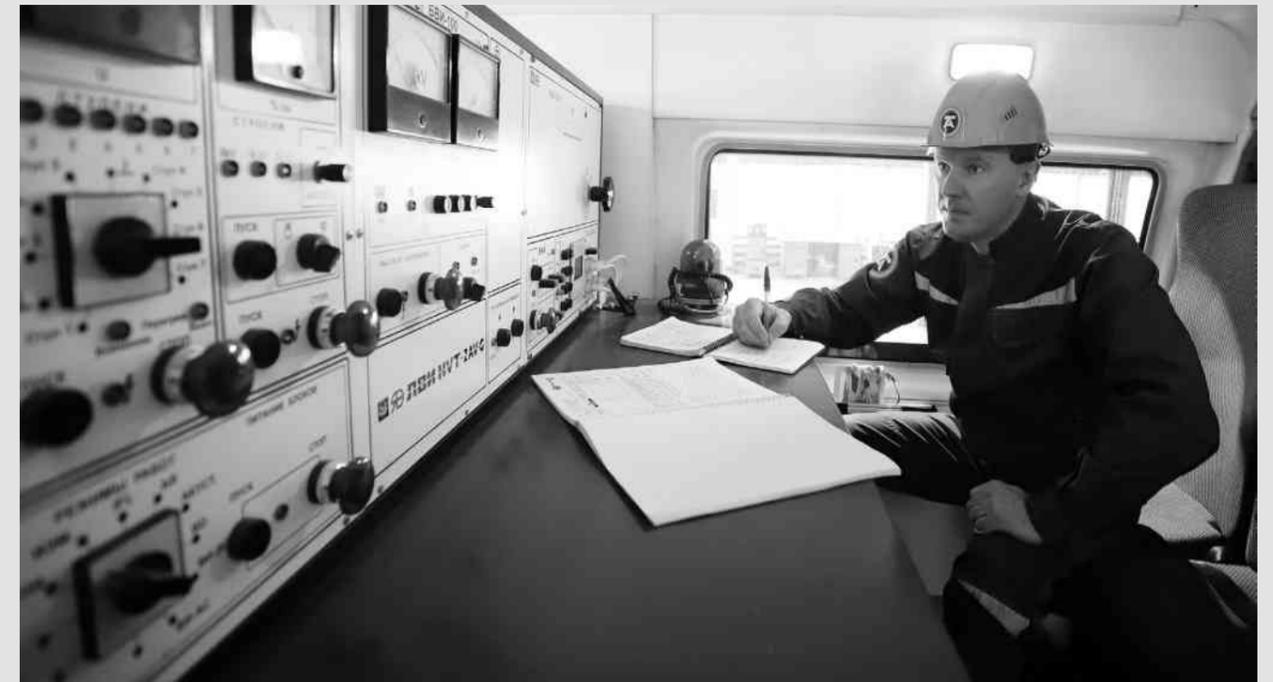


- replacement of 6 kV air circuit breakers with vacuum ones at substations of Ammonia and Urea Plants;
- replacement of power transformer at MSDS-2, 2T, TRDN-80 MVA;
- replacement of 0.4 kV automatic circuit breakers at substations of Ammonia Plants No. 3 and No. 4;
- replacement of street mercury arc lamps with LED ones for lighting process units of Ammonia and Urea Plants. 860 lamps were replaced at Urea Plants;
- implementation of a variable frequency drive (VFD) for energy-intensive electric motors of building No. 507 at the urea production.

THE PLANS FOR ENERGY SAVING FOR 2021 INCLUDE THE FOLLOWING ACTIONS:



- implementation of frequency regulation of electric drives;
- replacement of high-voltage oil bushings at 110 kV substation;
- inspection of oil facilities of 110 kV cable lines;
- replacement of gravel coating of oil receivers of power transformers at substations and main step-down substations;
- putting into operation of the «Telemechanics» system.



6.4. ENVIRONMENT ACTIVITIES

PJSC TOAZ strategy is to minimize the negative impact on environment. Therefore, at the initiative and support of the enterprise, a large number of various environmental activities are carried out annually in the region including the ones organized by the public organization Social Ecological Union, which the Company has close cooperation with. TOAZ takes part in solving issues of preservation of environment together with public organizations, residents and administration of the city and the region.

TOTAL COSTS AND INVESTMENTS IN ENVIRONMENTAL PROTECTION



PJSC TOAZ annually invests in development of the environment protection system in order to maintain the necessary level of industrial and environmental safety.

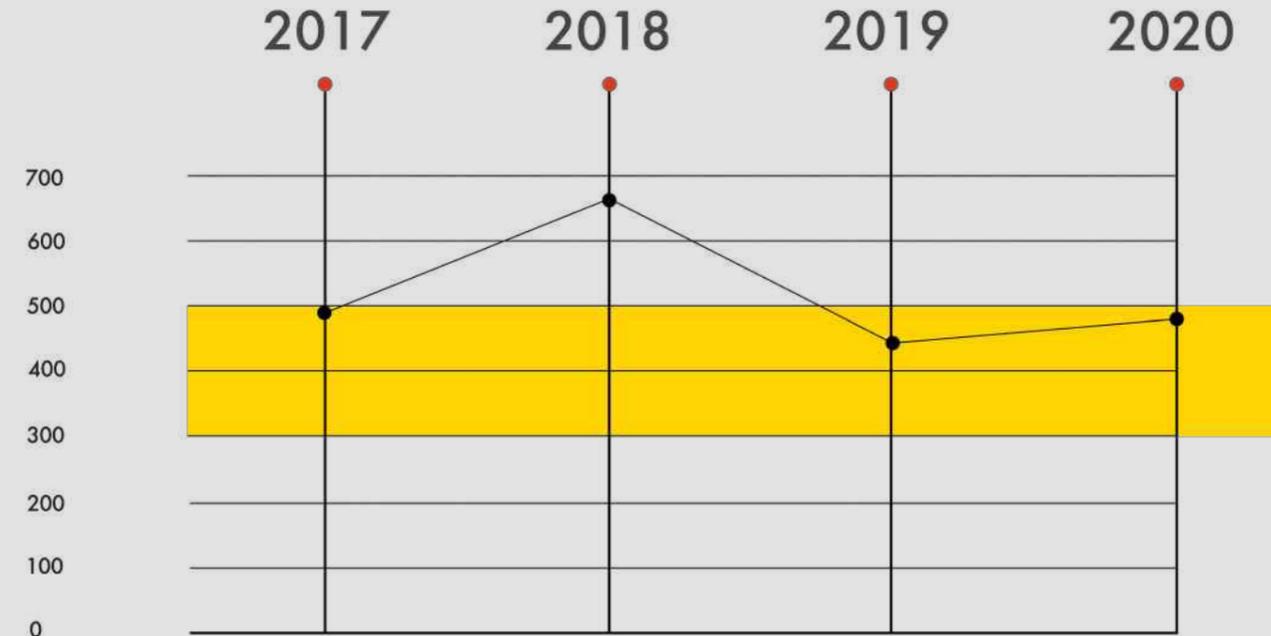
In 2020, about 488 million rubles was allocated to the implementation of the environmental protection activities and projects to protect the environment.



DYNAMICS OF COSTS FOR ENVIRONMENTAL PROTECTION ACTIVITIES:

Costs for environment protection, '000 RUB.	2018	2019	2020	2019 2020
Air protection and climate change mitigation	56 202	53 392	64 070	19,9%
Waste water collection and treatment	157 918	170 473	204 567	19,9%
Production and consumption waste management	9 555	10 994	13 192	19,8%
Other directions of activities in the sphere of environment protection	409 695	209 721	205 978	-1,78%
Total	633 370	444 580	487 807	9,72%

COSTS FOR ENVIRONMENT PROTECTION, MILLION RUBLES



more than 1,500,000,000

rubles was the amount of investments allocated for environmental protection in the period from 2018 to 2020 (this amount does not include investments in terms of production facilities modernization, which have exceeded 51 billion rubles since 2012)

19,9%

reduction in natural gas consumption

19,8%

reduction of volume of emissions of pollutants into the air by the enterprise



THE COSTS FOR OTHER ACTIVITIES IN THE FIELD OF ENVIRONMENTAL PROTECTION INCLUDE:

- Comprehensive surveys, including engineering and ecological, engineering and geological, engineering and geodetic, as well as engineering and hydrometeorological as part of the Utilization of Sludge from the Sludge Collector project (these surveys were carried out in 2018-2019);
- Artificial reproduction of biological resources in order to compensate for damage: release to the Volga River of fry of valuable fish species and other.

LANDSCAPING, CLEANING, ELECTRONIC DOCUMENT FLOW

PJSC TOAZ annually conducts landscaping: planting of trees, shrubs and flowers. This helps to filter and reduce concentration of dust in the air.

In summer, grass is mowed on a regular basis in order to comply with fire safety. Grass after mowing is ground into mulch and used as a fertilizer. In winter, the snow is removed with the help of special equipment.

In 2016, the enterprise introduced an electronic document flow system: electronic signatures and electronic keys.

ENVIRONMENTAL PROJECTS

Togliattiazot annually participates in city community work days on cleaning up the territory and actively supports the program of Togliatti City Administration on liquidation of unauthorized disposal areas. In 2020, due to the special equipment allocated by Togliattiazot, Togliatti City Administration managed to dispose unauthorized landfills in the Komsomolsky district, the volume of collected garbage amounted about 180 m³ or about 36 tons. For the period from 2016 to 2020, about 636 tons of garbage were disposed.

PJSC TOAZ took part in environmental actions for rehabilitation of urban forest park area affected in large-scale fires of 2010. Together with volunteers, TOAZ employees planted seedlings on 5 hectares of forest land using the funds allocated by the enterprise. In total, TOAZ has restored 45 hectares of forest since 2014.

Togliattiazot annually carries out collection of waste paper and batteries. In 2020, 3.35 tons of waste paper were collected. For the last three years, TOAZ collected 27.94 tons.

Besides the care about the water quality, the enterprise actively performs the program on reproduction of the biological resources of the Volga. In the water area of the Saratov Reservoir, more than 12,000 of fry of valuable fish species were released in 2020. Totally, for the period since 2008 within the framework of the system work, the enterprise released almost 285,000 of carp and sterlet fry.

In 2020, Togliattiazot supported the Earth Hour environmental campaign: all over the world, the illumination of large industrial companies, the most famous monuments and buildings was turned off for an hour. On March 28, from 20:30 to 21:30, the power supply department turned off the lighting at facilities not involved in the continuous technological process. All the electricians on duty in the shops took part in the action. By participating in the Earth Hour, Togliattiazot demonstrated its solidarity with all responsible people on the planet.

The implementation of all these environmental measures allows to reduce the negative impact of PJSC TOAZ on the environment, as well as contributes to the sustainable development of the Company, increases credibility of the enterprise in the region.

All activities performed in 2020 are aimed at reduction of discharges, emissions of pollutants, environmentally safe storage and use of wastes, as well as increase of the level of employees environmental responsibility.

In 2021, the work in this direction is planned to be continued.

«THE ISSUE OF ECOLOGY IS RELEVANT NOT ONLY FOR TOGLIATTI. THE QUALITY OF WATER, AIR AND WASTE WATER IS A GLOBAL PROBLEM. THAT IS WHY IT IS SO IMPORTANT FOR BUSINESS TO BE RESPONSIBLE. AT TOGLIATTIAZOT, IT IS STRICTLY MONITORED THAT EMISSIONS INTO THE ATMOSPHERE ARE WITHIN THE NORMS ESTABLISHED WITHIN THE BOUNDARIES OF THE SANITARY PROTECTION ZONE. THE FACTORY WAS BUILT FORTY YEARS AGO AND THE PROCESS SCHEMES WERE THE MOST MODERN AT THAT TIME. TODAY WE FOLLOW THE UPDATES AND APPLY THEM IN PRODUCTION. TOGLIATTIAZOT IS ACTIVELY IMPROVING: IT CARRIES OUT TECHNICAL RE-EQUIPPING OF THE PLANTS, INTRODUCES ADVANCED TECHNOLOGIES, PURCHASES MODERN CATALYSTS, ABSORPTION SOLUTIONS, IT DOES EVERYTHING TO MINIMIZE THE IMPACT OF LARGE-SCALE CHEMICAL PRODUCTION ON THE ENVIRONMENT. ALL PROJECTS OF RECENT YEARS, IN ADDITION TO INCREASING BUSINESS EFFICIENCY, HAVE AN ENVIRONMENTAL FOCUS».

Viktor Kazachkov
Director of Technical Policy of PJSC TOAZ



ALLOCATED FOR OCCUPATIONAL HEALTH AND INDUSTRIAL SAFETY

371 MILLION

■ RUBLES



Ilya Gulyaev
Head of the fire station watch,
workshop No.35



P J S C « T O A Z »

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CHAPTER 7

SAFE PRODUCTION

7.1. PRODUCTION SAFETY REQUIREMENTS

The strategic goal of PJSC TOAZ in the field of production safety is to achieve leadership positions in the world in ensuring accident-free production activities, safe working conditions for employees, preserving the health of the population living in the areas of the Company's activities, and minimizing environmental impact.

«TOGLIATTIAZOT TURNS ITS FOCUS TOWARDS THE COMPLIANCE WITH ALL THE REQUIREMENTS AND PROVISIONS OF LAWS, INCLUDING THOSE IN THE FIELD OF ENVIRONMENTAL PRESERVATION AND PROTECTION. THE COMPANY'S GOAL IS TO SAVE AND INCREASE THE GOOD THAT TOGLIATTI AND ITS RESIDENTS HAVE. WE WANT US AND OUR CHILDREN TO LIVE A LONG AND HAPPY LIFE, AND TO HAVE THE RIGHT FOR SAFE WORK».

Sergey Shcherbakov, Director for Health, Safety and Environment of PJSC TOAZ

The Company, as the leader of the chemical industry of the Russian Federation in producing mineral fertilizers, is aware of the nature and range of its activities and understands the responsibility for ensuring a trouble-free production process, safe working conditions and minimizing environmental impact.

The Company considers it its duty to create a safe environment for employees, partners and the population of the region in which it performs its activities.

TOAZ is improving production processes, paying increased attention to the reliability of process equipment, ensuring its safe



and trouble-free operation, and introducing new technologies.

The risk management process in the field of production safety is a part of the overall risk management system of the Company; it forms a single structured process for identifying hazards, assessing risks and planning management measures.

The Company's risks in the field of occupational health and industrial safety are associated with:

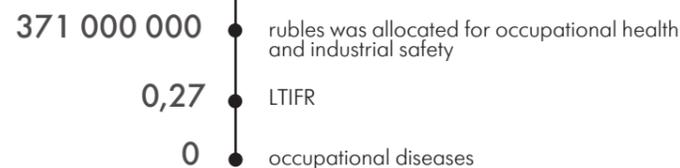
- accidents, incidents, fires and other situations characterized by damage to operating production facilities and equipment, deviation of the production process from the established parameters;
- injury to health of employees, contractors or visitors, and of the population of adjacent territories;
- impact on the environment during implementation of production and economic activities;
- imposition of penalties and suspension of operation of production facilities, deterioration of business reputation and decrease in the level of trust on the part of stakeholders in case of non-compliance with applicable legal requirements in the field of HSE.

Based on the results of risk assessment and prioritization, measures to prevent various emergency situations are being introduced, and readiness for a quick and effective response in case of their occurrence is being ensured. The risk management process is synchronized with the planning process of the Company's financial and economic activities to ensure financing of the established priorities for reduction of risks.



7.2. OCCUPATIONAL HEALTH AND INDUSTRIAL SAFETY

The most important condition for sustainable development of the Company is to ensure a high level of safety culture and production culture. At a chemical enterprise, there are always increased production risks. The system for their reduction is one of the key elements of successful and safe activity.



OCCUPATIONAL HEALTH AND INDUSTRIAL SAFETY ACTIVITIES:

- ↗ use of advanced technologies of such a level of safety of production facilities at which the risk of accidents is minimal;
- ↗ reduction of the likelihood of errors leading to accidents by improving the personnel skills;
- ↗ trainings on localization and liquidation of accidents;
- ↗ control over compliance of the employees working conditions with the standards established by the legislation and the Company's Collective Bargaining Agreement.

The Company has all the necessary licenses for all activities performed. Relevant documentation has been developed for hazardous production facilities; they are insured and operated in accordance with the requirements of industrial safety legislation. In 2020, 371 million rubles was allocated for occupational health and industrial safety.

In accordance with the Federal law «On industrial safety of hazardous production facilities», «Regulations for organization and implementation of production control over compliance with industrial safety requirements at a hazardous production facility», the Company has developed the Industrial Safety Management System.

