

Corporate Human Rights Benchmark 2023 Company Scorecard

Company name NLMK Group
Sector Extractives
Overall score 16.9 out of 100

Theme score	Out of	For theme
1.7	10	A. Governance and Policy Commitments
4.3	25	B. Embedding Respect and Human Rights Due Diligence
4.0	20	C. Remedies and Grievance Mechanisms
3.5	25	D. Performance: Company Human Rights Practices
3.4	20	E. Performance: Responses to Serious Allegations

Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also 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 2022 Methodology document for the sector concerned. 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

A. Governance and Policy Commitments (10% of Total)

A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: General HRs commitment: The Human rights policy states that 'NLMK Group as a socially responsible company does not tolerate any violation of human rights in its operations, including stakeholder relations'. Its principles include 'Observing and respecting human rights as defined by the Russian Legislation and international legal acts'. [Human Rights Policy, 29/12/2018: nlmk.com] Score 2 <ul style="list-style-type: none"> Met: Commitment to UNGPs: The policy also states that 'the policy has been developed in accordance with the current guidelines as set out in the following documents: [...] The UN Guiding Principles on Business and Human Rights. [Human Rights Policy, 29/12/2018: nlmk.com]
A.1.2.a	Commitment to respect the human rights of workers: ILO Declaration on Fundamental Principles and Rights at Work	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: Commitment to ILO core principles: See below [Human Rights Policy, 29/12/2018: nlmk.com] Met: Explicitly lists all four ILO core principles: The HR policy indicates that 'the policy has been developed in accordance with the current guidelines as set out in the following documents: The main conventions of the International Labour Organization (No. 29 "Forced or Compulsory labour, No. 87 "Freedom of Association and Protection of the Right to Organise", No. 98 "Right to Organise and Collective bargaining", No. 100 "Equal Remuneration", No. 105 "Abolition of Forced Labour", No. 111 "Discrimination (Employment and Occupation)", No. 138

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>"Minimum Age", No. 182 "Worst Forms of Child Labour"). [Human Rights Policy, 29/12/2018: nlmk.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Expects BPs/JVs to commit to ILO core principles: See below • Not Met: Explicitly lists all four ILO core principles for BPs/JVs: The partner code of business conduct states that 'NLMK expects its Partners to respect the human rights established by international legal acts and agreements (including the International Labour Organization), as well as the laws applicable in the Partners' jurisdiction, including: support of freedom of assembly and association, the right to liberty and personal security, prohibition of forced labour and child labour, prohibition of human trafficking, prohibition of gender, social status, religion or race discrimination, ensuring safe working conditions, labour and health protection and ensuring the rights to a guaranteed minimum wage as determined by the applicable law/jurisdiction'. However, no evidence found of a requirement to respect the right to collective bargaining. [Partner Code of Business Conduct, 19/04/2022: nlmk.com]
A.1.2.b	Commitment to respect the human rights of workers: Health and safety and working hours	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"> • Met: Commitment to respect H&S of workers: The Company's ethics code includes a commitment to 'ensuring that its employees work in safe working conditions, which are not damaging to health and human dignity, and taking measures aimed at reducing the risk of accidents and occupational disease'. [Corporate Ethics Code, 21/12/2018: nlmk.com] • Not Met: Commitment to ILO working hours standards or 48 hour regular work week <p>Score 2</p> <ul style="list-style-type: none"> • Met: Expects BPs/JVs to commit to H&S of workers: The Partner code of conduct states that 'NLMK pays particular attention to the observance of occupational health and safety requirements. NLMK expects the same close attention to OHS issues from its partners, in particular: observing NLMK cardinal safety rules; meeting the requirements of NLMK occupational health and safety management system [...] [Partner Code of Business Conduct, 19/04/2022: nlmk.com] • Not Met: Expects BPs/JVs to commit to ILO working hours standards or 48 hour regular work week
A.1.3.a.EX	Commitment to respect human rights particularly relevant to the sector – land, natural resources and indigenous peoples' rights (EX)	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: Commitment to respect land ownership/natural resources as in VGGT • Not Met: Commitment to respect land ownership/natural resources as in IFC Performance Standards • Not Met: Commitment to respect indigenous rights or ILO No.169 or UN Declaration • Not Met: Expects EX BPs to make these commitments <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Commitment to obtain FPIC or zero tolerance to land grabbing • Not Met: Commitment to respect the right to water: Although the Company explains how it manages water in the annual report, no formal policy statement was found reflecting the Company's commitment to respect the right to water. [Annual report 2021, 2022: nlmk.com] • Not Met: Expects EX BPs to make these commitments: The Partner code of conduct requires 'collaborating with NLMK to identify opportunities to optimize and improve approaches to environmental protection, focusing on reducing the negative impact on water [...] as well as the consumption of water'. However, no requirement was found to respect the right to water and to obtain FPIC. [Partner Code of Business Conduct, 19/04/2022: nlmk.com]
A.1.3.b.EX	Commitment to respect human rights particularly relevant to the sector – security (EX)	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: Commitment to Voluntary Principles on Security and HRs • Not Met: Uses only ICoCA members as security providers • Not Met: Commits to International Humanitarian Law <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Expects EX BPs to commit to these rights
A.1.4	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: Commitment to remedy adverse HRs impacts • Not Met: Expects EX BPs to make this commitments <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Commitment to collaborate with judicial or non-judicial mechanisms

