

Company Name Severstal
Industry Extractive
UNGP Core Score (*) 11.0 out of 26

Score	Out of	For indicators
Governance and Policy Commitments		
2	2	A.1.1 Commitment to respect human rights
2	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	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
1	2	B.2.2 HRDD - Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)
1	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
11.0	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	2	<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: General HRs commitment: The Company states the following: 'Meeting the highest international standards of compliance with, support for and development of human rights in all operations is important for PAO Severstal'. [Human Rights Policy, 18/10/2018: severstal.com] • Met: UNGC principles 1 & 2: The Company states that it follows the principles of compliance with, support for and development of human rights established in the Principles of the UN Global Compact. [Human Rights Policy, 18/10/2018: severstal.com] • Met: UDHR: The Company states that it follows the principles of compliance with, support for and development of human rights established in the Principles of Universal Declaration of Human Rights. [Human Rights Policy, 18/10/2018: severstal.com] • Not met: International Bill of Rights <p>Score 2</p> <ul style="list-style-type: none"> • Met: UNGPs: The Company states that it follows the principles of compliance with, support for and development of human rights established in the Principles of UN Guiding Principles on Business and Human Rights. [Human Rights Policy, 18/10/2018: severstal.com] • Not met: OECD
A.1.2	Commitment to respect the human rights of workers	2	<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 states that it will follow the principles of compliance with, support for and development of human rights in respect of its employees as prescribed by the ILO Declaration on Fundamental Principles and Rights at Work, including 'the elimination of discrimination, the abolition of child, forced and compulsory labour, the upholding of the freedom of association and the effective recognition of the right to collective bargaining, and the provision of safe and comfortable workplaces for its employees, employees of its contractors and subcontractors, and agents.' [Human Rights Policy, 18/10/2018: severstal.com] • Met: UNGC principles 3-6: see as above [Human Rights Policy, 18/10/2018: severstal.com] • Met: Explicitly list All four ILO apply to EX BPs: The Company explicitly states that its Human Right Policy applies to its employees, local communities, and business partners, which lists all four ILO requirements including 'the elimination of discrimination, the abolition of child, forced and compulsory labour, the upholding of the freedom of association and the effective recognition of the right to collective bargaining, [...]' [Human Rights Policy, 18/10/2018: severstal.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Explicit commitment to All four ILO Core: The company state that 'Severstal will ensure its compliance with human rights in respect of its employees as prescribed by the ILO Declaration on Fundamental Principles and Rights at Work, including the elimination of discrimination, the abolition of child, forced and compulsory labour, the upholding of the freedom of association and the effective recognition of the right to collective bargaining, and the provision of safe and comfortable workplaces for its employees, employees of its contractors and subcontractors, and agents.' [Human Rights Policy, 18/10/2018: severstal.com] • Met: Respect H&S of workers: The Company states that one of its obligations is 'Ensure safe and healthy working conditions that meet established labour protection requirements, taking into account the specifics of the production activities of the company's businesses and the specific nature of the existing risks in the field of health and safety.'

Indicator Code	Indicator name	Score (out of 2)	Explanation
			' The Company states that conducts all of its work to the highest standards of health & safety and environmental sustainability and that it encourages and strengthen a shared, company-wide culture of safety which will enable the Company to reduce accidents to the very minimum, eliminate fatalities and, in doing so, become the industry leader in this field. [Code of Business Conduct, 18/10/2018: severstal.com & Health and Safety Policy, 09/01/2020: severstal.com] <ul style="list-style-type: none"> • Met: H&S applies to EX BPs: The Company states that 'To work effectively and successfully we expect that our partners will: [...] Respect the highest standards of health & safety and environmental sustainability in their work with our company' [Code of Business Conduct, 18/10/2018: severstal.com]
A.1.4	Commitment to engage with stakeholders	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Commits to stakeholder engagement: The Company states in its Corporate Social Responsibility that it is committed to communicating and engaging with stakeholders on the basis of mutual respect, business partnership and delivery on commitments. [Corporate Social Responsibility Policy, 16/12/2013: severstal.com] • Met: Regular stakeholder engagement: The Company states in it's latest report that it conducted a materiality assessment to determine contents of the report. In Sustainable Development Report 2017 (2018) it stated that conducts an annual large-scale anonymous social survey, Severstal Pulse, to understand the level of satisfaction of its employees and their engagement with Severstal strategy, and to identify the most important issues'. [Corporate Social Responsibility and Sustainable Development Report 2019, 29/07/2020: severstal.com & Corporate Social Responsibility and Sustainable Development Report 2017, 2018: globalcompact.ru] Score 2 <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	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Commits to remedy Score 2 <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	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Commits to ILO core conventions: See indicator A.1.2. The Company is signatory to the UN Global Compact. • Met: Senior responsibility for HR: The Company states that 'The issues of areas associated with human rights are the responsibility of our Human Resources director'. [Corporate Social Responsibility and Sustainable Development Report 2019, 29/07/2020: severstal.com] Score 2 <ul style="list-style-type: none"> • Not met: Day-to-day responsibility: The Company has provided comments to CHRB regarding this indicator. However, no explicit details found regarding how day-to-day operation and responsibility for human rights issues is allocated. [Corporate Social Responsibility and Sustainable Development Report 2019, 29/07/2020: severstal.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	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Identifying risks in own operations: The Company states that 'We identified salient human rights issues associated with our operations, and the most vulnerable groups. These include our employees, residents of communities located near our operations, and employees of our contractors who work on our sites' and then lists the issues. However, no evidence of a description of the system used to identify those risks was found. [Corporate Social Responsibility and Sustainable Development Report 2019, 29/07/2020: severstal.com] • Not met: identifying risks in EX business partners Score 2 <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

