



EUROCHEM
MINERAL AND CHEMICAL COMPANY

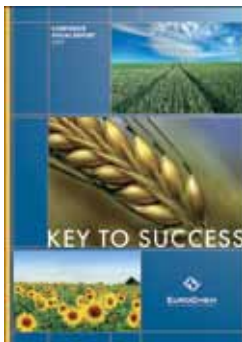
Key to success



This report contains strategic guidance within the sphere of sustainable development, and formulates CSR objectives and principles. It describes a policy for risk management and stakeholder interactions. The Information is standardized in accordance with GRI requirements.



The format of this social report was improved. Corporate governance, CSR, social investments and ethical corporate behavior are described within the framework of sustainable development. The report has been validated by Bureau Veritas Certification Rus.



Implementation of CSR policies and principles for interacting with stakeholders are reviewed in detail. Opinions are given by Company management and experts. A comprehensive risk assessment is provided including social, personnel and management risks. The GRI application level is B+. The report has been validated by Bureau Veritas Certification Rus.



This report is made closer to readers. It is like a social responsibility atlas with detailed information on corporate social policy in the 9 cities where EuroChem's facilities are located. It contains sections related to products, the environment, investment projects and human resources. The GRI application level is B+. The report has been validated by Bureau Veritas Certification Rus.



This report contains information on the Company's crisis response system, measures aimed at maintaining social stability and fulfilling social commitments. The GRI application level is B+. The report has been validated by Bureau Veritas Certification Rus.

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Accomplishments in 2009

Andrey Melnichenko,
EuroChem Chairman of the Board of Directors



Corporate social responsibility programs implemented by EuroChem directly contribute to achieving the Company's strategic objective of becoming a top five company in the agrochemical industry, both in terms of production volume and profitability in all three market segments – nitrogen, phosphate and potash.

EuroChem's leadership among Russian agrochemical companies in the area of CSR and compliance of our CSR programs with international standards confirm EuroChem's status as a socially and environmentally conscious company engaged in responsible business activities.

The fact that our customers, partners and the public are aware of our social programs helps to create a positive image of our products and increases the non-financial, reputational capitalization of EuroChem.



Dmitry Strezhnev, CEO

EuroChem has an efficient system of corporate social responsibility which is the most developed in the Russian Agrochemical Industry.

During the economic crisis and decline in product demand the Company continued to implement its social policy in accordance with the plan approved by the board of directors. In 2009, the Company optimized and standardized its social policy in the regions, began implementing comprehensive social programs and improve the efficiency of its social projects.

Despite the difficult situation in the global economy and agrochemical industry, we are going to fulfill our voluntary social commitments, develop social and athletic infrastructure in the cities where our facilities are located, and introduce valuable community initiatives in partnership with residents, local and regional authorities, and public sector organizations.

→ Self-assessment of the GRI application level is **B+**

→ GRI parameter development is **97%**

Development of a system for managing and reporting

Develop a system for CSR programs and reporting, develop and implement internal standards and guidelines for planning and executing CSR programs at EuroChem facilities	in process
Discuss the Company's social reporting with representatives of European environmental and CSR organizations	complete
Improve internal communications systems and increase in the share of internal corporate publications devoted to the Company's CSR activities	complete
Increase the share of target program financing in total social investments for projects related to social development in the regions where EuroChem operates	complete

Key CSR and charity activities

Implement the top-priority measures within the youth sports development program	complete
Assist local authorities in designing a social infrastructure development concept in the city of Kotelnikovo, Volgograd region	complete
Design social development projects for the Company's areas of presence in Kazakhstan and the Perm region	in process
Assist in promoting healthy lifestyles within the Company' operating regions	complete

Self-Assessment of Completion of Sustainable Development Objectives for 2009*

Integrated management system development

Develop corporate guidelines for an integrated management system	complete
Certification audits of the management system for the Company and three of its subsidiaries. The audit results should provide proof that the integrated management system complies with ISO 9001, ISO 14001 and OHSAS 1001	complete

Industrial security and occupational health management

Develop specifications for protective clothing and equipment. Establish standards for provision of free protective equipment to EuroChem employees that meet standards for provision of protective equipment for the chemical industry	complete
Maintain the positive trends in HSE performance achieved in 2008	complete
Maintain EuroChem's injury rate at a level below the average for the past five years	complete

* The objectives for 2009 were defined in the 2008 Social Report on p. 51

EuroChem in the Global Context

EuroChem ranks among the top three agrochemical companies in Europe and the top ten in the world. The Company exports more than 80% of its production, by revenue. EuroChem supplies its products to 82 countries throughout Western and Eastern Europe, North and South America, Africa, Asia and Oceania.

2.1%

of global production of mineral fertilizers

13.5%

of sales of mineral fertilizers in the CIS

3.3%

of sales of mineral fertilizers in Europe

Company structure

- 5 production facilities in Russia
- 1 production facility in Lithuania
- 8 company-owned agrocenters
- 2 seaport terminals in Russia
- 1 seaport terminal in Estonia
- Trade subsidiaries in the USA and Switzerland

Position on international markets

Nitrogen: 6th among global manufacturers by capacity in 100% of nutrient content

Phosphate: 4th among global manufacturers by capacity in 100% nutrient content

Potash: 5th among global producers by reserves

Long term objectives

Increase the share in global production of mineral fertilizers from 2.1% in 2009 to 2.5% by 2014

Become the leading producer of mineral fertilizers in Europe and the CIS



EuroChem on the Russian Market

EuroChem's priority for the Russian market is to support the growth of an efficient agricultural sector

Russia is one of the EuroChem's priority markets. In 2009, fertilizer sales in Russia amounted to 1.2 mmt.

EuroChem's distribution network in Russia includes 29 agrocenters and is concentrated in the Southern and Central Federal Districts, which account for around 3/4 of the fertilizers consumed in the country.

The aim of our distribution centers is to "sell yield, not fertilizers." Clients are offered a full range of consulting services and products to help improve crop yield, including: fertilizers, seeds, and crop protection items.

Partly due to the growth of EuroChem's distribution network in the most promising agricultural regions of Russia and the CIS, fertilizer supplies to these areas grew 11% in 2009. EuroChem's strategy for growth in its "home market" is proving to be effective.



EuroChem

Year established	2001
Shareholders	MCC Holding Limited - 67,932,000 shares (99.9 percent of authorized capital); LLC Phosphorite Industrial Group 68,000 shares (0.1 percent of authorized capital); A company that represents business interests of Mr. Melnichenko owns a 95 percent share in the parent company MCC Holding Limited (Cyprus); The beneficiary of 5 percent stock in the parent company MCC Holding Limited (Cyprus) is Mr. Strezhnev, EuroChem MCC General Director
Permanent employees at December 31, 2009	19,234



EuroChem: Production Sites

Kovdorskiy GOK



Russia's second largest producer of apatite concentrate, a large producer of iron ore and the only producer of baddeleyite concentrate in the world.

Phosphorit



One of the leading producers of phosphate fertilizers and feed phosphates in northwest Russia. Phosphorit ranks third among phosphate fertilizer producers and first among feed phosphate producers in Russia by volume.

Lifosa



The largest producer of phosphate mineral fertilizers in Europe. The plant primarily produces diammonium phosphate (DAP). Other products include aluminum fluoride, monocalcium phosphate, phosphoric acid and commercial sulfuric acid.

Novomoskovskiy Azot



A multi-product agrochemical manufacturer, one of the country's core and largest agrochemical companies. It is the site of Russia's only granulated urea production.

EuroChem-BMU



A large producer of phosphate and compound fertilizers such as sulphoammophos 20:20, MAP 12:52, NPK 16:16:16, fertilizer mixtures, extract of phosphoric and sulfuric acids.

Nevinnomysskiy Azot



One of Russia's largest producers of nitrogen fertilizers, methyl acetate and polyvinyl alcohol. Nevinnomysskiy Azot is the only manufacturer of synthetic acetic acid in Russia.

Gremyachinskoe potash project



The Gremyachinskoe potash deposit has estimated reserves of 1.2 billion tons of potash salt. EuroChem is designing and building a mines and a processing plant to produce potash fertilizers.

Verkhnekamskoe potash project



EuroChem plans to develop its Verkhnekamskoe potash deposits, which the company expect will make it a leading global potash producer.

Sary-Tas



Construction is planned for a mining and processing facility in Karatau, Kazakhstan, to refurbish the plant shut down 15 years ago.

Products



EuroChem produces more than 100 products. Some products are unique for Russia. The products are certified and The Company has a certificate of compliance with the ISO 9001 international standard (quality)

Nitrogen fertilizers

Liquid ammonia (NH_3) is a feedstock for nitrogen, phosphate and complex fertilizers. It may also be applied directly by farmers.

Urea ($\text{CO}(\text{NH}_2)_2$) is the most concentrated solid nitrogen fertilizer, and contains amide nitrogen (46 percent N). It is used as the primary fertilizer for all types of crops in all types of soil, pre-sowing fertilizer and top dressing. It can be used for rice cultivation, foliar dressing for vegetable and fruit crops, and for late corn dressing in order to increase the content of proteic substances in grain.

Ammonium nitrate (NH_4NO_3) is a highly efficient nitrogen fertilizer (34.4 percent N), and contains nitrogen in two forms: nitrate (direct nutrition for plants) and ammonia (prolonged action). It is used for all types of soils and crops as a pre-sowing fertilizer and top dressing.

Calcium ammonium nitrate ($\text{NH}_4\text{NO}_3 \cdot \text{CaCO}_3 \cdot \text{MgCO}_3$) is a nitrogen fertilizer (27 percent N) that is a mixture of ammonium nitrate and ground limestone or dolomite. The fertilizer is explosion and fire resistant and prevents soil from becoming acidic. It is used for all types of soils and agricultural crops as a main fertilizer, pre-sowing fertilizer and top dressing. The product is especially good for sour and alkaline soils as well as magnesium-deficient soils.

UAN solution is a liquefied nitrogen fertilizer (32 percent N) identical to ammonium nitrate or urea for its qualities in improving crop yield. It is used as a pre-sowing fertilizer and top dressing, and is applied using sprayers and irrigation water.

Phosphate fertilizers

MAP (monoammonium phosphate) ($\text{NH}_4\text{H}_2\text{PO}_4$) is a highly concentrated granular nitrogen-phosphate fertilizer containing nitrogen in ammonium form (12 percent N and 52 percent P_2O_5). MAP is a highly effective all-purpose fertilizer used for all types of soils and crops as a main and pre-sowing fertilizer.

DAP (diammonium phosphate) ($\text{NH}_4)_2\text{HPO}_4$) is a highly concentrated granular nitrogen phosphate fertilizer (18 percent N and 46 percent P_2O_5). DAP is a highly effective fertilizer used for all types of crops and soils as a main and pre-sowing fertilizer. The product is more efficiently used in spring and autumn by replotting the soil or as a top dressing during the vegetation period.

NP (monoammonium phosphate sulphate) ($(\text{NH}_4)_2\text{HPO}_4 + (\text{NH}_4)_2\text{SO}_4$) is an all-purpose granular nitrogen-phosphate fertilizer containing at least 8 percent of sulfates (in terms of sulfur). The product is produced in two grades, NP 14:34 and NP 20:20. It is used for all types of soils and crops as a main fertilizer, pre-sowing fertilizer and for top dressing. It is especially good for crops that need sulfur: rape, winter cereals in early growth phases, potatoes, and vegetable crops.

Single superphosphate ($\text{Ca}(\text{H}_2\text{PO}_4)_2$) is a granular phosphate fertilizer that contains 6 percent N and 26 percent P_2O_5 . It is used for all types of soils and crops as a main fertilizer, pre-sowing fertilizer and for top dressing. It also contains up to 10 percent of sulfates (in terms of sulfur) which is especially important for bean, grain and oil plants in low-sulfur soils.

N nitrogen

Produced from natural gas

- one of the key sources of plant nutrition
- ensures plant growth
- raw material for proteins, enzymes, nucleic acids, chlorophyll and vitamins

P phosphorus

Produced from apatite or phosphate rock

- plays a key role in metabolic processes
- required for photosynthesis in plants

K potash

Produced from potassium salts

- facilitates synthesis and transportation of carbohydrates in plants
- increases strength against adverse environmental conditions
- improves crop quality due to intensified carbohydrates accumulation

NPK (ammonium nitrate phosphate) fertilizers

NPK ($\text{NH}_4\text{H}_2\text{PO}_4 + \text{NH}_4\text{NO}_3 + \text{KCl}$) (16:16:16, 8:24:24, 17:0, 1:28, 21:0, 1:21) is an all-purpose complex fertilizer widely used to balance nutrients for plants in all types of soils as the main fertilizer, pre-sowing fertilizer and for top dressing. The product features a solid smooth grain. The high nutrient content exceeds 40 percent and allows significant reductions in transportation costs, storage and application as compared to single fertilizers.

NPK (12:15:15) is a highly efficient complex chlorine-free fertilizer containing all elements necessary for plant growth such as nitrogen, phosphorus, potash, and sulfates (at least 14 percent in terms of sulfur). It is used for all types of soils and crops and is recommended for chlorine-sensitive crops such as potatoes, fruit and berries, vegetables, vines, and tobacco. The fertilizer is mostly effective in fruit and vegetable gardening and flower growing.

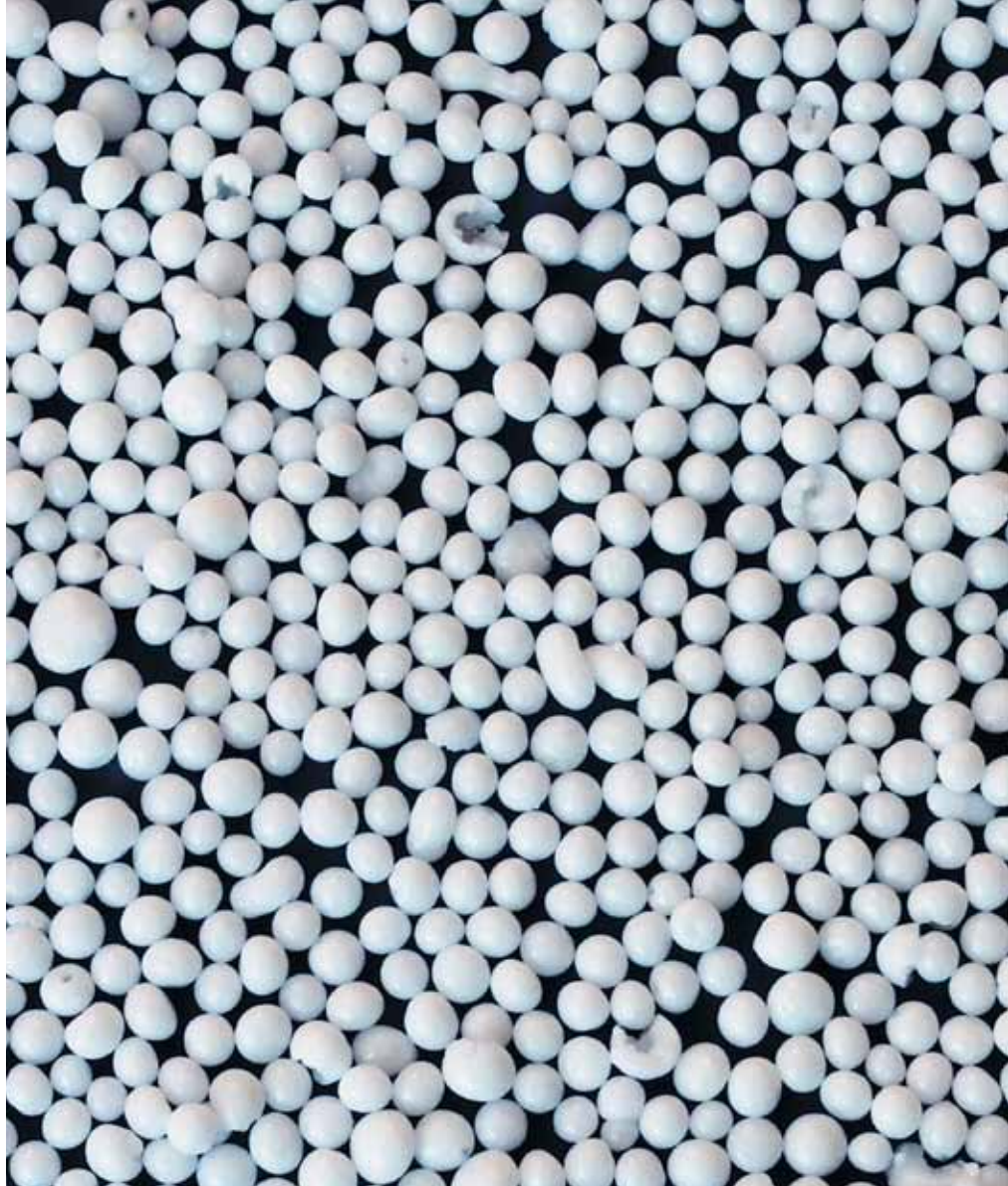
Other products

Feed phosphates: defluorinated feed phosphate (DFP) ($\text{Ca}_4\text{Na}(\text{PO}_4)_3$) – a highly effective, environmentally friendly fodder additive; monocalcium phosphate (MCP) ($\text{Ca}(\text{H}_2\text{PO}_4)_2$) is used as a feed supplement for poultry and domestic animals, especially herbivores. Feed phosphates are produced using high quality phosphate rock from Kovdorskiy GOK which does not contain heavy metals.