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not Met: Commitment to work with EX BPs on remedy
A.1.5	Commitment to respect the rights of human rights defenders	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: Zero tolerance of threats/attacks on HRDs • Not Met: Expects BPs to make this commitment <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Commitment to working with HRDs to create safe and enabling environment

A.2 Board Level Accountability (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	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: Board level responsibility for HRs • Not Met: Describes HRs expertise of Board member <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Board member/CEO signal importance of HRs in their communications
A.2.2	Board responsibility	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: Process to review HRs strategy at board level • Not Met: Example of HRs issues/trends discussed in last reporting period <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Meets both requirements under score 1 • Not Met: Describes how affected stakeholders / HRs experts inform board discussions
A.2.3	Incentives and performance management	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: At least one board member incentive linked to HRs commitments • Not Met: Incentive scheme linked to key HRs risks beyond employee H&S <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Performance criteria linked to HRs made public • Not Met: Review of other board incentives for coherence with HRs policies
A.2.4	Business model strategy and 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: Board process to review business model and strategy for HRs risks • Not Met: Describes frequency and triggers for reviewing business model <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Meets both requirements under score 1 • Not Met: Example of actions resulting from reviews

B. Embedding Respect and Human Rights Due Diligence (25% of Total)

B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

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: Score of 1 on A.1.2.a • Met: Senior responsibility for HRs implementation and decision making: The Company states that 'NLMK's senior management team is always engaged in making important decisions. NLMK Vice President for HR and Management System is responsible for supervising the execution of the Human Rights Policy.' [Annual report 2021, 2022: nlmk.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes day-to-day responsibility for implementing HRs commitments • Met: Day-to-day resources and expertise allocation in own operations: The Company states that 'NLMK's activities aimed at protecting human rights across all regions where it operates are coordinated by the HR Function and cover 100% of the company's facilities. Whenever necessary, experts from other functional areas of the company are invited to participate (in particular, the Occupational Health and Safety team) in order to safeguard corporate interests and to manage risks.' • Not Met: Resources and expertise allocation with EX BPs
B.1.2	Incentives and performance management	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: Senior manager incentives linked to HRs commitments • Not Met: Incentive scheme linked to key HRs risks beyond employee H&S: The Company states that 'The material interest of members of the Management Board