The System is a complex of interrelated organizational and technical measures, guidelines and instructions for employees of the enterprise for prevention of emergencies and incidents at hazardous production facilities, as well as for localization and elimination of consequences of such accidents.

Production control forms an integral part of the industrial safety management system; it is carried out through a set of measures aimed at ensuring the safe operation of hazardous production facilities, at preventing accidents at these facilities and ensuring readiness for localization of accidents and incidents, and for elimination of their consequences. Data on

organization of the production control in terms of observance of industrial safety requirements are presented annually before April 1 of a corresponding calendar year in the form of electronic document to the Federal executive authorities in the field of industrial safety.

The necessary level of professional training of the personnel is provided by professional selection of personnel and on-time professional development of employees. Due to release of new Federal Rules and Regulations in the field of industrial safety, managers and specialists of PJSC TOAZ receive training and complete certification on safety to the extent corresponding to their official duties. Operational personnel is trained in accordance with the professional training programs for workers of main professions, as per qualification requirements for each class of a particular profession in compliance with the established training duration.

The focus area is the one aimed at ensuring safe working conditions for employees, in which increased attention is paid to identification and monitoring of violations of occupational health rules and regulations and immediate elimination of their causes. In order to maintain safe working conditions, a special assessment of working conditions at workplaces is carried out at the enterprise; following the results of this assessment,



measures to exclude or bring to an acceptable level dangerous and harmful production factors, severity and intensity of the working process are developed. PJSC TOAZ has also organized professional risk management based on the Fine-Kinney method. The employees working in hazardous working conditions are informed about the working conditions and the existing occupational risks at workplaces.

Employees of the enterprise are fully provided with certified work clothing, special footwear, personal protection means, as well as healthful and dietary food. Effective methods for ensuring industrial safety, based on the best world practices are being successfully implemented.

In 2020, Tagliattiazot took measures to prevent the spread of a new infectious disease - coronavirus infection (SARS CoV-2). The strictest multi-stage control was carried out at the enterprise from March to the end of the year.

The risk of a new infection has affected PJSC TOAZ right from the first day the information about it appeared in Russia.

Urea Plant No. 3 is being under construction at the Company's site. Workers and specialists from China are involved as subcontractors; a rotation shift method is used.

Togliattiazot has taken a number of measures to prevent the virus from penetrating and spreading throughout the factory:

- imposing of a 14-day moratorium on the admission of newly-arrived workers;
- changing of the working time pattern for PJSC TOAZ personnel and builders from China to exclude direct contact;
- organizing of food delivery to the contractors' place of work.

As a preventive measure, a requirement was established for contractors to be in the premises of Togliattiazot only wearing masks.

The enterprise introduced body temperature control for contractors from China: measurements were carried out every morning before passing the factory checkpoint. In addition, the personnel of medical unit No. 7 conducted a visual inspection of the Chinese workers at the checkpoint. In cases of suspecting a disease, repeated thermometry was performed. Additional disinfection of the premises was organized at the checkpoint: immediately after the workers from China passed through the checkpoint, desinfectants were used.

Since the summer of 2020, the rotation of foreign workers has been suspended, and restrictions have been imposed on their departure from Togliatti.

The administration of PJSC TOAZ carries out daily monitoring of the situation and controls the implementation of all preventive measures introduced at the site. The situation at the factory is under the control of a specially created Emergency Headquarters for preventing the spread of coronavirus infection. It includes all functional deputy general directors. The Company has introduced more than 20 restrictive measures aimed at preventing the spread of infection. To ensure proper sanitary conditions in crowded places, Togliattiazot regularly purchases medical masks and desinfectants for employees. Dispensers with desinfectants are placed at each checkpoint of the enterprise. In the premises, door handles, cabins and elevator buttons are cleaned with desinfectants. Additional disinfection of premises has been introduced at the checkpoints. In crowded places, bactericidal UV lamps and air recirculation irradiators («Dezar») have been installed.



REGULATION OF OCCUPATIONAL HEALTH AND INDUSTRIAL SAFETY ISSUES

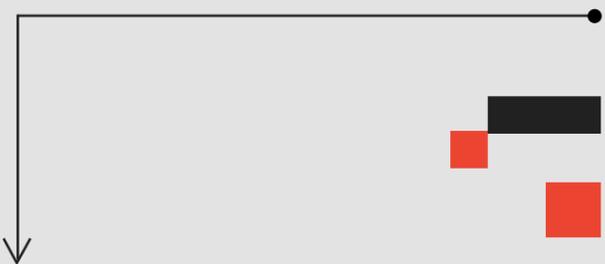


Production facilities of hazard class I and II are located at the enterprise. It is necessary to ensure their safe continuous operation by means of controlling the risks of thermal, baric and toxic damaging factors.

The recommendations for workplace safety are set out in the Collective Bargaining Agreement.

To resolve the issues on occupational health and industrial safety, a special department has been created, i.e. the Occupational Health Commissioners Department. It operates as per the «Regulation on the occupational health commissioners of PJSC TOAZ» which was developed and approved in 2008 in accordance with Art. 370 of the Labor Code of the Russian Federation, Art. 20 of Federal law dated 10.01.1996 No. 10-FZ «On Trade Unions, their rights and guarantees of activity» and the Charter of the Russian Trade Union of employees of chemical industries.

When choosing contractors, the Company considers their readiness to comply with HSE requirements of PJSC TOAZ. All the necessary requirements for occupational health and industrial safety are included in the annexes to the contracts for works and services. The Company's specialists monitor compliance with these requirements. Violation of the obligations leads to penalties or termination of the contract. Application of these sanctions leads to an increase of responsibility of contractors in the field of occupational health and industrial safety when performing work on the territory of PJSC TOAZ.



ACTIVITIES OF PJSC TOAZ IN THE FIELD OF OCCUPATIONAL HEALTH AND INDUSTRIAL SAFETY ARE REGULATED BY THE FOLLOWING BASIC DOCUMENTS:

- PJSC TOAZ Policy in the field of industrial and environmental safety, occupational health and safety;
- Fundamental safety rules;
- Behavioral Safety Audits Standard;
- Regulation on industrial control over compliance with the industrial safety requirements at hazardous production facilities of PJSC TOAZ;
- Occupational Safety Management System;
- Occupational Health and Industrial Safety instructions and rules for specific professions and types of work.

CONTROL OVER COMPLIANCE WITH THE REQUIREMENTS FOR OCCUPATIONAL HEALTH AND INDUSTRIAL SAFETY

The control measures to comply with occupational health and industrial safety rules and requirements is an integral part of the production safety system. The compliance with occupational health and industrial safety requirements is ensured within the framework of complex and thematic inspections, as well as through the control over hazardous production facilities. Control measures are performed by specialists of the occupational health and production control departments, by senior line managers.

A separate role in this area is assumed by the activities of the Trade Union Committee on HSE, participating both in joint inspections of compliance with occupational health and industrial safety rules and in protection of the interests of employees on various issues in this area. The rights of employees in the field of ensuring safe working conditions are provided for in the Labor Code of the Russian Federation and in the Additional Agreement to the Collective Bargaining Agreement of PJSC TOAZ. The Trade Union Committee holds regular meetings to settle issues in the field of occupational health. Annual reports on inspections for compliance with safe working conditions are sent to the Regional Committee of the Trade Union of chemical industry workers.

The occupational health commissioners (permanent members of the Russian Trade Union of Workers of Chemical Industries) regularly control the observance by the employer, officials and employees of occupational health rules. Occupational health commissioners also represent interests of employees in labor disputes, and advise employees on occupational health issues.



OCCUPATIONAL HEALTH COMMISSIONERS PERFORM THE FOLLOWING DUTIES:

- control over observance by the employer and workshop employees of occupational health regulations;
- participation in work of occupational health commissions under the chairmanship of the Head of the workshop;
- participation in development of measures to improve the culture of production;
- participation in provision of first aid;
- provision of information to employees of their division about the state of the working conditions and occupational health;
- monitoring of the state of equipment, areas of workshops, fire-fighting equipment, and personal protective equipment.

In 2020, the enterprise had 43 occupational health and safety commissioners, who are trained, have certificates and had been provided with all necessary documentation. In total, 32 people were trained and received the appropriate certificates in 2020. In 2020, the commissioners conducted 1,527 inspections on occupational health in

the Company's divisions; 98% of comments were rectified.

According to the results of 2020, a PJSC TOAZ employee, an occupational health commissioner, became the winner of the review competition «The Best occupational health commissioner of the Federation of Trade Unions of Samara region».



SPECIAL ASSESSMENT OF WORKING CONDITIONS

Monitoring and detection of violations of occupational health requirements and elimination of their causes are important activities of PJSC TOAZ.

According to Federal law dated 28.12.2013 No. 426-FZ «On special assessment of working conditions» and Federal law dated 28.12.2013 No. 421-FZ «On amendments to certain legislative acts of the Russian Federation in connection with adoption of the Federal law "On special assessment of working conditions"», the classifier of potentially hazardous and harmful working conditions has appeared in the methods of the special assessment of working conditions. In particular, in the new classifier, the number of factors of harmful working conditions was reduced by a third. The enterprise is assessing working condi-

tions as per indicators of harmfulness and hazard of the production environment, severity and intensity of the working process. Based on the results of a special assessment of working conditions, the measures are developed and implemented to bring working conditions in compliance with the requirements of state regulations, to assess occupational risks and to inform the employees working in harmful working conditions on the working conditions at the workplaces.

PJSC TOAZ certifies the managers and specialists of the enterprise in the field of industrial safety upon appointment to a new position or transfer to another work in the scope corresponding to their official duties. Certification may be primary, periodic or extraordinary, and it shall be carried out according to the approved schedule. Responsible persons for the certification to be performed are the heads of divisions, directorates, departments and workshops. Factory employees who have not passed the test of knowledge are sent for re-certification.

PERSONNEL HEALTH AND OCCUPATIONAL INJURY RATE

Staff members are one of the main values and one of the most important factors in the social policy of PJSC TOAZ. Therefore, the ensuring of occupational health and industrial safety, establishment of a comfortable working environment, protection of health and expanding of opportunities for recreation of employees is one of the Company's top priorities.

The main activities of the enterprise in the field of preservation of employees' health are:

- prevention of occupational diseases;
- reduction of overall sickness rate;
- improving of availability and quality of health care.

100 % of employees are provided with VHI policies
26 600 000 rubles was allocated to the VHI program

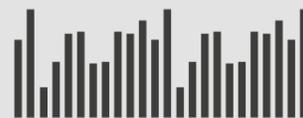
On the territory of the enterprise there is own medical unit No.7 and round-the-clock health post, the material base of which allows to carry out not only the medical examination, but also prevention and treatment of different diseases. The labor team is provided with modern types of treatment. The health of employees is closely monitored by qualified doctors. For employees whose work is associated with harmful and dangerous working conditions, the periodic medical examinations are conducted, and based on their results, treatment in Nadezhda health resort is prescribed if necessary.

In 2020, 2,700 employees of the factory underwent preventive examination. In addition, each employee of the Company has an opportunity to recreate and undergo preventive treatment in the health resort on favorable terms. The enterprise strongly recommends undergoing annual preventive treatment (including with the possibility of a partial release from work) to the heads of process and repair workshops whose work is connected with considerable tension and psychological and emotional stress.

In 2020, PJSC TOAZ continued implementation of the VHI (Voluntary Health Insurance) program, and for the fifth year in a row provided all personnel with 100% coverage of the cost of the VHI policy at the Company's expense. The Company is actively working towards promotion of healthy lifestyle programs among employees. Sports events are held on a regular basis: tournaments in volleyball, paintball, basketball, carp fishing, multi-discipline competitions, bike rides, etc. The Youth Council and the Trade Union play an important role in promoting a healthy lifestyle. Due to the effective organization of the personnel health management system, no cases of occupational diseases have been registered in PJSC TOAZ since 2003.

In 2020 there were 3 disabling accidents (1 fatal collective accident, 1 accident of heavy severity level, 1 minor accident). In this regard, additional innovative methods have been developed and are being implemented to minimize the risk of dangerous actions and an «operator error» for personnel working in conditions of increased situational tension. The case-study on conscious safety for key employees of all workshops, and especially for repair workshops, has been intensified.

INDICATORS OF INDUSTRIAL INJURIES AND OCCUPATIONAL DISEASES



	2018	2019	2020
Number of fatal accidents among the workforce	1	0	2
Total number of occupational diseases among the workforce during the reporting period	0	0	0
Total number of injuries among employees of the Company	5	4	2
International indicator of lost time injury frequency rate LTIFR	0,66	0,58	0,27

According to the integrated indicator of performance in the field of occupational health, i.e. the international indicator of injury frequency LTIFR, PJSC TOAZ demonstrates performance which is better than the average performance for petrochemical domestic enterprises and many foreign ones.

LTIFR [Injuries per million hours worked] is defined as: (number of injuries with temporary disability) x (1 million of man-hours) / (total working time worked by personnel for the year) and in 2020 it was 0.27 (0.58 in 2019).

INDICATORS OF INDUSTRIAL INJURIES AND OCCUPATIONAL DISEASES

Industrial safety also includes protection from fires and manmade disasters, reduction of risks of their occurrence and ability to respond quickly and mitigate emergencies, as well as improvement of response skills of the Company's employees in emergency situations, since TOAZ operates hazardous production facilities of classes I and II.

Control over the fire safety condition and fire-fighting operations at PJSC TOAZ is carried out by its own fire department,

which has a license to carry out «Activities to extinguish fires in settlements, at industrial and infrastructural facilities, to extinguish forest fires» from 29.05.2014 No. 3-A/00099. The license was granted to PJSC TOAZ for the unlimited period.

The orders issued by the State Fire Supervision Service with expired due dates, have been fulfilled in full. There were no cases of fires and ignitions at the Company's facilities. Primary emergency rescue operations at the enterprise are performed by a special professional division, i.e. Departmental Gas Rescue Unit. This professional division is certified by the Interdepartmental Commission on certification of emergency rescue formations and has a Certificate authorizing emergency rescue and other urgent operations in emergency situations.

For more than 15 years now, the Company has had its own part-time emergency response unit consisting of the Company's employees and engineering and technical workers. It was established in accordance with Federal law No. 116-FZ dated 21.07.1997 «On industrial safety of hazardous production facilities». The rescue teams are fully equipped with operative vehicles and rescue equipment in accordance with the Regulations, the Charter and the list of technical equipment (the total number is 116 people).

Twice a year PJSC TOAZ conducts trainings on evacuation from high occupancy buildings.





IN 2020 TAX PAYMENTS TO THE BUDGET OF SAMARA REGION AMOUNTED TO

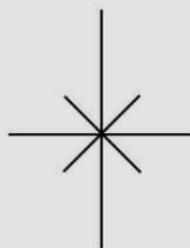
3.7 BILLION

■ RUBLES



Rustam Zagrtidinov
RCC Chief Operator of Workshop No.05A

P J S C « T O A Z »



CHAPTER 8

DEVELOPMENT OF THE REGION OF PRESENCE

8.1. COMPANY POLICY ON DEVELOPMENT OF THE REGION

- more than 25,600,000 rubles was allocated in 2020 to charity and sponsorship programs
- 3,700,000,000 rubles was spent as tax payments to the budget of Samara region in 2020
- more than 11,000,000,000 rubles is the total of tax payments to the budget of Samara region over the last three years

Togliatti is a native city where employees of the enterprise and members of their families live. Social programs of Togliattiazot are aimed at promoting sustainable development of the region of presence, improving the quality of life of the Company's employees and local communities, and preserving the environment. The enterprise invests heavily in the social infrastructure of the region, providing a favorable environment for the implementation of its long-term development strategy.

Togliattiazot is a city-forming enterprise and a major taxpayer. The Company promotes employment in the city.

PJSC TOAZ pays special attention to programs that contribute to development of the urban environment, realization of potential of local communities, solving of acute social problems, support of socially unprotected segments of the population, preservation of historical heritage, development of culture and education, support of sports and promotion of a healthy lifestyle and, of course, taking care of the ecology of the native land.

The Company develops mechanisms for multilateral cooperation, strengthening partnerships with government authorities and the public. The main directions of social investments of the enterprise are determined taking into account the needs and expectations of stakeholders and, first of all, the state and society.

The enterprise allocates a significant amount of funds for charity events aimed at improving the well-being of Togliatti residents and maintaining the social infrastructure of the city.

COMPANY CONTRIBUTION TO SUSTAINABLE DEVELOPMENT OF THE REGION OF PRESENCE

Economic aspect

Fulfillment of tax obligations and increasing of the economic potential of the region by providing orders for contractors and suppliers of the Company, maintaining the level of employment among the population.