Mineral raw materials: apatite concentrate used in production of phosphate and complex fertilizers, phosphoric acid and feed phosphates; iron ore concentrate used as a raw material for cast iron manufacture; baddeleyite powder (ZrO_2) used to produce fireproof and abrasive materials; aluminum fluoride (AlF_3) used in aluminum production, glass making, optics manufacture and the tanning industry.

Acids: extracted phosphoric acid, sulphuric acid, four types of nitric acids (concentrated, weak, reactive and ultraclean).

Organic synthesis products: methanol, synthetic acetic acid, polyvinyl alcohol, acetic aldehyde, commercial butyl acetate, rectified vinyl acetate, methyl acetate, paint solvents, etc.



Industrial gases: gaseous and liquefied argon, gaseous and liquefied nitrogen, solid (dry ice), gaseous and liquefied carbon dioxide, gaseous and liquefied oxygen.

Deicing agents: Antigor and Acedor.

Other commercial products: nutritional crystallized urea, nutritional acetic acid, commercial acetone, and a flotation agent.



The Response to the Crisis



In 2009, despite adverse economic conditions, the company:

- **did not stop production at its plants;**
- **increased fertilizer production and sales volume;**
- **continued implementing investment projects;**
- **neither decreased wages nor performed mass layoffs;**
- **created new jobs.**

Adverse Economic Conditions in 2009

The key trend during the crisis was a reduction in demand and prices for the Company's products both in Russian and global markets. Prices for all of EuroChem's products decreased two to three times in the 4th quarter of 2008 and actually remained at this low level during 2009. Demand and prices started to recover only in the 4th quarter of 2009. As a result, the consolidated revenue of the company decreased by 34%, and net profit – by 2.5 times.

Prices of raw materials for fertilizer production decreased gradually during the entire first half of 2009, while prices for fertilizers rapidly decreased even at the end of 2008. As a result, at the end of 2008 and in early 2009, production of phosphate fertilizers became loss-making; and the profitability in the nitrogen segment decreased rapidly. The price of natural gas, the main raw material, increased on average by 14% compared with 2008.

In addition, Russian Railways increased tariffs on railroad shipments for all types of products two times during the year.

Agricultural producers purchased almost no fertilizers ahead of the 2009 spring planting season, instead their existing stocks and/or decreasing overall fertilizer application.

The rapid decline in demand contributed to increased competition among global fertilizer producers.

For more details on 2009 market conditions, see the chapter Our Market Drivers.

Maintaining Economic Stability During the Crisis

In 2009, the company produced and sold more fertilizers than in 2008. Total sales volume increased by 7% from 6,497 tons of products in 2008 to 6,923 tons in 2009.

Financial Results for 2009

Revenue	EBITDA	Net profit
73.6 Billion RUR	16.5 Billion RUR	11.1 Billion RUR

Nitrogen Segment

Production volume of two key products, urea and ammonium nitrate, increased to 1.5 mmt and 1.8 mmt, increases of 29% and 24% respectively. While volumes increased, price effect was more significant: 2009 prices for some key nitrogen fertilizers were on average 60% lower than the average prices from the previous year. As a result, segment revenues decreased by 29%, from RUR 55.9 billion in 2008 to RUR 39.6 billion.

Investments in new products (granulated urea and calcified ammonium nitrate) allowed EuroChem to increase its production flexibility even more.

Phosphate Segment

Rapid price decreases in this segment were also the primary factor influencing financial results. Prices for several key phosphate fertilizer products decreased on average by 65% vs. compared to 2008. Revenue in the phosphate segment decreased by 40% to RUR 31.1 billion.

At the same time, after completing investment projects, Phosphorit added production capacity. In 2009, total sales volumes for MAP and DAP increased up to 1.7 million tons compared with 1.4 million tons in 2008.

In the phosphate segment, EuroChem is characterized by high vertical integration: our phosphate plants are supplied with ammonia from our own nitrogen plants, and with apatite from Kovdorskiy GOK.

Potash Segment

EuroChem is developing two major potash projects in Russia. In 2009, we started to construct mineshafts as part of Phase I of the Gremyachenskoe project, which is planned to have a capacity of 2.3 mmt p.a. The social infrastructure for the future production facility is also under construction.

EuroChem's capital investment plans in the potash segment are unchanged, despite the temporary decline in the potash segment witnessed in 2009.

In 2009, EuroChem and its parent company maintained their stake in the share capital of a leading German producer of potash fertilizers, K+S AG.

Distribution Segment

In 2009, the distribution segment (including sales through retail centers owned by the company) demonstrated revenue growth. Segment revenue increased by 6% from RUR

5.3 billion in 2008, to RUR 5.4 billion in 2009. Fertilizer sales volumes in the segment increased by 65%, from 356 kmt in 2008, to 587 kmt in 2009.

2009 tested EuroChem's stability and resilience. The company's strategy, production upgrade projects and management system all played a positive role during the crisis. During the past six years, our plants have implemented an aggressive investment program aimed at developing capacity and enhancing product competitiveness. During this period, investments in production increased 15-fold. Renovations, upgrades and new facilities completed by the end of 2008 helped us to diversify our business and maintain a "stability reserve" that helped EuroChem through the crisis.

Despite adverse economic conditions, we were completed 2009 without stopping production at our plants, and in fact increased fertilizer production and sales volumes. We also continued to implement our capex program at planned levels, did not implement mandatory salary cuts or mass layoffs, and were able to fulfill our social obligations while optimizing CSR budgets.

We paid special attention to implementing strategic projects such as producing new, highly profitable products, as well as resource conservation and environmental projects.

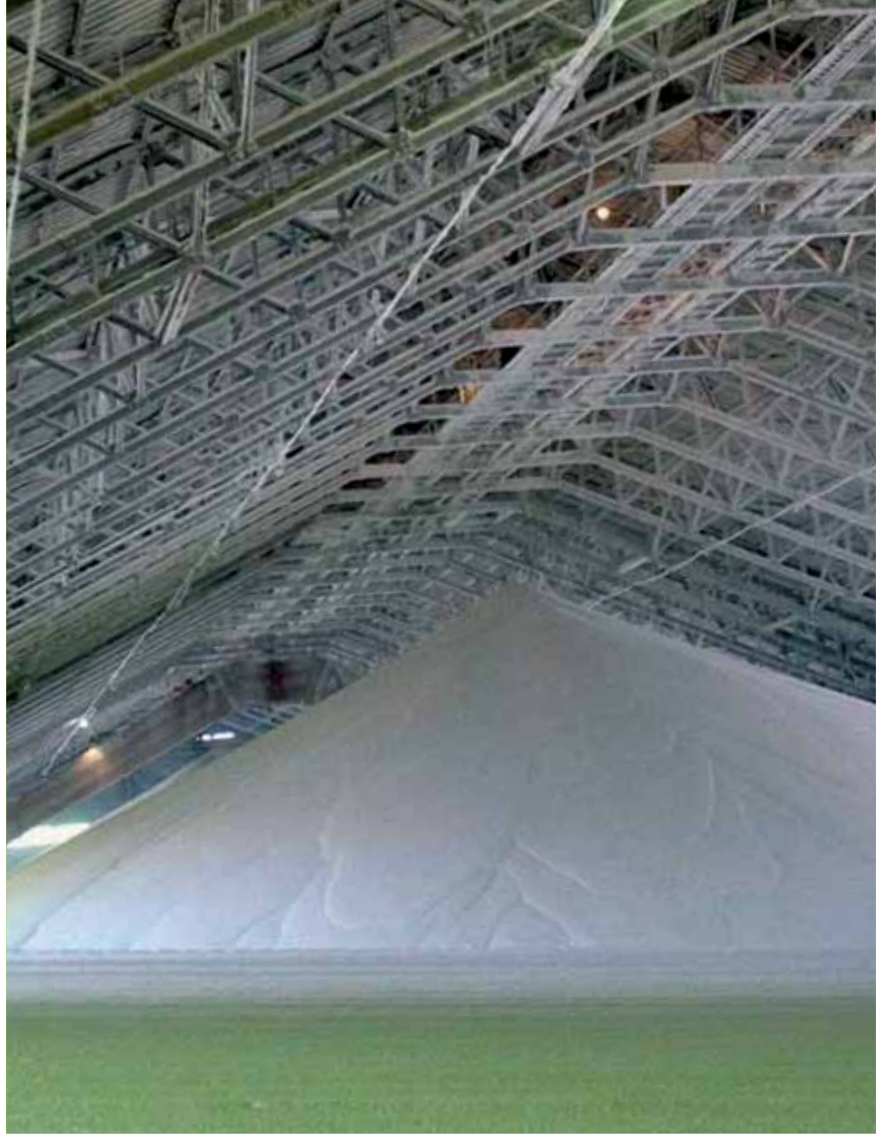
In terms of financial policy, our 2009 anti-crisis plan focused on conservative management of the company's balance, the cost of external borrowings as well as anti-crisis measures for inventory management and cost reductions.

The most difficult period was in the winter of 2009, before the start of sales driven by the to spring planting season. EuroChem imposed strict cost-saving measures in all its divisions, from the head office to production and servicing facilities.

Despite ongoing inflation, EuroChem managed to maintain costs at 2008 levels for purchased materials, equipment and services, and succeeded in obtaining more favorable cargo routes, thereby achieving a considerable reduction in logistics expenses.

In July 2009, international rating agencies confirmed EuroChem's financial stability: the company's credit rating was maintained at the pre-crisis level.

Our anti-crisis production planning involved building up inventory and planning overhauls during periods when mineral fertilizer prices were at their lowest.



We performed a scheduled overhaul at EuroChem-BMU from March to May 2009. By the beginning of planting season, the factory was back online. Scheduled outage overhauls at Phosphorit were postponed from the autumn 2008 to January and early February 2009, when prices were bottoming out, to avoid overstocking of warehouse and unscheduled production outages.

Throughout 2009, EuroChem managed to avoid production shutdowns, continued building new shops and the facilities. The company manufactures goods that are unique to Russia and in demand worldwide.

BB

Credit rating from Standard & Poor's and Fitch Ratings

**GAMMA
6+**

Corporate Governance Score from Standard & Poor's

Maintaining the Capital Expenditure Program

2009
18.7
billion RUR
Capital expenditure

production facilities accounted for only 20% of investments, and reconstruction and repair activities - 80% by 2009, the percentages had reversed. Our plants are operating at or above nameplate capacity competing with leading global producers. Only highly advanced companies have such a ratio of development vs. maintenance capex.

Implementing investment projects - maintaining the trend

From 2007 to 2009, we invested about US\$ 1.9bn into existing and new production facilities.

Total capital investments in 2009 were RUR 18.7bn, which is comparable to 2008 levels.

In 2009, our plants cut nonstrategic investment plans. All strategically important projects were maintained. Whereas 5 years ago construction projects for new

In October 2009, we opened a calcium-ammonium nitrate (CAN) workshop for producing calcium-ammonium nitrate (CAN) at Novomoskovskiy Azot. This will help EuroChem to enter the German market where the traditional ammonium nitrate is prohibited due to its high flammability. Just one month later Novomoskovskiy Azot became the first in Russia to launch production granulated urea. In addition, during 2009 the plant nearly completed a new urea workshop.

During 2009, EuroChem continued development of its largest strategic project, to produce potash fertilizers in the Volgograd region. Geologic exploration of the entire license area was completed; construction

of a railroad branch line started, and we began sinking the first two mine shafts. We also completed housing for employees and contractors of the future mine and processing complex.

Nevinnomyssky Azot initiated construction of Russia's first melamine production plant.

In January 2009, Lifosa initiated construction of a new workshop to produce fluorine-free feed phosphates.

Phosphorit started producing a new product, diammonium phosphate (DAP), instead of the monammonium phosphate (MAP) that the plant can also produce on the same lines.



Social and Regional Importance of Capital Expenditure Projects

In 2009, we continued to implement investment programs at all of our production facilities that will help to ensure sustainable growth for our company in the future. In the context of the challenging economic environment, the social impact of these investment projects became even more important.

Investment Project



Development of Greymachinskoe potash field (Phase I), Volgograd region, Russia, 2005 to 2013



Construction of Tuapse bulk terminal, Tuapse, Russia, 2007 to 2010



Production of calcium ammonium nitrate at Novomoskovskiy Azot, Novomoskovsk, Russia, 2007 to 2009



Production of granulated urea at Novomoskovskiy Azot, Novomoskovsk, Russia, 2007 to 2010



Production of melamine at Nevinnomysskiy Azot, Nevinnomyssk, Russia, 2007 to 2010



Upgrade of weak nitric acid production units at Nevinnomysskiy Azot, Nevinnomyssk, Russia, 2008 to 2011



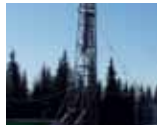
Upgrade of sulfuric acid production at EuroChem-BMU, Belorechensk, Russia, 2008 to 2010



Construction of NPK production facilities at EuroChem-BMU, Belorechensk, Russia, 2009 to 2011



Sulfuric acid production at Phosphorit, Kingisepp, Russia, 2008 to 2010



Development of Palashersky and Balakhontsevsky sections of the at Verkhnekamskoe potash salts field, Perm Region, Russia, 2008 to 2016



Development of phosphate rock deposits and construction of a production facility in Karatau, Kazakhstan, 2009 to 2016

Social Importance

Unique project for the integrated development of Kotelnikovo, establishment of state-of-the-art social infrastructure, 3,000 new jobs

130 new jobs, environmental monitoring laboratory, relocation of people living in the safety perimeter, CSR projects for local residents

Improved labor conditions, optimization of the automated process control system; reduction of ammonia use by half; new systems for air treatment

Improved labor conditions; environmental improvements through 36% reduction of ammonia emissions, 63% reduction of urea dust emissions, and reduction of effluents by 50 m³/hr

Will become the first Russian plant produce melamine; 60 new jobs; emission reductions of 40 tons per year; environmental impact from consumer transition to environmentally friendly melamine products

Improved labor conditions and environmental parameters; heightened production reliability and safety; reduction of direct product cost to RUR 401.8 tonne of nitric acid

Improved working conditions; mitigation of environmental risks; environmental effect in 2009 – reduction of sulfur dioxide emissions by 209.1 tonnes

Up to 50 new jobs (recovery of the weak nitric acid workshop). Reconstruction of gas emissions (absorption) treatment system, considerably improved working conditions

Production process stabilized; generation of process steam for production purposes; 2.5-fold decrease in atmospheric emissions of sulfuric acid

Improved infrastructure and quality of life in the Usolye area; up to 2,300 potential new jobs

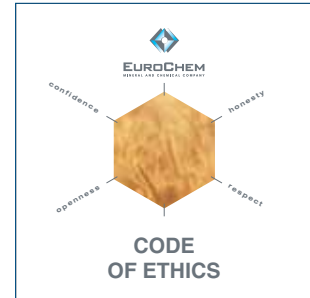
Rehabilitation of infrastructure in Karatau, including highway, water supply, power and heat supply; creation of up to 4,000 potential new jobs

The quality of corporate governance at EuroChem is close to the level of public companies. In 2009, the governance system not only enabled successful passage through the crisis, but also the establishment of basis for future growth.

Board of Directors

In 2009, the Board of Directors consisted of eight members. The Chairman and six of the directors are non-executives, and of these, four directors comply with the criteria set for independent directors (independence criteria are established in the Board of Directors Regulations).

Three function under the Board of Directors: the Audit Committee, the Corporate Governance and Personnel Committee and the Strategy Committee.



Members of the Board of Directors at the end of 2009

Andrey Melnichenko, Chairman of the Board of Directors

Charles Adriaenssen, Member of the Corporate Governance and Personnel Committee

George Cardona, Chairman of the Strategy Committee

Keith Jackson, Member of the Audit and Strategy Committees

Vladimir Stolin, Chairman of the Corporate Governance and Personnel Committee

Dmitry Strezhnev, CEO of EuroChem since 2003

Rich Sheath, Chairman of the Audit Committee, Member of the Corporate Governance and Personnel Committee

Nikolay Pilipenko, elected to the Board of Directors in February 2009, member of the Audit Committee

Management and Reporting Systems

In 2009, EuroChem introduced an integrated corporate management system in accordance with the requirements of international standards ISO 9001, ISO 14001, OHSAS 18001.

The company utilizes, an integrated corporate governance and financial reporting system that has enabled significant improvement in reporting quality and a reduction in the time necessary to obtain reporting data.

In 2009 the implementation of the integrated management system was completed; at our key enterprises, a full-featured company management system (Oracle E-Business Suite) was rolled out.

Corporate Governance Standards

The corporate governance system reflects the company's liability to bondholders, clients and other stakeholders, and ensures effective management of company's assets. The key benefit of the system is that it supports the strategic decision-making process, risk management, and helps maintain a corporate culture based on ethical principles, all of which have a positive result on the company's results.