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>in achieving the Company's strategic goals is ensured by short-term and long-term incentive systems. Short-term motivation system is based on the current system of key performance indicators (KPIs' and indicates that the KPIs of all top managers include targets for the injury rate reduction and OHS-related indicators. However, it is not clear if this includes the health and safety of local communities or workers in the supply chain. [2022 Sustainability report, 31/12/2022: nlmk.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Performance criteria linked to HRs made public: See above. • Not Met: Review of other senior management incentives for coherence with HRs policies
B.1.3	Integration with enterprise risk management	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: HRs risks integrated as part of enterprise risk system • Not Met: Provides an example <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Risk assesment by Audit Committee or independent third party
B.1.4.a	Communication /dissemination of policy commitment(s) to workers and external 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: Score of 1 on A.1.2.a • Met: Communicates HRs policies to all workers in own operations: The Company states that 'The company communicates its Human Rights Policy to its stakeholders, including its employees, subcontractors, and business partners. In 2020, the Human Rights Policy was translated into the languages of all regions where the company operates.' They also say that 'The company's employees regularly undergo trainings on human rights issues, including those organized for the participants of the UN Global Compact that the Group joined in 2019. In addition, human rights issues are included in the educational electronic corporate course developed in 2021 on the Corporate Ethics Code and AntiCorruption Policy.' [Annual report 2021, 2022: nlmk.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Communicates HRs policies to stakeholders • Not Met: Example of how HRs policies are accessible for intended audience
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	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"> • Not Met: Meets ILO requirement for suppliers on A.1.2.a • Not Met: Describes steps to communicate HRs policies to EX BPs <p>Score 2</p> <ul style="list-style-type: none"> • Met: Describes how HRs policies are contractual/binding for suppliers: The Company states that 'in 2021, the company has successfully integrated human rights provisions into the standard terms of business with the contractors. Thus, NLMK's vendors and counterparties confirm that at the time of contract execution they adhere to and respect human rights envisaged by the Russian law and international legal instruments, including: Support for freedom of association, The right to liberty and security of person, Respect for the prohibitions of the child and forced labour, human trafficking, as well as the prohibition for discrimination, Ensuring the occupational health and safety of workers, as well as safe working conditions, Respect the right to a minimum wage.' [Annual report 2021, 2022: nlmk.com] • Not Met: Requires EX BPs to cascade contractual/binding HRs policies to their BPs
B.1.5	Training on 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: Score of at least 1 on A.1.2.a • Met: Describes how workers are trained on HRs policy commitments: The Company states that 'NLMK is committed to improving its competency in human rights, drawing on best practices from colleagues in various industries and international organizations to introduce responsible, fair business principles into our corporate culture'. The company's employees regularly undergo training on human rights issues, including those organized for the participants of the UN Global Compact that the Group joined in 2019. In addition, human rights issues are included in the educational electronic corporate course developed in 2021 on the Corporate Ethics Code and AntiCorruption Policy.' [Annual report 2021, 2022: nlmk.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Trains relevant managers including security on HRs • Not Met: Score of 2 on A.1.2.a • Not Met: Meets both requirements under score 1 • Not Met: Trains BPs to meet HRs commitments: The Company states that 'The company communicates its Human Rights Policy to its stakeholders, including its

Indicator Code	Indicator name	Score (out of 2)	Explanation
			employees, subcontractors, and business partners.' However, it does not provide any further details on how it trains its business partners on its human rights policy. [Annual report 2021, 2022: nlmk.com] <ul style="list-style-type: none"> • Not Met: Discloses % suppliers trained
B.1.6	Monitoring and corrective actions	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Score of at least 1 on A.1.2.a • Not Met: Monitors implementation of HRs policy commitments across global ops and EX BPs • Not Met: Discloses % of EX BP's monitored • Not Met: Describes how workers are involved in monitoring Score 2 <ul style="list-style-type: none"> • Not Met: Score of 2 on A.1.2.a • Not Met: Describes corrective actions process • Not Met: Discloses findings and number of correction action processes
B.1.7	Engaging and terminating business relationships	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not Met: HRs performance affects selection EX BPs • Not Met: HRs performance affects ongoing BPs relationships Score 2 <ul style="list-style-type: none"> • Not Met: Describes positive HRs incentives for business relationships • Not Met: Works with EX BPs to meet HRs requirements
B.1.8	Approach to engagement with affected stakeholders	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 workers and communities identified and engaged in the last two years: The Company states that 'NLMK's key stakeholder groups are: ... Trade unions, Suppliers and contractors, Local communities... The company's stakeholder map is based on the needs and interests of stakeholders and NLMK Group, as well as expert assessments from the company's management, and is regularly reviewed and updated as necessary. In 2021, the stakeholder map did not undergo any significant changes.' Besides that, they note that 'NLMK uses various means to engage with stakeholders, thereby enabling the company to rapidly identify risks and opportunities when working together with its stakeholders. In 2021, the company continued to maintain an active dialogue with all of its stakeholders.' In relation to trade unions, the Company notes that it engaged in collective bargaining activities in 2021 with some of the NLMK companies. The Company notes that its 'Forms of engagement' with local communities include 'Engaging in a dialogue with local representatives to inform them about the company's activities in the regions where it operates,... Holding topic-specific conferences and events, Processing stakeholder requests.' However, the Company does not disclose how it engaged with workers amongst extractive business partners or local communities, in the last two years. Despite the indication that it engages with local communities, no evidence found of dialogue related beyond development or charity actions. [Annual report 2021, 2022: nlmk.com] • Not Met: Discloses stakeholders whose HRs may be affected • Not Met: Provides two examples of engagement with stakeholders: The Company states that its engagement with trade unions included 'Conducting collective bargaining: in 2021, we continued a series of collective negotiations with the trade union organizations of NLMK Group companies. Steps were taken to harmonize the basic benefits provided under such collective bargaining agreements. Concluding collective bargaining and other agreements and signing joint resolutions: in 2021, the terms of collective agreements were renegotiated for NLMK Construction and Assembly Trust and NLMK Engineering. In 2020–2021, collective bargaining agreement terms were renegotiated for 11 NLMK Group sites.' However, it does not provide a second example. [Annual report 2021, 2022: nlmk.com] Score 2 <ul style="list-style-type: none"> • Not Met: Analysis of stakeholder views on company's HRs issues • Not Met: Describes how stakeholder views influenced company's HRs approach