Environmental aspect

Improving of the environmental situation by increasing the environmental efficiency of production and modernization, as well as implementation of environmental programs.

Social aspect

Development of social and cultural environment through implementation of cultural and sports programs, promotion of educational activities, and support for vulnerable groups of the population.



TOGLIATTIAZOT IS INTERESTED IN CREATING A FAVORABLE SOCIAL ENVIRONMENT IN THE REGION OF PRESENCE IN ORDER TO IMPLEMENT ITS LONG-TERM DEVELOPMENT STRATEGY. THE COMPANY NOT ONLY MAKES A POSITIVE IMPACT ON LIFE IN THE CITY THROUGH THE CREATION OF NEW JOBS, TAX PAYMENTS OR IMPROVING THE QUALITY OF LIFE OF ITS EMPLOYEES AND THEIR FAMILIES, BUT ALSO INVESTS HEAVILY IN SOCIAL INFRASTRUCTURE OF TOGLIATTI.

For the fifth year in a row Togliattiazot becomes the winner of the competition «Philanthropist of the Year», which was established by the City Administration, Chamber of Commerce and Industry and the charity Togliatti Foundation. The ideas of disinterested assistance to the community have become part of the business strategies of many Togliatti companies, and during the pandemic focus on urban community turned out to be especially important. At the end of 2020, philanthropists were already honored for the 20th time. The total amount of funds sent by Togliatti best philanthropists for targeted support of the urban community in 2019 amounted to 77 million rubles, and for 20 years of the contest donations reached the amount of 3 billion 344 million rubles. Togliattiazot was awarded the «Philanthropist of the Year» status for its high community commitment. The Company consciously develops the urban environment and improves the quality of life of Togliatti citizens, helps them to see prospects and realize their potential in intellectual development, creativity, culture and sports. TOAZ initiates and supports projects that improve the urban environment, help vulnerable groups and people with disabilities. The lecture project «Chemistry of Word», program for the elderly generation «Chemistry of Experience» and scholarship program «Chemistry of Good» are well-known outside Togliatti.

PJSC TOAZ ACTIVELY PARTICIPATES IN LIFE OF THE CITY AND THE REGION

DEVELOPING THE CITY AND THE REGION:

- Togliattiazot is the organizer of a personal and professional skills development program for people of pre-retirement age «Chemistry of Experience»;
- Togliattiazot is the partner of Togliatti Philharmonia, Togliatti Museum of Local Lore and Togliatti Puppet Theatre;
- Togliattiazot is the organizer of the lecture educational project «Intellectual Club «Chemistry of Word»»;
- Togliattiazot is the organizer of «Impulse» scholarship for talented young musicians, actors, artists;
- Togliattiazot is the organizer of a grant program for social initiatives «Chemistry of Good»;
- Togliattiazot supports shelters for homeless animals in Togliatti;
- Togliattiazot provides help in disinfecting crowded areas of Togliatti;
- Togliattiazot assists in landscaping the park in the Komsomolsky district of Togliatti: planting a walkway, including area improvement (installation of benches and litterbins);
- Togliattiazot assists in the improvement of the traffic circle in the Komsomolsky district of Togliatti (planting of the flower bed);
- Togliattiazot is a partner of Togliatti State University and Volga Orthodox Institute named after Saint Alexis of Moscow;
- Togliattiazot supports children educational and cultural institutions of Togliatti;
- Togliattiazot supports religious organizations (the Russian Orthodox Church);
- Togliattiazot supports medical institutions of Togliatti in the fight against COVID-19.

«TOAZ CONTINUES THE SERIES OF CHARITY EVENTS. 2020 WAS A DIFFICULT YEAR, THE WORLD WAS HIT BY A PANDEMIC, AND ANY HELP TO THOSE IN NEED TURNED OUT TO BE LITERALLY WORTH ITS WEIGHT IN GOLD. TOGLIATTIAZOT HELPED TWO MAJOR CITY HOSPITALS, WHICH WERE TRANSFORMED INTO COVID TREATMENT FACILITIES: WE ALLOCATED FUNDS IN THE FIRST DAYS OF THE PANDEMIC, PROVIDED HOT MEALS FOR MEDICAL WORKERS, AND IN THE AUTUMN WE PROVIDED A CAR TO POLYCLINIC NO. 4 TO HELP DOCTORS COPE WITH THE HUGE NUMBER OF HOME VISITS. IN 2020, WE DID NOT STOP OUR SOCIAL AND EDUCATIONAL INITIATIVES: THE PROJECTS «CHEMISTRY OF WORD», «CHEMISTRY OF EXPERIENCE» AND «CHEMISTRY OF GOOD». WE ARE GLAD THAT FOR THE FIFTH YEAR IN A ROW TOGLIATTIAZOT HAS BEEN RECOGNIZED BY THE CITY COMMUNITY, WHICH IS A GREAT HONOR FOR US».

Yulia Petrenko, Deputy General Director -
Director on Public Relations of JSC «TOGLIATTIAZOT Corporation»



SUPPORTING SPORTS:

- Togliattiazot facilitates the organization of sports and playground complex in the Komsomolsky district of Togliatti;
- Togliattiazot is an official sponsor of the home games of the Lada hockey team in the 2019/2020 season;
- Togliattiazot supports the organization of «Samarskaya Luka» ecological marathon;
- Togliattiazot supports the organization of trips of the Togliatti ball hockey team among veterans within the regional competitions;
- Togliattiazot is a sponsor of the «Volga Martial Arts Academy»;
- Togliattiazot is a sponsor of the «Togliatti Freestyle Wrestling Federation»;
- Togliattiazot is a sponsor of «Samara Region Handball Federation»;
- Togliattiazot is a sponsor of «Togliatti Sports Center».

SAVING NATURE:

- Togliattiazot is a partner of the campaign on the regeneration of forest, damaged as a result of fires in 2010;
- Togliattiazot is a partner of the city program for the liquidation of unauthorized landfills;
- Togliattiazot is implementing a program for reproduction of the Volga bioresources;
- Togliattiazot is an organizer and a participant of environmental volunteer events;
- Togliattiazot assists in purchasing a mobile ecological laboratory and carrying out research works on atmospheric air study with the help of a mobile ecological post.

HELPING SOCIALLY VULNERABLE GROUPS:

- Togliattiazot is the organizer of a grant program for persons, who have adopted children left without parental care;
- Togliattiazot provides support for orphanages and social shelters in Togliatti;
- Togliattiazot is one of the organizers of charity performances to help children's social institutions in Togliatti.



CHARITY

No.	Organization	Projects	Amount (` 000 rubles)
SPORTS AND HEALTHY LIFESTYLE			
1	Togliatti City Administration	assistance in implementing the «Healthy Generation» community project: organization of a sports ground in the Komsomolsky district of Togliatti; assistance in implementing «Accessible Sports» community project: organization of sports and playground complex on the territory of city park in the Komsomolsky District of Togliatti.	671,2
2	Municipal Autonomous Institution of «Kristall» (Crystal) stadium	support of the ecological marathon «Samarskaya Luka» .	111,8
3	State Budgetary Sports Institution «Togliatti Center for Physical Culture and Sports»	organization of trips of the Togliatti ball hockey team among veterans as part of the regional competitions.	57,3

CULTURE AND COMMUNITY

1	State Budgetary Institution of Health Care of Samara region «Togliatti City Hospital No. 4»	assistance in purchasing of personal protective equipment for medical workers, medicines, medical devices, disinfectants, medical equipment and components for the oxygen system; provision of set meals for catering of medical workers for a month; provision of full-face 6000 3M series masks in the amount of 30 pieces and 60 pieces of 3M particle filters for them; provision of motor transport for transportation of medical personnel for a month.	4 504,5
2	Municipal Budgetary Culture Institution of Togliatti «Togliatti Museum of Local Lore»	assistance in creating a video tour of the exhibition «Childhood of Stavropol-Togliatti» at the Togliatti Museum of Local Lore; charity support for the project «Childhood of Stavropol-Togliatti» (Municipal Budgetary Culture Institution of Togliatti «Togliatti Museum of Local Lore») as part of the «Chemistry of Good» contest.	400
3	State Budgetary Health Care Institution of Samara region «Togliatti City Clinical Hospital No. 5»	provision of full-face 6000 3M series masks in the amount of 40 pieces and 80 pieces of 3M particle filters for it.	512,7
4	Municipal Budgetary Art Institution of Togliatti «Togliatti Puppet Theatre»	assistance in organizing a trip for Togliatti Puppet Theatre team to participate in the «Golden Mask» festival (Moscow); charity support for the «Dedicated to the Children of War» project (Municipal Budgetary Art Institution of Togliatti «Togliatti Puppet Theatre») as part of the «Chemistry of Good» contest.	350
5	Non-governmental Charity Foundation of Social and Cultural Development of Togliatti «Spiritual Heritage» named after S.F. Zhilkin	organization of «Chemistry in Paints» exhibition contest.	338
6	Municipal Budgetary Art and Culture Institution of Togliatti «Togliatti Philharmonia»	assistance in the implementation of the «Stars of the Arts Square» project of Togliatti Philharmonia as part of the «SOdeystvie» («Cooperation») governor's program.	269
7	Municipal Budgetary General Education Institution of Togliatti «Classic Gymnasium No. 39»	assistance in repairing of the roof of the assembly hall at Municipal Budgetary General Institution «Gymnasium No. 39»	265

No.	Organization	Projects	Amount (` 000 rubles)
8	State Budgetary Institution of Health Care of Samara region «Togliatti City Polyclinic No. 4»	provision of motor transport for transportation of medical personnel for a month.	224,6
9	Local Religious Organization Orthodox Parish of the Church of St. Spyridon Trimifunsky in Zelenovka village of the Vasilyevka village settlement of Stavropol municipal district of Samara and Syzran Eparchy of the Russian Orthodox Church (Moscow Patriarchate)	allocation of special equipment for the improvement of the territory of the Church of St. Spyridon Trimifunsky in Zelenovka village.	42,2

EDUCATION

1	Non-profit organization for the Education Development «Volga Orthodox Institute named after Saint Alexis of Moscow»	assistance in construction works in Volga Orthodox Institute named after Saint Alexis of Moscow.	10 200
2	Federal State-Funded Educational Institution of Higher Professional Education «Togliatti State University»	procurement of equipment for Federal State-Funded Educational Institution of Higher Professional Education «Togliatti State University» to organize the educational process in the field of natural sciences under the «Career Guidance» program.	657,5
3	Municipal Budgetary Culture Institution of Togliatti «Association of Children's Libraries»	charity support for implementation of «Scientific Environment» project as part of the «Chemistry of Good» contest.	400
4	Municipal Budgetary General Education Institution of Togliatti «School with a Special Profile No. 41»	purchase and transfer of equipment to organize the educational process as part of the «Engineering and Technical Classes» project.	164,8
5	Municipal Budgetary General Education Institution of Togliatti «Gymnasium No. 35»	purchase and transfer of equipment to organize the educational process as part of the «Engineering and Technical Classes» project.	164,8

ECOLOGY AND IMPROVEMENT OF TERRITORY

1	The charity foundation for development of the city «Good City»	assistance to the «Good City» charity foundation for development of the city in purchasing a mobile ecological laboratory and carrying out research works on atmospheric air study with the help of a mobile ecological post.	2 971,4
2	Municipal Budgetary Institution of Togliatti «Zelenstroy» («Green Construction»)	landscaping the park in the Komsomolsky district of Togliatti: planting a walkway, including area improvement: installation of benches and litterbins; Assistance in the improvement of the traffic circle in the Komsomolsky district of Togliatti: planting of the flower bed; providing sanitizers for disinfection of crowded areas of Togliatti; providing special equipment for the garbage removal from unauthorized landfills in the city.	890,7
3	Non-governmental Organization «Togliatti city branch of the All-Russian public organization «Social Ecological Union»	forest restoration, i.e. forest planting in Togliatti; organization of environmental events in Togliatti.	360

No.	Organization	Projects	Amount (` 000 rubles)
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SUPPORTING SOCIALLY VULNERABLE GROUPS

1	«Nebezrazlichno» («Unindifferent») Charity Foundation	assistance in purchasing air ozonizers and ionizers for State Public Institution «Togliatti Social Shelter for Children and Adolescents «Dolphin»; providing charity support in implementation of «Native land, forever beloved» project (State Public Institution of Samara Region «Center for helping children left without parental care «Constellation») with as part of in the «Chemistry of Good» contest; assistance in the manufacture and sewing of costumes for the pupils of the State Budgetary Educational Institution Boarding School No. 5 to participate in the VI International Festival-Competition «DeAFile-2020» of theaters and fashion studios among children with hearing impairment.	190
2	Municipal Autonomous Pre-school Educational Institution of Togliatti Kindergarten «Vetochka» («Twig») No.69	providing of charity assistance in implementation of the «We want to be healthy» project, the «Musical Garden» project as part of the «Chemistry of Good» contest.	150
3	Samara Regional Public Organization for Assistance to Vulnerable Categories of Citizens «Mercy Post»	providing of charity assistance in implementation of the «Spring of Mercy» project as part of the «Chemistry of Good» contest.	57

SPONSORSHIP

SPORTS AND HEALTHY LIFESTYLE

1	Regional Public Organization «Samara Region Handball Federation»	support in the preparation and organization of the youth handball championship among juniors under the age of 21.	400
2	Independent Non-commercial Organization «Lada Hockey Team»	support in the home games of the «Lada» hockey team in the 2019/2020 season.	263,9
3	Independent Non-commercial Organization «Togliatti Freestyle Wrestling Federation»	support in the implementation of the «All Life is Wrestling» project (Independent Non-commercial Organization «Togliatti Freestyle Wrestling Federation») as part of the «Chemistry of Good» contest.	200
4	Private Educational Institution of Additional Education «Volga Martial Arts Academy»	support in the implementation of the «Decent conditions for sports and recreation for Children of Togliatti» project (Private Educational Institution of Additional Education «Volga Martial Arts Academy») as part of the «Chemistry of Good» contest.	200
5	Independent Non-commercial Organization «Togliatti Sports Center»	support in the implementation of the «Championship of the Volga Federal District «Volga Region» project (Independent Non-commercial Organization «Togliatti Sports Center») as part of the «Chemistry of Good» contest.	100

CULTURE AND COMMUNITY

1	Municipal Budgetary Art and Culture Institution of Togliatti «Togliatti Philharmonia»	support for the 2019/2020 season of the Togliatti Philharmonia.	200
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No.	Organization	Projects	Amount (` 000 rubles)
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EDUCATION

1	Municipal Budgetary Institution of Additional Education of Togliatti «Planet»	Support in the implementation of the «Safe City» project for young children as part of the «Chemistry of Good» contest.	166,7
2	Municipal Budgetary Institution of Additional Education of Togliatti «Academic Center for Intellectual Development»	Support in the implementation of the «MetaLAB» project: free educational space for natural science laboratories (Municipal Budgetary Institution of Additional education «Academic Center for Intellectual Development») as part of the «Chemistry of Good» contest.	166,7

8.2. ENVIRONMENTAL INITIATIVES

about **488 000 000**

rubles was allocated to the environment in 2020 by TOAZ

about **36**

tons of garbage was removed from the city in 2020 with the help of Togliattiazot

Taking care of the region's ecology is one of the priorities of PJSC TOAZ. Togliattiazot does its best to preserve a favorable environment. Seeking to increase production, the Company works to reduce the negative impact on the environment, uses natural resources rationally, and takes care of maintaining biodiversity.

PJSC TOAZ develops a system of constructive interaction on environmental issues with a wide range of stakeholders, cooperates with government authorities and local communities, and actively participates in the city initiatives.

TOAZ annually provides support in implementation of various environmental programs. The Company engages its employees in environmental activities, including on a volunteer basis. Togliattiazot organizes community work days to clean up the territory of the enterprise, to clean up the banks of the Volga, to eliminate unauthorized landfills, participates in landscaping and improvement of the city areas, in sports activities of an ecological focus.

In 2020, Togliattiazot continued cooperation with the Social Ecological Union of Togliatti, assisting in implementation of environmental activities of the organization.

As part of its environmental activities, the Company took part in an environmental campaign to restore urban forests damaged by large-scale fires in 2010, when 1,300 hectares of forest burned down and another 600 dried out. Every year, the factory's employees and city volunteers help the Social Ecological Union and forestry workers to restore the forests of



Togliatti. Forest planting has already become a good tradition for the employees of PJSC TOAZ. Spring planting in 2020 received a special status, it was timed to coincide with the 75th anniversary of Victory in the Great Patriotic War, but due to the pandemic, it was postponed until autumn. 5 hectares of seedlings were planted (17,000 young pines, birches and ash trees).