Corporate Governance



In 2009, EuroChem was granted numerous prizes in different competitions at the federal and international levels

Risk Management System

EuroChem is developing a corporate risk management system that covers the whole company from top management at the head office to the plant level where managers are the key link in the risk management chain. In 2009, we established a special risk management desk, continued developing a systematic platform for systemwide risk management and communications between various process participants, reporting and an efficiency assessment of our risk management system.

We recognize the risk associated with our activities and analyze key risk factors and seek to localize risks. At the management level we take measures to hedge risks and prevent them from appearing. We distinguish three main risk categories: strategic, financial and operational risk. Reputational risks are considered as derivatives of the risk listed above. For more details on risk management see the 2009 Annual Report, pages 32-33.

The company seeks to mitigate external and internal social risks. While implementing its long-term business strategy, EuroChem is interested in social stability and takes efforts to mitigate the risks in the internal (corporate) and external (municipal, regional) social environments to make it more stable and favorable.

The company seeks to be a leader in the chemical industry in terms of CSR policy, which is why we pay special attention to social issues. With the help of management systems, training, collective agreements and fulfillment of our heightened social responsibilities, we aim to develop human capital in the form of loyal, motivated and efficient employees. We identify and mitigate the risks associated with social instability

in our cities and regions, relations with government authorities and our target social groups.

We are aware that our competitiveness increasingly depends on our capability to establish and maintain a favorable image in relation to our social and ecological activities. EuroChem's reputation as a socially responsible company is a valuable asset; therefore we utilize social responsibility as a strategically oriented risk management instrument.



A site visit by the Russian Federation Government devoted to discussion of mechanisms for public private partnerships, which make it possible to efficiently implement industrial investment projects with minimum risks was held in at Novomoskovskiy Azot.

The main purpose of the personnel policy is to establish, develop and maintain the optimal number of full-time employees required to fulfill the company's goals, ensure efficient human resources and sustainable development.

In accordance with the revised business development strategy to 2014, the Company's HR Strategy was updated.

No systematic increases in wages and salaries took place at EuroChem (except for Nevinnomysskiy Azot), but the impact of the

new labor remuneration system implemented in 2008 still provided for income growth exceeding 18% vs. the 2008 average level. In 2009 the Company concentrated on fulfilling its existing social commitments and timely payment of wages and salaries.

EuroChem's stability and sustainability enabled us to avoid salary cuts and mass layoffs. During temporary decreases in production volumes the Company sent personnel to training programs or engaged them in other activities. Retention of human resources was very important for the Company.

At the same time the company created new jobs in new facilities in Tuapse, Kotelnikovo, Murmansk, and Usolye and at existing enterprises within the framework of the implementation of investment projects (construction of the urea 4 shop in

Novomoskovsk, construction of melamine production facility in Nevinnomyssk).

The level of active personnel turnover decreased by 3.1 percentage points and amounted to 2.6% (in 2008 – 5.7%; in 2007 – 7.3%).

In 2009, the average number of employees decreased by 6.9% as a result of improved business process and labor efficiency.

As a result of the financial crisis, the company's performance indicators in 2009, namely revenue per employee, decreased by 29.6% vs. 2008.

At the same time, labor efficiency in terms of gross product output per employee, increased by 9.3%.

In 2009, special attention was paid to development of new programs and measures for anti-crisis personnel management whereby personnel expenses were maintained close to 2008 levels.

Personnel Retention and Development



Within its personnel policy in 2009, EuroChem:

- did not reduce salaries
- provided for inertial growth in wages and salaries by 18.1%
- did not delay salary payments
- maintained all social benefits provided to employees
- fulfilled all obligations provided for in collective labour agreements
- remained an attractive employer due to the new labor remuneration system implemented in 2008
- enhanced labor efficiency due to optimization of its management system
- reduced or eliminated ineffective social projects
- reduced work hours (in EuroChem-BMU) only in exceptional cases – during overhauls of production facilities, and only 0.4% to the total capacity work hours were lost.

As a result of a 6.9% decline in headcount, were able to reduce labour costs by 2.3% while maintaining the remuneration level for employees.

In each region where we work, we implement integrated personnel management policies, programs and procedures that are unified to the maximum extent, such as recruitment, motivation, training and development, and social policies.

EuroChem observes the following principles to achieve its goals in the field of personnel management, in particular:

- Maintenance and development of the company's ideology and values;
- Establishment and development of highly professional, motivated and allegiant team in each region where the company works;

- Establishment of a personnel reserve and a personnel development system in accordance with company's priorities;
- Provision of a safe labor environment to encourage professional development and labor efficiency;
- Establishment and implementation of personnel remuneration and motivation systems to achieve that employees' interests and needs are inline with the company's strategic goals.

Implementation of strategic initiatives in the field of personnel management and labor efficiency assessment is controlled on the basis of the analysis of performance system implementation (HR metrics).

	2006	2007	2008	2009
Average staff number, persons	26,410	22,897	21,526	20,034
Production employees, persons		10,790	13,439	10,926
Service and repair employees, persons		7,775	4,460	5,803
Logistics and transport employees, persons		1,597	1,268	1,093
Sales and administrative employees, persons		2,735	2,359	2,212
Management/employee ratio, %	16.8	16.8	17.1	16.8
Turnover of production department employees, %	10.2	7.3	5.7	2.6
Earnings per employee, million RUR/person	2.02	3.1	5.2	3.7
Gross product output per employee, thou. tons	0.97	1.01	1.07	1.17
Personnel expenditures, million RUR	6,588.1	7,288.2	9,628.7	9,404
Dynamics of personnel expenditure variation, %	15.3	10.6	32.1	-2.3
Variable	2,503.5	2,696.6	3,081.2	1,980.0
Variable	4,084.6	4,591.6	6,547.5	7,424.0

Personnel Motivation and Social Benefits

As a company that seeks to be a leader in every field that it works in, EuroChem pays close attention to personnel motivation systems and regards them as an important means of increasing efficiency.

The company's personnel remuneration and motivation system is regulated by internal documents at each of its enterprises and collective labour agreements.

We have implemented and is using integrated remuneration principles based on the unified remuneration system at all the plants which makes it possible to establish reasonable and competitive remuneration schemes.

Despite the difficulties, we managed not only to retain pre-crisis average salary levels, but to actually increase employees' annual income vs. 2008 by amount significantly higher than inflation.

EuroChem implements regular monitoring of Salaries and social benefits with market levels. Our strategy for regional labor market is to offer average annual salaries that are not less than by 10% higher than average for the industrial sector of each region.

In 2009, the average employee remuneration at our Russian production sites was 44% higher than the average for Russia.





Kotelnikovo. Dormitory for 60 families



Kotelnikovo. Dormitory for 200 persons

	2006	2007	2008	2009
Average monthly employee wages, RUR/month	16,025	20,305	25,220	29,790
Average monthly wage variation, %	31.3	26.7	24.2	18.1

All employee compensation is paid strictly in accordance with Russian law and internal company policies subject to obligatory fulfillment of all obligations assumed.

As for social guarantees, EuroChem is applying a system of privileges within the appropriate social programs established under collective agreements. The existing personnel motivation system provides not only for material compensation, but also for various types of non-material encouragement.

Notwithstanding the crisis, the company did not significantly revise its existing social programs which include:

- Sanitary and resort treatment, recreation and rehabilitation of the company's employees and their children;
- Care of veterans and non-working pensioners from the company's plants, including organizational events, material support, recreation treatment;
- Arrangement of recreation and cultural events;
- Provision of one-time material support., etc.

To solve the problem of high-skilled personnel attraction to its large production facilities under construction EuroChem started implementation of its program for construction of housing for employees of the Future GOK of EuroChem-VolgaKaliy in Kotelnikovo.

Some certain employee categories are given additional guarantees in the course of interregional recruitment or transfer to another job, such as one-time allowance for home improvement, compensation of travel expenses and costs related to shipment of the employee's property and belongings, compensation of housing costs, providing additional paid vacations for home improvement purposes.

It has become a good tradition to reward the company's best employees during corporate feasts such as the Day of EuroChem and Chemist's Day. In 2009, corporate prizes were awarded to 299 top employees.

On-the-Job and Youth Training Programs

Employee Training and Professional Development Programs

We apply an integrated approach to training and professional development for all categories of employee at all our plants, from workers and specialists to top management.

Due to the crisis, the training budget was reduced in 2009, though the volume of programs for top-priority personnel were maintained at the same level.

In 2009, 67% of employees took part in training, refresher and professional development courses. The training programs for manufacturing staff were generally conducted with internal resources at our plants' own training centers.

As part of the personnel development program, the first corporate MBA class graduated in 2009. Training was based on a program developed jointly by the National Economic Academy and Kingston University in Great Britain. Twenty-five directors from EuroChem and its subsidiaries participated in the MBA program.

Young Employee Recruiting and Support Programs

The young employee system corresponds to a "school-college-enterprise" chain and includes 4 steps:

- Vocational guidance for schoolchildren, forming target groups to enter colleges
- Involvement and selection of college graduates;
- Adaptation, professional development and promotion of young employees;
- Social support and motivation of young employees and their mentors.

We are gradually forming a group of qualified young specialists who want to work at EuroChem. We provide young specialists with opportunities for development and career planning.

We organize meetings with 10th and 11th grade students, college students, and hold academic competitions on a regular basis as part of our vocational guidance program. The budget for this activity totaled 1 million rubles in 2009. When forming target groups at col-



EuroChem was honored as the Youth Employer of the Year: Engineering Personnel for an Innovative Russia, for its active work in the field of employment, training and social support for young engineers.

leges we cooperate closely with with local and regional authorities, employment centers and youth organizations.

There is also an extensive network of EuroChem Classes , which consists of 16 classrooms at schools in the regions where we operate. The network of EuroChem Classes helps to improve the quality the study of natural sciences in schools and to increase the number of graduates that will subsequently take up careers in Chemistry.

In cooperation with technical colleges, the company conducts targeted specialist preparation programs in which school graduates can study for free in college and benefit from guaranteed employment with EuroChem in their chosen profession. In 2009, 97 regional school graduates entered the leading Universities of Russia due to targeted selection.

As part of targeted selection, we collaborate with the Moscow State University of Environmental Engineering, Moscow State Mining University, The South Russian State Engineering University, and Kolskiy, a satellite of Petrozavodsk State University.

In order to involve and select college graduates, we organize EuroChem Career Days, hold meetings with senior students, arrange job fairs and practical training for students at our facilities, and help prepare final projects based on our manufacturing processes. In 2009, 1,200 students from technical schools

and colleges received practical training at EuroChem manufacturing sites, and more than 140 college graduates gained employment with us.

There is an effective adaptation and development system for young specialists. The work is organized by highly experienced mentors according to individual development programs, which include refresher programs, along with personal and professional development.

In order to involve gifted young specialists in research and innovation, EuroChem annually holds engineering research conferences.

In 2009, more than 30% of our young specialists presented their innovative projects.

While working with youth, the Third Young Specialists Forum was held in 2009. It attracted more than 100 of the most ambitious young people.

Investments in youth programs and Science and Training support totaled 6.22 million rubles in 2009.

Despite the crisis, EuroChem neither decreased its investments in Youth Support programs, nor reduced the number of trainees or first-time job vacancies in 2009.

Social Support

- Additional payments to young specialists are made for 3 years.
- Newcomers from other towns are provided one-time allowances upon employment and receive extra paid vacation for home-improvement purposes.
- Accommodations: dormitory or housing, rental expense reimbursement, and mortgage benefits – EuroChem covers the interest on the loan.



The third Young Specialists Forum was held in 2009. It attracted more than 100 of the most ambitious young people from our production facilities.

Optimization of the Corporate Social Responsibility System

The year 2009 was a transformational period for EuroChem, particularly for its CSR policy. EuroChem successfully passed through the crisis and established the foundation for a new stage of development. Due to its flexibility, the company adapted to the challenging conditions without impacting the implementation of its long-term CSR priorities.

EuroChem created an efficient social responsibility system, recognized as the most advanced in the Russian chemicals industry. General corporate priorities for social responsibility were adopted; compliance of the social policy with international standards was ensured, a vertical decision-making structure was established; and regular interaction with stakeholders was improved.

In accordance with the Social Policy Implementation Plan through 2010, which was approved by the Board of Directors, in 2008 and 2009 EuroChem began to implement an advanced model for corporate social responsibility, including improving and standardizing our social policy across regions, implement-

ing integrated social programs, and improving controls, transparency and efficiency.

The crisis simply accelerated improvement processes and promoted a step-by-step transition to a practical and predictable corporate social responsibility system.

In 2009, we actually opened another three prospective sites in Kotelnikovo, Tuapse and Usolye. In 2009, we completed our innovative social program in Nevinnomysk and established social infrastructure in Kotelnikovo. The construction of an ice palace was initiated in Novomoskovsk under a long-term corporate program for youth and teen hockey.

We are planning and evaluating social expenses based on their efficiency. EuroChem's social capital is growing due to providing social stability in cities where we conduct our business.

The Relationship Between CSR and Implementation of Strategic Goals

For more details on the company's strategic goals, see the chapters "Our Strategy" and "Strategic Objectives" in the 2009 Annual Report.

Corporate social responsibility programs directly contribute to the company's strategic objective of becoming a top-five company in the global industry in terms of production output and profitability in all three market segments: nitrogen, phosphate and potash, since they positively influence investment attractiveness, stability, positive image and risk mitigation.

Corporate social responsibility programs also contribute to the strategic objective to maintain and extend the company's improvements in direct product costs compared with its major competitors, due to vertical integration and investments in efficiency improvements, as they positively influence employee attitudes and loyalty and indirectly contribute to management efficiency.

INDEPENDENT VERITING COVERAGE	TIME SCALE	SOCIAL REPORTING COVERAGE
Bureau Veritas Certification Rus	9 years Fifth report	All production plants

Compliance of EuroChem's Corporate Social Responsibility System with International Standards

EuroChem's social reporting is integrated into the international framework for social responsibility based on international standards evaluated by independent consultants and auditors, and covers all company plants, contributes to improvements in corporate governance and represents an instrument for EuroChem's transition toward becoming a transnational socially responsible company.

EuroChem's social reporting complies with international social reporting standards – Global Reporting Initiative G3, AA1000 APS, and Global Compact.

In accordance with global practices, EuroChem utilizes independent consultants and auditors to prepare its social reporting. Independent verification of social reporting (only for EuroChem among other branch companies) has been implemented for four years by Bureau Veritas Certification Rus. Independent verification includes visits to regional plants.

EuroChem holds mandatory annual discussions on the company's social reporting with all stakeholders, experts and journalists, 100 people in total from various target groups, to comply with the requirements of item 4.16 of GRI G3, as well as with principles of AA1000 APS 2008. In September 2009, we held a meeting with stakeholders devoted

to EuroChem Social Policy: the level of international and European standards, in Kedainiai, Lithuania, with participation by representatives from social and environmental organizations to confirm our adherence to European standards.

EuroChem is applying proven and tried global models for designing CSR programs. In particular, from 2007 to 2009, a program of grant competitions was implemented in Nevinnomyssk, Stavropol Territory, for designs developed by citizens, with participation by the Stable Development Fund.

DISCUSSIONS WITH STAKEHOLDERS	COMPLIANCE WITH INTERNATIONAL STANDARDS
Four dialogs, including in the European Union	GRI G3 AA1000 APS Global Compact

Achievements of EuroChem's Social Policy

→ Prize winner in the 2008 Corporate Charity Research in Russia Award for the Best Program Contributing to the Development of Local Communities and Improvement of the Social Environment in a Company's Home Regions.



→ Corporate social responsibility leader in the Russian chemical industry according to corporate charity rankings by the Vedomosti business newspaper, PricewaterhouseCoopers audit firm and Donors' Forum.



Social Stability

Regional plants continued to implement their internal employee-oriented social policies and fulfilled their voluntarily assumed social obligations to local communities.

2009

202.85
million RUR

Charity and CSR
expenditures



EuroChem optimized its corporate social responsibility policy without neglecting to fulfill its social obligations in various regions.

Expenditures for internal social policy decreased, particularly in corporate training, travel and administrative expenditures. The implementation of several projects was postponed, for example, to repair dining rooms, checkrooms, and to renovate the Khimik holiday hotel.

In 2009, EuroChem's investments in external social policy implementation (in monetary

terms) exceeded RUR 202.85m. The total amount of 2009 social expenditures in our various regions decreased by more than half compared with 2008. Expenditures for social events aimed at supporting specific target groups, as well as inefficient social expenditures were decreased.

EuroChem maintained its long-term priorities in external social policy such as sports, health, science and education.



Fulfilling Social Commitments: Key Facts

EuroChem-BMU

During the forced outage period during sharply declining sales, employees were paid 2/3 of their average salaries pursuant to the Labour Code and collective agreement. No employees were placed on unpaid administrative leave.

Sixty three employees received trainings, 20 employees received a second qualification, 86 employees attended courses, and 335 employees received pre-evaluation training. Internships were organized for 28 students.

An total of RUR 7.15m was allocated for healthy and dietary meals and milk for employees. Fifty three employees were sent to health resorts.

Thirty five employees received material aid upon retirement. Seventy one employees received material aid for family circumstances.

