

Company Name Novolipetsk Steel
Industry Extractive
UNGP Core Score (*) 8.0 out of 26

Score	Out of	For indicators
Governance and Policy Commitments		
1	2	A.1.1 Commitment to respect human rights
1.5	2	A.1.2 Commitment to respect the human rights of workers
1	2	A.1.4 Commitment to engage with stakeholders
0	2	A.1.5 Commitment to remedy
Embedding respect and Human Rights Due Diligence		
Embedding respect		
1.5	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
Remedies and Grievance Mechanisms		
1.5	2	C.1 Grievance channels/mechanisms to receive complaints or concerns from workers
1.5	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
8.0	26	

(*) 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	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: UNGC principles 1 & 2: The Company is a participant of UNGC since 2019. [NLMK Joins UN Global Compact, 21/08/2019: eu.nlmk.com & UNGC Letter of Commitment, 26/07/2019: s3-us-west-2.amazonaws.com] <p>Score 2</p> <ul style="list-style-type: none"> Not met: UNGPs: The Company states 'Our corporate ethics dictate that we consistently adhere to the generally accepted principles and norms of international law as well as applicable employment laws in all countries of the world, regardless of the business practices in those countries. In its activities, NLMK is governed by the provisions of the following documents: [...]The UN Guiding Principles on Business and Human Rights'. However, no formal statement of commitment found to follow the UNGPs. [Annual Report 2019, 11/02/2020: nlmk.com] Not met: OECD
A.1.2	Commitment to respect the human rights of workers	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: ILO Core: The Company's Human Rights Policy sets out the following principles: 'support for freedom of association and collective bargaining, rights to liberty and security of person, prohibition of forced labour and child labour, prohibition of discrimination, ensuring occupational safety and health, providing safe working conditions, respect for the right to a minimum wage'. [Human Rights Policy, 2019: nlmk.com] Met: UNGC principles 3-6: The Company is a member of the UNGC since 2019. In addition, the Company state tht 'having signed the Compact, NLMK Group reaffirmed its commitment to its 10 fundamental principles, including those related to human rights.' [Leadership in Sustainability 2020, April 2020: nlmk.com] Met: Explicitly list All four ILO apply to EX BPs: The Company's Human Rights Policy sets out the following principles: 'support for freedom of association and collective bargaining, rights to liberty and security of person, prohibition of forced labour and child labour, prohibition of discrimination, ensuring occupational safety and health, providing safe working conditions, respect for the right to a minimum wage'. In addition, the Company states that the policy requirements are binding on all stakeholders. [Human Rights Policy, 2019: nlmk.com] <p>Score 2</p> <ul style="list-style-type: none"> Met: Explicit commitment to All four ILO Core: As indicated above, the Company's Human Rights Policy sets out the following principles: 'support for freedom of association and collective bargaining, rights to liberty and security of person, prohibition of forced labour and child labour, prohibition of discrimination, ensuring occupational safety and health, providing safe working conditions, respect for the right to a minimum wage'. [Human Rights Policy, 2019: nlmk.com] Met: Respect H&S of workers: The Company's Human Rights Policy includes ensuring occupational safety and health for its employees. [Human Rights Policy, 2019: nlmk.com] Not met: H&S applies to EX BPs: The Company state that 'the health and safety of employees is a priority for NLMK. The Company's management monitors and reduces risks associated with working conditions, increasing safety levels at the production sites of every operating unit of the Group. However, it is not clear if that includes the H&S of EX business partners. [Leadership in Sustainability 2020, April 2020: nlmk.com]
A.1.4	Commitment to engage with stakeholders	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Regular stakeholder engagement: The Company states that it actively engage its stakeholders through various formats of interaction, such as general shareholders' meetings, regular trainings, and personnel engagement monitoring.

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>The Company states that maintaining transparent, trust-based stakeholder engagement over the long term is the foundation on which NLMK Group's sustainable development is built. The Company conduct regular trainings in safety techniques and implement programmes to improve working conditions, conduct dialogues with representatives of local communities to inform them about the Company activities in the regions where the Company operates, organizes thematic conferences and events etc. [Annual Report 2018, 2018: nlmk.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Commits to engage stakeholders in design • Not met: Regular stakeholder design engagement
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"> • Not met: Commits to remedy <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Not obstructing access to other remedies • Not met: Collaborating with other remedy initiatives • Not met: Work with EX BPs to remedy impacts