B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	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: Describes process of identifying risks in own operations • Not Met: Describes process for identifying risks in EX BPs Score 2 <ul style="list-style-type: none"> • Not Met: Describes global risk identification system incl. stakeholder consultation

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not Met: Describes how risk identification system is triggered by new circumstances • Not Met: Describes risks identified in relation to new circumstances
B.2.2	Assessing human rights risks and impacts	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: Describes assessment process and discloses salient HRs risks: The Company states that 'The question about possible violations of human rights is included in the annual corporate survey Pulse NLMK, which covers the largest enterprises of the company. In the reporting year, there were no cases of human rights violations'. However, the survey does not comprise all enterprises and no further descriptive information about the assessment process was found. [Annual report 2021, 2022: nlmk.com] • Not Met: Describes how process applies to EX BPs • Met: Public disclosure of results of HRs risk assessment: The Company indicates that 'The salient human rights risks associated with the operations of NLMK Group companies relate to non-discrimination based on gender, age, disabilities and other criteria, the right to safe working conditions, freedom of association and collective bargaining, as well as the right of local communities to a clean environment.' [Annual report 2021, 2022: nlmk.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Meets all requirements under score 1 • Not Met: Describes how assessment involved affected stakeholders
B.2.3	Integrating and acting on human rights risks and impact assessments	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 system to prevent, mitigate and remediate HRs issues: The Company states that 'In 2021, a mandatory human rights clause was included in the standard agreements with the Group's contractors in order to mitigate the risks of human rights violations among the company's vendors.' However, there is no indication of this measure being part of a global system to prevent, mitigate or remediate the Company's salient human rights issues. [Annual report 2021, 2022: nlmk.com] • Not Met: Describes how global system applies to EX BPs • Not Met: Example of actions decided on at least 1 salient HRs issue <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Meets all requirements under score 1 • Not Met: Describes how stakeholders involved in decisions about actions taken
B.2.4	Tracking 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: Describes system for evaluation effectiveness of actions • Not Met: Example of lessons learned from evaluation effectiveness of actions <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Meets all requirements under score 1 • Not Met: Involves stakeholders in evaluation effectiveness of actions
B.2.5	Communicating on human rights 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: Provides two examples of comms with stakeholders: The Company states that 'The company communicates its Human Rights Policy to its stakeholders, including its employees, subcontractors, and business partners.' But, there is no description of how it communicates regarding specific human rights impacts raised by affected communities or on their behalf. [Annual report 2021, 2022: nlmk.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes challenges to effective comms and how it is working to address them