Kovdorskiy GOK

Despite profits decreasing by more than two-thirds, Kovdorskiy GOK was practically the only company in the Murmansk Region that fulfilled its social commitments.

The main anti-crisis measures included headcount optimization and were targeted at reducing production costs. Non-core units were turned into servicing companies.

RUR 9m was allocated for organizing summer holidays outside of the Murmansk Region. Over 300 employees of Kovdorskiy GOK and 117 of their children spent their summer holidays in the resorts of Crimea and Anapa.

One thousand seven hundred employees were provided access to on-the-job health improving procedures at the Kovdorskiy sanatorium. The company reimburses 95% of treatment costs, having spent over RUR 18.2m for these purposes.

RUR 18.5m was spent on improving labour conditions for employees. The costs of purchasing individual protective equipment, uniforms, and protective measures against production hazards totaled RUR 48m.

RUR 20m was allocated to implement measures and programs to promote the social and economic development of Kovdor District and Murmansk Region.

Phosphorit

The three months of forced outages (from November 2008 to February 2009, all workshops apart from feed phosphate production were non-operational) were used to overhaul equipment and to pilot a new product - DAP.

During the year, 94 employees took vacations to receive medical treatment, which was paid for pursuant to the collective agreement and depending on the work record. We spent RUR 2.5m for these purposes. Phosphorit paid RUR 1.8m for 101 children of employees to vacation in recreational camps.

RUR 27m was spent on improving amenities.

Novomoskovskiy Azot

During the crisis, EuroChem started two production lines, one of which was completely new to Russia: a calcium ammonium nitrate workshop and Russia's first granulated urea production.

Due to the organizational structure optimization, headcount decreased by 292.

We continued to recruit new specialists: 50 young employees were hired.

Nine million rubles have been spent on organizing holidays. A total of 715 holiday packages have been purchased, of which 86

Kovdorskiy GOK Employees vacation at Kovdorskiy health resort



packages were purchased for employees using funds from the Social Insurance Fund.

One hundred sixty nine sanatorium treatment packages have been purchased for the company's employees, along with 105 children's holiday packages.

Four hundred ninety eight holiday-and-treatment packages for Tonus Plus health resort have been purchased, including 265 packages for the company's employees, 156 packages for the company's veterans, and 77 packages for employees' children.

RUR 6.61m was allocated for healthy and dietary meals. Three thousand six hundred eighty four employees were trained on industrial safety, including 1,514 engineers and technicians.

Nevinnomysskiy Azot

Staffing was preserved.

Three hundred five employees received monetary rewards in relation to birthdays and other personal holidays (the total amount of payments – RUR 1,278,000). Three hundred sixty one employees were given access to medical treatment at the Kovdorskiy sanatorium for RUR 3.77m. Ninety children of employees took vacations in the sanatorium, which was compensated by EuroChem in the amount of RUR 311,000. Ninety one children of employees spent their vacation at Caucasian Mineral Waters (Mineralnye Vody), which

was financed through EuroChem's payments to the Social Security Fund.

EuroChem financed vacations in the Khimiki recreation centre for 372 employees and their family members.

We spent RUR 1.37m on summer recreation for 170 children of employees.

EuroChem financed sanatorium-resort therapy in KMV sanatoriums for 80 employees in the amount of RUR 1.7m.

The total amount of payments to veterans equaled RUR 2.27m.

RUR 16m was allocated to city and territory social programs.

EuroChem's Employee Social Program was named the best in a contest held in Stavropol by the Ministry of Labour and Social Security of the Territory of Stavropol, the Territorial Federation of Labour Unions and the Congress of Stavropol Business Circles

EuroChem-VolgaKaliy

The impact of the crisis on implementing EuroChem's priority capital expenditure project in the Kotelniovsky District of the Volgograd Region was minimal in 2009. Administrative costs and the external social policy budget were reduced; a number of social activities and projects were deferred until after the crisis. We also decided to construct one of the shafts using our own resources.

Generally speaking, 2009 was characterized by intensive development in Kotelnikovo. As part of Phase I of the project to develop the Gremyachinsky Potash Field, a 110/10 kW substation for the integrated mining-and-processing works, a hostel for 60 families, and a sport and recreation centre were commissioned.

Preparatory work for sinking the cage and skip shafts was also started.

The following facilities are in the process of implementation (construction): an industrial community for 1,000 people in the Pimeno-Cherni farm, a hostel for 200 people in the town of Kotelnikovo, ABK-2 (administrative and household facilities), and a canteen for 250 people at an industrial site. Construction of a railway leading to the integrated mining-and-processing works was also launched.



Young specialists from Novomoskovskiy Azot support Great Patriotic War veterans

Post-Crisis CSR: Hockey Program



3D-model of the Ice Palace in Novomoskovsk

Background: 9 years of support for sports infrastructure, sports organizations and competitions.

For over 9 years, EuroChem supported the construction and reconstruction of sports infrastructure in the districts and towns where its facilities are located. EuroChem also supports the local children's and youth sports schools, sports clubs and sports competitions. We believe that this improves health and living standards, and makes the involvement of children with professional sports possible.

Since 2004, EuroChem has supported the hockey club SKA Saint Petersburg, and in 2008 and 2009, we were sponsors of the World Hockey Championship.

Beginning of Construction
on the Ice Palace in Novomoskovsk, December, 2009



Developing Children's and Youth Hockey

Post-crisis CSR policy requires new implementation formats. Being a key project of the new stage of the Corporate Social Commitments (CSC), the inter-regional program for developing children's and youth hockey is a public-private partnership. The program is conducted in cooperation with the Ministry of Sports, Tourism and Youth Policy of the Russian Federation.

The program includes constructing Ice Palaces in the 6 regions where EuroChem facilities are located, organizing 5 new regional children's and youth sports schools, creating and supporting children's and youth sports clubs and teams, promoting ice sports throughout the regions of Russia, and securing the participation of young athletes in All-Russia hockey competitions.

In 2009, the first pilot project under the program was launched – the construction of an Ice Palace in Novomoskovsk, Tula Region.

This project is implemented in partnership with the United Russia political party, Ministry of Sports and Tourism of the Russian Federation, Federal State Unitary Enterprise Sport-Engineering, Administration of Tula Region, Administration of the Municipality City District Novomoskovsk, and EuroChem.

The Ice Palace in Novomoskovsk:

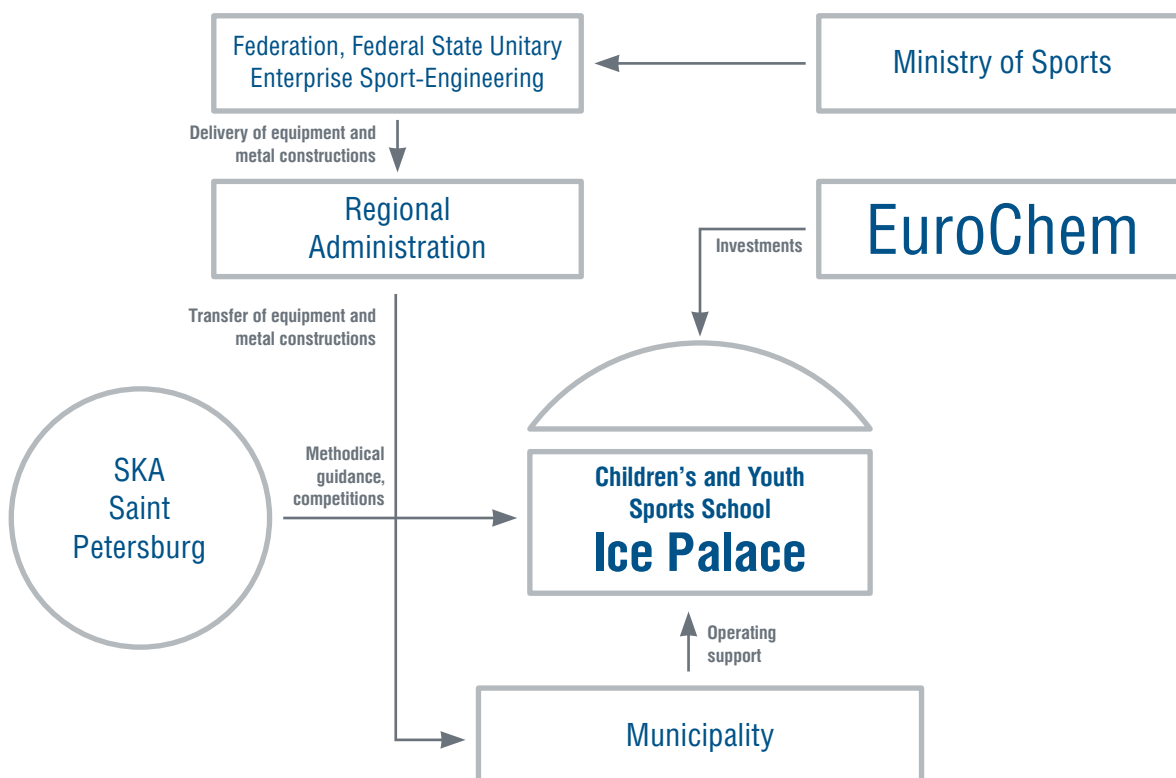
- Capacity: 900 seats
- Engineering solution: HONCO metal structures
- Creation of a children's and youth sports school at the Ice Palace – a branch of the Specialized Children's and Youth School of Olympic Reserve SKA Saint Petersburg.

The project not only includes construction of the Ice Palace, but it will also enable the creation of a new regional centre for

ice sports in Tula Region. It includes the construction of a new integrated sports facility, which will serve as a training base and organizational centre for children's and youth hockey, and as a basis for developing other ice sports, particularly figure skating and curling.

The public-private partnership model implemented in Novomoskovsk can serve as a best practice example for other regions.

Public Private Partnership Model Construction of the Ice Palace and Creation of the Children's and Youth Hockey School



Maintaining Social Priorities

Corporate Social Responsibility Matrix

EuroChem's social policy system is based on five corporate program priorities (sport, health, education, ecology, and charity) and the specific situations in 11 towns where EuroChem is present (Kovdor, Kingisepp, Murmansk, Novomoskovsk, Nevinnomysk, Belorechensk, Tuapse, Kotelnikovo, Usolye, Kedainyai and Karatau).

We understand that the majority of our enterprises are local economic mainstays. Therefore, apart from ensuring stable operations of the enterprises, payment of taxes and reasonable salaries, we enter voluntary obligations to create a favourable and stable living environment in the towns.

5 CSR priority areas

Support for Sport and Healthy Lifestyle



Supporting regional children's and youth sports schools, sports clubs and competitions
Program for developing children's and youth hockey in the regions of EuroChem's operations, together with the Ministry of Sports, Tourism and Youth Policy of the Russian Federation

Support for Public Healthcare Services



Modernization and technical re-equipment of healthcare infrastructure

Support for Education



Support for regional educational institutions
Program for the development and social support of young specialists
Supporting schools in towns where EuroChem is located
Program for creating and supporting EuroChem Classes

Environment Protection



Ecological projects
Revitalization and reclamation projects
Environmental quality monitoring

Implementation of Social and Charity Programs



Charity: supporting socially vulnerable groups and social institutions
Social programs financed through grants and developed in cooperation with non-profit organizations and funds
Volunteer programs

Despite the crisis, EuroChem continues to provide support for traditional social sectors that are in line with the Company's priorities for CSR policy.

Supporting Sports and Healthy Lifestyles

In 2009, EuroChem built a rollerdrome in Nevinnomysk, equipped a sports field for games, arranged an open swimming pool and outdoor training facilities and renovated the Nevinnomysk Chemical College gymnasium. This was done under the Environment and Public Health Program.

A sports field was built in Ryazanskaya village in the Belorechensk district.

EuroChem built new playgrounds and renovated existing ones in the villages of Chilekovsk and Pugachevsk in the Kotelnikovsk district, Volgograd Region.

In Kovdor EuroChem finished the construction of a regionally significant ski route and renovated the Children's and Youth Sports School No2.

In the Novomoskovsk orphanage, a sports field was built using innovative technologies.

In Nevinnomysk EuroChem organized a football match between Russian football celebrities and EuroChem's best football players, and offered a master class to the town's young football players. Participants in the football match included Viktor Onopko, Valery Kechinov, Dmitry Ananko, Sergey Kiryakov, Valery Shmarov, Alexey Prudnikov and Yuri Kovtun.

In Kovdor, EuroChem paid for A.A. Neustroyeva's training for the Russian national ski race team.

We supported sports competitions and the operations of the football club in Kedainiai (Lithuania).

In Novomoskovsk EuroChem supported the operations of the Children's and Youth Sports Club Vityaz.

In Nevinnomysk, we supported the Children's and Youth Sports School Sherstyanik.

Supporting Modernization of Healthcare Infrastructure

EuroChem supports modernization and technical equipment for healthcare infrastructure in the towns where we operate.

In Belorechensk, the Company purchased laboratory equipment (hematology analyzer and a set of chemical agents) for the district hospital.

In Kovdor EuroChem provided financial support to the Central District Hospital for purchasing medical and diagnostics equipment.

In Kedainiai we provided support to the local polyclinic.

In Nevinnomysk, EuroChem supported the hospital for veterans of the Great Patriotic War and renovated the rooms at the local polyclinic.



Support for Education and Science

Program to Create and Support EuroChem Classes

EuroChem continued implementing a corporate program for creating EuroChem classes. In 2009, one more EuroChem class was created in secondary school No1 in Nevinnomysk. In total, by the end of 2009, we equipped 16 specialized classrooms in different regions of Russia: four classes each in Kovdor and Nevinnomysk, three classes each in Novomoskovsk and Belorechensk, and two in Kingisepp. EuroChem has already invested over RUR 25m into creating EuroChem Classes.



Russian football stars after master class with young football players of Nevinnomysk

Apart from that, EuroChem makes annual allocations for developing the Classes, which includes the purchase of instruments, chemical agents, manuals, etc.

Support for Regional Educational and Scientific Institutions

EuroChem provided financial support for the Kovdor Polytechnic College to purchase visual aids, laboratory equipment and training materials for an electrical maintenance shop and laboratory where Kovdorskiy GOK specialists are trained.

EuroChem supported the NP Academic Centre in Volgograd in conducting the conference “Innovative Development of the Volgograd Region.”

Program for the Development and Social Support of Young Specialists

See pages 24-25 of this Report.



Social Charity Programs

Charity

Support for socially vulnerable groups and social institutions has always been a priority for EuroChem. Voluntary commitments in this area are based on understanding the mutual responsibility between the local economic mainstays, state and municipalities for local welfare.

In 2009, we helped the children’s music school in Belorechensk to organize a trip to Moscow to participate in the festival and competition “Talents of New Age - 2009”, supported the New Timurovtsy movement, and purchased a wide screen TV for kindergarten No 11 Vasilyok.

In Kovdor, EuroChem provided charitable support to the Veteran’s Council of the Department of Internal Affairs of Murmansk Region, Training Centre of the Employment Centre of Murmansk Region, Northern Fleet Patronage Association, Child Creativity Centre, Town Culture Centre and the libraries in Kovdor.

In Kedainiai the Company supported initiatives by the Town Culture Centre related to events and projects.

In Novomoskovsk, EuroChem supported charity funds and local veteran organizations. EuroChem also sponsored the opening of a social adaptation class in a special school of the 8th degree in Novomoskovsk.

EuroChem supported territorial public autonomous bodies, the Stavropoltsy community, the “My Pretty” children’s charity fund, and the “Our Future” charity fund.

In Kingisepp we provided support for the children’s orphanage “Hope”.

Social programs developed in cooperation with non-profit organizations and funds

Non-profit organizations that were supported by EuroChem in 2009 included the SKA Saint-Petersburg Hockey Club, the Russian Military and Patriotic Society “Tradition”, Volgograd Social Guarantee, Charity Development Fund of the Graduate School of Public Administration at the Moscow State University, the Chemical Industry Assistance Fund, the National Council on Corporate Management, Privolzhsky Charity Fund of the Nation’s Health League, and the V.P. Serbsky State Scientific Centre for Social and Forensic Psychiatry.

Program Results in Nevinnomyssk

As a result of cooperation between EuroChem, town authorities and the non-commercial sector, 24 projects with total expenditures of RUR 16m were implemented between 2007 and 2009.

Fifty five organizations operating in the town participated in the program. This includes schools, kindergartens, health care facilities, educational institutions and other social organizations, non-profit organizations and mass media. Over 30 citizens of Nevinnomyssk enjoyed the benefits of the



program. Over 150 people had practice in the Social Project Planning School. 3,500 volunteers provided their support during project implementation.

As a result, the citizens of Nevinnomyssk could implement their initiatives and during this practice learnt about new ways to interact with authorities and businesses.

The grant-tender approach enabled EuroChem to make its assistance as targeted as possible, and consequently as effective as possible. Grant beneficiaries learned to attract additional funds for co-financing

their projects: for each ruble spent under the program 54 kopeks were raised additionally.

The program implementation experience demonstrated that inter-sector and inter-institutional cooperation exist in practice in Nevinnomyssk, and that project-orientated social partnerships require additional strength and development.





Environmental Sustainability

Despite increased production, we are reducing our impact on the environment. Ecological risks decrease due to improvements in environmental policy and management systems. Expenditures on environmental issues continues to grow.