For the fifth year in a row, Togliattiazot has sponsored the ecological marathon «Samarskaya Luka». The main goal of the race is to attract public attention to the problems of preserving the natural complex Samarskaya Luka and to promote a healthy lifestyle. A special feature of the marathon is its track, running through the most picturesque places of the Samarskaya Luka National Park with a view to the Great Volga River.

IN TOTAL SINCE 2014, TOAZ HAS RESTORED 45 HECTARES OF FOREST.

The Company continues increasing population of valuable fish in the natural habitat. Restoring the biodiversity of the Volga basin, Togliattiazot traditionally released a brood of fry into the river. More than 12,000 carp fry replenished the number of river inhabitants of the Saratov Reservoir. Young fish of carp were raised in Vinnovka village. This is not the first time Togliattiazot concludes a contract with a fish farm at the Holy Mother of God Kazan Monastery, which is located on the banks of the Volga, so the fish enters nature without additional stress.

One of the largest and most significant events for improving the environmental situation in the city was participation of TOAZ, together with other industrial enterprises of the region, in financing the acquisition of a mobile ecological laboratory (MEL) and carrying out research work on studying of atmospheric air.

In 2019, Togliatti residents wrote a record number of complaints on air quality. According to the first deputy head of the city, Igor Ladyka, in 2019 the number of calls per day reached 100. The feelings of the city residents were also confirmed by research data: measurements at eight stationary ecological posts confirmed the excess of the maximum permissible concentration for a number of indicators. However, it turned out to be impossible to find sources of smog for those 26 substances, that can be detected in the air by operating equipment. According to ecologists, the range of searches should be wider. This is how the idea started up in the city to purchase a mobile ecological laboratory. The governor endorsed the idea. At one of the meetings of the government of Samara region, Dmitry Azarov instructed to

«TOAZ IS AMONG THE CITY'S ENTERPRISES THAT HAVE ALLOCATED FUNDS FOR THE PURCHASE OF AN ECO-LABORATORY. THE STATE OF THE NATURAL ENVIRONMENT IS ONE OF THE PRIORITIES OF OUR COMPANY. MODERNIZATION OF EQUIPMENT HAS BECOME A PART OF THE ENVIRONMENTAL POLICY. TEN YEARS AGO, TOAZ WAS ONE OF THE FIRST IN THE REGION TO START TREATMENT OF WASTEWATER USING CHLORINE-FREE METHOD, AND IMPROVED THE PERFORMANCE OF WASTE WATER TREATMENT FACILITIES. DUE TO MODERNIZATION, THE FACTORY HAS SIGNIFICANTLY REDUCED AIR EMISSIONS».

Viktor Kazachkov
Director of Technical Policy of PJSC TOAZ, Member of the Duma of Togliatti

work out the issue of acquiring a modern laboratory that allows to effectively identify sources of pollution. The governor said that the main condition for helping Togliatti was the maximum openness of the results for residents of the city.

The charity foundation for development of the city «Good City» became the operator of the project. The purchase of a laboratory is just an intermediate point in the big work to create a comfortable ecological environment in Togliatti.

A high-precision mobile complex allows to quickly collect data on the state of atmospheric air. The mobile ecological laboratory has been completed on the basis of a specialized enterprise Liga in Saratov. The enterprise has been manufacturing such complexes for more than 20 years. There are no analogues of the machine, which will now work for the benefit of our city, in the Volga Federal District, and in Russia as a whole, there are no more than two dozens of such laboratories. The high degree of automation of the MEL and the system for checking reliability of the values of instruments make it possible to speed up the data collection process and exclude subjective factors in assessing the state of the atmospheric air. An important factor is the fact that later the city ecological laboratory can be equipped with the latest equipment for more accurate diagnostics. The total budget of the project was more than 25 million rubles, the contribution of PJSC TOAZ to the project was 2.971 million rubles. The laboratory presentation took place on February 14, 2020.

In 2020, with the help of the mobile ecological laboratory, specialists from Togliatti State University are monitoring the state of the air. The city administration decided to transfer the ecological laboratory to Togliatti State University, where there are specialists who can technically maintain it and read the research results. The studying of the composition of atmospheric air consists of two parts: air control for specified substances according to standards and a more complex analysis



for the content of substances for which there are no standard methods of quantitative analysis. The ecological laboratory quickly responds to complaints of the city residents, quickly responding and monitoring the concentration of pollutants in the air. It works in an automatic mode and monitors 20 parameters and 25 substances that are present in the air. The laboratory can carry out the analysis promptly, right at the sampling point, or deliver samples to the laboratory for thorough analysis. Unlike stationary posts, with the help of a mobile ecological laboratory, it is realistic to establish who exactly became the source of air pollution.

At the end of 2020, the city mobile ecological laboratory received accreditation confirming the reliability and legal force of the research being carried out. For this, more than 50 requirements have been met. In addition, the experts assessed the knowledge of the employees working on the ecological laboratory car. Accreditation is unlimited, and once every two years, the competence of employees, who have access to the equipment, shall be confirmed.

The city administration plans to develop a mobile application with the help of which any resident of Togliatti could track air pollution online. Its creation will become possible due to the systematic work of a mobile laboratory and stationary points that study the quality of the atmosphere.



8.3. SOCIAL PROJECTS, CHARITY

PJSC TOAZ provides gratuitous financial assistance to state educational institutions of Togliatti and socially vulnerable groups, organizes human health care events, and supports cultural and sport events in the region. Supporting socially

OVER THE PAST THREE YEARS, TOGLIATTIAZOT HAS ALLOCATED MORE THAN 45 MILLION RUBLES FOR CHARITY.

«IT IS IN OUR POWER TO IMPROVE THE ENVIRONMENTAL SITUATION IN THE CITY, TO MAKE IT MORE COMFORTABLE, FREE AND EASY FOR THE RESIDENTS TO BREATHE. THIS IS NOT THE FIRST YEAR THAT WE HAVE CONDUCTED FOREST PLANTING EVENTS, THE SEEDLINGS TAKE ROOT WELL, AND OUR CHILDREN AND GRANDCHILDREN WILL BE ABLE TO ENJOY THE NATURE MANY YEARS LATER».

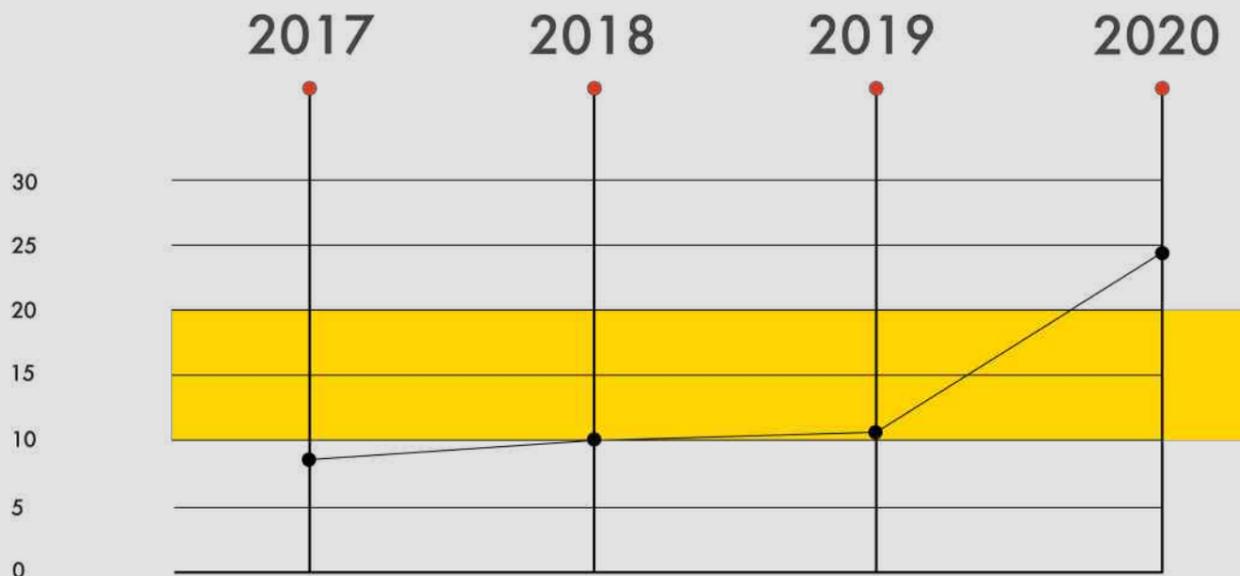
Viktor Kazachkov
Director of Technical Policy of PJSC TOAZ, Member of the Duma of Togliatti

vulnerable categories of citizens is an important task for the Company, which observes the principles of sustainable development. Togliattiazot systematically provides charitable assistance to those who especially need it: adults and children with disabilities, children from low-income families, orphans.

PJSC TOAZ has a Regulation on sponsorship and charitable activities approved by the decision of the Board of Directors.

The bulk of the Company's cooperation in the social sphere falls on non-profit organizations (NPO) of various types. Social NPO partners are selected, first of all, according to the importance and value of their activities for society.

CHARITABLE EXPENDITURES, MILLION RUBLES



8.3.1. SOCIAL AND NON-PROFILE FACILITIES

For many years, the structure of the Company includes three infrastructure facilities, which positively affect the social situation both at the enterprise and in the entire region. These are Nadezhda Health Resort, Togliattiazot Community Center and Tulip kindergarten.

A veteran choir, various crafts groups and sports sections work in Togliattiazot Community Center. Also, in 2020 a number of social events free of charge for visiting was organized, among which there are as follows:

- an open dance floor for elderly people;
- free lectures on science and art (frequency — 2 lectures per month) as part of a cultural and educational project «Intellectual Club «Chemistry of Word»»;
- festival of children and youth creativity «Star of Bethlehem»;
- All-Russian intellectual campaign «Total dictation»;
- open meeting of the head of Togliatti with residents of the Komsomolsky district of Togliatti;
- special event dedicated to the 25th anniversary of the establishment of Territorial Self-Government of the Komsomolsky district of Togliatti;
- New Year, Christmas and Maslenitsa celebrations, gift fairs etc.



In the first days of January, children's musical performances are traditionally held at the Togliattiazot Community Center. Hundreds of little Togliatti residents together with their parents attended New Year's parties held by Togliattiazot. Children's New Year's parties at Togliattiazot Community Center are always a varying and favorite show for children. All guests were greeted by a New Year's tale about the journey of two snowmen. The actors had a record number of New Year's performances for children - nineteen.

8.3.2. EXTERNAL CHARITY PROJECTS

PJSC TOAZ finances not only its own social assets, but also allocates significant funds and efforts into implementation of programs aimed at improving the standard of living in the region of presence.

PROJECTS AIMED AT DEVELOPMENT AND IMPROVEMENT OF URBAN SPACE:

- at the request of Togliatti City Administration, landscaping of the traffic circle in the Komsomolsky district;
- landscaping of the park in the Komsomolsky district of Togliatti: planting a walkway, including area improvement (installation of benches and litter bins)
- improvement of the traffic circle in the Komsomolsky district of Togliatti (planting of the flower bed);
- provision of sanitizers for disinfection of crowded areas of Togliatti;
- provision of special machinery for elimination of unauthorized landfills;
- assistance in repairing of the roof of Gymnasium No. 39.



In February 2020, at an operational meeting in the City Duma, awards were presented to all large enterprises in the city that took part in the improvement and decoration of Togliatti for the New Year celebration. Togliattiazot received the Letter of Gratitude addressed to the General Director for active participation in public life and contribution to the improvement of Togliatti.

In a pandemic, charity takes unusual forms. What comes first is not money, but what will help to stop the spread of the virus. At the end of March, Togliatti Administration faced a problem;

it could not quickly purchase sanitizers. The suppliers ran out of it due to high demand. TOAZ came to the rescue, allocating so much sanitizers that it was enough for the entire city for the required period. Sanitizers were used to treat crowded places, including parks and squares, and there was enough time to purchase and deliver the remaining batches. The factory's cleaning service shared with the city the sanitizers, cleaners, and disinfectants that were used for antiseptic treatment of health care facilities.

PJSC TOAZ has supported the implementation of urban infrastructure development projects. Togliattiazot acted as a co-investor to finance a number of improvement projects, which allowed it to receive the missing financing under the «SOdeystvie» («Cooperation») program initiated by the Governor of Samara region, Dmitry Azarov. Due to the support of TOAZ, Togliatti City Administration has implemented several projects to install a sports ground and a sports and play complex at the territory of the Komsomolsky district. Due to the support of PJSC TOAZ and the «SOdeystvie» («Cooperation») program, the «Stars of the Arts Square» festival was held in Togliatti. The total amount of funds allocated by PJSC TOAZ amounted to 940,000 rubles.

In 2020, with the support of Togliattiazot in the Komsomolsky district of Togliatti, the surrounding territory of two houses was transformed: new playgrounds were installed. Wastelands have turned into recreation places for children. For a long time, residents tried to transform the local area on their own. The residents turned to Viktor Kazachkov for help in installing a playground, and received much more than they expected. Now the bright playground is not only pleasing to the eye, but gathers children from all nearby houses.

«OVER THE PAST FEW YEARS, DOZENS OF SPORTS GROUNDS HAVE OPENED IN TOGLIATTI, WHICH INDICATES THAT MASS SPORTS ARE GAINING STRENGTH. DUE TO THE GOVERNOR`S PROJECT «SODEYSTVIE», WE CAN IMPLEMENT THE IDEAS OF RESIDENTS, WHO TAKE AN ACTIVE POSITION. IN ADDITION, OF COURSE, MANY THANKS TO THE MAIN SOCIAL PARTNER OF THE KOMSOMOLSKY DISTRICT - TOGLIATTIAZOT CORPORATION. WE HOPE THAT THE SPORTS GROUND WILL SERVE FOR THE BENEFIT OF THE RESIDENTS OF THE AREA FOR A LONG TIME. AFTER ALL, HEALTH IS THE BASIS OF LIFE, AND THE FUTURE OF THE CITY DEPENDS ON THE STATE OF HEALTH OF YOUNG GENERATION».

Artem Anisimov,
Head of the Komsomolsky District Administration

PJSC TOAZ allocated 890,000 rubles for landscaping and land improvement of the territory of the Komsomolsky district of Togliatti, disinfection of public spaces and elimination of unauthorized landfills.

«CHILDREN AND ADOLESCENTS SHOULD SPEND SUMMER IN A COMFORTABLE ENVIRONMENT. FOR OUR PART, WE HAVE TRIED TO HELP IN THIS AND WILL CONTINUE TO DO SO. I WOULD LIKE TO NOTE THAT THE PLAYGROUND IS DESIGNED IN ACCORDANCE WITH ALL SAFETY STANDARDS».

Viktor Kazachkov
Director of Technical Policy of PJSC TOAZ, Member of the Duma of Togliatti

Togliattiazot assisted in carrying out construction work at the Volga Orthodox Institute named after St. Alexis of Moscow. At the request of the Governor of Samara region, Dmitry Azarov, support was provided to a unique project implemented with the direct participation of the Government of Samara region, the construction of the Volga Orthodox Institute named after St. Alexis of Moscow. Due to the assistance of PJSC TOAZ for a total amount of 10.2 million rubles, in 2020, work was completed on the decoration of the concert hall, as well as the adjacent premises and the main entrance area. In addition, there were works to arrange the ventilation system of the educational building and the switchboard. These activities made the learning process more comfortable for both teachers and students of the institute.

The Volga Orthodox Institute named after St. Alexis of Moscow is a unique institution of higher education, which

has been developing for several years in Togliatti, Stavropol-on-Volga, with the blessing of His Holiness the Patriarch Kirill of Moscow and All Russia with the direct support of the Government of Samara region. Such a university is the first in the Volga Federal District and the third in Russia. Students of this educational institution have a rare opportunity to receive a secular education, which combines social, humanitarian and theological directions of study.

Togliattiazot quickly responded to the request for help from the director of Gymnasium No.39 of Togliatti and allocated 265,000 rubles to repair the roof of the assembly hall. The roof of the building was repaired in the summer before the rainy season. Now, for the first time in a long time, no water flows along the walls of the assembly hall, and schoolchildren sit at their desks without fear of getting wet.

Togliattiazot helps in organizing city and regional events by providing award and gift products.

«WHEN DEEDS MATCH THE WORDS, IT IS A BLESSING FOR PEOPLE. IN ADDITION, THE FACT THAT THIS YEAR, THANKS TO TOAZ, THREE SURROUNDING TERRITORIES WILL BE TRANSFORMED IS A BIG DEAL. RESIDENTS WILL HAVE A PLACE TO RELAX WITH THEIR CHILDREN, WITHOUT GOING FAR FROM HOME. PEOPLE ALWAYS WELCOME GOOD INITIATIVES WITH JOY, AND THE FACT THAT CHILDREN ARE CONSTANTLY PLAYING ON THE PLAYGROUND IS THE BEST CONFIRMATION OF THIS».