C. Remedies and Grievance Mechanisms (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance mechanism(s) for 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: Grievance mechanism accessible to all workers: The Company states that 'NLMK encourages all stakeholders to report actions that violate human rights. Employees, customers, suppliers, contractors and other stakeholders can use any feedback channel (including in languages other than Russian) listed on the NLMK website.' Those channels are an independent compliance hotline, feedback forms, anonymous text messages, anonymous email, and the NLMK intranet portal. [Annual report 2021, 2022: nlmk.com] & [Human Rights website, 2023: nlmk.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Grievance mechanism available in appropriate languages and workers made aware: The company states that the feedback channels are available in languages other than Russian, and that it encourages all stakeholders to report human rights violations. However, no information was found as to how it communicates to workers how they can access the channels. [Annual report 2021, 2022: nlmk.com] • Met: Describes how workers in EX BPs access grievance mechanism: The Company indicates that all stakeholders can access its channels to report actions that violate human rights. [Annual report 2021, 2022: nlmk.com] • Not Met: Expects EX BPs to convey expectation to their BPs
C.2	Grievance mechanism(s) for external individuals and communities	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: Grievance mechanism accessible to all external individuals and communities: The Company states to have channels for all stakeholders 'Feedback form via the NLMK website; Telephone hotline; Anonymous text messages; Anonymous email, NLMK intranet portal'. [Human Rights website, 2023: nlmk.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Grievance mechanism available in appropriate languages and affected stakeholders made aware: While the Company claims it encourages all stakeholders to report human rights violations no information was found how it ensures that communities are made aware of the existence of the channels. [Annual report 2021, 2022: nlmk.com] • Not Met: Describes how external individuals/communities access grievance mechanism: The Company indicates that all its stakeholders can report human rights violations via the channels. However, no information was found indicating that external stakeholders can use the channel to report on misconduct by the Company's extractive business partners. [Annual report 2021, 2022: nlmk.com] • Not Met: Expects EX BPs to convey expectation to their BPs
C.3	Users are involved in the design and performance of the mechanism(s)	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 users engaged on design and performance • Not Met: Provides user engagement examples (at least two) on design and performance <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes how users engaged on improvement of mechanism • Not Met: Provides user engagement examples (at least two) on improvement
C.4	Procedures related to the mechanism(s) are equitable, publicly available and explained	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 procedure and timescales for managing complaints or concerns • Not Met: Describes technical, financial, advisory support to enable equal access <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describe types of outcome to complainant through use of mechanism • Not Met: Describes escalation to senior levels / independent adjudicators: In the 'HR strategy priorities' section, the Company states that 'To this end, NLMK has built up mechanisms that allow employees and their representatives to address top management directly. For instance, during the live call-in with the NLMK Group CEO any employee can ask a question to the head of the company.' However, there are no mentions of external individuals and communities. [Annual report 2021, 2022: nlmk.com]
C.5	Prohibition of retaliation for raising complaints or concerns	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: Public statement prohibiting retaliation against workers/stakeholders: The Company states that 'The company strictly adheres to nonretaliation principles: anyone who has reported a violation in good faith is protected from any form of pressure, harassment, discrimination.' [Annual report 2021, 2022: nlmk.com] • Met: Describes practical measures to prevent retaliation: The Company allows for anonymous reporting. [Human Rights website, 2023: nlmk.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Specifies no legal action, firing or violence • Not Met: Expects EX BPs to prohibit retaliation against workers/stakeholders
C.6	Company involvement with state-based judicial and non-	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: Complainants not asked to waive legal rights • Not Met: Does not require confidentiality provisions <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Cooperates with state based non judicial mechanisms

Indicator Code	Indicator name	Score (out of 2)	Explanation
	judicial grievance mechanisms		<ul style="list-style-type: none"> • Not Met: Example of issue resolved (if applicable)
C.7	Remediating adverse 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: Describes approach taken to remedy adverse HRs impacts • Not Met: Describes how remedy would be provided if no adverse impact identified <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes changes to systems, processes and practices to prevent future impacts • Not Met: Describes approach to monitoring/implementing agreed remedy • Not Met: Describes approach to learning from incidents if no adverse impacts identified
C.8	Communication on the effectiveness of grievance mechanism(s) and incorporating lessons learned	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"> • Met: Discloses number of grievances filed, addressed or resolved and outcomes achieved: The Company states that 'In 2021, NLMK recorded no cases of discrimination related to human rights violations ... , including violations of the right to freedom of association and collective bargaining or violations concerning child labour and forced or compulsory labour.' Besides that, the 2022 Sustainability Report indicates that since its launching in 2019, 'The hotline registered over 140 employee communications.' [Annual report 2021, 2022: nlmk.com] & [2022 Sustainability report, 31/12/2022: nlmk.com] • Not Met: Example of how lessons from mechanism improved HRs management system <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes process to evaluate mechanism and changes made as a result • Not Met: Describes procedures to address delays of outcomes agreed with stakeholders

