

**Company Name** Nippon Steel Corporation  
**Industry** Extractive  
**UNGP Core Score (\*)** 2.5 out of 26

Score	Out of	For indicators
<b>Governance and Policy Commitments</b>		
0	2	A.1.1 Commitment to respect human rights
0.5	2	A.1.2 Commitment to respect the human rights of workers
0	2	A.1.4 Commitment to engage with stakeholders
0	2	A.1.5 Commitment to remedy
<b>Embedding respect and Human Rights Due Diligence</b>		
Embedding respect		
0	2	B.1.1 Embedding - Responsibility and resources for day-to-day human rights functions
Human Rights Due Diligence (HRDD)		
0	2	B.2.1 HRDD - Identifying: Processes and triggers for identifying human rights risks and impacts
0	2	B.2.2 HRDD - Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)
0	2	B.2.3 HRDD - Integrating and Acting: Integrating assessment findings internally and taking appropriate action
0	2	B.2.4 HRDD - Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts
0	2	B.2.5 HRDD - Reporting: Accounting for how human rights impacts are addressed
<b>Remedies and Grievance Mechanisms</b>		
1	2	C.1 Grievance channels/mechanisms to receive complaints or concerns from workers
1	2	C.2 Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities
0	2	C.7 Remedying adverse impacts and incorporating lessons learned
<b>2.5</b>	<b>26</b>	

(\*) Instead of the full list of indicators in the 2020 CHRB Methodology, this year's assessment uses the CHRB Core UNGP Indicators. These are 13 non-industry specific indicators that focus on three key areas of the UNGPs: high level commitments, human rights due diligence and access to remedy.

The 13 indicators selected from the full CHRB Methodology are scored on a simple unweighted basis, with a maximum of 2 points for each indicator for a maximum total of 26 points.

In addition, allegations of severe human rights impacts (Measurement Theme E) were also assessed but do not impact overall final scores

Please note that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2020 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