Artem Anisimov,
Head of the Komsomolsky District Administration



ORGANIZING AND CONDUCTING OF THE EVENTS:

- «I am a villager» regional contest of the Stavropol district of Samara region;
- «Stavropol pumpkin» regional festival contest of the Stavropol district of Samara region;
- day of the first grader in the schools of the Komsomolsky district of Togliatti;
- solemn event dedicated to honoring the medalists of 2020 of the schools of the Komsomolsky district of Togliatti;
- events of the Charity Foundation named after Semizorov dedicated to celebration of the 70th anniversary of Kuibyshevgidrostroy;
- «I read quickly» speed reading competition established by Togliatti City Administration;
- online competition of children's drawings, organized by the administration and prosecutor's office of the Komsomolsky district of Togliatti, timed to coincide with the International Children's Day;
- XXIII City Festival «Silver Bird».

VOLUNTEER PROJECTS WITH PARTICIPATION OF THE ENTERPRISE REPRESENTATIVES:

- assistance in organizing and holding a garbage collection campaign on the territory of the Stavropol district of Samara region (Fedorovskie meadows);
- replenishment of the book fund of Togliatti libraries as part of charity campaign to collect books;
- assistance to city shelters for homeless animals in the framework of charity campaign to collect feed;
- assistance in the shipment and transfer of gifts to veterans of the Great Patriotic War of Togliatti and members of the Council of Veterans of PJSC TOAZ;
- assistance to children left without parental care and children with disabilities within the framework of the «Skrepka» («Paper Clip») charitable campaign of the «Social Activity» city project to collect office stationery.

In 2020, during the pandemic, TOAZ created a volunteer center. Togliattiazot Youth Council joined the federal action «We are together». Volunteers helped retirees, former employees of the enterprise and residents of the Komsomolsky district, who were advised not to leave their homes during the coronavirus epidemic. Volunteers delivered food, medicine and daily necessities, helped to pay for utility bills using remote services. Volunteers from Togliattiazot also helped to implement the socially significant project «Product Help». The government of Samara region allocated more than 8,000 food packages

«TOGLIATTIAZOT TRADITIONALLY SUPPORTS CHARITY PROJECTS, AND WE, OF COURSE, COULD NOT STAND ASIDE. THE ELDERLY AND PEOPLE WITH DISABILITIES NEED CARE AND WARMTH. WE HOPE THAT GIFTS FROM TOAZ EMPLOYEES HAVE CREATED A FESTIVE ATMOSPHERE FOR THEM».

Yulia Petrenko, Deputy General Director -
Director on Public Relations of JSC «TOGLIATTIAZOT Corporation»

for Togliatti residents. Weighty bags had to be handed over to elderly people in self-isolation.

The authorities praised the participation of Togliattiazot employees in the fight against the spread of coronavirus. Twenty employees of the enterprise, volunteers and organizers of events, received a memorial sign of the Governor of Samara region «For serving to people». During the pandemic, volunteers from the Company Youth Council delivered food and medicine to older citizens at risk to their houses.

The Governor of Samara region marked personal contribution of the deputy chairman of the Trade Union organization, Dmitry Nazin, to organization of voluntary people's patrol of Togliatti with a memorial sign «For serving to people».

A memorial sign is awarded to citizens who help people, including in especially difficult and dangerous conditions. Public activity and indifference are always in demand, and the Company's employees help to maintain order in the city. At the initiative of Dmitry Nazin, since 2015, TOAZ patrol have organized more than 3,500 duty shifts. The Trade Union leader is supported in the management of the Ministry of Internal Affairs of the Russian Federation in Samara region; the factory and its patrol were distinguished by the city administration for exemplary organization of voluntary patrols and duty shifts on the streets of the city.

In 2010, Togliatti experienced a real ecological tragedy, when huge areas of the city forest burned down. Since then, the authorities and concerned citizens have been sensitive to the preservation of the local nature. In the summer of 2020, an extremely alarming situation developed in the urban forests: almost every day there were fires of grass, dry litter in forest compartment. Forest patrols help to detect fires at an early stage. Considering the large area of forests, the Togliatti administration cannot manage it on its own. The head of the city appealed to enterprises with a request to provide employees to patrol the forests. The administration and Trade Union of TOAZ responded to the call for help. A group of Company employees was formed to patrol the forests. Volunteers went out into the woods weekly on Saturdays and Sundays, when attendance and fires increased significantly. The forest patrols have two goals: to detect and stop fires and to held preventive conversations with the residents of the city.

In 2020, for the first time Togliattiazot took on the mission of donating books that can delight readers again and again. TOAZ, within the framework of campaign «Give a book to the city», handed over to the Togliatti Library Corporation the literature collected by TOAZ employees and residents of the Komsomolsky district of Togliatti. The factory employees were happy to share the books they had read from their personal libraries.

«THE MORE DIGITAL INFORMATION WE HAVE IN OUR LIVES, THE MORE VALUABLE PAPER PUBLICATIONS ARE. THEREFORE, WITHIN THE FRAMEWORK OF THE PROJECT «CHEMISTRY OF WORD» AND FOR OTHER REASONS, WE DONATE BOOKS TO TOGLIATTI LIBRARIES. LIBRARIES OF THE KOMSOMOLSKY DISTRICT WERE ALSO GIVEN COPIES OF THE BOOK FOR CHILDREN OF ELEMENTARY SCHOOL, «TOAZBUKA», WHICH INTRODUCES CHILDREN TO THE ALPHABET AND TELLS THEM ABOUT THE WORLD OF GREAT CHEMISTRY AND INDUSTRY. THERE IS NO NEED FOR A SPECIAL REASON FOR A GOOD DEED».

Yulia Petrenko, Deputy General Director -
Director on Public Relations of JSC «TOGLIATTIAZOT Corporation»



In honor of the All-Russian Day of Libraries, TOAZ presented the children's libraries of the city with a selection of popular science books on chemistry. Togliattiazot has long supported libraries and donated books on various occasions. Since last year, lecturers of the «Chemistry of Word» project have donated their books to libraries of Togliatti. In 2020, the factory organized a campaign for the International Book Giving Day: employees donated 500 books to the city's libraries.

In 2020, Togliattiazot held a charity event for collecting food, medicine and other essential items for animals. On the eve of the Homeless Animals Day, TOAZ handed over the help collected by the factory employees to the city shelters for our «smaller brothers». TOAZ managed to collect more than 40 kilograms of dry food.

In 2020, the city charity campaign «Skrepka» («Paper Clip») was held. The Company has joined the collection of office stationery for children growing up without parents or in low-income families. Togliattiazot employees took part in such a campaign for the first time.

On the New Year's Eve, a charity event was held at the factory, collecting of New Year's gifts for nursing homes for the elderly. Thanks to to caring factory workers, elderly people, labor veterans and disabled people from the Togliatti nursing home were presented with colorful strings of lights, Christmas tree decorations and other festive attributes. The purpose of the campaign is to support residents who, during the pandemic, lost contact with their relatives due to the coronavirus.

COMPETITION OF SOCIAL INITIATIVES «CHEMISTRY OF GOOD»

Since 2019, Togliattiazot has been implementing the «Chemistry of Good» program, which aims to support significant initiatives aimed at solving urgent problems of the region of presence, developing its social and cultural environment. Non-profit, non-governmental and public organizations, charitable foundations, state, municipal budgetary organizations, local selfgovernment bodies can take part in the competition. In 2020, PJSC TOAZ, despite the situation with the pandemic, continued to implement the «Chemistry of Good» program.

In 2020, the second and third stages of the grants competition were held.

In the second stage, 21 out of 25 were admitted to face-to-face «defense». At the end of November, project presentations took place, as a result of which the expert council decided to support 11 projects for a total amount of 2 million rubles. A megagrant in the amount of 400,000 rubles was received by the project «Scientific Environment» of the Association of Children's Libraries.

THE WINNERS OF SECOND STAGE OF THE «CHEMISTRY OF GOOD» ARE AS FOLLOWS:

- independent Non-commercial Organization «Togliatti Sports Center», «Championship of the Volga Federal District «Volga Region» project;
- independent Non-commercial Organization «Togliatti Freestyle Wrestling Federation», «All Life is Wrestling» project;
- Samara Regional Public Organization for Assistance to Vulnerable Categories of Citizens «Mercy Post», «Spring of Mercy» project;
- municipal Budgetary Institution «Gymnasium No. 39», «Natural Sciences in Human Life» project;
- municipal Budgetary Culture Institution Leisure Center «Rusich», «Creators of Victory» project;
- municipal Budgetary Art Institution «Togliatti Puppet Theatre», «Dedicated to the Children of War» project;
- municipal Autonomous Pre-school Educational Institution Kindergarten «Vetochka» («Twig») No.69, «Musical Garden» project;
- municipal Autonomous Pre-school Educational Institution Kindergarten «Vetochka» («Twig») No.69, «We want to be healthy» project;
- state Public Institution of Samara Region Center for helping children left without parental care «Sozvezdiye» («Constellation») (disciplinary), «Native land, forever beloved» project.

«THE SECOND STAGE OF THE «CHEMISTRY OF GOOD» DEMONSTRATED THAT PARTICIPANTS WERE MORE THOUGHTFUL IN SUBMITTING APPLICATIONS. THEY REALIZED THAT A HIGH LEVEL OF PROJECT DEVELOPMENT WAS REQUIRED TO OBTAIN FUNDING. ALTHOUGH THE NUMBER OF APPLICATIONS HAS DECREASED, THE QUALITY OF INITIATIVES THAT ARE SUBMITTED TO THE JURY IS GROWING. EVERYONE BENEFITS FROM THIS, BOTH ORGANIZATIONS IMPLEMENTING SOCIAL INITIATIVES AND CITY RESIDENTS».

Yulia Petrenko, Deputy General Director -
Director on Public Relations of JSC «TOGLIATTIAZOT Corporation»



In 2020, the application deadline for the third stage has been extended due to the coronavirus pandemic. To participate in the third stage of the «Chemistry of Good» charity program, during the period of collecting applications, 25 projects were received for a total amount of over 5 million rubles. Participants' initiatives cover a wide variety of areas of social work: from protection of historical memory to introduction of modern technologies in the process of teaching traffic rules, from helping inmates and graduates of orphanages to development of ecological tourism in Togliatti.

Based on the results of project presentations within the framework of the third stage of the «Chemistry of Good» competition, the expert council decided to support 13 of them for a total amount of 1,900,000 rubles.



«WE ARE VERY PLEASED THAT «CHEMISTRY OF GOOD» PROGRAM FOR SUPPORTING SOCIAL INITIATIVES WITH EACH NEW STAGE COVERS MORE AND MORE PROJECTS AND HELPS ACTIVE RESIDENTS OF TOGLIATTI AND THE STAVROPOL REGION TO MAKE THE WORLD AROUND THEM A BETTER PLACE. IT IS PLEASANT TO NOTE HOW THE LEVEL OF PROJECT DEVELOPMENT HAS INCREASED. THE IDEAS THAT COME TO US ARE IMPORTANT, USEFUL AND NECESSARY POSITIVE CHANGES FOR THE CITY».

Yulia Petrenko, Deputy General Director -
Director on Public Relations of JSC «TOGLIATTIAZOT Corporation»



THE WINNERS OF THIRD STAGE OF THE «CHEMISTRY OF GOOD» ARE AS FOLLOWS:

- municipal Budgetary Culture Institution «Togliatti Museum of Local Lore», «Chemistry of Creativity» project;
- municipal Budgetary Culture Institution «Libraries of Togliatti», «Art therapy in the library» project;
- municipal Budgetary Sport Institution «Center for Physical Culture and Sports», Football Club «Start-Shluzovoy» project;
- municipal Budgetary Culture Institution «Association of children's libraries», «I read quickly» project;
- state Public Institution of Samara region «Togliatti Social Shelter for Children and Adolescents «Dolphin», «Ecological school for orphans» project;
- municipal Budgetary Institution Kindergarten No. 197 «Rainbow», «Laboratory of TOAZ Professor» project;
- Samara Regional Public Organization for Assistance to Vulnerable Categories of Citizens «Mercy Post», «Summer transformation» project;
- municipal Autonomous Art Institution «Diligence», «12th Theater Festival» Premiere of One Rehearsal» project;
- municipal Budgetary Institution of Additional Education «Granit», Military and sport game «Outpost» («Zarnitsa») project;
- regional Public Organization «Union of Paratroopers and Special Forces Units of Samara region», «Creation of the search group «Memory» project;
- independent Non-commercial Organization «PLANET», «VeloLuka: eco-tourism starts with Togliatti!» project;
- municipal Budgetary Institution of Additional Education «Planet» of Togliatti, «Express Laboratory «Road without Danger» project;
- independent Non-commercial Organization «Togliatti Freestyle Wrestling Federation», «Fight and win» project.

In 2020, the wall of the Children's Library No. 8 named after Vitaly Bianki in the Komsomolsky district of Togliatti was decorated. Now, on the wall of the city's «house of the book», there is a reading person, which is symbolic for the painting of the facade of the library. It is the center of attraction for children. The designer also drew animals, which can often be seen in modern cartoons, and animals are frequent characters in the works of the writer Vitaly Bianki. However, that's not all that was remarkable and symbolic in this event. The designer and the library are connected not only by this project, but also by the «Chemistry of Good» contest of PJSC TOAZ, they are the participants of the contest.

IN 2020, 12 PROJECTS, WHICH RECEIVED SCHOLARSHIPS FROM «CHEMISTRY OF GOOD» PROGRAM, WERE IMPLEMENTED. OF THESE, SEVEN PROJECTS ARE WITHIN THE FRAMEWORK OF CHARITY ACTIVITIES FOR A TOTAL AMOUNT OF 1.3 MILLION RUBLES AND FIVE PROJECTS ARE WITHIN THE FRAMEWORK OF SPONSORSHIP ACTIVITIES FOR A TOTAL AMOUNT OF 0.833 MILLION RUBLES.

MEDICINE

«THE EVENTS THAT ARE HAPPENING NOW IN THE WORLD HAVE CHANGED THE WAY OF LIFE AND ATTITUDE TOWARDS MANY THINGS. REPRESENTATIVES OF SOME PROFESSIONS WERE ABLE TO ORGANIZE WORK REMOTELY, AT HOME, BUT THERE IS A CATEGORY OF PEOPLE WHO ARE AT THE FOREFRONT OF THE FIGHT AGAINST CORONAVIRUS. IT IS, OF COURSE, ABOUT DOCTORS WHO SELFLESSLY WORK DAY AND NIGHT. TOGLIATTIAZOT DECIDED TO SUPPORT THE DOCTORS BY SENDING THEM A BATCH OF LUNCHES; WE HOPE THAT THE DOCTORS WILL APPRECIATE THE INITIATIVE. THE WORK OF DOCTORS IS NOW MORE IMPORTANT THAN EVER. OF COURSE, PROVIDING MEDICAL WORKERS WITH CATERING IS A WORTHY INITIATIVE IN A DIFFICULT TIME. THIS IS NOT THE FIRST TIME TOGLIATTIAZOT HELPS CITY HOSPITAL NO. 4: AT THE BEGINNING OF THE PANDEMIC, THE COMPANY ALREADY SUPPORTED IT FINANCIALLY, SO THERE IS NO DOUBT THAT DOCTORS FEEL THAT THEY ARE NOT ALONE».

Yulia Petrenko, Deputy General Director -
Director on Public Relations of JSC «TOGLIATTIAZOT Corporation»

The social policy of the enterprise includes support for the city medical institutions and development of affordable medicine in the region. In 2020, Togliattiazot supported Togliatti city hospitals in organizing a «red zone» for the treatment of patients with coronavirus infection. TOAZ promptly responded to the request of the Chief Doctor of City Hospital No. 4, located in the Komsomolsky district of Togliatti, and promptly allocated funds for the organization of a COVID treatment facility based in the hospital. Due to the help of TOAZ, personal protective equipment for medical workers, medicines, medical products, disinfectants, medical equipment and components for the oxygen system were purchased. The assistance allowed the staff of Togliatti City Hospital No. 4 to work, minimizing the risk of COVID-19 infection. The support of Togliattiazot made it possible to quickly order essential things and avoid a deficit.

Togliattiazot provided hot meals for doctors from the COVID treatment facility. During the coronavirus epidemic, the main burden fell on doctors, nurses and hospital attendants, who spend most of their time at work. Every day, cafe «Proportion» sent 134 lunch boxes to City Hospital No. 4. Along with hot

«WE HAD TO SUPPORT THE DOCTORS, WHO WERE ON THE FRONT LINES OF THE FIGHT AGAINST THE NEW INFECTION AND PROTECTED ALL OF US. ONLY THROUGH JOINT EFFORTS WE WILL BE ABLE TO COME BACK TO NORMAL LIFE WITHIN THE SHORTEST POSSIBLE TIME».