D. Performance: Company Human Rights Practices (25% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.3.1	Living wage (in own extractive operations, which includes JVs)	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: Pays living wage or sets time-bound target: The Company states that 'NLMK Group employees receive competitive remuneration. We annually collect and analyse data on industry peers and in the regions where the Group operates as well as the purchasing power of remuneration by personnel categories and individual professions to assess the competitiveness of our remuneration.' However, there are no mentions of family members or dependents to indicate that a living wage is paid. [Annual report 2021, 2022: nlmk.com] • Not Met: Describes how living wage determined: The Company states that 'The average salary is calculated based on the NLMK Group methodology, which is based on the guidance of Article 139 of the Russian Labour Code [...]' . However, it is unclear whether this definition takes into account family members or dependents. [Annual report 2021, 2022: nlmk.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Achieved paying living wage • Not Met: Reviews definition living wage with unions
D.3.2	Transparency and accountability (in own extractive operations, which includes JVs)	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: Member of EITI • Not Met: Reports of taxes and revenues beyond legal minimums <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Reports taxes and revenue by country • Not Met: Steps taken to promote transparency in non EITI countries • Not Met: Provides example of contracts for terms of exploitation for countries without disclosure requirements

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.3.3	Freedom of association and collective bargaining (in own extractive operations, which includes JVs)	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: Measures to prohibit violence/retaliation against workers for joining trade union: The Company states that 'NLMK Group fulfils all of the requirements set forth in collective bargaining agreements, and regularly engages with trade unions. The company also ensures that conditions are in place to facilitate the creation of associations by making corporate communications tools available and by supporting employee volunteering initiatives.' However, it is unclear whether the Company is taking these steps to prevent intimidation or retaliation. [Annual report 2021, 2022: nlmk.com] • Met: Discloses % of total direct operations covered by CB agreements: The Company states discloses the 'Number of employees covered by collective agreements', in Russia it covers 100% and in USA the percentage is 71%. [2022 Sustainability report, 31/12/2022: nlmk.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Meets both requirements under score 1
D.3.4	Health and safety: Fatalities, lost days, injury, occupational disease rates (in own extractive operations, which includes JVs)	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"> • Met: Describes process to identify H&S risks and impacts: The Company states that 'In order to develop a plan of corrective measures, the company carries out an annual bridge analysis of OHS incidents to identify problem areas with the highest injury rates and analyse the causes of incidents [...]' Besides that, it is also stated that 'NLMK prioritizes efforts to prevent and respond to emergencies. Each company has regulations in place on preventing and managing the consequences of both man-made and natural disasters. The schedule of planned emergency training sessions for 2021 included sessions on fires, gas leaks, acid/alkali spills, molten zinc leaks or spillages, as well as power outages. In order to ensure timely notification on incidents at the sites, a reporting matrix was created and key participants of the process were identified. Information sheets indicating the contacts of persons responsible from the OHS service were installed at NLMK sites. In line with the Regulations on Notification, Registration and Investigation of Incidents in OHS, Industrial Safety and Environment, information about critical-level events or incidents that imply reputational risks must be immediately communicated to the NLMK Group CEO. Incident alerts are sent out for prompt notification of employees and contractors. The heads of OHS teams at the Group's companies conduct regular inspections during which any employee or contractor can ask a question or put forward a suggestion.' [Annual report 2021, 2022: nlmk.com] • Met: Discloses injury rate or lost days for last reporting period: The Company states that the Number of lost time injuries of 2022 was 93. [2022 Sustainability report, 31/12/2022: nlmk.com] • Met: Discloses fatalities for last reporting period: The Company states that in 2022 occurred 5 occupational fatalities. [2022 Sustainability report, 31/12/2022: nlmk.com] • Not Met: Discloses occupational disease rate for last reporting period: The Company states that it's current risk management system includes 'Early diagnosis and prevention of diseases, development of a conscious attitude of employees to their health, voluntary medical insurance, insurance against accidents and critical illnesses, health resort treatment.' However, no disclosure of its occupational disease rate was found. [2022 Sustainability report, 31/12/2022: nlmk.