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • 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)	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"> • Not met: Salient risk assessment (and context): The Company states that 'We identified salient human rights issues associated with our operations, and the most vulnerable groups. These include our employees, residents of communities located near our operations, and employees of our contractors who work on our sites' and then lists the issues. However, no evidence of a description of the system used to identify and assess those risks was found. [Corporate Social Responsibility and Sustainable Development Report 2019, 29/07/2020: severstal.com] • Met: Public disclosure of salient risks: The Company states that its salient human rights issues are: 'Right to healthy environment; Right to safe working conditions; Right to decent work with decent pay; Right to equal pay for work of equal value; Freedom of association and credible recognition of employees' right to collective bargaining'. [Corporate Social Responsibility and Sustainable Development Report 2019, 29/07/2020: severstal.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	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"> • Not met: Action Plans to mitigate risks • Not met: Including amongst EX BPs • Met: Example of Actions decided: In a feedback submitted to CHRB, the Company provided some examples of action plans on health and safety. In order to represent this statement, Severstal affirms that 'As a part of hazard management, we analyse injuries, including micro injuries and near misses, and identify and manage risks. In 2019 we launched specialised tools 'Hazards Identification', 'Safe Environment' and 'Targeted Questionnaire' across all our business units to help prevent accidents and injuries. These tools allow identifying potential hazards, evaluating the probability of their materialisation, and manage them, all while involving our workers in addressing the safety issues. The Company also actively implements innovative technologies (computer vision, control systems, etc.)' [Corporate Social Responsibility and Sustainable Development Report 2019, 29/07/2020: severstal.com] <p>Score 2</p> <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	<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: System to check if Actions are effective • Not met: Lessons learnt from checking effectiveness <p>Score 2</p> <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	<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: Comms plan re identifying risks: In order to be awarded this indicator, the Company needs to achieve at least 1,5 points in B.2.1 • Not met: Comms plan re assessing risks: In order to be awarded this indicator, the Company has to achieve a full score in B.2.2 • Not met: Comms plan re action plans for risks: In order to be awarded this indicator, the Company has to achieve a full score in B.2.3 • Not met: Comms plan re reviewing action plans • Not met: Including EX business partners: In order to be awarded this indicator, the Company has to achieve a full score in B.2.2/B.2.3/B.2.4 and at least 1,5 points in B.2.1 <p>Score 2</p> <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	<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: Channel accessible to all workers: The Company states that it maintains confidential channels for the lodging of any complaints regarding any human rights violations by the Company through its hotline or Ethics Committee. [Human Rights Policy, 18/10/2018: severstal.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Number grievances filed, addressed or resolved: - [Corporate Social Responsibility and Sustainable Development Report 2019, 29/07/2020: severstal.com] • Not met: Channel is available in all appropriate languages: The Company provided feedback to CHRB, stating that it possesses a hotline that is available 24/7. However, it is not clear if this mechanism is available in all languages. It also stated that it conducts a survey with its employees in order to identify their involvement level. However, this is not sufficient evidence, as this indicator is about a grievance mechanism. [Corporate Social Responsibility and Sustainable Development Report 2019, 29/07/2020: severstal.com] • Not met: Expect EX BPs to have equivalent grievance system • Met: Opens own system to EX BPs workers: The Company submitted feedback to CHRB, stating that external business partners can also use the Company's hotline, which is available 24/7. [Corporate Social Responsibility and Sustainable Development Report 2019, 29/07/2020: severstal.com]
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	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: Grievance mechanism for community: The Company has confidential 24/7 channels for reporting any human rights violations. The channel is also opened to communities and the company's representatives. [Human Rights Policy, 18/10/2018: severstal.com & Corporate Social Responsibility and Sustainable Development Report 2017, 2018: globalcompact.ru] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Describes accessibility and local languages: In a feedback to CHRB, the Company stated that it possesses a hotline available at all times. However, no further information on the languages available. Also, the Company states that workers participate in a survey to measure their involvement and that it is made in all languages. However, this is not sufficient, as this indicator is about a grievance system for all stakeholders to report concerns to the Company. [Corporate Social Responsibility and Sustainable Development Report 2019, 29/07/2020: severstal.com] • Not met: Expects EX BPs to have community grievance systems • Met: EX BPs communities use global system: As above. The company's channels are open to communities and the company's representatives. [Human Rights Policy, 18/10/2018: severstal.com & Corporate Social Responsibility and Sustainable Development Report 2017, 2018: globalcompact.ru]
C.7	Remedying adverse impacts and incorporating lessons learned	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: Describes how remedy has been provided • Not met: Says how it would remedy key sector risks <p>Score 2</p> <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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