Dmitry Mezheedov,
General Director of JSC «TOGLIATTIAZOT Corporation»

meals, the employees of the cafe sent postcards to the doctors with words of gratitude. Togliattiazot covered all expenses. An interesting and symbolic fact: TOAZ took part in the construction of City Hospital No. 4, and now helped it in a difficult time.

Polyclinic No. 4 in the Komsomolsky district of Togliatti received assistance from Togliattiazot in transporting medical workers on calls. The Company has allocated a car with a driver. During November, this helped healthcare workers to cope with a huge number of visits.

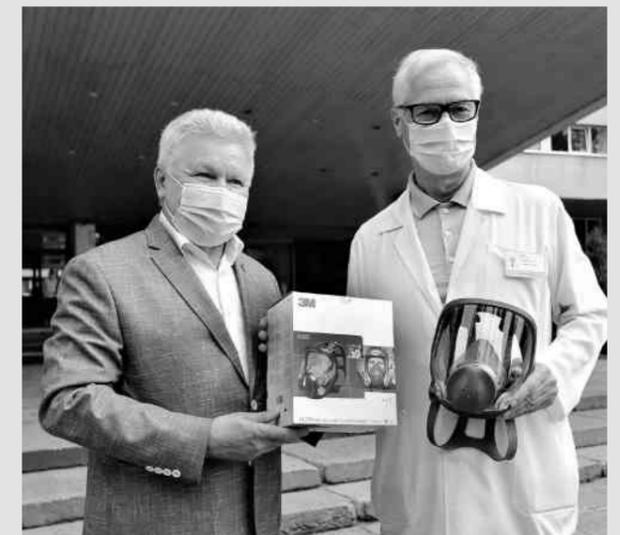
After a request from doctors, PJSC TOAZ purchased specialized protective masks with replaceable filters for the departments of infectious disease of City Hospitals No. 4 and No. 5 for a total of 70 masks. The total amount of allocated funds comprised more than 5 million rubles.

Purchased protective equipment is reusable 3M respirator masks with replaceable aerosol filters. This is a specialized means of protection against aerosol-transmitted viruses. Along with the masks, the hospitals were given filters that can be sanitized and reused.

Togliattiazot was noted among the companies that develop the business environment and create favorable conditions for the residents of Samara region. At the regional competition «Heritage of the government», the factory received a special prize «For contribution to the fight against COVID-19» – for attention to the city residents, a responsible attitude to its concerns, problems and challenges.

«THE TRANSFERRED MASKS WILL BE ENOUGH FOR ALL EMPLOYEES OF THE INTENSIVE TREATMENT UNIT. TOGLIATTIAZOT HAS BEEN HELPING US FROM THE VERY BEGINNING OF THE PANDEMIC: IT PROCURES MEDICINES, PROTECTIVE EQUIPMENT AND SANITARY SUPPLIES, AND HAS ORGANIZED HOT MEALS FOR THE HOSPITAL STAFF. WE THANK THE FACTORY FOR THE HELP; THESE MASKS ARE EXACTLY WHAT WE URGENTLY NEED TODAY».

Sergey Tetyushkin,
Chief Doctor of Togliatti City Hospital No. 4



SPORT

PJSC TOAZ in its activities has always focused on promotion of a healthy lifestyle and sports not only among its employees, but also at the city and regional levels. The Company annually is engaged in organization of internal sports competitions, and provides support in implementation of sports initiatives at the city and regional level:

- organization of trip of «Olympus» youth handball team to the competitions of the youth handball championship of Russia among juniors under the age of 21;
- support of the Togliatti ball hockey team among veterans, assistance in organizing the team's participation in tournaments;
- support of the GTO («Ready for Labor and Defence») fest;
- support of the home games of Lada hockey team in the 2019/2020;
- support of the city football tournament among the neighbourhood sports teams, «Winter Ball»;
- support for the organization of a sports event «Samarskaya Luka» ecological marathon.

In the autumn of 2020, it became known that the partnership between Togliattiazot and the All-Russia Sports Complex GTO («Ready for Labor and Defence») will grow into a large fest. GTO for TOAZ employees is not just a combination of letters. Three years ago, TOAZ Trade Union Committee, together with the Center for Physical Culture and Sports of Togliatti, organized for the first time for TOAZ employees a corporate test of GTO standards. There was no such experience in any organization in the city. This has grown into an annual tradition for the Company. TOAZ employees and their family members prove their sports strength in an atmosphere of corporate team spirit and friendship.



In 2020, the cooperation between the chemical giant and the sports center has reached a new level. The Center for Physical Culture and Sports won a scholarship under the state program with its project «Citywide GTO Fest». One of the conditions was the search for co-financing, and the Center for Physical Culture and Sports turned to a long-term partner, Togliattiazot. As a result, a co-financing contract was signed. Due to the support of PJSC TOAZ, there will be a big GTO fest. The city sports fest will be held in 2021.

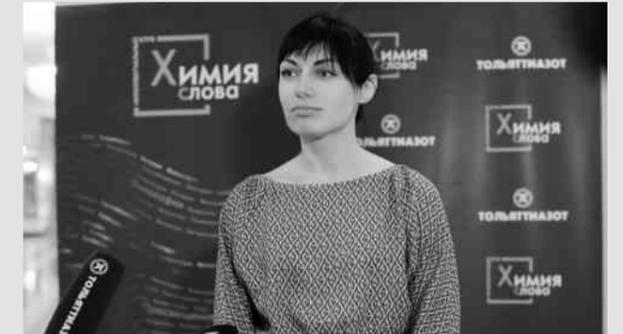


CULTURE AND EDUCATION

PJSC TOAZ supports projects in the field of culture and art of international and regional scale, participates in events, which have an educational orientation, and also implements its own programs. Every cultural and educational project, regardless of its status, is important for the enterprise: art in any of its manifestations shall be accessible to people.

In 2020, Togliattiazot continued to implement its own projects and supported a large number of cultural and educational projects:

- intellectual Club «Chemistry of Word» project which was transferred to the online format due to the epidemiological situation;
- «Impulse» scholarship program;
- «Chemistry in Paints» competition and exhibition (together with the «Spiritual Heritage» Foundation);
- assistance to the Municipal Autonomous Culture Institution of Togliatti «Park Complex of Equipment History named after K.G. Sakharov» in organizing the reconstruction of the exhibits;
- assistance to the Togliatti Museum of Local Lore in organizing «Childhood of Stavropol-Togliatti» interactive exhibition;
- support to the 2019/2020 season of the Togliatti Philharmonia was provided;
- assistance in organization of the Winter Grushinsky Festival, a traditional festival of author songs, which has been held for more than 40 years in Samara region on the eve of the summer Grushinsky festival;
- assistance in trip organization of «Variant» theater artists to the 5th international festival of theaters «Sampo - the mill of happiness» (Jyv skyl , Finland);
- «Chemistry of Experience» program aimed at developing skills in people over 50;
- Career Guidance program, aimed at attracting young specialists to the enterprise, improving the quality of specialists training in educational institutions;
- assistance in the implementation of the «Stars of the Arts Square» project of the Togliatti Philharmonia within the framework of the Governor's program «SOdeystvie» («Cooperation»);
- assistance in organizing a trip for the team of the Togliatti Puppet Theater to participate in the «Golden Mask» festival (Moscow).



«THE SAKHAROV MUSEUM IS A UNIQUE PLACE, THE LARGEST MUSEUM OF TECHNOLOGY IN EUROPE. SOME OF THE EXHIBITS ARE PRESENTED IN A SINGLE COPY, AND IT IS VERY IMPORTANT TO PRESERVE THEM FOR DESCENDANTS. I AM GLAD THAT WE HAVE CONTRIBUTED TO THIS BUSINESS, IT IS NICE TO SEE FRESHLY PAINTED CARS. I AM SURE THAT OUR COOPERATION WITH THE MUSEUM WILL CONTINUE».

Togliattiazot donated 2,336 kilograms of paint to the Sakharov park complex for the reconstruction of exhibits - the wagons of the Molodets combat railway complex, also known as the «train number zero», or the atomic train. These are railroad cars of a special design, which housed strategic missiles. They have looked bad lately. Nevertheless, due to Togliattiazot, the exhibits have renewed. About a thousand square meters of the armored surface is now covered with a fresh coat of gray paint. In addition, the appearance of the three-stage RT-2P missile, the anti-aircraft artillery complex and the Elbrus missile, located near the Molodets, was updated. The largest aviation exhibit in the park was also renewed — the long-range Tu-16 bomber, a Soviet twin-engine jet airplane. Almost a thousand square meters of surface are painted with reflective white paint.

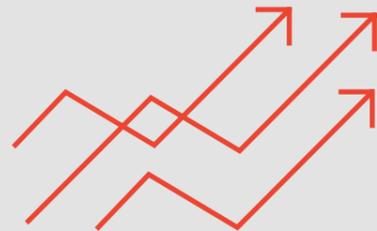
Due to TOAZ, the museum has been renewing for more than a year. Part of the white paint allocated by the Company in 2020 was used to renew the road markings in the parking lot in front of the administration of the park complex.

In 2020, with the support of PJSC TOAZ, the Russian Orchestra of the Togliatti Philharmonia presented the residents of the Komsomolsky District of Togliatti with wonderful melodies performed by its best soloists. The open-air concert «Stars of the Arts Square» took place on the site of the TOAZ Community Center within the framework of the Governor's «SOdeystvie» («Cooperation») project.

CULTURAL EDUCATION PROJECT INTELLECTUAL CLUB «CHEMISTRY OF WORD»

Since 2017, PJSC TOAZ has been implementing the educational project Intellectual Club «Chemistry of Word» based on Togliattiazot Community Center, which has a popular science aim. In 2020, the lecture series were continued.

16 FREE POPULAR SCIENCE LECTURES WERE ORGANIZED BY TOAZ IN THE FOURTH SEASON OF THE INTELLECTUAL CLUB «CHEMISTRY OF WORD».



The lectures are very popular among residents and visitors of the city. Attendance of all lectures within the framework of the «Chemistry of Word» is free.

Due to the epidemiological situation, some of the lectures were held online.

THE SPEAKERS IN 2020 WERE:

- Mikhail Poluektov, a sleep physician, Associate Professor of I.M. Sechenov First Moscow State Medical University, the head of Sleep Medicine Department;
- Tatiana Baranova, an expert, a consultant on modern etiquette and business protocol;
- Vadim Karlov, a writer, Candidate of Legal Sciences, Associate Professor of Volzhsky University named after V.N. Tatischev;
- Dmitry Wiebe, Doctor of Physical and Mathematical Sciences, the head of Stellar Physics and Evolution Department of Institute of Astronomy of the Russian Academy of Sciences;
- Aleksey Paevsky, a science journalist, and Anna Horuzhaya, a Diagnostic Radiology Doctor, - the founders of Neuronovosti portal;
- Anna Sukhova, a psychologist, hypnologist, psychologist and diagnostician, mass media expert and business consultant;
- Konstantin Kunakh, a consulting psychologist;
- Alexey Utin, cardiologist, cardiovascular surgeon;
- Vyacheslav Dubynin, Doctor of biological sciences, Professor of Human and Animal Physiology Department of Faculty of Biology, Moscow State University;
- Sergey Belkov, a chemist, flavourist, food production engineer;
- Egor Sartakov, a senior lecturer of Faculty of Journalism of Lomonosov Moscow State University, Candidate of Philological Sciences;
- Evgenia Timonova, a blogger;
- Vladimir Surdin, Candidate of Physical and Mathematical Sciences, an astronomer;
- Nikolay Kukushkin, a neuroscientist, professor of New York University.

«IMPULSE» SCHOLARSHIP PROGRAM

In 2019, PJSC TOAZ, «Nebezrazlichno» («Unindifferent») charity fund and the Togliatti Philharmonia continued implementing the «Impulse» Scholarship program. In the 2019-2020 academic year, 7 talented young performers became scholars of the program.

The «Impulse» Scholarship Program was launched in 2017. It was originally conceived to support gifted young musicians. Over time, the program has expanded – now the program is being implemented to stimulate and support young talents not only in music, but also in fine and theatre arts: musicians, artists, actors, directors, musical groups and musical projects in the field of culture and art.

Laureates are paid a monthly scholarship for 10 months. The fund for the scholarship program is formed from the sale of tickets for performances of performers known in Russia and abroad, whose concerts are regularly organized by TOAZ with the support of «Nebezrazlichno» («Unindifferent») charity foundation.

REGIONAL COMPETITION AND EXHIBITION «CHEMISTRY IN PAINTS»

In 2020, the works of the participants of the «Chemistry in Paints» competition were exhibited in the Samara Regional Duma and the Togliatti City Duma; this competition was organized in 2019 by PJSC TOAZ together with the Spiritual Heritage Foundation named after S.F. Zhilkin.

The «Chemistry in Paints» competition, which took place as part of the celebration of the 40th anniversary of the start of production at TOAZ, was attended by amateur and professional artists, students of art schools and studios of Togliatti and Samara region. They prepared their works in the genre «Industrial landscape» on the theme «Togliattiazot Factory»: production, factory buildings, the territory of the factory, working man, etc., in painting and graphics techniques.



In summer 2019, as part of the competition, a plain-air was held on the territory of Togliattiazot: teachers and students of Institute of Fine and Applied Arts of Togliatti State University and art schools of the city were working at the production site for a week. They arrived at the factory to paint an industrial landscape taken from life and to convey in detail the specifics of chemical production. Outdoor work, light and air created a distinct aesthetics for the industrial landscape.

Following the results of the competition, a collection of artistic works dedicated to the celebration of the Company's anniversary was formed. The winners of the «Chemistry in Paints» competition in each nomination received cash prizes and memorable gifts; the best works were demonstrated at the exhibition held at Togliattiazot Community Center in November-December 2019. Later, the exposition was held at the enterprise itself and at the Togliatti Philharmonia.

NEW EXPOSITION OF THE MUSEUM OF LOCAL LORE

In 2020, the Togliatti Museum of Local Lore implemented the «Childhood of Stavropol-Togliatti» project with the support of PJSC TOAZ under the «Chemistry of Good» program.

The «Childhood of Stavropol-Togliatti» project is aimed at intergenerational family communication and intended for children and families. Project products: an interactive exhibition presenting the collection from three museums of the city and townspeople, a museum and educational program (historical game reconstruction of the childhood of 20th century generations, creation of cartoons on family history, psychological trainings for the whole family).

The «Childhood of Stavropol-Togliatti» project of the city Museum of Local Lore is dedicated to the 100th anniversary of preschool education in Stavropol-Togliatti (the first kindergarten in the city was opened in 1919). The partners included Togliatti Museum of Art, City Museum Complex «Heritage», Togliatti Archives, Department of Education of the Togliatti City Administration, Togliatti State University, Association of Psychotherapists and Psychologists of Togliatti. The project gave rise to the interactive exhibition based on rare documents, collections of three museums of the city (Museum of Local Lore, Museum of Art, eco-museum «Heritage») and collections, memories, personal stories of citizens of different generations. The museum and educational program for this exhibition is carried out in several formats: at the museum, in the form of a game and event-related reconstruction program «One day in a kindergarten in Stavropol-Togliatti in the 1920s, 50s, 70s» for children and families; museum family Sunday meetings with a game, training, and cartoon-studio program; visits to the city's institutions, kindergartens and schools with museum programs.

Game and event-related reconstruction of childhood in the 20s, 50s, 70s of the 20th century at the Togliatti Museum of Local Lore immerses modern Togliatti residents in the atmosphere of childhood of mothers and fathers, grandmothers and grandfathers, great-grandmothers and great-grandfathers. The childhood of the 20th century generations represents a unique experience of early growing-up, real «adult» work, assistance to elders, collective education in a social institution, responsibility and independence, losses and overcoming in connection with the «difficult» chapters of national, local, and family history. «Penetration» of modern children and families into the world of

preschool childhood of the 20th century generations is the key to intergenerational transmission of values within one family, strengthening of interfamilial communication, discovery of family history in connection with local and national, rethinking of childhood as «the rise of fate in human life» in the 21st century. The methodology of the program for preschoolers, primary schoolchildren and families is based on a game historical reconstruction using materials and artifacts of national, local and family history in their interrelation.

For a person of the 21st century, the project «Childhood of Stavropol-Togliatti» is a territory of discoveries, direct practice of interaction with the memory of a place and family, an inventory of values.