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	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits to ILO core conventions: See indicator A.1.2. The Company is committed to each ILO core [Human Rights Policy, 2019: nlmk.com] • Met: Senior responsibility for HR: The Company states 'NLMK's efforts to protect human rights in all the regions where it operates are coordinated by the HR Department (which is part of the HR, Remuneration & Social Policies Committee) with the involvement, if necessary, of experts from other functional areas of the Company (in particular, the Occupational Health and Safety team) in order to safeguard its corporate interests and to manage risks. The Company's senior management team is always involved in making important decisions'. The HR, Remuneration & Social Policies Committee oversees Employment and work, Non-discrimination, etc. [Annual Report 2019, 11/02/2020: nlmk.com & Leadership in Sustainability 2020, April 2020: nlmk.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Day-to-day responsibility: The Company states 'NLMK's efforts to protect human rights in all the regions where it operates are coordinated by the HR Department with the involvement, if necessary, of experts from other functional areas of the Company (in particular, the Occupational Health and Safety team) in order to safeguard its corporate interests and to manage risks. The Company's senior management team is always involved in making important decisions'. [Annual Report 2019, 11/02/2020: nlmk.com] • Not met: Day-to-day responsibility for EX BRs
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"> • Not met: Identifying risks in own operations • Not met: identifying risks in EX business partners <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Ongoing global risk identification • Not met: In consultation with stakeholders • Not met: In consultation with HR experts • Not met: Triggered by new circumstances • Not met: Explains use of HRIAs or ESIA (inc HR)
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"> • Not met: Salient risk assessment (and context) • Not met: Public disclosure of salient risks <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met

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"> Not met: Action Plans to mitigate risks Not met: Including amongst EX BPs Not met: Example of Actions decided Score 2 <ul style="list-style-type: none"> Not met: Both requirements under score 1 met
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"> Not met: System to check if Actions are effective Not met: Lessons learnt from checking effectiveness Score 2 <ul style="list-style-type: none"> Not met: Both requirement under score 1 met
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"> Not met: Comms plan re identifying risks Not met: Comms plan re assessing risks Not met: Comms plan re action plans for risks Not met: Comms plan re reviewing action plans Not met: Including EX business partners Score 2 <ul style="list-style-type: none"> Not met: Responding to affected stakeholders concerns Not met: Ensuring affected stakeholders can access communications

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	1.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: Channel accessible to all workers: The Company states that any employee of the Company, any counterparty and any stakeholder that has questions about the application of, or compliance with this Code, or possesses information that an employee or counterparty of NLMK Group has violated the principles and requirements of this Code, can write to ethics@nlmk.com or use any of the channels of communication specified on its official website. [Corporate Ethics Code, 2018: nlmk.com] Score 2 <ul style="list-style-type: none"> Not met: Number grievances filed, addressed or resolved Met: Channel is available in all appropriate languages: The Company states 'The Company welcomes information from all stakeholders about any activities that violate human rights. Employees, clients, suppliers, subcontractors, and other stakeholders can use any feedback channel listed on the official NLMK website, including in languages other than Russian'. [Annual Report 2019, 11/02/2020: nlmk.com] Met: Opens own system to EX BPs workers: The Company states 'The Company welcomes information from all stakeholders about any activities that violate human rights. Employees, clients, suppliers, subcontractors, and other stakeholders can use any feedback channel listed on the official NLMK website, including in languages other than Russian.' [Annual Report 2019, 11/02/2020: nlmk.com]
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	1.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: Grievance mechanism for community: The Company states that it 'welcomes information from all stakeholders about any activities that violate human rights. Employees, clients, suppliers, subcontractors, and other stakeholders can use any feedback channel listed on the official NLMK website, including in languages other than Russian'. [Annual Report 2019, 11/02/2020: nlmk.com] Score 2 <ul style="list-style-type: none"> Met: Describes accessibility and local languages: The Company states 'The Company welcomes information from all stakeholders about any activities that violate human rights. Employees, clients, suppliers, subcontractors, and other stakeholders can use any feedback channel listed on the official NLMK website,

Indicator Code	Indicator name	Score (out of 2)	Explanation
			including in languages other than Russian'. Reporting channels include 'anonymous text messages', 'NLMK intranet portal', 'Anonymous email', 'telephone hotline' and 'feedback forms on the NLMK website'. [Annual Report 2019, 11/02/2020: nlmk.com] <ul style="list-style-type: none"> • Not met: Expects EX BPs to have community grievance systems • Not met: EX BPs communities use global system: See above. However, it is not clear whether human rights-related complaints can be filled in relation to extractive business partners' behaviour. [Annual Report 2019, 11/02/2020: nlmk.com]
C.7	Remedying adverse impacts and incorporating lessons learned	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Describes how remedy has been provided • Not met: Says how it would remedy key sector risks Score 2 <ul style="list-style-type: none"> • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism

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		No allegations meeting the CHRB severity threshold were found.

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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As WBA, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise

score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.

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