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Set targets for H&S performance: The Company states that 'Striving for a zero injury rate at all its operations, the company is continuously improving its OHS management system.' [Annual report 2021, 2022: nlmk.com] • Not Met: Met targets or explains why not or actions to improve H&S management systems: The Company states that 'In order to achieve the objectives that have been set in a high-quality manner within the framework of the OHS Strategy, the company invests in this sphere annually. In 2021, OHS expenses amounted to approximately \$46.4 million. All NLMK Group companies submit their planned measures and projects for OHS risk management to the Investment Committee for review, which decides on allocating funds for their implementation. Priority is given to projects that reduce risks of employee injuries and critical equipment malfunction. Breakdown of occupational health and safety investments in 2021, % In 2021 over \$13 million was invested into projects to improve production safety [...]' Besides that, it states that 'NLMK is committed to establishing an OHS management system that operates effectively and covers 100% of employees and contractors.' However, it is not clear whether the Company has met its targets. [Annual report 2021, 2022: nlmk.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.3.5	Indigenous peoples' rights and free prior and informed consent (FPIC) (in own extractive operations, which includes JVs)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not Met: Process to identify/recognise indigenous rights holders: The Company states that 'According to the Company estimates, there is no presence of indigenous peoples in the regions where NLMK Group operates' [2022 Sustainability report, 31/12/2022: nlmk.com] • Not Met: Describes how indigenous communities are engage during assessment Score 2 <ul style="list-style-type: none"> • Not Met: Commitment to FPIC • Not Met: Recent example of obtaining FPIC or not pursuing indigenous people's land/resources
D.3.6	Land rights: Land acquisition (in own extractive operations, which includes JVs)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not Met: Describes approach to indentifying lang tenure rights holders and negotiating compensation Score 2 <ul style="list-style-type: none"> • Not Met: Describes approach to compensation including valuation • Not Met: Describes steps to meet IFC PS 5 in state deals
D.3.7	Security (in own extractive operations, which includes JVs)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not Met: Describes security implementation (incl. VPs or ICOC) and provides an example • Not Met: Ensures Business Partners/JVs follow security approach Score 2 <ul style="list-style-type: none"> • Not Met: Security and HRs assessment includes input from local communities • Not Met: Two examples of working with local communities to improve security
D.3.8	Water and sanitation (in own extractive operations, which includes JVs)	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Describes preventative/corrective action plans for water and sanitation risks: The Company states that 'Only one location, namely the Belgorod Region where Stoilensky is situated, is exposed to potential local water shortage. Recognizing the importance of preserving the water resources in light of shortage risks, Stoilensky is implementing projects to cut down potable water consumption and taking action to protect water resources from the harmful effects of operations, including through better safety and the reliability of hydraulic structures. A dedicated certified laboratory regularly samples and checks the quality of water withdrawn, sewerage and water bodies in the area of potential impact. In 2021, a project was also approved to redirect pumped clean drainage water from the Stoilensky open-pit mine directly into a water body without using it in the closed loop: this way up to 8 million m3 per year uncontaminated water, a valuable resource, will be returned to the natural environment.' [Annual report 2021, 2022: nlmk.com] Score 2 <ul style="list-style-type: none"> • Not Met: Sets targets on water stewardship that consider water use by local communities • Not Met: Reports progress in meeting targets and trends demonstrating progress
D.3.9	Women's rights (in own extractive operations, which include JVs)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not Met: Describes processes to stop harassment and violence against women • Not Met: Working conditions take into account gender issues: The Company states that 'The company pays special attention to women's health, support for pregnant women and young parents. In 2021, 375 employees of the company used the right to take early paid parental leave before the birth of a child. All employees, regardless of gender, can receive financial assistance at birth and take parental leave. In 2021, 2% of male employees took parental leave. In total, the company employs more than 4,000 parents raising children under the age of three.' However, no information was found as to how the Company takes into account gender with regards to the impact of working conditions. [Annual report 2021, 2022: nlmk.com] • Not Met: Measures and steps to address gender pay gap at all levels of employment: The Company states that 'The company does not tolerate any form of discrimination on grounds of gender or other factors when implementing or further developing its remuneration system. The company adheres to the equal pay for equal work principle and complies with legislative labour requirements.' however, it is unclear what exact measures and steps the Company takes to address the gender pay gap. [Annual report 2021, 2022: nlmk.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 <ul style="list-style-type: none"> • Not Met: Meets all requirements under score 1 • Not Met: Provides analysis of trends demonstrating closing gender pay gap

E. Performance: Responses to Serious Allegations (20% of Total)

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, and so the score of 13.51 out of 80 points scored in themes A-D has been applied to produce a score of 3.38 out of 20 points for theme E.

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