## Detailed assessment

### Governance and Policies

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: General HRs commitment: The Company states that ‘in compliance with the Universal Declaration of Human Rights and other international norms on human rights, the Nippon Steel Group is in the business of creating and delivering valuable and attractive products and ideas, by respecting our employees’ diverse views and individualities and utilizing them for the good of all. Based on the United Nations Guiding Principles on Business and Human Rights, the Nippon Steel Group Conduct Code has been set. By adhering to its nine principles, Nippon Steel conducts business ethically, while paying full heed to human rights issues arising with the increasing globalization of the economy. Nippon Steel gives due attention to the rights of workers, and staunchly opposes the use of forced or child labor. We have also prohibited as unjust the discriminatory treatment of workers.’ However, the Company does not have an explicit commitment to respect human rights. [Respect for Human Rights, 03/2020 &amp; Group Code of Conduct, 03/2020]</li> <li>• Not met: UNGC principles 1 &amp; 2</li> <li>• Not met: UDHR: As indicated above, the Company states 'in compliance with the Universal Declaration of Human Rights and other international norms on human rights, the Nippon Steel Group is in the business of creating and delivering valuable and attractive products and ideas, by respecting our employees’ diverse views and individualities and utilizing them for the good of all'. However, comply with is not equivalent to a formal commitment to the Declaration, according to CHRB wording criteria. Previous version of the website the Company indicated that 'respect of all human rights [...] is basic to corporate activities. Furthermore, "respecting the international norms concerning human rights, such as the Universal Declaration of Human Rights"'. However, this or similar statement has no longer been found in public sources. [Respect for Human Rights, 03/2020]</li> <li>• Not met: International Bill of Rights</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: UNGPs: The company reports that they have formulated the Nippon Steel Group Conduct Code, based on the United Nations’ 'Guiding Principles on Business and Human Rights'. Also, on its Group Code of Conduct the Company discloses that it is based on the “Charter of Corporate Behavior” and “Implementation Guidance on Charter of Corporate Behavior” of Nippon Keidanren (Japan Business Federation). However, it is not clear if the company is committed to the UNGPs, as 'based on' is not considered a formal commitment following CHRB wording criteria. [Respect for Human Rights, 03/2020 &amp; Group Code of Conduct, 03/2020]</li> <li>• Not met: OECD</li> </ul>
A.1.2	Commitment to respect the human rights of workers	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: ILO Core: The Company states that it gives due attention to the rights of workers, and staunchly opposes the use of forced or child labor. With respect the rights to freedom of association and collective bargaining, it indicates that ‘adhering to laws and the group-company labor agreements, and respecting the rights to organize and to bargain, Nippon Steel strives to establish sound labor relations by sincere talks with organized labor. We hold regular meetings to discuss diverse issues including management issues (i.e., safety and health, production), labor conditions (i.e., wages and bonuses), and balance in work-life. Through exchange of opinions with union representatives, we seek close labor-management communication.’ However, It is not clear whether it is committed to respect these rights in all contexts and locations (i.e. alternative mechanisms for those countries where there are legal restrictions to the exercise of these rights, or equivalent</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>worker bodies), as the Company indicates that it respects these rights 'in compliance to laws'. [Respect for Human Rights, 03/2020]</p> <ul style="list-style-type: none"> <li>• Not met: UNGC principles 3-6 [Respect for Human Rights, 03/2020]</li> <li>• Not met: Explicitly list All four ILO apply to EX BPs</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Explicit commitment to All four ILO Core: See above, freedom of association and collective bargaining is subject to compliance to laws. No evidence found of commitment to provide alternative mechanisms or equivalent worker bodies in places where these rights are restricted under local laws. [Respect for Human Rights, 03/2020]</li> <li>• Met: Respect H&amp;S of workers: The Company states that it seeks to improve its occupational safety &amp; health management system (OSHMS) and to make a safe and secure workplace. [Efforts Toward Safety and Health Management, 03/2020: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> <li>• Not met: H&amp;S applies to EX BPs</li> </ul>
A.1.4	Commitment to engage with stakeholders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Commits to stakeholder engagement</li> <li>• Not met: Regular stakeholder engagement</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Commits to engage stakeholders in design</li> <li>• Not met: Regular stakeholder design engagement</li> </ul>
A.1.5	Commitment to remedy	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Commits to remedy</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Not obstructing access to other remedies</li> <li>• Not met: Collaborating with other remedy initiatives</li> <li>• Not met: Work with EX BPs to remedy impacts</li> </ul>

## Embedding Respect and Human Rights Due Diligence

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Commits to ILO core conventions: See indicator A.1.2 [Respect for Human Rights, 03/2020]</li> <li>• Not met: Senior responsibility for HR</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Day-to-day responsibility</li> <li>• Not met: Day-to-day responsibility for EX BRs</li> </ul>
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Identifying risks in own operations</li> <li>• Not met: identifying risks in EX business partners</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Ongoing global risk identification</li> <li>• Not met: In consultation with stakeholders</li> <li>• Not met: In consultation with HR experts</li> <li>• Not met: Triggered by new circumstances</li> <li>• Not met: Explains use of HRIAs or ESIA (inc HR)</li> </ul>
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Salient risk assessment (and context)</li> <li>• Not met: Public disclosure of salient risks</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Action Plans to mitigate risks</li> <li>• Not met: Including amongst EX BPs</li> <li>• Not met: Example of Actions decided</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: System to check if Actions are effective</li> <li>• Not met: Lessons learnt from checking effectiveness</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> </ul>
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Comms plan re identifying risks</li> <li>• Not met: Comms plan re assessing risks</li> <li>• Not met: Comms plan re action plans for risks</li> <li>• Not met: Comms plan re reviewing action plans</li> <li>• Not met: Including EX business partners</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Responding to affected stakeholders concerns</li> <li>• Not met: Ensuring affected stakeholders can access communications</li> </ul>