Energy Efficiency

In 2009, we started using raw materials and resources more efficiently.

As a result of previously implemented Energy-saving projects, EuroChem started consuming gas more effectively, thus partially negating the adverse effects of gas price inflation.

EuroChem completely bought no external phosphate rock and in the first half of 2009 our phosphate plants used only apatite from Kovdorskiy GOK, enabling maximum raw material output.

A 12 MW turbine was put into operation at Phosphorit, which generates electricity using heat created during sulfuric acid production (this helps the enterprise save up to 30%-40% of electric power).

EuroChem-BMU continued reconstructing the sulfuric acid production shop, which will allow the plant to stop purchasing gas for electricity generation purposes.

Efficient Eco-Management

EuroChem's environmental policy is based on the corporate Management System Policy, which revolves around the principle of reducing negative impact on the environment. The environmental policy aims to continuously improve environmental protection activities and is consistency with international standards.

EuroChem policy obligations in the sphere of industrial health, safety and environment:

- Cause no harm to employees and local populations;
- Comply with laws;
- Protect the environment;
- Use raw materials and power efficiently;

- Publicly report on its activities;
- Act as an industry leader using most efficient technologies;
- Consider environmental safety and protection as critical performance indicators;
- Set goals, improve performance continuously and reduce risks;
- Involve each employee of the Company, controlled and contract organizations in performing such obligations.

Environmental measures are considered within all business processes at the company. All enterprises employ production control technologies to ensure environmental standards are met.

Key Achievements

- Established environmental policy in line with global standards
- Manageability, availability of eco-management and environmental risk management systems;
- Active modernization of facilities built in Soviet times leads to more environmentally-friendly production
- Information transparency, system of Informing stakeholder about the company's environmental impact;
- Cooperation with local associations and environmental organizations on environmental issues.

In 2009, EuroChem conducted 5 internal audits on quality control, industrial safety, occupational health and environmental protection systems. Third-party audits were conducted in five divisions. 28 inconsistencies and flaws were revealed. 38 corrective and preventive measures were worked out to be completed during 2009 and 2010.

Environmental measures have been subject to independent verification as part of preparing the social report for the company for four consecutive years.

462.78
million RUR
environmental
protection expenditures

660
tons
atmospheric
emissions reduction

12
million m³
effluent
discharges reduction

6.5
million m³
fresh water
consumption reduction

In our opinion, company projects like the construction of melamine production facilities in Nevinnomyssk (the Stavropol Territory), construction of a bulk terminal in Tuapse (the Krasnodar Territory), reclamation of phosphogypsum dumps and the creation of a drainless water utilization scheme in Belorechensk (the Krasnodar Territory), and reclamation and water protection activities in Kovdor (the Murmansk Region) are the most important and representative in terms of environment protection.

Expansion of Environmental Programmes

Kovdorskiy GOK

Waterworks safety improvement. A project to create a test field on the slopes of the bund wall of the even field of the tailings dump is being implemented jointly with the Mining Institute of the Kola Scientific Centre of the Russian Academy of Sciences. A test field has been laid (3ha) at the bund wall of the even field of the tailings dump and the ground has been sown with ground strengthening grass. This biological barrier enables strengthening of the slopes of the bund wall, prevents wind and water erosion of the tailings dump and improves the environmental situation in the Kovdor District of the Murmansk Region (dust emission reduction by 190.0 t/year).

Atmospheric air protection. The Zhelezny mine took measures to protect the air in the suburban area from dust emissions above the permissible level during bulk blasts in the open pit. For the same purpose the integrated plant switched to emulsion explosives and uses a wet dust control system during drilling. In summer, open pit roads are treated with dust binding materials. Aspiration systems and gas ducts were repaired at the areas of recovery, chemical treatment and micronization of baddeleyite concentrate, drying and loading iron-ore concentrate of the beneficiation complex during the year.

Water pool protection. Reconstruction of the fuel-traffic section of the combined heat and power plant by upgrading the technology for receiving and storing fuel and lubricants and reconstructing access railway tracks.

Phosphorit

Utilization of heat generated by sulfuric acid production and reduction of sulfur dioxide emissions. A 12 MW power unit was constructed to generate power using the heat generated in the course of sulfuric acid production. Annual reduction of CO₂ emission equivalent in the atmosphere amounted to 12,000 tons. Environmental impact: reduction of sulfur dioxide emissions by 600 tons, carbon dioxide – by 175.8 tons, nitrogen oxides – by 165.7 tons, reduction of fuel equivalent by 60.1 tons due to complete use of the power-generating steam heat.

Land reclamation. Phosphorit is the only enterprise in the Kingisepp District of the Leningrad Region engaged in land reclamation, restoring forests damaged by the mining process. Reclamation covers the entire territory of ore mining in 6 open pits 15 km long. In 2009, Phosphorit reclaimed 109 ha, 70 ha of which were used to plant 84,000 young pine-trees.

Sulfuric acid production upgrades. Transition to a new technology and reducing energy consumption in half. The environmental component of the process will also improve due to upgrading worn absorbing equipment, ensuring absorption efficiency and compliance with atmospheric emission limits.

EuroChem-BMU

Reclamation of lands previously used for production waste storage. Map No.2 of the sludge dump of the fluorine-free feed phosphate shop with an area of 24 ha, using the enterprise's production waste – neutralized phosphogypsum – as mineral ground. A green belt, young plants of alder, large-leaved linden, European ash and sweet chestnut (about 6,500 trees) were planted here. Krasnodarlesprom was engaged to plant the trees. Land reclamation was carried out under the supervision of scientists from the Kuban State Agrarian University.

Effluent-free water supply system. Implementation of a project to convert to an effluent-free water supply system is to be continued. Optimization of industrial water consumption by each facility's department began in 2009. Hourly water consumption per plant was reduced by 150 m³. In 2010, the third stage will be set based on a Vodgeo design with a detailed description of the location and specifications for the accumulating tank installation, pumping equipment specifications and pipeline architecture. Reconstruction of potable water pipelines will be carried out by the EFK and TsSMU 1 departments. 23.2 thousand m³ of groundwater will be drawn per year, but pure river water drawn to manufacture fertilizers will be reduced to 6.2 thousand m³ per day. Meanwhile, storm water discharge will be eliminated. A complete transition to a zero discharge water system is planned to mitigate negative impacts on the hydrosphere of the region.



Slopes of the tailings dump of Kovdorskiy GOK before and after the creation of a test field

Special attention was devoted to reduced consumption and environmental projects in 2009

Nevinnomysskiy Azot

Upgrade of highly desalted water acquisition scheme. To provide the required quality of water for ammonia production, a reverse osmosis unit has been installed at the demineralization plant. This replaces three "threads" consisting of a H+ cation exchanging filter, decarbonizers and an OH anion exchanging filter in ammonia production shops with the 500 m³/h reverse osmosis unit. Environmental impact: reduction of river water consumption by 1 million m³ per year; sulfate discharges into waters will be reduced by 1,500 tons, dry residue by 3,000 tons, chlorides by 100 tons and nitrates by 1 ton.

Integrated programme for sewage treatment efficiency and reliability improvement.

The following measures were implemented: metalwork repair, restoration of the concrete part of secondary subsidence tanks, installation of saw-edged overfalls at the primary subsidence tank of the biochemical treatment shop. Due to the cleaning of biochemical treatment ponds, in 2009, organic pollution from discharges into water bodies was reduced by over 40%.

Waste handling efficiency improvement. In 2009, removal of wastes of hazard classes 2 and 3 to the Volchya Balka landfill has been reduced 2-3 times. Dangerous wastes from the enterprise were certified specifying the class of hazard for the environment and human health, draft standards of admissible emissions were approved, and a permit to emit pollutants into the atmosphere was obtained for 2010-2014. The draft standards of the admissible emissions record establish that general reduction of permissible emissions into the atmosphere will be reduced by 17.055% in 2010 as compared with the 2009 permit.

Novomoskovskiy Azot

Upgrade of urea production in the Carbamid-3 shop. Reconstruction of the synthesis and distillation stage (Urea Casale license) and replacement of the existing prilling tower with a new Stamicarbon granulation unit. Ecological impact: reduction of emissions of ammonia to atmosphere by 411.9 t/year (a reduction of 36%) and urea dust by 227.5 t/year (a reduction of 63%).

Heat supply system optimization.

Replacement of worn heat insulation at inter-shop utilities. Decreasing consumption of gigacalories by more than 28,000 per year. Heat insulation replacement is being carried out in the shop for disposal of liquid and gas waste. Work is also being completed in other large divisions of the enterprise – Ammonia-4 and mineral fertilizers and acids shop department No. 1 (5-A). Work has been commenced at the heating water pipe network.

Atmospheric air protection. The installation of purification equipment in the Composite Fertilizers and Urea-3 shops, as well as transition to selective treatment in the nitric acid department of Mineral Fertilizers and Acids Shop No1.

Waste handling efficiency improvement. The mineral wagon cleaning station construction has been completed. Implementation of this project will enable reductions in the wastes placed in the industrial waste field, as well as pollutant seepage into the industrial and storm sewage system.

EuroChem-VolgaKali

Soil ecology support measures. During 2009 the company implemented measures to cut and store the fertile soil layer, as well as plant on the territory adjacent to the administration and householding facilities-1.

Lifosa

Environmental movie "White Mountains".

In 2009, an extraordinary form of environmental project was selected. Armenian director Marat Sargisyan, who has lived in Lithuania for 20 years, made a movie called Lervanav (White Mountains). The essence of the movie is a story of the motherland, which adults seek and understand that the motherland they once knew and departed from does not and will not exist any longer. The main part of the movie is shot at Lifosa at the phosphogypsum mountains. The movie was awarded in Lithuania at the festival of young directors and won a place and a special prize at Kustendorf in Serbia.

Tuapse Bulk Terminal

Ensuring the environmental safety of the Tuapse Bulk Terminal.

Each transshipment point is equipped with a dust-removal system, the car unloading station is equipped with a pneumatic system for wheel-pair cleaning, entrance and exit gates of the station are covered with elastic curtains. The terminal meets all advanced requirements for environmental and technical control. A system of measures designed to minimize environmental impacts has been implemented.



Former mine in Phosporit before and after re-cultivation

Employee Safety

The main priorities in the area of occupational health, safety and environment for 2009 – developing managerial solutions and measures to eliminate fatal injuries, reducing the number of accidents and emissions in the environment given growth in mineral fertilizers production volume, and reducing personnel involved in the operation of hazardous facilities.

In 2009, the number of hazardous facilities in operation increased from 159 to 166 due to commissioning new facilities.

In order to ensure management efficiency in occupational health and safety at all levels, improvement of the Integrated Management System was ongoing. We have completed the development and implementation of documents regulating the management system.

Material dangers and harmful factors were detected and risks to all divisions of the company were assessed, action plans for reductions in 2010 were created.

Measures aimed at material risk management were included in budget plans for EuroChem and its subsidiaries.

Personal goals for top managers and line managers of production shops included target values in 2009 in the area of occupational health and the environment. The enterprises continued testing new types of special clothing and personal protective equipment (PPE).

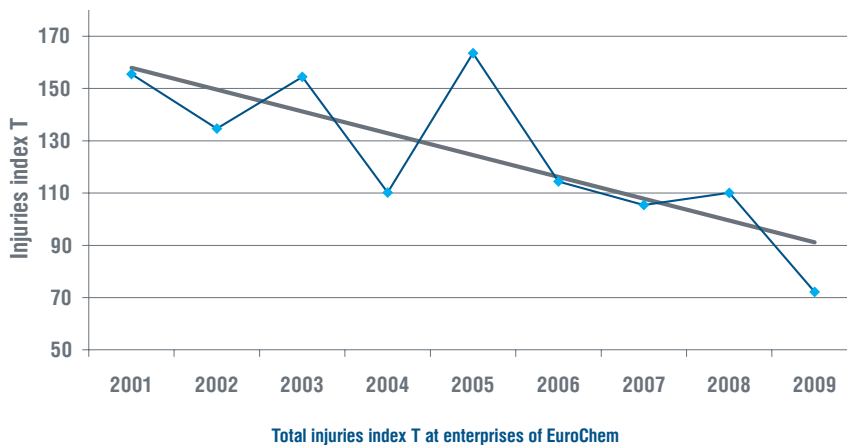
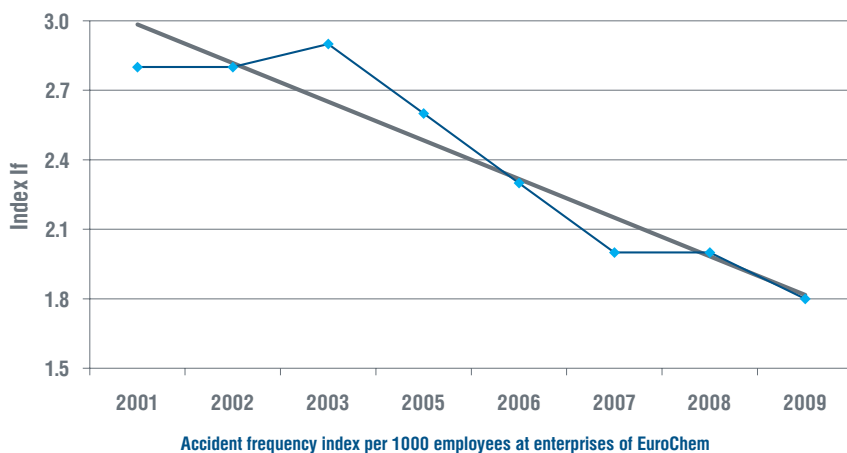
EuroChem reduced the hazardous and harmful impact on people and the environment due to implementing the approved managerial solutions, rational use of natural resources and compliance with RF laws in the sphere of occupational health and safety and environment.

In 2009, no emergencies took place at EuroChem's facilities.



Results in 2009 for Occupational Health and Safety

- The number of injuries leading to disability was reduced by 19%
- The accident frequency index (If) was reduced by 10%
- The accident severity index (Is) was reduced by 27%
- The total injuries index (T) is 41% less than the average index for the 5 previous years
- The specific number of accidents per million tons of product was reduced to 1.2
- No emergencies took place
- The number of incidents was reduced by 10%
- Key production control indices improved
- The number of violations detected by Rostekhnadzor was reduced



In December 2009, the management system of the Company and Subsidiary Organizations was certified as compliant with ISO 9001 (quality), ISO 14001 (environment), OHSAS 18001 (professional security and health)



Stakeholder Interactions in 2009

Transparency

The company adheres to a policy of transparency. The basic principles of EuroChem's information policy are set forth in the document "EuroChem Information Policy," which was approved by resolution of the Board of Directors and is available at the Company's web site.

Stakeholder interactions

The list and description of stakeholders were set forth in previous social reports.

In order to improve the efficiency of the corporate social policy, and receive feedback from related parties consistent with the requirements of p. 4.16 GRI G3, as well as the principles of standard AA1000 APS 2008, EuroChem held four meetings with stakeholders.

1. Meetings with representatives of the Kotelnikovo administration and the Kotelnikovo District of the Volgograd Region as part of developing the social policy of the company in Kotelnikovo (Kotelnikovo, April 7, 2009).

2. "Social Policy of EuroChem Mineral and Chemical Company: International and European Standards Level" meeting (Kedaynyay, Lithuanian Republic, September 3, 2009).

3. "Results of Social Programmes in Nevinnomyssk" meeting (Nevinnomyssk, October 4, 2009)

4. Presentation and discussion of the social policy of EuroChem at the IV All-Russian Conference of the RF Ministry for Economic Development "Social Partnership and Development of Civil Society Institutes" (Moscow, December 11, 2009).

EuroChem won the XII Annual Federal Contest for annual reports and websites in the nomination "Best Annual Report in the Industrial Sector". The contest is held by the magazine "Rynok Tsennyh Bumag" (Securities Market) and the MICEX exchange under the auspices of the RF Ministry of Economic Development, RF Ministry of Finance, and the Federal Financial Markets Service of Russia.

In 2009, the company interacted with the Moscow Chamber of Commerce and Industry, Chamber of Commerce and Industry of the Russian Federation, Russian Association of Fertilizer Manufacturers Non-Profit Organization, Russian Union of Chemical Plants and Organizations Non-Profit Organization, the Russian Union of Industrialists, Entrepreneurs and Employers, Ministry of Sport and Tourism of Russia, Ministry of Regional Development of Russia, and the Ministry of Health and Social Development of the Russian Federation.



Summarizing the results of the EuroChem program in Nevinnomyssk by authors of social projects in October 2009



Discussion of the EuroChem social report with participation by international and European experts in corporate social reporting in September 2009

An international panel discussion was held in Lithuania featuring management of EuroChem and Lifosa, the head of the Centre for Corporate Social Responsibility and Nonfinancial Reporting for the Russian Union of Industrialists and Entrepreneurs, the Mayor of the Kedainiai District, the head of the company verifying social reporting, experts from the Energy Sector Agency

of the Lithuanian Republic, the State University – Higher School of Economics, the Programme for UN Development in Lithuania, the Investor’s Forum Association, and social organizations in the Kedainiai District, and journalists in the Russian and Lithuanian mass media. EuroChem was highly praised by stakeholders for having an effective social policy that is consistent

with international standards. Round table recommendations are taken into account in the social reports of the company.

