

**Corporate Human Rights Benchmark  
2023 Company Scorecard**

**Company name** Nippon Steel Corporation  
**Sector** Extractives  
**Overall score** 7.1 out of 100

Theme score	Out of	For theme
0.2	10	A. Governance and Policy Commitments
0.2	25	B. Embedding Respect and Human Rights Due Diligence
2.5	20	C. Remedies and Grievance Mechanisms
2.8	25	D. Performance: Company Human Rights Practices
1.4	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	0	<p>The individual elements of the assessment are met or not as follows: Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: General HRs commitment: The Basic Human Rights policy (disclosed on the website) indicates: 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'. However, no formal statement was found committing to respect human rights. [Respect for human rights on website (includes website policy), N/A: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> <li>• Not Met: Universal Declaration of Human rights (UDHR): See above, the Company indirectly indicates that complies with the Universal Declaration of Human Rights. However, no direct commitment was found to respect the UDHR. [Respect for human rights on website (includes website policy), N/A: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> <li>• Not Met: International Bill of Human Rights</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Commitment to UNGPs: The policy also indicates that 'Based on the United Nations Guiding Principles on Business and Human Rights, the Nippon Steel Group Conduct Code has been set'. However, no formal statement was found neither in the policy nor the code, showing a commitment to follow the UNGPs [Respect for human rights on website (includes website policy), N/A: <a href="http://nipponsteel.com">nipponsteel.com</a>] &amp; [Nippon Steel Corporation Group Code of Conduct (website code), N/A: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> <li>• Not Met: Commitment to OECD MNE Guidelines</li> </ul>
A.1.2.a	Commitment to respect the human rights of workers: ILO Declaration on Fundamental Principles and Rights at Work	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: Commitment to ILO core principles</li> <li>• Not Met: Explicitly lists all four ILO core principles: The Basic policy states that 'Nippon Steel gives due attention to the rights of workers, and staunchly opposes the use of forced or child labor. These are prerequisites of our corporate activities. We have also prohibited as unjust the discriminatory treatment of workers based on nationality, race, belief, creed, gender, age, sexual orientation, and disability. In addition, we give careful consideration to the traditions and culture, business practice, and labor practice of each country or region as we accelerate overseas business development'. No evidence was found, however, of a commitment to respect the rights to freedom of association and collective bargaining.</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Expects BPs/JVs to commit to ILO core principles</li> <li>• Not Met: Explicitly lists all four ILO core principles for BPs/JVs</li> </ul>
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"> <li>• Met: Commitment to respect H&amp;S of workers: The Health and safety policy (website policy) states that 'In keeping with the corporate philosophy that "safety &amp; health are the most valuable factors that take precedence over all other things and they are the basis that supports business development," Nippon Steel adheres to its manufacturing values, in which priority comes first on safety, environment, and disaster prevention, second on quality, and third on production. We seek to improve our occupational safety &amp; health management system (OSHMS) and to make a safe and secure workplace. Our safety &amp; health policy applies to Nippon Steel and all related companies'. [Safety and health on website, N/A: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> <li>• Not Met: Commitment to ILO working hours standards or 48 hour regular work week: Although the Company describes how it manages working hours, no evidence found of a policy statement explicitly committing to respect ILO conventions on working hours or that publicly states that workers are not required to work more than 48 hours as regular working week (unless legislation is stricter), and that overtime is consensual and paid at a premium rate. [Respect for human rights on website (includes website policy), N/A: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Expects BPs/JVs to commit to H&amp;S of workers</li> <li>• Not Met: Expects BPs/JVs to commit to ILO working hours standards or 48 hour regular work week</li> </ul>
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"> <li>• Not Met: Commitment to respect land ownership/natural resources as in VGGT</li> <li>• Not Met: Commitment to respect land ownership/natural resources as in IFC Performance Standards</li> <li>• Not Met: Commitment to respect indigenous rights or ILO No.169 or UN Declaration</li> <li>• Not Met: Expects EX BPs to make these commitments</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Commitment to obtain FPIC or zero tolerance to land grabbing</li> <li>• Not Met: Commitment to respect the right to water</li> <li>• Not Met: Expects EX BPs to make these commitments</li> </ul>
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"> <li>• Not Met: Commitment to Voluntary Principles on Security and HRs</li> <li>• Not Met: Uses only ICoCA members as security providers</li> <li>• Not Met: Commits to International Humanitarian Law</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Expects EX BPs to commit to these rights</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.4	Commitment to remedy	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Commitment to remedy adverse HRs impacts</li> <li>• Not Met: Expects EX BPs to make this commitments</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Commitment to collaborate with judicial or non-judicial mechanisms</li> <li>• Not Met: Commitment to work with EX BPs on remedy</li> </ul>
A.1.5	Commitment to respect the rights of human rights defenders	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Zero tolerance of threats/attacks on HRDs</li> <li>• Not Met: Expects BPs to make this commitment</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Commitment to working with HRDs to create safe and enabling environment</li> </ul>