In 2020, the Museum of Local Lore was actively digitizing its expositions. The exhibition «Childhood of Stavropol-Togliatti: XX century» was among them. The online tour is presented in video format. The Togliattiazot TV studio assisted in making the visual backdrop. This online tour is available on social networks of the Museum of Local Lore.

The Company has been supporting Togliatti Museum of Local Lore for more than four years. Thus, in 2017, a joint video competition «Welcome to my Togliatti», and in 2018 — a photo competition «Togliatti. Declaration of love» were held. In 2019, a new section of the exposition «20th century: Stavropol-Togliatti» was opened for public at the Togliatti Museum of Local Lore. The section is devoted to the history of the city in 70-80s of the last century and the establishment, activity and role of PJSC TOAZ in the development of the city. It is symbolic that this section, creation of which was supported by Togliattiazot with finances and exhibits, was opened in the year of the 40th anniversary of the start of production by the enterprise.



EDUCATIONAL PROGRAM «CHEMISTRY OF EXPERIENCE»

The socially oriented project «Chemistry of Experience», which Togliattiazot has been successfully developing for two years, quickly switched to a remote format. Self-isolation is the most effective measure against the spread of the coronavirus. It also led to the cancellation of all mass events in the field of culture, sports and education, including those organized by Togliattiazot, for a significant period of time. But it did not exclude these events from the city agenda. Studies were conducted on an Internet platform that allows the teacher and students to see each other, share notes and slides with educational materials. With the switch to distance learning, older students had to face difficulties in adapting to new conditions. The teachers especially noted those project participants who had studied other languages in their youth - French or German. They not only began to learn English from scratch and have already achieved considerable success, but also have mastered modern computer programs allowing them to work remotely. The project participants coincidentally received another skill that is important for the modern world — the ability to communicate remotely using social networks and video chats.

«THE MISSION OF TOAZ WAS TO SUPPORT THE CITY RESIDENTS OF PRE-RETIREMENT AND RETIREMENT AGE, TO ASSIST IN THEIR ADAPTION TO THE CURRENT ECONOMIC SITUATION, TO IMPROVE THEIR EMPLOYABILITY. ACCORDING TO THE FEEDBACK RECEIVED FROM THE FIRST-STAGE PARTICIPANTS, WE SEE THAT THE GOALS ARE ACHIEVED, AND THE INTEREST IN OUR PROGRAM IS GROWING. THERE ARE MANY ELDERLY PEOPLE WISHING TO LEARN SOMETHING NEW AND APPLY THEIR KNOWLEDGE IN PRACTICE. IT IS PLEASANT TO WORK WITH THE TOGLIATTI RESIDENTS OF THE OLDER GENERATION. THEY ARE SHOWING INITIATIVE, ASKING QUESTIONS, CLARIFYING EVERYTHING THAT THEY DO NOT UNDERSTAND – STRIVING FOR KNOWLEDGE».

Yulia Petrenko, Deputy General Director -
Director on Public Relations of JSC «TOGLIATTIAZOT Corporation»



The completion of the second stage of the «Chemistry of Experience» included the online defense of works by the project participants before an expert jury, and the graduation celebration, which was postponed to a later date, after removal of certain restrictions. At the ceremony held at Togliattiazot Community Center, the participants received commemorative diplomas and gifts. They had previously defended their graduate works.

The «Chemistry of Experience» is a unique platform for development of personal and professional skills for people of preretirement age. One of the main goals of the program is the development of the local labor market in general, and small and medium business in particular.

More than 40 people participated in the second season of the program; they got the opportunity to take a training course consisting of three modules: a foreign language, computer literacy, management and entrepreneurship. The program included master-classes in psychology, economics and personnel management taught by professors from major Russian universities and practicing experts. The studies were held for six months on the basis of Togliattiazot Community Center, and then, due to the epidemiological situation, on the basis of remote education.

At the end of the program, each participant was to present a project (an individual or a group one): a business plan for a

possible business, a career portfolio, or a business case solution. Graduation works were evaluated by a competent jury, which included the representatives of the city business community and the Company.

Many participants of the program prepared career portfolios for the defense. Also, the following business projects were presented:

- Handmade flower shop «Iris Flora»;
- Furniture salon «Round World»;
- Fresh greens cultivation «Fresh Greens»;
- Art Hotel.

Following the results of the project, all graduates received certificates, as well as reviews and recommendations from the curators and project experts.

«WE ARE GLAD THAT, DESPITE THE DIFFICULT EPIDEMIOLOGICAL SITUATION, THE PARTICIPANTS OF THE «CHEMISTRY OF EXPERIENCE» PROGRAM REACHED THE FINAL AND MANAGED TO DEVELOP THEIR OWN BUSINESS PROJECTS. THEY ARE LESS IN NUMBER THIS SEASON COMPARED TO THE PREVIOUS ONE; NEVERTHELESS, THE PROJECTS ARE MORE WORKED-OUT, MORE REAL, AND THEY ALREADY HAVE RESULTS. IT IS ALSO IMPORTANT THAT, DESPITE THEIR AGE, THE «STUDENTS» OF THE PROGRAM ACCEPTED THE REMOTE TRAINING, WHICH TURNED OUT TO BE AN ADDITIONAL CHALLENGE. THEY GOT THROUGH IT, WHICH MEANS THAT THEY WILL BE ABLE TO OVERCOME ANY DIFFICULTIES IN FUTURE. THE SECOND SEASON OF THE «CHEMISTRY OF EXPERIENCE» PROGRAM HAS ONCE AGAIN TESTIFIED THAT THE PROGRAM IS IN DEMAND AND THAT IT ALLOWS ELDERLY PEOPLE TO LOOK AT THEMSELVES FROM A DIFFERENT ANGLE, TO LEARN THE SKILLS THEY WERE LACKING, AND TO ACHIEVE SIGNIFICANT RESULTS. I WISH CONSIDERABLE ACHIEVEMENTS TO THE GRADUATES».

Yulia Petrenko, Deputy General Director -
Director on Public Relations of JSC «TOGLIATTIAZOT Corporation»

CAREER GUIDANCE PROGRAM

Togliatti is a city of major chemistry; its enterprises need qualified workers. Therefore, TOAZ is building a multi-stage system of personnel training, which starts straight from school.

The Career Guidance program covers all aspects of the educational process from school to production. Its purpose is to attract young specialists, improve their training in specialized colleges and universities, and form a labour pool from successful employees. Thanks to the program, even high school students who are keen on natural sciences and dream of connecting their life with chemical production can get into the «golden hundred».

It is worth noting that the Company has been implementing certain areas of the program for several years, but since 2019, it has covered all age categories of Togliatti residents. Therefore, in the spring, TOAZ announced the formation of specialized

engineering and technical classes on the basis of city schools No. 35 and No. 41. Education in these schools goes in two directions – chemical-physical and physico-mathematical. The profile classes were formed within the framework of the innovative project of the enterprise «School as one of the elements of the formation of human resources for the chemical industries of Samara region», which became the winner in the regional fair of social and pedagogical innovations. Engineering and technical classes are, first of all, an opportunity for high school students to receive a high-quality education in chemical engineering. The purpose of the project is to develop students' interest in the technical field, engineering and design thinking, to develop skills in modeling technical processes, and also to motivate graduates to make a conscious choice of engineering-technical and working professions.

In 2020, on the eve of the new academic year, Togliattiazot donated interactive whiteboards with large touch screens to school No. 41 and gymnasium No. 35.

In 2020, two graduates of school No. 41 achieved the maximum result at the Unified State Exam - 100 points in chemistry. They received memorable gifts from the enterprise for academic excellence.

TOAZ initiative leads to the fact that in-depth knowledge and skills in the profile chosen during school years result in a specific workplace.

The second block of the Career Guidance program is the Company's cooperation with universities and colleges. Within the framework of the new concept, each successful student who cooperates with the enterprise can not only receive practical skills at the factory under the guidance of experienced mentors, but also guaranteed employment at the enterprise.

At the higher education level, TOAZ is actively cooperating with Togliatti State University (TSU). The Career Guidance program at the flagship State University of Togliatti, in cooperation with the Company, has been implemented since 2015. Within its framework, the Company concludes contracts with students, and if they successfully pass the sessions, TOAZ pays them a scholarship from 20,000 to 30,000 rubles. And after graduation, students must work at the enterprise for 3 years.

Togliattiazot is developing the Institute of Chemistry and Power Engineering of Togliatti State University. As part of the Career Guidance program, our enterprise assists in making the local chemical laboratory ultramodern. For the TSU's



chemical laboratory, Togliattiazot purchased two sampling probes, an electric resistance furnace, a rotary evaporator, a spectrophotometer, a concentration meter and an algae cultivator. Thus, the laboratory received a set of analytical equipment, a complex for biological assessment of the toxicity of substances and other instruments for scientific work. In 2020, despite the pandemic, PJSC TOAZ continued implementing the Career Guidance program. The research work for schoolchildren on TOAZ topics was launched at Togliatti State University; TSU, in cooperation with the Department of Education of the Togliatti Administration, organized general meetings and studies for schoolchildren, conducted by professional chemists as part of professional identity project «7 Steps to the Profession»; the intellectual competition «Chemistry Marathon» was held in partnership with school No. 41.

TSU made another step towards the employer by introducing in 2017 ongoing project activities into the educational process. Students acquire new professional and personal competencies through participation in solving project cases, which are often the real tasks of specific enterprises, including those of TOAZ.

The best students of Togliatti Chemical Engineering Technical College also receive material support from the enterprise in the form of personalized TOAZ scholarships.

Not only local students are striving to undergo an industrial internship on the basis of Togliattiazot. This is useful not only for future chemical engineers, but also for the enterprise, since it allows its HR specialists and engineers to see in action and select the best young specialists who not only have specialized education, but are also able to work on the latest equipment, which, as part of the modernization program, is more widely used in the factory.

«MUCH HAS BEEN DONE IN PARTNERSHIP WITH THE ENTERPRISE TO IMPROVE THE EDUCATIONAL PROCESS, INCLUDING THE PROVISION OF THE UNIVERSITY WITH THE NECESSARY EQUIPMENT. IN 2015, WE JOINTLY LAUNCHED «TOGLIATTIAZOT CORPORATE LABORATORY» PROJECT. WE ACTIVELY USE IT AS PART OF THE EDUCATIONAL PROCESS. FIRSTLY, A MODERN MULTIMEDIA CLASSROOM PROVIDES THE OPPORTUNITY TO PRESENT SCIENTIFIC PROJECTS AND RESEARCH RESULTS. SECONDLY, THE LABORATORY PROVIDES THE OPPORTUNITY TO WORK OUT THE PROCESSES THAT TAKE PLACE AT THE CHEMICAL ENTERPRISE. THE UNIVERSITY HAS OBTAINED ADDITIONAL EQUIPMENT THAT WE WILL USE BOTH IN THE EDUCATIONAL PROCESS AND FOR SCIENTIFIC PURPOSES. IT IS IMPORTANT FOR STUDENTS TO RECEIVE TRAINING ON MODERN EQUIPMENT, CAPTURE ADVANCED OPPORTUNITIES IN CHEMISTRY AND HONE THE SKILLS THAT WILL BE USEFUL FOR THEM WHEN WORKING AT THE FACTORY. THE ENTERPRISE ANNUALLY ALLOCATES FUNDS FOR REFITTING THE LABORATORIES OF THE INSTITUTE OF CHEMISTRY AND ENERGY. IN 2019, TSU RECEIVED FROM THE FACTORY 35 HIGH-PRECISION INSTRUMENTS; THE LAST BATCH OF EQUIPMENT – 8 UNITS – WAS RECEIVED BY TSU IN SEPTEMBER 2020».

Pavel Melnikov, Director of the Institute of Chemistry and Energy of Togliatti State University

SUPPORT FOR VETERANS

The 9th of May is the day when words of gratitude take on a special meaning. In 2020, traditional festive events in honor of Victory Day in the Great Patriotic War at the Togliattiazot Community Center were canceled.

The poetic marathon, which TOAZ has been conducting for four years, has become an integral part of the Victory Day celebrations in the city. This spring, due to the epidemic, it was not possible to arrange it on the stage near the Community Center, but the poems about the war, which are read by residents of Togliatti, found their audience. On May 9, the VAZ-TV channel broadcast videos with poems, which were read by subscribers of Togliattiazot's official group on the VKontakte social network.

All veterans of the Company, homefront workers during the Great Patriotic War, on behalf of Togliattiazot were awarded with 10,000 rubles each and a food set. This year, traditional meetings with veterans were interrupted by the coronavirus pandemic. TOAZ supports lonely veterans of the Great Patriotic War. The Duma Members from the Company presented them with gifts and prepared a surprise for May 9. The epidemic and the period of self-isolation for the elderly people made it difficult to meet with the veterans in person, as is tradition. Nevertheless, the Duma representatives from Togliattiazot found a way out of the situation. The food sets, which came in handy for the festive table on May 9, were distributed to addresses and given to veterans in a non-contact manner. Food packages from TOAZ representatives of the Duma were sent to the Komsomolsky and Avtozavodsky districts of the city, at 68 addresses. The list includes war veterans, prisoners of concentration camps and homefront workers who are now left alone.

In addition, representatives of the Company fulfilled an honorable mission, they took part in the official presentation of commemorative medals for the 75th anniversary of Victory in the Great Patriotic War. In the Komsomolsky district of Togliatti war veterans, homefront workers and prisoners of concentration camps, in total more than 400 people. For health reasons, some people were not able to attend the award ceremony. Relatives and administration staff handed the medals to those people.



SUPPORT OF BUDGETARY INSTITUTIONS AND SOCIALLY VULNERABLE GROUPS. IMPLEMENTED PROJECTS:

PJSC TOAZ annually provides support to social and budgetary institutions of the city and region, 2020 was no exception.

- Grant program for those who have adopted children left without parental care;
- New Year's performances for children from large and low-income families, for physically challenged children;
- New Year's charity performance for children from the «Family» Center;
- gifts for the «New Year Card» children's creativity competition with postcards with personal video congratulations from Father Frost;
- tickets to events hosted by TOAZ Community Center (concerts, performances, children's entertainment programs) for social and budgetary institutions;
- assistance in organizing of the «Star of Bethlehem» Festival of Children and Youth Crafts;
- allocation of special equipment for the improvement of the territory of the Church of St. Spyridon Trimifuntsky in Zelenovka village;
- assistance to the movement of disabled people in organizing a trip to a training congress (Kinel-Cherkassy);
- organization of a campaign to collect help for shelters for homeless animals of Togliatti;
- assistance in purchasing air ozonizers and ionizers for State Public Institution «Togliatti Social Shelter for Children and Adolescents «Dolphin»;
- assistance in the manufacture and sewing of costumes for pupils of the State Budgetary Educational Institution Boarding School No. 5 to participate in the VI International Festival-Competition «DeAFile-2020» of theaters and fashion studios among children with hearing impairment.

Since 2014, PJSC TOAZ has been implementing a grant program for persons who have adopted children with disabilities. This is an initiative of the employees, the Trade Union organization and the administration of the enterprise. The Board of Directors of the Company also supported the program. As part of the program, Togliattiazot allocates funds to persons

«OUR COMPANY DID NOT REFUSE ANY APPLICANT WHO MET THE REQUIREMENTS OF THE REGULATION. ALL REGIONAL CHILDREN'S SERVICES HAVE BEEN INFORMED ABOUT OUR SOCIAL PROGRAM. IT IS IMPORTANT FOR US THAT FAMILIES WHO DO SUCH AN IMPORTANT DEED KNOW THAT THEY CAN COUNT ON TOGLIATTIAZOT HELP. NOW THE AMOUNT OF THE GRANT IS AS FOLLOWS: FOR TOAZ FAMILIES WHO ADOPTED AN ORPHAN CHILD, IT IS 100,000 RUBLES, FOR ADOPTIVE PARENTS OF A DISABLED CHILD, IT IS 120,000 RUBLES A YEAR. TOAZ HAS HELPED VARIOUS ORPHANAGES IN SAMARA REGION MANY TIMES. HOWEVER, THE BEST HELP IS THE ONE THAT WILL HELP TO FIND A LOVING FAMILY FOR THE CHILDREN. IF THERE IS AT LEAST ONE PERCENT THAT TOAZ GRANT WILL HELP SOMEONE DECIDE TO ADOPT A CHILD, IT IS WORTH ALL THE EFFORT AND MONEY».

Yulia Petrenko, Deputy General Director - Director on Public Relations of JSC «TOGLIATTIAZOT Corporation»



who have adopted children; as well as children with disabilities and children left without parental care who were at the time of adoption in organizations for orphaned children. An important condition of the program is the adoption of children in Samara region.