Stakeholders

Communications tools

Shareholders:	Management reports, annual and social reports
Employees:	Corporate media (newspaper, internet portal, internet site, radio, information boards), announcements and the information of trade unions
Trade union organizations:	Collective agreements, joint actions, public control
Investors and financial community:	IR-communications with analysts, investors
The professional community:	Cooperation with professional organizations, audit and verification
Customers:	Exhibitions, production branding, website
Federal authorities:	Reports, checks, provision of information, public private partnership
Regional public authorities:	Agreements and programs, public private partnership
Local self-government bodies:	Social reports, dialogues, public receptions
Partners and suppliers:	EuroChem’s rules and regulations extend to contracted partners
Local communities:	Social reports, dialogues, public receptions
Non-commercial organizations:	Social reports, dialogues
Mass media:	Special meetings with journalists, press releases, press tours, new website

In 2009, we simultaneously resolved problems with maintaining sustainability, cut expenses and created conditions for further growth.

We realize that a new stage of our voluntary social responsibility program will be based on a partnership between government and

business, infrastructure projects designed to increase living standards in towns, collaboration with non-profit companies, and involvement by local authorities in joint programs to create welfare at a local level.

Dealing with social responsibility, EuroChem will continue focusing on program trends and improve the efficiency of its tools.

We are determined to strengthen our reputation as a social leader in the Russian chemistry industry. Our manufactured products will benefit society because they contribute to productivity growth and agricultural development. Our personnel policy makes us attractive for employers who care about their staff. We care about public welfare in the towns where we operate and are expanding cooperative efforts with authorities, powerful project-oriented citizens, and organizations in order to create a better common future.

Responsible focus

The most significant results for EuroChem in 2009

- Maintained sustainable work in key enterprises and social sustainability in towns where we operate, maintained and fulfilled social responsibilities, and fulfilled all obligations stipulated in corporate contracts
- Maintained pace of upgrades, personnel programs designed to improve employee efficiency, employee competitiveness in the job market, and newcomer support
- Maintained social component within the Gremyachinskoye potash development project. House construction has begun and the criteria for social infrastructure development have been agreed upon.
- Youth hockey support programs have been implemented in regions where EuroChem operates, and construction of the Ice Palace in Novomoskovsk, Tula region, has begun based on a public-private partnership that includes the resources of business, federal and regional authorities, local authorities and the non-profit sector.
- Improved process for informing interested parties about the our activities and social policy. In order to confirm our devotion to European standards, a stakeholder meeting was held with representatives of European social and ecological organizations
- An innovative social grant program was resumed in Nevinnomyssk. The program was highly efficient and was awarded numerous times at federal contests for social projects

Long Term Sustainable Development Objectives for 2010

Develop social responsibility and reporting management system

Summarize the results for 10 years of social responsibility and reporting

Special publication on corporate social reporting in mass media for every region in which the company operates

Key social responsibility measures and charitable activities

Implement the Ice Palace project in Novomoskovsk

Design an Ice Palace in Nevinnomyssk

Develop occupation-orientation work with schoolchildren and geographical expansion of long-term cooperation with higher education institutions

Integrated management system development

Develop a corporate Manual for Reputational Risk Management

Conduct inspection audits of the management system by a third party within the Company at two of our plants. The audit data should provide proofs of compliance with ISO 9001, ISO 14001 and OHSAS 18001 standards

Occupational safety and health management

Quantitative indices in the HSE sphere should preserve positive trends achieved during the previous year

Total injuries at EuroChem enterprises should be less than the average annual value of this index for the past 5 years (total injuries index T2010 should be less than 112.8)

Improve the system of authorized trade union representatives for labour protection

Develop a plan of measures for reducing the number of work places characterized by hazardous factors (abnormal conditions), including the implementation of projects for reconstructing production facilities and an assessment of workplaces for labour conditions based on uniform standardized principles

Independent certification of EuroChem's social reporting

Introduction

For four years, Bureau Veritas Certification Rus has been providing independent social reporting certification services to EuroChem. This audit certification relates to the company's "Key to Success: EuroChem Social Report for 2009" (hereinafter, the Report). The Report was prepared by EuroChem, which is responsible for collecting and presenting all the information in the Report. Bureau Veritas Certification Rus is responsible only to EuroChem for the results of the work related to certifying the Report and assumes no liability in relation to any party for the decisions made or deferred pursuant to this certification.

Scope and criteria for the certification

1. To assess how well the Company adheres to the principles of inclusiveness, relevance and responsiveness to the AA1000 Accountability Principles Standard 2008
2. To assess the reliability of the information used to derive performance indicators related to sustainable development according to the AA1000 Assurance Standard (AS) 2008
3. To apply the "reasonable" level of certification provided by the International Standard On Assurance Engagement ISAE-3000 to the certification work
4. To determine whether the Report meets the B+ assessment given to it by the Company in accordance with the Global Reporting Initiative Sustainability Reporting Guidelines version G3 2006

In the verification of the Report we took into account information published on EuroChem's website www.eurochem.ru, in its annual report for 2009 and in its corporate publications: EuroChem newspaper and NPK magazine.

Methodology

- We interviewed top executives at EuroChem regarding the significant economic, social and environmental aspects of the Company's operations; its intentions, commitments, priorities and goals with regard to sustainable development; the means it is using to achieve these goals and progress in this regard.
- We interviewed the Company's managers responsible for relations with stakeholders and studied some of the evidence supporting these relations in 2009.
- We visited public hearings on the Company's social reporting for 2008.
- We verified the goals of sustainable development for 2009 spelled out in the social report for 2008.
- We verified documents and data characterizing the effectiveness of the Company's management systems with regard to economic, social and environmental aspects.
- We verified the processes that the Company uses in collecting, processing, documenting, transmitting, analyzing, selecting and consolidating the data to be included in the report.
- We verified the appropriateness of some of the assertions, statements and data presented in the Report by:
 - Visiting in 2010 the company's facilities in Novomoskovsk related to its social and production activities: The production company Novomoskovskiy Azot, meeting with the Administrative Director, with the heads of the departments for quality management, environmental protection, labor protection and industrial safety, public relations, inspecting the shops of the enterprise where they produce CAN, granulated urea, mineral fertilizers and acids, strong nitric acid, examining personnel-use areas, dismantling work, visiting the training center and museum of Novomoskovskiy Azot, visiting social support facilities: the Azot Cultural and Business Center, the construction site of the Ice Palace, an orphanage (athletic field), School No.17 (visiting a EuroChem Class), meeting with city officials.
 - Analyzing the results of the visit in September 2009 to the facilities for the company's social and productive activities in Kedainiai, Lithuania, Lifosa, interviewing managers of enterprises, visiting the shops where they produce sulfuric acid and feed phosphates, a diammonium phosphate warehouse, a landfill, personnel space, the Lifosa museum, participating in a roundtable with stakeholders, holding discussions with local government officials and the Energy Agency of Lithuania; touring the Social Investment facilities of Lifosa in Kedainiai: a training center, a grammar school (Schvesyoi), Kedainiai Cathedral, athletic fields);
 - Analyzing the results of the certification audit of the company's integrated management system for compliance with ISO 9001, ISO 14001 and OHSAS 18001 performed by Bureau Veritas Certification Russia in September 2009.
- We analyzed a sample of data and media statements issued by third parties describing EuroChem's commitment to the values of sustainable development in order to verify the validity of the statements made in the Report.
- We verified how well the Report and the information posted on the website corresponded to the AA1000 Assurance Standard (AS) 2008 and the recommendations of the GRI.
- We checked how well the company's reporting feedback mechanism works.

Limitations of the certification

- The certification did not apply to performance indicators that go beyond the time frame of the current reporting cycle of 2009.
- The certification did not take into account statements expressing EuroChem's opinions, beliefs or intentions to take any actions in the future.
- The certification at the operational level was limited to visits to: two regions where the Company works (city of Kedainiai, Lifosa in September 2009, Novomoskovsk and Novomoskovskiy Azot in July 2010); head office and production units of three enterprises belonging to the

Company (Phosphorit Industrial Group, Novomoskovskiy Azot Kovdorskiy GOK) as part of the certification audit (June and September 2009); head office of the Company in June 2010

- The dialogues with the stakeholders included interviews with the management of the Company and its businesses, their employees, as well as representatives from the local population.

Level of certification and basis for our opinion

The selective verification of the information in the Report carried out as part of the reasonable level of certification provides a lower level of guarantee for the certification than a full verification of all the data (highest level). The certification work is based on supporting information, data from available sources and analytical confirmation methods provided by EuroChem's executives, those of its divisions, as well as representatives of a number of stakeholders. With respect to the numerical information given in the Report, the work performed cannot be considered sufficient to identify all possible misreporting. Nevertheless, the data collected form a sufficient basis for us to reach a reasonable conclusion as to the nature and extent of the Company's compliance with the principles of inclusiveness, relevance and responsiveness to the AA1000 Accountability Principles Standard 2008.

Our opinion

- Generally speaking, the report accurately reflects EuroChem's performance from the standpoint of corporate social reporting.
- The report is written in a clear and understandable manner, is accurate, objective and informative.
- EuroChem has an efficient management system that enables it to identify significant economic, social and environmental aspects of its operations, plan, manage and improve related processes, determine the expectations of the stakeholders on these issues and respond to them.

- The social reporting process control systems from the management side are fully supported by the organization's mission, its policies and resources, as well as the compliance of its activities with the principles of the Social Charter of Russian Business.

Consistency of the report with the three principles of AA1000 APS

Principle 1. Inclusion

- The information presented in the Report and the objective and indirect evidence obtained show that the interests of the majority of the stakeholders were taken into account in preparing the information for inclusion in the report.
- The principal means of informing and working with stakeholders are reports, including the present report, news reports, press releases, public hearings, consultations, dialogues, interviews, talks, interviews, the Company's website, and articles in the media.
- Structured interaction with interested parties is disclosed in the Report in the form of information about four dialogues with stakeholders, including one meeting at the European level, which was visited by a witness. The Company's information transparency is illustrated by examples of institutional interaction and participation in social reporting contests.
- Involvement of regions of activity is reflected in the published information on the implementation of the Company's social projects and programs. Customer focus is presented as the basis for the Company's internal marketing and market-oriented policies expressed in the slogan "Agrocenters sell yield, not fertilizers." Evidence on the fulfillment of social obligations to the Company's employees was also presented.

Principle 2. Significance

- The report gives a balanced and well grounded presentation of significant (to stakeholders) economic, social and

environmental aspects of activities that determine EuroChem's sustainable development indicators.

- The report reveals significant information about the Company's systemic response to the crisis in 2009 and maintaining its economic stability and investment program, provides an assessment of the company's own fulfillment of future objectives related to sustainable development and social commitments for 2009, provides an assessment of the social and regional significance of investment projects, and poses the problem of optimizing the CSR system.
- The report contains long-term objectives for sustainable development for 2010.
- Based on an analysis of the data contained in the Report and the interviews, we cannot point to a single significant aspect of sustainable development that was overlooked or wrongly excluded from the reporting. The Report covers the vast majority of the GRI performance indicators (97%).
- The information provided on significant aspects of the company's sustainable development has sufficient traceability in the process of collecting, processing, transmitting and presenting the data.
- The information provided in the Report, annual report and the company's website is important for the stakeholders because it can affect their future decisions and behavior with respect to the Company.

Principle 3. Responsiveness

- At present we do not know of any areas that might have been but were not disclosed in the Report, in which the Company would be unable to respond to reasonable inquiries from interested parties.
- Responsiveness to the needs of the regions is ensured through the use of a program-oriented territorial and regulatory approach to financing a wide range of social projects. Five company-wide policy priorities have been established: sports, health, education, environment and charity. As part of agreements on social and economic partnerships and in conjunction

with regional administrations, EuroChem is involved in the funding of major city sports and cultural sites, helping in grounds improvement projects in towns and villages, conducting sports, educational and cultural programs, contributing significantly to the development of social infrastructure, whose condition affects the quality of life of not only employees and their families, but the entire population of the region. The total investment in the implementation of external social policy in 2009 totaled over 200 million rubles.

- The right of the general public to a favorable environment is provided by the Company's planned environmental activities as part of its policy of a certified environmental management system. The Company mitigated its environmental impact by completing a wide-ranging action plan.
- The demands of consumers are met with planned deliveries of products with quality guarantees. On the basis of the company's certified quality management system, increasingly important roles in creating the Company's competitive advantage are played by its well-organized quality control system, high level of service and commitment to informing clients.
- The views and expectations of shareholders are taken into account by implementing EuroChem's principles of corporate governance, including annual meetings of shareholders.
- Responsiveness to the needs of workers with regard to everyday working conditions was not covered adequately.

Compliance of the Report with GRI recommendations

The Report took into account the recommendations of the GRI Guidelines for reporting on sustainable development and contains information on the GRI reporting elements and performance indicators that meets the B+ level of reporting.

Recommendations for the development of corporate management of social reporting

- Cover the link between CSR and the Company's strategic objectives in more detail in the social reports.
- Disclose information about the management of internal and external risks in the social reports.
- Publish annual digests of social reporting for each region in which the Company operates.
- Include CSR in the Company's corporate quality, environment and safety management system as an essential element in the management-side analysis.
- Record stakeholder perspectives on the reporting of the previous cycle in the report of the current cycle.
- Pursue more balanced inclusion in the report of both positive and negative trends in the implementation of planned objectives related to sustainable development in the reporting period.

Statement by Bureau Veritas Certification Rus on independence, impartiality and competence

Bureau Veritas Certification Russia CJSC is an international independent professional company specializing in providing services in the field of accredited certification of various management systems (such as management systems for quality, occupational health and safety, environmental stewardship, social responsibility, etc.).

Bureau Veritas Certification Rus officially declares that this conclusion is an independent assessment of a third party auditor. Bureau Veritas Certification Rus has no commercial interest in the activities of EuroChem except for the certification services rendered.

Bureau Veritas Certification Rus CJSC
July 7, 2010



General Director/Lead Auditor
Leonid Yaskin



BUREAU
VERITAS

GRI G3

Table of Standard Disclosures

G3 STANDARD DISCLOSURES	PERFORMANCE INDICATORS 2009
1. Strategy and Analysis	
1.1. Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy	See page 4
1.2. Description of key impacts, risks and opportunities	Chemical production is potentially hazardous to the environment and people. See sections ““Maintaining Economic Stability During the Crisis”, “Corporate Governance and Risk Management”, “Environmental Sustainability”. See also “Risk Management” in the 2009 Annual Report, pages 32-33
2. Organisational Profile	
2.1. Name of the organization	Open Joint-Stock Company, EuroChem Mineral and Chemical Company
2.2. Primary brands, products, and/or services	See Chapter “Products”. Also see detailed products description on EuroChem website
2.3. Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	See pages 6-9. See also List of subsidiaries and related institutions in the 2009 Annual Report, page 65
2.4. Location of organization’s headquarters	Bld. 6, 53 Dubininskaya St, Moscow, 115054
2.5. Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	EuroChem exports its products to 82 countries. The company’s core business is conducted in the Russian Federation
2.6. Nature of ownership and legal form	MCC Holdings Limited is the controlling shareholder. See page 8
2.7. Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	See pages 6-7
2.8. Scale of the reporting organization, including: number of employees; - net sales (for private sector organizations) or net revenues (for public sector organizations); - total capitalization broken down in terms of debt and equity (for private sector organizations); and - quantity of products or services provided	See pages 12-13, 22-23 Average headcount – 20,034 employees Sales revenues RUR 73.6 billion Over 100 products, see paragraph 2.2
2.9. Significant changes during the reporting period regarding size, structure, or ownership including: - the location of, or changes in operations, including facility openings, closings, and expansions; and - changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations)	No changes
2.10. Awards received during the reporting period	See page 18
3. Report Parameters	
REPORT PROFILE	
3.1. Reporting period (e.g., fiscal/calendar year) for information provided	2009
3.2. Date of most recent previous report (if any)	2009
3.3. Reporting cycle (annual, two-year, etc.)	Annual
3.4. Contact point for questions regarding the report or its contents	Bld. 6, 53 Dubininskaya St, Moscow, 115054, OJSC EuroChem Mineral and Chemical Company, PR and Communications Department

REPORT SCOPE AND BOUNDARY

3.5. Process for defining report content, including: <ul style="list-style-type: none">- determining materiality;- prioritizing topics within the report; and- identifying stakeholders the organization expects to use the report	Report content is made up subject to the need to represent topics that became pressing due to the beginning of global economic recession. This report contains information concerning system-level response of the company to the economic recession, measures taken to maintain social security and social obligations admitted by the company. See CSR 2007, pages 36-41, for a list of engaged stakeholders
3.6. Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, vendors).	The report boundaries have not changed. The Company's social policy is more detailed herein as compared with CSR 2008
3.7. State any specific limitations on the scope or boundary of the report	CSR content is limited to the Company's economic activities and that of its subsidiaries
3.8. Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability with previous reports and/or between other organizations	Data are comparable with previous reports
3.9. Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	GRI G3 and AA1000 set of documents
3.10. Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	This report does not contain any re-statements of information presented in earlier reports
3.11. Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	This report does not contain any Significant changes from previous reporting periods in the scope, boundary, or measurement methods as compared with CSR 2008