## Remedies and Grievance Mechanisms

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Channel accessible to all workers: The Company states that it has established a whistleblower system to receive consultation and reports not only from employees of the Company, but also from temporary workers and employees of contractors and suppliers, and their families. System does not seem limited to financial issues. The Company indicates that 'in case of abuse of human rights, including harassment, or labor-related problem that became known through a whistleblower contact to our Compliance Consulting Room, for example, we are prepared to handle the issue appropriately upon investigation of the facts'. [Integrated Report 2019, 2019: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Number grievances filed, addressed or resolved</li> <li>• Not met: Channel is available in all appropriate languages</li> <li>• Not met: Expect EX BPs to have equivalent grievance system</li> <li>• Not met: Opens own system to EX BPs workers</li> </ul>
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Grievance mechanism for community: The Company states that it set up 'a Compliance Consulting Room to receive notifications or inquiries concerning harassment and other human-rights abuse from the group employees, their family members, employees of business partners, and others. Notifications and inquiries from various stakeholders can be made by use of an inquiry form on Nippon Steel's website. (and are kept confidential). To respond to each notification or inquiry, we seek external advice, such as from lawyers and outside specialized agencies, if needed, and then take appropriate steps, while giving guidance and training to people concerned'. [Respect for Human Rights, 03/2020]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Describes accessibility and local languages</li> <li>• Not met: Expects EX BPs to have community grievance systems</li> <li>• Not met: EX BPs communities use global system</li> </ul>
C.7	Remedying adverse impacts and	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Describes how remedy has been provided</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
	incorporating lessons learned		<ul style="list-style-type: none"> <li>• Not met: Says how it would remedy key sector risks</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Changes introduced to stop repetition</li> <li>• Not met: Approach to learning from incident to prevent future impacts</li> <li>• Not met: Evaluation of the channel/mechanism</li> </ul>