The grant is paid annually until the child reaches 18 years of age. To remain in the program, the adoptive family shall submit a statement of the use of funds. The grant can be used exclusively for specific purposes: to improve housing conditions, spend a joint vacation with the child, purchase medical equipment and medicines, receive paid medical services, buy clothes for the child, pay for his/her education and visits to cultural and sports institutions. During the implementation of the program, there was a case when the foster family of a disabled child invested funds from a grant in his treatment, the child's health was restored, and his disability status was removed.

The chairman of the Trade Union Committee accepts applications and communicates with grantees. All information about the participants of the program is strictly confidential.

In 2019, two new families appeared in the program. In one case, a TOAZ employee adopted two brothers. She receives two grants, as it is allocated for each adopted child. In August 2020, 13 families with 14 foster children received grants from the enterprise for a total amount of 1,480,000 rubles. During the program, Togliattiazot paid the adoptive families over seven million rubles.

PJSC TOAZ makes a significant contribution to the social and economic development of its region, implements environmental protection projects, provides support for projects in the field of culture, sports, education, etc. Thus, the Company shows a worthy example of social responsibility of business.



SUMMARY

Public non-financial reporting has been developing around the world for more than 20 years now. Sustainable Development Reports similar to this Report are published by most large national and multinational companies, state and municipal organizations in many countries also follow the principles of transparency of the information provided. This is all owing to the fact that the idea of long-term profitability combined with social justice and environmental protection is becoming more and more obvious and wide-spread.

In the conditions of the ongoing development of Russian business, its responsibility and openness are priority tasks. The State policy in the field of social and economic, as well as environmental development sets goals which can only be achieved with the joint efforts of the government, private and public sectors. It is important that developers of ratings in the sphere of sustainable development welcome any step of each company aimed at disclosing and transparency of the reporting in each area of the company's activities.

In the course of its activity, PJSC TOAZ focuses not only

on maintaining and increasing the growth rates of economic development, but also pays particular attention to the environmental protection and minimization of its impact on the environment, care for the employees, their health and wellbeing, development of the cultural environment in the region of presence. These principles of corporate responsibility and the results of their application are published annually as the Sustainable Development Report.

This Sustainable Development Report of PJSC TOAZ for the period from January 1, 2020 to December 31, 2020 has been prepared in accordance with the «core» version of compliance with requirements of the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI), version G4.

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ABBREVIATIONS AND DESIGNATIONS

The following abbreviations and designations were used in the Report:

GRI	Global Reporting Initiative
IPDPD	Intellectual Property Development and Protection Department
WWTF	Waste water treatment facility
DGRT	Departmental gas rescue team
WCC	Water cooling cycle
HEI	Higher education institution
SPI SR	State public institution of Samara region
GOST	National standard
HS	Hydraulic structures
CC	Community center
VHI	Voluntary health insurance
RCC	Remote control console
JSC	Joint Stock Company
ISM	Integrated management system
ETP	Engineering and technical personnel
Sludge cake	Activated sludge dehydrated to 60–85% humidity
Company	PJSC TOAZ, Togliattiazot, TOAZ
EC	Efficiency coefficient
KPI	Key performance indicators
LDC	Labour disputes commission
UFC	Urea formaldehyde concentrate
VOC	Volatile organic components
MW	Minimum wage
PHU	Primary healthcare unit
EM	The Ministry of the Russian Federation for Civil Defence, Emergencies and Elimination of Consequences of Natural Disasters

VERT	Volunteer emergency response team
NSPF	Non-state pension fund
EP	Environmental protection
OH	Occupational health
TCD	Technical control department
Report	Sustainable development report of PJSC TOAZ for 2020
Reporting period	01 January 2020 – 31 December 2020
PJSC	Public Joint Stock Company
BSA	Behavioural safety audit
IS	Industrial safety
DGC	Dust and gas collectors
EP	Emergency plan
DSWGLP	Draft standards for wastes generation and limits on their placement
FS	Fire station
RUIE	Russian union of industrialists and entrepreneurs
RF	Russian Federation
RFCTD	Residential Facility for Children and Teenagers with Disabilities
MM	Mass media
CO ₂	Carbon dioxide
SALC	Special Assessment of Labor Conditions
SSEI	Secondary Specialized Educational Institution (College)
ISMS	Industrial Safety Management System
USA	United States of America
TS	Technical specification
FZ	Federal law
CFL	Central factory laboratory

CHCLPC	Center for Helping Children Left without Parental Care
CTED	Center for Training and Employees Development
ES	Emergency situation
SER	Safety Expert Review

DEFINITIONS

LTIFR	Injury rate, calculated as the ratio of the total number of lost time injuries to the number of manhours worked multiplied by 1 million man-hours.
Interested parties, stakeholders	Organizations or individuals whose interests are related to the activities of PJSC TOAZ and who, in turn, affect the results of the Company's operation.
KPI	Key performance indicators are the indicators of the activities of a division (enterprise), which help the company in achieving strategic and tactical (operational) goals.
Company, enterprise	Public Joint Stock Company Togliattiazot.
Modernization program	Capital investment plan of PJSC TOAZ.
GRI Guidelines	Sustainability Reporting Guidelines of the Global Reporting Initiative.
Essential topics / essential issues	Aspects that reflect the economic, environmental, and social impact on organizations or that have a significant impact on evaluations and decisions of interested parties.
Managing company	JSC «TOGLIATTIAZOT Corporation».

STANDARD GRI G4 DISCLOSURES TABLE

Indicator	Reference / note
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STRATEGY AND ANALYSIS

G4-1	Statement of the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy.	Address of the Chairman of the Company's Board of Directors.
G4-2	Research and development results.	2.6. Innovation development of the Company.

ORGANIZATIONAL PROFILE

G4-3	Name of the organization.	Public Joint Stock Company Togliattiazot, PJSC TOAZ, Togliattiazot.
G4-4	Primary brands, products and services.	Core business line of PJSC TOAZ is production of ammonia and mineral fertilizers: urea, UFC and other chemical products. For detail see: 1.1. Company overview; 3.1. Types of products and production volumes.

Indicator	Reference / note	
G4-5	Location of the organization's headquarters .	445045, Samara region, Togliatti, Povolzhskoe shosse, 32.
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations of that are specifically relevant to the sustainability topics covered in the report .	3.6. Transportation of products and sales markets.
G4-7	Nature of ownership and legal form.	PJSC, i.e. Public Joint Stock Company.
G4-8	The markets served by the organization.	3.6. Transportation of products and sales markets.
G4-9	The scale of the organization.	1.3. Key indicators and achievements in 2020; 1.4. Awards of the Company in 2020; 1.1. Company overview; Chapter 3. Production, safety and sales of products; Chapter 4. Economic sustainability.
G4-10	Total number of employees by employment type, employment contract, region and gender.	5.1. The Company staff and formation of a professional team.
G4-11	Percentage of total employees covered by collective bargaining agreements.	Collective Bargaining Agreement covers 100% of the Company's personnel. 5.1. The Company staff and formation of a professional team.
G4-12	Organization's supply chain.	3.1. Types of products and production volume; 3.2. Ensuring supply of raw materials and equipment; 3.6. Transportation of products and sales markets.
G4-13	All significant changes regarding organization's size, structure, ownership, or its supply chain occurred over the reporting period.	No significant changes regarding organization's size, structure, ownership or its supply chain occurred over the reporting period.
G4-14	Whether and how the precautionary principle is addressed by the organization.	The precautionary principle is the fundamental principle that guides the Company in planning and carrying out its activities, including the integration of environmental aspects and safety issues.
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	The Company endorses the principles of sustainable development. i.e. it considers economic, environmental and social factors in its activities. The Company promotes the initiatives to support the regions of presence, for detail see: Chapter 8. Development of the region of presence.
G4-16	Membership in associations (such as industry associations) and /or national or international advocacy organizations.	<ul style="list-style-type: none"> Chamber of Commerce and Industry of the Russian Federation; Russian Fertilizer Producers Association (RFPA); Russian Union of Commodity Producers ; Russian Chemists Union; Samara Region Employers' Association; Chamber of Commerce and Industry of Togliatti.

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4-17	All entities included in the organization's consolidated financial statements or equivalent document.	PJSC TOAZ The sustainable development report does not contain information about any entities included in the organization's consolidated financial statements or equivalent documents.
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Indicator		Reference / note
G4-18	Methods of defining the Report content and aspect boundaries.	About the Report.
G4-19	All the material Aspects identified in the process for defining report content.	About the Report.
G4-20	Each material Aspect boundary within the organization.	About the Report.
G4-21	Each material Aspect boundary outside the organization.	About the Report.
G4-22	Effect of any restatement of the information provided in the previous reports, and reasons for such restatements.	About the Report.
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	About the Report.

STAKEHOLDER ENGAGEMENT

G4-24	A list of stakeholder groups engaged by the company.	2.4. Stakeholder engagement.
G4-25	The basis for identification and selection of stakeholders with whom to engage.	2.4. Stakeholder engagement.
G4-26	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and the engagement elements which were undertaken specifically as part of the report preparation process.	2.4. Stakeholder engagement.
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	2.4. Stakeholder engagement.

REPORT PROFILE

G4-28	Reporting period for which information is provided.	01 January 2020 – 31 December 2020.
G4-29	Date of the previous sustainable development report.	The previous sustainable development report for 2019 was placed in the public domain in 2020. https://toaz.ru/rus/invest/razvitie.phtml?prod=2
G4-30	Reporting cycle.	The Company prepares sustainable development reports on an annual basis (annual reporting cycle).
G4-31	Contact person for questions regarding the Report or its contents.	Summary.
G4-32	«In accordance» with GRI option chosen by the organization, GRI Context Index for the chosen option.	The report was prepared in accordance with the «core» version of compliance with the requirements of the Sustainability Reporting Guidelines of the Global Reporting Initiative version G4.
G4-33	The organization's policy and current practice with regard to seeking external assurance for the report.	An independent audit was not conducted on this Sustainable Development Report for 2020. Nevertheless, the Company is aware of the importance of conducting professional external audits to increase the level of confidence in non-financial reporting and is considering the possibility of conducting them in the future.

Indicator		Reference / note
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CORPORATE GOVERNANCE

G4-34	Corporate governance structure of the organization, including committees of the highest governance body.	2.1. Company governance structure.
G4-35	The process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Chapter 2. Strategy and governance.
G4-36	Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics.	Chapter 2. Strategy and governance.
G4-37	Processes for consultation on economic, environmental and social topics between stakeholders and the highest governance body of corporate governance of the reporting company.	2.4. Stakeholder engagement.
G4-39	Whether the Chair of the highest governance body is also an executive officer.	No.
G4-42	The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purposes, values and mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	The senior executives set goals and tasks in relation to economic, environmental and social impacts, form the principles of engagement with internal and external stakeholders, participate in their work.
G4-43	The measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	Publication of the Annual Report and the Sustainable Development Report of PJSC TOAZ. The economic, environmental and social issues of corporate governance are discussed at the Board of Directors. 2.4. Stakeholder engagement.
G4-48	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	General Director. Deputy General Director.

ETHICS AND INTEGRITY

G4-56	The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	2.2. Development strategy of the Company and sustainability topics.
G4-58	The internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity.	2.4. Stakeholder engagement; Chapter 5. Human capital assets; 7.2. Occupational health and industrial safety.

SPECIFIC STANDARD DISCLOSURES

G4-CPM	Overview of management approaches.	Chapter 2. Strategy and governance.
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Indicator	Reference / note	
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CATEGORY: ECONOMIC

ECONOMIC PERFORMANCE

G4-DMA	Overview of management approaches.	Chapter 2. Strategy and governance; Chapter 4. Economic sustainability.
G4-EC1	The generated and distributed direct economic value.	Chapter 4. Economic sustainability.
G4-EC3	Coverage of the organization's retirement plans and defined benefit plan obligations.	5.4. Social support of the personnel, incentives.
G4-EC4	Financial assistance received from government.	The Company received no financial assistance from government in the reporting period.

MARKET PRESENCE

G4-DMA	Overview of management approaches.	5.3. Remuneration system and personnel costs.
G4-EC5	Ratios of standard entry level salary by gender compared to local minimum salary at significant locations of operation.	Chapter 5. Human capital assets. The Company does not discriminate against its employees. Regardless of gender, the average salary level of an employee of the Company entry level is the same. The ratio of standard entry level salary by gender compared to local minimum salary at significant locations of operation was 2,1.
G4-EC6	The proportion of senior management at significant locations of operation that are hired from the local community.	The percentage of senior management at significant locations of operation that are hired from the local community was 20%.

INDIRECT ECONOMIC IMPACT

G4-DMA	Overview of management approaches.	Chapter 2. Strategy and governance; Chapter 8. Development of the region of presence.
G4-EC7	Development and impact of infrastructure investments and gratuitous services.	Chapter 8. Development of the region of presence.
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	Chapter 8. Development of the region of presence.

CATEGORY: ENVIRONMENTAL

ENERGY

G4-DMA	Overview of management approaches.	6.1. Environmental policy of the Company.
G4-EN3	Energy consumption within the organization.	6.3. Energy efficiency.
G4-EN6	Reduction of energy consumption.	6.3. Energy efficienc.

Indicator	Reference / note	
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WATER

G4-DMA	Overview of management approaches.	6.1. Environmental policy of the Company.
G4-EN8	Total water withdrawal by source.	6.2. Environmental impact.
G4-EN9	Water sources significantly affected by withdrawal.	6.2. Environmental impact.

BIODIVERSITY

G4-DMA	Overview of management approaches.	6.1. Environmental policy of the Company; 8.2. Environmental initiatives.
G4-EN13	Habitats protected or restored.	6.4. Environment activities; 8.2. Environmental initiatives.

EMISSIONS

G4-DMA	Overview of management approaches.	6.1. Environmental policy of the Company; 6.2. Environmental impact.
G4-EN15	Direct greenhouse gas emissions (Scope 1).	Greenhouse gas (CO ₂), generated in the production process, is used at other stages of the production cycle.
G4-EN21	NO _x , SO _x , and other significant air emissions.	6.2. Environmental impact.

EFFLUENTS AND WASTE

G4-DMA	Overview of management approaches.	6.1. Environmental policy of the Company.
G4-EN22	Total water discharge by quality and destination.	6.2. Environmental impact.
G4-EN23	Total weight of waste by type and disposal method.	6.2. Environmental impact.
G4-EN24	Total number and volume of significant spills.	Not a single spill occurred during the reporting period.

COMPLIANCE

G4-DMA	Overview of management approaches.	6.1. Environmental policy of the Company.
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OVERALL

G4-DMA	Overview of management approaches.	6.1. Environmental policy of the Company.
G4-EN31	Total environmental protection expenditures and investment by type.	6.1. Environmental policy of the Company; 6.2. Environmental impact.



Indicator	Reference / note	
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CATEGORY: SOCIAL

PRACTICE OF LABOR RELATIONS AND DECENT WORK; EMPLOYMENT

G4-DMA	Overview of management approaches.	2.3. Risk management in the field of sustainable development of the Company; Chapter 5. Human capital assets.
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	5.1. The Company staff and formation of a professional team.
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	5.3. Remuneration system and personnel costs; 5.4. Social support of the personnel, incentives.

OCCUPATIONAL HEALTH AND SAFETY

G4-DMA	Overview of management approaches.	5.1. The Company staff and formation of a professional team; 6.1. Environmental policy of the Company; 7.2. Occupational health and industrial safety.
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	5.4. Social support of the personnel, incentives.
G4-LA6	Types and level of industrial accidents, level of occupational diseases, lost days and absenteeism rates, as well as total number of work-related fatalities, by region and by gender.	7.2. Occupational health and industrial safety . The indicator is disclosed without breakdown by gender, as well as without data on employees of contractors.
G4-LA8	Health and safety topics covered in formal agreements with Trade Unions.	7.2. Occupational health and industrial safety.

TRAINING AND EDUCATION

G4-DMA	Overview of management approaches.	5.1. The Company staff and formation of a professional team; 7.2. Occupational health and industrial safety.
G4-LA9	Average annual number of training hours per employee.	5.3. Remuneration system and personnel costs.
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assists them in managing career endings.	Chapter 5. Human capital assets.
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	5.3. Remuneration system and personnel costs The indicator is disclosed without division by employee category.



Indicator	Reference / note	
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LOCAL COMMUNITIES

G4-DMA	Overview of management approaches.	Chapter 8. Development of the region of presence.
G4-SO1	Percentage of divisions with implemented community engagement programs, community impact assessment and development programs.	Chapter 8. Development of the region of presence.
G4-SO2	Divisions with significant actual or potential negative impacts on local communities.	Chapter 6. Ecology, environmental protection.