GRI CONTENT INDEX

3.12. Table identifying the location of the Standard Disclosures in the report	See page 51
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ASSURANCE

3.13. Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s)	Bureau Veritas Certification Rus has verified our CSR
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4. Governance, Commitments, and Engagement

GOVERNANCE

4.1. Governance structure of the organization, including committees under the supreme governance body responsible for specific tasks, such as setting strategy or organizational oversight	EuroChem's governance bodies are the General Meeting of Shareholders, Board of Directors, Management Board and General Director. The General Meeting of Shareholders is the highest governance body of the Company. Committees of the Board of Directors: Strategy Committee, Governance and Personnel Committee, Audit Committee
4.2. Indicate whether the Chairperson of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement)	Andrey Melnichenko is the Chairman of the Board of Directors. Dmitry Strezhnev is the General Director and a Board Member since July 2007
4.3. For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	During 2009 there were eight Directors on the Board. The Chairman and six Directors are non-executive members, of whom four Directors comply with the criteria set for independent directors (as stated in the Board of Directors Regulations)
4.4. Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	The key mechanism is the function of the Corporate Secretary who, on the one hand, relays shareholder proposals with respect to operational improvement, and supports feedback, and, on the other hand, facilitates reviews of major issues within the committees of the Board of Directors
4.5. Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	Criteria for determining Board member remuneration and payment procedures for both remuneration and compensation of expenses are set out in the Board Member Remuneration Regulations. Remuneration is fixed and adjusted to account for membership and chairmanship in Board Committees and performing the duties of the Chairman of the Board of Directors. The members of the Management Board do not receive additional remuneration for their membership on the Management Board. Their remuneration packages are defined exclusively by their performance of top management functions. According to the results of performance for 2009, remuneration to all grades for achievement of Company goals was cancelled
4.6. Processes in place for the highest governance body to ensure that conflicts of interest are avoided	See page 18
4.7. Process for determining the qualifications and expertise of members of the highest governance body for guiding the organization's economic, environmental, and social strategies (for sustainable development)	See pages 16-17, as well as the 2009 Annual Report, pages 60-64
4.8. Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance, and the status of their implementation	See CRS 2008 page 6 for the statement of EuroChem's mission. See the Company's website for the Code of Corporate Conduct and the Code of Ethics. See CSR 2007, page 30, for corporate social responsibility principles
4.9. Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and compliance with internationally recognized standards, codes of conduct, and principles	The Board of Directors is completely focused on strategic governance issues and performs regular independent assessments of the corporate governance level based on Standard & Poor's practices. See pages 16-17, as well as the 2009 Annual Report, pages 60-64
4.10. Processes for evaluating the performance of highest governance body, particularly with respect to economic, environmental, and social aspects	See page 18, as well as the 2009 Annual Report, pages 60-64

COMMITMENTS TO EXTERNAL INITIATIVES

4.11. Explanation of whether and how the precautionary approach or principle is addressed by the organization	When considering potential environmental risks imposed by its operations, EuroChem takes the precautionary principle into account by thoroughly assessing the situation in order to avoid serious or irreversible environmental damage. The precautionary approach is pursued in accordance with industrial and environmental safety codes and standards applied by EuroChem to assess, prevent, and control environmental risks
4.12. Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	GRI G3, Global Compact, AA1000 APS (2008), Social Charter of Russian Business Companies
4.13. Membership in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: - has positions in governance bodies; - participates in projects or committees; - provides substantive funding beyond routine membership fees; or - views membership as strategic	The Russian Association of Fertilizer Producers (RAPU). Mr. A. Melnichenko, EuroChem Board Chairman, is a member of the Bureau of the Board of Directors of the Russian Union of Industrialists and Entrepreneurs (RSPP)

STAKEHOLDER ENGAGEMENT

4.14. List of stakeholder groups engaged by the organization	The list of engaged stakeholders has not changed. See Chapter "Stakeholders" in CSR 2007
4.15. Basis for identifying and selecting stakeholders with whom to engage	Influence on the Company's business processes, regional business climates, and social processes important to the Company
4.16. Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	The approaches have not been changed – see "Interaction with Stakeholders" in SCR 2007. Four dialogues were held during the reporting period. See pages 44-45
4.17. Key issues and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key issues and concerns, including through its reporting	Summarized proposals and opinions expressed during discussions with stakeholders have been incorporated in CSR 2009 and reflected in the summary of future tasks for sustainable development in 2010

5. Management Approach and Performance Indicators

EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	See pages 14-16, as well as the 2009 Annual Report
EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change	In the long term, the composition and volume of mineral fertilizer demand may be influenced by global warming and climate change in various parts of the world
EC3 Coverage of the organization's defined benefit plan obligations	At this time, EuroChem does not operate its own pension fund. However, we take care of retired employees and veteran employees in accordance with corporate social responsibility principles
EC4 Significant financial assistance received from the government	EuroChem did not receive any financial assistance from the government and did not resort to any tax preferences
EC5 Range of ratios of standard entry-level wage compared to local minimum wage at significant locations of operation	The average monthly wage at EuroChem in 2009 (RUR 27,021) was 44 percent higher than the average wage rate in Russia (RUR 18,785)
EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant operational locations	The process of partnering with vendors and suppliers includes procurement planning and arrangements, receipt, storage and distribution of raw materials required for production. The process is controlled through EuroChem's approved standards, as well as ISO standards. To mitigate procurement and contracting risks, bids are arranged, including electronic tendering. Supplied equipment must be duly certified for safety compliance and licensed for use. Contractors are required to abide by EuroChem's labour and industrial safety regulations

EC7 Procedures for local hiring and the proportion of senior management hired from the local community at significant operational locations

At operational locations, we traditionally hire personnel from local communities. Applicants are to meet requirements subject to the job description, job-specific qualifications and safety regulations. Hiring procedures are included in EuroChem's Employment Policies and Procedures

Proportion of senior management hired locally, %

Operational locations	2007	2008	2009
Krasnodar Territory	56.3	56.3	75.0
Leningrad Region	80.0	80.0	87.5
Murmansk Region	85.7	85.7	77.8
Stavropol Territory	84.6	71.4	71.4
Tula Region	41.7	28.6	50.0

EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement

See pages 28-37

EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts

Not only do local communities receive direct financial aid for socially vulnerable groups, but they also receive funds for infrastructure development, material supplies for educational and medical institutions, sports facilities, etc.

EN1 Materials used by weight or volume

Indicator	Unit of measure	Indicator description	EuroChem BMU LLC	PG Phosphorite LLC	OJSC Nev. Azot	OJSC NAK Azot	OJSC Kovdorskiy GOK	Total
Apatite concentrate	kmt	weight	400.5	855.6	1.2	0	0	1,257.4
Potash chloride	kmt	weight	3.0	0	141.6	0	0	144.6
Sulphur	kmt	weight	122.9	203.2	0	0	0	326.1
Sulphuric acid	kmt	weight	26.4	98.6	14.3	7.3	0	146.6
Wet process phosphoric acid	kmt	weight	0	0	18.2	0	0	18.2
Ammonia	kmt	weight	43.3	77.3	0	0	0	120.5
Sodium hydroxide	kmt	weight	0.2	24.2	5.1	6.1	0	35.5
Lime	kmt	weight	10.8	1.5	0.3	2.2	0	14.8
Tails	kmt	weight	0	0	0	0	5,703.2	5,703.2
Ore	kmt	weight	0	0	0	0	16,510.6	16,510.6
Natural gas	mln. m ³	volume	4.0	0	1,635.1	2,502.6	0	4,141.7
Grand total	kmt	weight	609.6	1,260.4	1,235.3	1,629.8	22,213.8	26,948.8

EN2 Percentage of materials used that are recycled input materials

Unit of measure	Measured by	EuroChem BMU LLC	PG Phosphorite LLC	OJSC Nev. Azot	OJSC NAK Azot	OJSC Kovdorskiy GOK	Total
%	per unit	0	0	0.2	0.1	25.7	21.2
kmt	weight	0	0	2.2	2.0	5,703.2	5,707.4
kmt	weight of phosphogypsum	825.0	0.2	3.4	0	0	914.5

EN3 Direct energy consumption by primary energy source

Indicator	Unit of measure	Indicator description	EuroChem BMU LLC	PG Phosphorite LLC	OJSC Nev. Azot	OJSC NAK Azot	OJSC Kovdorskiy GOK	Total
Heat generated by chemical reactions	'000 Gcal	Owing to chemical reactions	290.9	585.9	884.4	821.5	0	2,582.7
Gasoline	kmt	motor fuel	0.1	0.2	0.1	0.3	0.5	1.2
Diesel	kmt	motor diesel fuel	0.3	1.9	1.1	0.5	36.9	40.7
Coal	kmt	burning	0	0	0	0	0	0
Gas	mln. m ³	burning (without process gas which is used for chemical reactions in production)	76.4	68.8	13.8	94.5	0	253.9
Fuel oil	kmt	burning	0	0	0	0	94.2	94.2
Total	'000 GJ	total	4,218.5	5,070.8	4290.4	7,160.8	5,407.3	26,147.8

EN4 Indirect energy consumption by primary source

Indicator	Unit of measure	Indicator description	EuroChem BMU LLC	PG Phosphorite LLC	OJSC Nev. Azot	OJSC NAK Azot	OJSC Kovdorskiy GOK	Total
Electric power	'000 kWh	purchased	20,268.5	170,273.2	1,045,390.2	1,040,157.2	678,069.0	2,954,158.1
Heat	Gcal	purchased	0	0	1,258,992.0	249,627.0	0	1,508,619.0
Total	'000 GJ	total	73.0	613.0	903.4	479.0	244.1	2,312.5

EN5 Energy saved due to conservation and efficiency improvements

Unit of measure	Indicator description	EuroChem BMU LLC	PG Phosphorite LLC	OJSC Nev. Azot	OJSC NAK Azot	OJSC Kovdorskiy GOK	Total
GJ	*	1,694.000	176,348.0	81,325.2	499,674.0	79,056.9	838,098.1

EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives

See pages 39-41

EN7 Initiatives to reduce indirect energy consumption and reductions achieved

See pages 39-41

EN8 Total water withdrawal by source

Indicator	Unit of measure	Indicator description	EuroChem BMU LLC	PG Phosphorite LLC	OJSC Nev. Azot	OJSC NAK Azot	OJSC Kovdorskiy GOK	Total
Surface water	'000 m ³	volume	4,797.0	6,334.3	0	27,980.0	6,384.3	45,495.6
Storm water	'000 m ³	volume	0	0	0	0	0	0
Ground water	'000 m ³	volume	276.0	102.9	0	1,164.0	0	1,542.9
Third-party waste water	'000 m ³	volume	0	0	0	0	0	0
Purchased water	'000 m ³	volume	0	249.7	26,906.6	3.0	3,928.7	31,087.9
Grand total	'000 m ³	volume	5,073.0	6,686.9	26,906.6	29,147.0	10,313.0	78,126.5

EN9 Water sources significantly affected by withdrawal of water

EuroChem's water intake primarily impacts surface water (Shat water basin, Kovdor lake)

EN10 Percentage and total volume of water recycled and reused

Indicator	Unit of measure	Indicator description	EuroChem BMU LLC	PG Phosphorite LLC	OJSC Nev. Azot	OJSC NAK Azot	OJSC Kovdorskiy GOK	Total
Reused water	'000 m ³	volume	85,230.0	135,224.0	576,720.0	303,685.0	115,940.0	1,216,799.0
Percentage of reused water out of total water consumption	%	per unit	94.4	95.3	95.4	91.2	91.8	94.0

EN11 Location and size of land owned, leased, managed in or adjacent to protected areas and areas of high biodiversity outside protected areas

EuroChem divisions do not own, lease, manage land in or adjacent to protected areas and areas of high biodiversity outside protected areas

EN12 Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity outside protected areas

No significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity outside protected areas have been observed

EN13 Habitats protected or restored

Phosphorit, 109.4 ha

EN14 Strategies, current actions, and future plans for managing impacts on biodiversity

EuroChem abided by effective Russian law and assumed environmental responsibilities

EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk

At this time, we are not aware of any IUCN Red List species or national conservation list species with habitats in areas affected by operations

EN16 Total direct and indirect greenhouse gas emissions by weight

Indicator	Unit of measure	Indicator description	EuroChem BMU LLC	PG Phosphorite LLC	OJSC Nev. Azot	OJSC NAK Azot	OJSC Kovdorskiy GOK	Total
CO ₂	kmt	weight	92.9	88.7	20.1	115.5	400.2	717.4
CH ₄	tons	weight	8.4	8.0	1.8	10.6	14.9	43.7
N ₂ O	tons	weight	0.2	0.2	0.1	0.2	3.1	3.7
CO ₂ – equivalent	kmt	weight	93.1	88.9	20.1	115.8	401.5	719.4

EN17 Other relevant indirect greenhouse gas emissions by weight

Indicator	Unit of measure	Indicator description	EuroChem BMU LLC	PG Phosphorite LLC	OJSC Nev. Azot	OJSC NAK Azot	OJSC Kovdorskiy GOK	Total
CO ₂	kmt	weight	2.2	18.8	277.6	147.2	75.0	520.9
CH ₄	tons	weight	0.2	1.7	25.1	13.3	6.8	47.1
N ₂ O	tons	weight	0.0	0.0	0.5	0.3	0.1	0.9
CO ₂ – equivalent	kmt	weight	2.2	18.9	278.3	147.6	75.2	522.2

EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved

Indicator	Unit of measure	Indicator description	EuroChem BMU LLC	PG Phosphorite LLC	OJSC Nev. Azot	OJSC NAK Azot	OJSC Kovdorskiy GOK	Total
Activities for greenhouse gas emission reduction and reduction achieved	tons	Amount of greenhouse gas emission decrease compared with previous year for all actions	none	88,949.0	none	none	none	88,949.0
Facility name	tons	Emission reductions enabled by action	none	Construction of power generator	none	none	none	
CO ₂ – equivalent	kmt	weight	2.2	18.9	278.3	147.6	75.2	522.2

EN19 Emissions of ozone-depleting substances by weight

Unit of measure	Indicator description	EuroChem BMU LLC	PG Phosphorite LLC	OJSC Nev. Azot	OJSC NAK Azot	OJSC Kovdorskiy GOK	Total
kg	weight	4.0	4.0	0	0	0	8.0

EN20 NO, SO, and other significant air emissions by type and weight

Indicator	Unit of measure	Indicator description	EuroChem BMU LLC	PG Phosphorite LLC	OJSC Nev. Azot	OJSC NAK Azot	OJSC Kovdorskiy GOK	Total
Total	tons	weight	1,075.1	2,548.5	5,010.1	9,982.0	9,157.5	27,773.2
SO ₂	tons	weight	692.7	1,080.1	1.2	2.2	5,237.9	7,014.2
CO	tons	weight	37.6	159.1	893.5	5,027.2	775.1	6,892.5
NOx	tons	weight	95.2	471.9	609.1	1,528.8	1,365.1	4,070.0
Sulphuric acid	tons	weight	20.4	87.7	0.4	0	0	108.5
Ammonia	tons	weight	114.0	111.1	960.0	1,879.6	0	3,064.7
Solids	tons	weight	59.8	280.0	2,025.6	1,005.5	1,664.2	5,035.2
Hydrocarbons (excl. VOC)	tons	weight	0.2	3.0	218.6	440.8	107.6	770.2
Volatile organic compounds (VOC)	tons	weight	23.0	206.4	281.9	51.7	7.1	570.1