**Performance: Responses to Serious Allegations (Not included in the overall score)**

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		<ul style="list-style-type: none"> <li>• <b>Headline:</b> Nippon Steel &amp; Sumitomo Metal ordered to compensate four South Korean laborers for forced labour</li> <li>• <b>Area:</b> Forced labour</li> <li>• <b>Story:</b> On October 30th, 2018, South Korea’s Supreme Court upheld a lower court ruling that ordered Nippon Steel &amp; Sumitomo Metal to compensate four South Koreans who were victims of forced labor during Japan’s 1910-1945 colonial rule of the Korean Peninsula. The Court ordered Nippon Steel &amp; Sumitomo Metal to pay KRW 100 million (USD \$87,700) to each of the four plaintiffs. Only one of the four victims forced to work at the Japanese steel mills between 1941 and 1943 remains alive at the time of the judgement.</li> </ul> <p>The four plaintiffs filed a damage lawsuit against Nippon Steel with the Seoul Central District Court in 2005 after two of them lost a similar suit filed in Japan. The</p> <p>Japaese government claimed that the KRW 500 million provided to South Korea under the 1965 treaty was meant to permanently settle all wartime compensation issues. However the South Korean Supreme Court argued the treaty did not terminate individuals’ rights to seek compensation for the “inhumane illegal” experiences they were forced into.</p> <ul style="list-style-type: none"> <li>• Sources: [Reuters - 30/10/2018: <a href="http://uk.reuters.com">uk.reuters.com</a>][The Korea Herald - 30/10/2018: <a href="http://koreaherald.com">koreaherald.com</a>][The Boston Globe - 09/01/2019: <a href="http://bostonglobe.com">bostonglobe.com</a>][BHRRC - 09/11/2018: <a href="http://business-humanrights.org">business-humanrights.org</a>]</li> </ul>
E(1).1	The Company has responded publicly to the allegation	0	<p>The individual elements of the assessment are met or not as follows:</p> Score 1 <ul style="list-style-type: none"> <li>• Not met: Public response available: In comments reported by Reuters Nippon Steel said the verdict was "deeply regrettable" and that it would review it before taking any next steps. However the company failed to provide any further detail, this is not sufficient to receive a score. [Reuters article regarding war reparation, 30/10/2018: <a href="http://de.reuters.com">de.reuters.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Response goes into detail: The comments by the company in light of the courts decision are not sufficient to receive a score [Reuters article regarding war reparation, 30/10/2018: <a href="http://de.reuters.com">de.reuters.com</a>]</li> </ul>
E(1).2	The Company has appropriate policies in place	1	<p>The individual elements of the assessment are met or not as follows:</p> Score 1 <ul style="list-style-type: none"> <li>• Met: Company policies address the general issues raised: The company says "NSSMC adheres to the international norms regarding child labor and forced labor and, with the objective of contributing to the ending of both types of labor, conducts a regular monitoring survey of its group companies to prevent their occurrence in their business activities." Additionally in the '2018 Sustainability Report' it states "In compliance with the Universal Declaration of Human Rights and other international norms on human rights, NSSMC conducts business ethically, while paying full heed to human rights issues arising with the increasing globalization of the economy. We give due attention to the rights of workers, and staunchly oppose the use of forced or child labor." [Respect for Human Rights, 03/2020]</li> <li>• Met: Policies apply to the type of business relationships involved: These policies apply to the Nippon Steel and Sumitomo Metals, of which Nippon Steel was the owner of the steel mills where the Korean workers were forced to work between 1941 and 1943. [Respect for Human Rights, 03/2020]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Policies address the specific rights in question: There is no reference to refraining from imposing financial burdens on workers or restricting their movements in either the company's code of conduct, sustainability report, or human rights webpage. Thus no score has been awarded. [Respect for Human Rights, 03/2020]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).3	The Company has taken appropriate action	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Engages with affected stakeholders: The company has not provided any evidence of engaging with the affected workers or other stakeholders.</li> <li>• Not met: Encourages linked business to engage affected stakeholders: The company is the one who the allegations have been made against, and has failed to engage with the four affected workers.</li> <li>• Not met: Provides remedies to affected stakeholders: A South Korean court has ordered the seizure of Nippon Steel &amp; Sumitomo Metal's local assets in Korea after the company refused to compensate wartime labourers. The company had previously been ordered by the court to pay USD \$88,000 to each of the four plaintiffs who were forced to work for the company. The company has not provided remedy to the victims. [The Boston Globe article, 09/01/2019: <a href="http://bostonglobe.com">bostonglobe.com</a>]</li> <li>• Met: Has reviewed management systems to prevent recurrence: The company says "NSSMC adheres to the international norms regarding child labor and forced labor and, and, with the objective of contributing to the ending of both types of labor, conducts a regular monitoring survey of its group companies to prevent their occurrence in their business activities." Additionally in the '2018 Sustainability Report' it states "In compliance with the Universal Declaration of Human Rights and other international norms on human rights, NSSMC conducts business ethically, while paying full heed to human rights issues arising with the increasing globalization of the economy. We give due attention to the rights of workers, and staunchly oppose the use of forced or child labor." This is evidence it has reviewed management systems since the alleged violations of forced labour took place. [Respect for Human Rights, 03/2020]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Remedies are satisfactory to the victims: A South Korean court has ordered the seizure of Nippon Steel &amp; Sumitomo Metal's local assets in Korea after the company refused to compensate wartime labourers. The company had previously been ordered by the court to pay USD \$88,000 to each of the four plaintiffs who were forced to work for the company. The company has not provided remedy to the victims, and thus the remedy cannot be considered as satisfied. [The Boston Globe article, 09/01/2019: <a href="http://bostonglobe.com">bostonglobe.com</a>]</li> <li>• Not met: Has improved systems and engaged affected stakeholders: The company says "NSSMC adheres to the international norms regarding child labor and forced labor and, and, with the objective of contributing to the ending of both types of labor, conducts a regular monitoring survey of its group companies to prevent their occurrence in their business activities." This is evidence it has reviewed management systems and improved its systems since the alleged violations of forced labour took place, however it has not provided evidence of engaging with the affected workers who have brought the suit against them outside of court. [Respect for Human Rights, 03/2020]</li> </ul>

## Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2020 Key Findings report and the 2019 technical annex for more details of the research process.

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