EN21 Total water discharge by quality and destination

Indicator	Unit of measure	Indicator description	EuroChem BMU LLC	PG Phosphorite LLC	OJSC Nev. Azot	OJSC NAK Azot	OJSC Kovdorskiy GOK	Total
Total annual water discharge (incl. users)	'000 m ³	volume	2,253.0	4,971.0	36,146.0	36,902.0	38,702.7	118,974.7
Total discharged pollutants (incl. users).	tons	weight	987.7	5,624.9	34,145.1	35,671.3	34,052.0	110,481.0
Including:	*	*	*	*	*	*	*	*
BODfull	tons	weight	7.2	25.9	218.6	96.5	148.6	496.8
Hydrocarbons	tons	weight	0.1	0.3	4.7	2.6	2.6	10.2
Suspended particles	tons	weight	21.1	37.6	525.5	217.6	200.6	1,002.4
Ammonia nitrogen	tons	weight	2.1	16.4	12.9	133.0	23.1	187.6
Nitrates	tons	weight	6.7	90.9	894.7	2,825.7	480.6	4,298.7
Sulphates	tons	weight	190.0	617.3	7,776.6	4,846.8	8,979.7	22,410.4
Chlorides	tons	weight	48.5	223.5	1,613.2	3,764.4	362.5	6,012.1
Fluorine	tons	weight	0.8	3.0	5.2	0	0	8.9
Common phosphorus	'000 m ³	weight	1.9	9.8	42.6	10.1	15.3	79.7
Water body	Name	Water body	Pshekha river	Luga river	Barsuchki river	Shat river, Shat water basin	Kovdora river, Mozhel river, Kovdor lake	*
Total annual water discharge by water body	'000 m ³	volume	2,253.0	4,913.0	18,685.4	20,185.0	38,702.7	84,739.1
Incl. total annual untreated water discharge by water body	'000 m ³	volume	2,253.0	0	329.3	0	4,097.9	6,680.2
Total weight of pollutants discharged by water body	tons	weight	987.7	5,538.7	17,414.0	26,070.1	34,052.0	84,062.5
BODfull	tons	weight	7.2	25.6	111.5	68.1	148.6	361.0
Hydrocarbons	tons	weight	0.1	0.3	2.4	1.3	2.6	6.7
Suspended particles	tons	weight	21.1	33.0	268.0	128.7	200.6	651.4
Ammonia nitrogen	tons	weight	2.1	16.2	6.6	129.8	23.1	177.9
Nitrates	tons	weight	6.7	89.9	456.3	2,027.8	480.6	3,061.3
Sulphates	tons	weight	190.0	606.9	3,966.1	3,745.9	8,979.7	17,488.6
Chlorides	tons	weight	48.5	218.3	822.7	2,629.3	362.5	4,081.3
Fluorine	tons	weight	0.8	2.9	2.6	0	0	6.3
Common phosphorus	tons	weight	1.9	9.7	21.7	3.2	15.3	51.8
Total volume of waste water delivered to third-parties for treatment	'000 m ³	volume	0	0	0	0	1,604.8	1,604.8

EN22 Total weight of waste by type and disposal method

Indicator	Unit of measure	Indicator description	EuroChem BMU LLC	PG Phosphorite LLC	OJSC Nev. Azot	OJSC NAK Azot	OJSC Kovdorskiy GOK	Total
Total generated waste	tons	weight	631,070.8	13,175.3	27,501.6	56,261.3	39,353,203.7	40,081,212.7
Hazard class 1	tons	weight	1.1	2.1	2.1	1.8	0.9	7.9
Hazard class 2	tons	weight	69.0	0.3	4,214.8	32.4	1.0	4,317.5
Hazard class 3	tons	weight	15.7	116.4	989.6	2,745.4	706.6	4,573.7
Hazard class 4	tons	weight	519.4	8,959.4	8,694.4	19,181.8	2,290.1	39,645.0
Hazard class 5 (total)	tons	weight	630,465.5	4,097.3	13,600.7	34,299.9	39,350,205.2	40,032,668.6
Hazard class 5 (mining sector)	tons	weight	0	0	0	0	39,345,261.5	39,345,261.5
Total disposed waste	tons	weight	826,134.8	4,834.4	5,094.7	29,297.3	4,756,934.2	5,622,295.4
Hazard class 1	tons	weight	0	0	0	0	0	0
Hazard class 2	tons	weight	0.7	0	136.0	32.4	0	169.1
Hazard class 3	tons	weight	15.3	66.8	733.2	2,412.3	634.6	3,862.1
Hazard class 4	tons	weight	354.1	40.5	10.4	892.3	1,190.8	2,488.1
Hazard class 5 (total)	tons	weight	825,764.7	4,727.1	4,215.2	25,960.2	4,755,108.9	5,615,776.1
Hazard class 5 (mining sector)	tons	weight	0	0	0	0	4,744,300.0	4,744,300.0
Total decontaminated waste	tons	weight	1.2	1.1	4,480.9	1.8	65.1	4,550.1
Hazard class 1	tons	weight	0.8	0	0	1.8	0.9	3.5
Hazard class 2	tons	weight	0	0	4,104.7	0	1.0	4,105.7
Hazard class 3	tons	weight	0.5	1.1	375.6	0	63.2	440.3
Hazard class 4	tons	weight	0	0	0	0	0	0
Hazard class 5	tons	weight	0	0	0.6	0	0	0.6
Total buried waste	tons	weight	193.3	9,028.8	21,209.1	10,479.3	34,602,745.2	34,636,557.7
Hazard class 1	tons	weight	0	0	0	0	0	0
Hazard class 2	tons	weight	0	0.3	7.8	0	0	8.1
Hazard class 3	tons	weight	0	87.1	391.0	271.0	12.9	762.0
Hazard class 4	tons	weight	165.3	8,918.9	9,028.1	7,384.4	1,685.0	27,181.7
Hazard class 5 (total)	tons	weight	28.1	22.6	11,782.2	2,823.8	34,601,047.3	34,615,703.9
Hazard class 5 (mining sector)	tons	weight	0	0	0	0	34,600,961.5	34,600,961.5

EN23 Total number and volume of significant spills

There were no spills and emergencies in 2009

EN24 Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally

EuroChem does not transport, import, export or treat waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII

EN25 Identity, size, protected status and biodiversity of value water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff

EuroChem does not significantly affect water bodies that have a protected status and biodiversity. The Company does affect Lake Kovdor which is a habitat for one protected species

EN26 Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation

Indicator	Unit of measure	Indicator description	EuroChem BMU LLC	PG Phosphorite LLC	OJSC Nev. Azot	OJSC NAK Azot	OJSC Kovdorskiy GOK	Total
Brief description of environmental initiative	description	significant initiative	none	Worn equipment retrofit (catalytic reactor) for production of sulphuric acid	none	Revamp of urea production shops underway	none	*
Extent of impact mitigation	subject to type of impact	subject to type of impact	none	Reduction of sulphur dioxide emissions by 1588 tons	none	Impact mitigation will be noticeable upon revamp completion	none	*

EN27 Percentage of products sold and their packaging materials that are reclaimed by category

Due to the specific nature of the Company's product, no data is collected

EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

Indicator	Unit of measure	Indicator description	EuroChem BMU LLC	PG Phosphorite LLC	OJSC Nev. Azot	OJSC NAK Azot	OJSC Kovdorskiy GOK	Total
Monetary sanctions, total	'000 RUR	amount	10.0	185.0	0	1,541.4	0	1,736.4
Fines	'000 RUR	amount	10.0	185.0	0	155.0	0	350.0
Other monetary sanctions	'000 RUR	amount	0	0	0	1,386.4	0	1,386.4
Number of non-monetary sanctions, total	ea.	number	0	3	0	0	0	3
Number of other administrative sanctions	ea.	number	0	3	0	0	4	7
Number of criminal sanctions	ea.	number	0	0	0	0	0	0
Number of lost law suits	ea.	number	0	0	0	0	0	0
Number of identified non-compliances (improvement notice items) for reporting year	ea.	number	2	18	0	17	1	38
Number of rectified non-compliances (according to improvement notice items) for reporting year	ea.	number	2	18	3	16	1	40

EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce

Indicator	Unit of measure	Indicator description	EuroChem BMU LLC	PG Phosphorite LLC	OJSC Nev. Azot	OJSC NAK Azot	OJSC Kovdorskiy GOK	Total
Railroad transportation	kmt/km	quantity	98,643.9	529,156.0	655,298.3	1,326,433.2	11,216,422.3	13,825,953.7
Maritime transportation	kmt/km	quantity	0	0	439,466.4	423,890.0	0	863,356.4

EN30 Total environmental protection expenditures and investments by type

Indicator	Unit of measure	EuroChem BMU LLC	PG Phosphorite LLC	OJSC Nev. Azot	OJSC NAK Azot	OJSC Kovdorskiy GOK	Total
Total environmental protection expenditures and investments by type	'000 RUR	123,666.8	299,870.9	767,967.0	870,428.4	96,320.9	2,158,254.0
including:	*	*	*	*	*	*	*
Environmental protection current expenditures	'000 RUR	83,979.0	104,400.6	693,661.4	168,824.3	40,099.4	1,090,964.7
Expenditures to refurbish fixed assets for environmental protection	'000 RUR	15,357.0	28,067.0	30,699.0	9,224.0	4,668.5	88,015.5
Environmental impact charges	'000 RUR	450.8	3.3	5,647.2	9,284.5	4,092.2	56,306.9
Water protection charges	'000 RUR	7,370.0	0	0	76,571.7	20,298.1	104,239.7
Investments in capital assets for environmental protection and management	'000 RUR	5,010.0	167,400.0	37,959.4	606,524.0	31,362.6	848,256.1

LA1 Total workforce by employment type, employment contract, and region

Indicator	Unit of measure	Indicator	Unit of measure
Indicator	2009	- indefinite term employment contract	4,073
Head count, total (01,01)	19,234	- fixed term employment contract	20
including:		- full time	4,092
- indefinite term employment contract	18,901	- part time	1
- fixed term employment contract	333	Tula Region	5,422
- full time	19,220	- indefinite term employment contract	5,312
- part time	14	- fixed term employment contract	110
incl. by regions:		- full time	5,420
Krasnodar Territory	1,319	- part time	2
- indefinite term employment contract	1,302	Volgograd Region	274
- fixed term employment contract	17	- indefinite term employment contract	274
- full time	1,308	- fixed term employment contract	0
- part time	1	- full time	274
Stavropol Territory	4,686	- part time	0
- indefinite term employment contract	4,521	Moscow, EuroChem MCC	259
- fixed term employment contract	165	- indefinite term employment contract	252
- full time	4,679	- fixed term employment contract	7
- part time	7	- full time	259
Leningrad Region	1,898	- part time	0
- indefinite term employment contract	1,889	Lithuania (JSC "Lifosa")	989
- fixed term employment contract	9	- indefinite term employment contract	989
- full time	1,897	- fixed term employment contract	0
- part time	1	- full time	989
Murmansk Region	4,093	- part time	0

LA2 Total number and rate of employee turnover by age group, gender and region

Average head count: 20,034 employees. Effective employee turnover in the Company's divisions: 2.6 percent

LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations

EuroChem's corporate benefits guarantees are in fact stipulated in collective bargaining agreements. Average employee benefits package costs 1/12 of annual salary

LA4 Percentage of employees covered by collective bargaining agreements

91 percent

LA5 Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements

According to the information exchange procedure, the minimum notice period regarding operational changes is two months

LA6 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

2.3 percent

LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region

Indicator	Unit of measure	Indicator description	EuroChem BMU LLC	PG Phosphorite LLC	OJSC Nev. Azot	OJSC NAK Azot	OJSC Kovdorskiy GOK	Total
Number of recorded accidents involving short-term disability	ea.	*	1	6	3	3	13	26
Accident frequency rate	ea./thou. people	*	1	3.9	0.8	0.7	3.3	1.8
Number of days of short-term disability due to injuries	work days	*	33	207	144	62	596	1,042
Total number of work days lost to short-term disability for any reasons	work days	*	6,431	14,756	25,774	33,132	36,059	116,152
Accident severity factor	days	disability work days per accident	33.0	34.5	48.0	21.0	45.8	40.1
Number of fatalities	ea.	*	0	0	0	0	0	0
Number of newly identified occupational diseases	ea.	*	0	0	0	0	7	7

LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce, their families, or community members regarding serious diseases

Education and training programmes by occupation for the EuroChem's employees; technical inspection training programmes by type of supervision (boiler inspection, gas, chemical facilities inspection etc.)

Indicator	Unit of measure	Indicator description	EuroChem BMU LLC	PG Phosphorite LLC	OJSC Nev. Azot	OJSC NAK Azot	OJSC Kovdorskiy GOK	Total
Employees trained and certified for industrial safety compliance	people	Number of employees trained and certified for industrial safety compliance during reporting period	657	806	521	1,346	1,337	4,667

LA9 Health and safety topics covered in formal agreements with trade unions

EuroChem-BMU:
 1. PPE – RUR 1.8m
 2. Nutritional care, milk – RUR 7.1m
 3. Labour safety measures according to agreements – RUR 2.5m
 4. Insurance – RUR 2m
 Phosphorit:
 1. Provision of PPE (in 2009 purchased PPE for RUR 11.5m)
 2. Medical examination of workers (1,056 workers in 2009)
 3. Measures aimed on improvement of working environment
 4. Labour safety measures (total spent RUR 22.5m in 2009)
 Nevinnomysskiy Azot:
 Collective Bargaining Agreement sections: 6. Labour Safety; 7. Social Benefits; 8. Employment Rights and Guarantees.
 Labour Safety expenditures:
 1. Juice, nutritional care, milk - RUR 2.5m
 2. PPE (protective clothing) – RUR 14.1m
 3. Labour safety agreement – RUR 2.5m
 4. Labour conditions improvement plan – RUR 325.8 thou.
 Total – RUR 40.9m
 Novomoskovskiy Azot:
 1. Agreement – RUR 13.5m
 2. PPE – RUR 12.3m
 3. Nutritional care – RUR 7.8m
 4. Milk – RUR 7.3m
 Kovdorskiy GOK:
 1. PPE – RUR 7.5m
 2. Milk – RUR 8.5m
 3. Agreement – RUR 18.4m
 4. Other expenditures – RUR 13.5m

LA10 Average hours of training per year per employee by employee category	Average hours of training per year per employee - 63.5 hours: 86.8 hours per worker, and 40.5 hours per manager and specialist.
LA11 Programs for skills management and lifelong learning that support continued employability and assist employees in managing career changes	EuroChem is implementing the following corporate programmes: (a) MBA programme (at the Academy of National Economy under the Government of the Russian Federation and Kingston University, UK), (b) a four-module programme for developing basic managerial competence (at the Academy of National Economy under the Government of the Russian Federation, High School of Corporate Management). Out of 280 young specialists, 70 percent participated in development programmes, of which 26 percent were promoted
LA12 Percentage of employees receiving regular performance and career development reviews	In 2008, 342 managers at different levels participated in the "Target Management" programme (16 percent more than in 2007)
LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	No regular records are maintained
LA14 Ratio of base salaries between men and women by employee category	Average salary in 2008 amounted to RUR 29,790. The ratio of base salaries between men and women by employee category is 1.4 (1.3 for management positions, 1.4 for specialists, 1.3 for workers and clerks)
HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	No regular records are maintained
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights, and actions taken	No regular records are maintained
HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	No dedicated training was conducted
HR4 Total number of incidents of discrimination, and actions taken	No incidents of discrimination were recorded
HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	For information on collective bargaining agreements see CSR 2007, pages 38-42
HR6 Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	No child labour is used at EuroChem
HR7 Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour	No forced or compulsory labour is used at EuroChem
HR8 Percentage of security personnel trained in the organization's policies or procedures concerning human rights that are relevant to operations	All security personnel are briefed on the organisation's policies and procedures concerning human rights

HR9 Total number of incidents of violating rights of indigenous people, and actions taken	At EuroChem, the rights of indigenous people are not violated
S01 Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting	See pages 24-45
S02 Percentage and total number of business units analyzed for risks related to corruption	Security and in-house audit personnel regularly monitor all of EuroChem's divisions for risks related to corruption
S03 Percentage of employees trained in the organization's anti-corruption policies and procedures	All EuroChem employees adhere to existing Russian laws and EuroChem's Code of Corporate Conduct. No dedicated training in the organisation's anti-corruption policies and procedures was conducted
S04 Actions taken in response to incidents of corruption	No incidents of corruption involving EuroChem's employees were revealed during the reporting period
S05 Public policy positions and participation in public policy development and lobbying	EuroChem is striving to build its relationships with government bodies and municipal authorities based on law and other regulatory acts, without resorting to any unlawful means of influence. As part of its cooperation with government bodies, EuroChem prepares documents concerning key issues in the development of the chemical sector such as development strategy, international cooperation, organisational and economic management mechanisms, and review and discussion thereof by a variety of companies, institutions and corporations. As required, the Company provides all necessary information to regulatory bodies
S06 Total value of financial and in-kind contributions to political parties, politicians and related institutions by country	EuroChem does not offer any financial or in-kind contributions to political parties, politicians or related institutions
S07 Total number of legal actions for anticompetitive behavior, anti-trust and monopoly practices and their outcomes	EuroChem has never been subject to any legal actions for anticompetitive behaviour, anti-trust or monopoly practices
S08 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No fines or non-monetary sanctions for non-compliance with laws and regulations were imposed on EuroChem during the reporting period
PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	On the Company's our web-site website www.EuroChem.ru , "Agrochemical Review" discusses EuroChem's products used in agriculture, with emphasis on the life cycle stages of plants in terms of effective and safe usage of fertilizers
PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcome	During the reporting period, no incidents were recorded of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services
PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	We keep fertilizer wholesalers and retailers informed of both the quality and potential environmental impacts of our products. All of EuroChem's products are duly labelled. Products are supplied with required passports and certificates, including the hygienic certificate and the safety sheet

PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcome	The Company is not aware of any incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling
PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	At EuroChem, annual surveys are conducted to measure customer satisfaction
PR6 Programs for adherence to laws, standards and voluntary codes related to marketing communications including advertising, promotion, and sponsorship	In terms of press relations and marketing communications, EuroChem adheres to applicable laws and professional ethics codes, being also a member of the Russian Association for Public Relations (RASO)
PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications including advertising, promotion, and sponsorship by type of outcomes	No incidents were recorded of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship
PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No complaints were filed during the reporting period regarding breaches of customer privacy or losses of customer data
PR9 Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	No fines were imposed on the Company during the reporting period for noncompliance with laws and regulations concerning the provision and use of products and services



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