## 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	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Board level responsibility for HRs</li> <li>• Not Met: Describes HRs expertise of Board member</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Board member/CEO signal importance of HRs in their communications</li> </ul>
A.2.2	Board responsibility	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Process to review HRs strategy at board level</li> <li>• Not Met: Example of HRs issues/trends discussed in last reporting period</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Meets both requirements under score 1</li> <li>• Not Met: Describes how affected stakeholders / HRs experts inform board discussions</li> </ul>
A.2.3	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: At least one board member incentive linked to HRs commitments</li> <li>• Not Met: Incentive scheme linked to key HRs risks beyond employee H&amp;S</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Performance criteria linked to HRs made public</li> <li>• Not Met: Review of other board incentives for coherence with HRs policies</li> </ul>
A.2.4	Business model strategy and risks	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Board process to review business model and strategy for HRs risks</li> <li>• Not Met: Describes frequency and triggers for reviewing business model</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Meets both requirements under score 1</li> <li>• Not Met: Example of actions resulting from reviews</li> </ul>

## 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	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Score of 1 on A.1.2.a</li> <li>• Not Met: Senior responsibility for HRs implementation and decision making: The Company states that 'The Risk Management Committee, chaired by the Executive Vice President in charge of the Internal Control &amp; Audit Division, receives regular reports from the Division on the development and execution status of the internal control annual plan, the compliance status of laws and regulations, and the matters related to risk management, which include adherence to the Code of Conduct of Nippon Steel Group Company and other company rules as well as ESG risks, such as labor safety, workplace sexual or power harassment and other abuse of human rights Committee then deliberates and checks the status of measures taken'. However, it is not clear if this committee is accountable for implementation and decision making on human rights issues, and not only for its risks. [Integrated report 2022, 2022: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 <ul style="list-style-type: none"> <li>• Not Met: Describes day-to-day responsibility for implementing HRs commitments</li> <li>• Not Met: Day-to-day resources and expertise allocation in own operations</li> <li>• Not Met: Resources and expertise allocation with EX BPs</li> </ul>
B.1.2	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Senior manager incentives linked to HRs commitments</li> <li>• Not Met: Incentive scheme linked to key HRs risks beyond employee H&amp;S</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Performance criteria linked to HRs made public</li> <li>• Not Met: Review of other senior management incentives for coherence with HRs policies</li> </ul>
B.1.3	Integration with enterprise risk management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: HRs risks integrated as part of enterprise risk system: The Company states that 'The Risk Management Committee, chaired by the Executive Vice President in charge of the Internal Control &amp; Audit Division, receives regular reports from the Division on the development and execution status of the internal control annual plan, the compliance status of laws and regulations, and the matters related to risk management, which include adherence to the Conduct Code of Nippon Steel Group Company and other company rules as well as [...] abuse of human rights [...].' However, it does not provide further details on how attention to human rights risks is integrated into its broader enterprise risk management system. [Nippon Steel Sustainability report 2022, 10/2022: <a href="https://www.nipponsteel.com">nipponsteel.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Provides an example</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Risk assesment by Audit Committee or independent third party</li> </ul>
B.1.4.a	Communication /dissemination of policy commitment(s) to workers and external stakeholders	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Score of 1 on A.1.2.a</li> <li>• Not Met: Communicates HRs policies to all workers in own operations: The Company indicates that information on human rights awareness is incorporated in training courses for all ranks, from new employees to experienced ones, and states that in 2021 the number of recipients of training courses by rank on human rights was 5,591. However, the consolidated number of employees is 106,528, and it is not clear if the training is obligatory. Furthermore, it is not clear if the Company takes local languages into account n the communications. [Integrated report 2022, 2022: <a href="https://www.nipponsteel.com">nipponsteel.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Communicates HRs policies to stakeholders</li> <li>• Not Met: Example of how HRs policies are accessible for intended audience</li> </ul>
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Meets ILO requirement for suppliers on A.1.2.a</li> <li>• Not Met: Describes steps to communicate HRs policies to EX BPs</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Describes how HRs policies are contractual/binding for suppliers</li> <li>• Not Met: Requires EX BPs to cascade contractual/binding HRs policies to their BPs</li> </ul>
B.1.5	Training on Human Rights	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Score of at least 1 on A.1.2.a</li> <li>• Met: Describes how workers are trained on HRs policy commitments: The Company states that 'Based on the policy decided at the "corporate-wide forum of human rights anti-discrimination promotion," information on human rights awareness is incorporated in training courses for all ranks, from new employees to experienced ones. We also provide education on a variety of subjects, including the issues of harassment and anti-discrimination, understanding of LGBTQ, and human rights issues in the conduct of our business. In addition to the general education, we also address specific human rights abuse risks in formulating and oversight of specific work assignments. Examples include education on fair recruitment selection by employees assigned to the tasks of hiring in order to prevent job discrimination, and education on cross-cultural understanding and communication for those assigned to overseas business in the context of preventing human rights abuses.' [Integrated report 2022, 2022: <a href="https://www.nipponsteel.com">nipponsteel.com</a>]</li> <li>• Not Met: Trains relevant managers including security on HRs</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Score of 2 on A.1.2.a</li> <li>• Not Met: Meets both requirements under score 1</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not Met: Trains BPs to meet HRs commitments</li> <li>• Not Met: Discloses % suppliers trained</li> </ul>
B.1.6	Monitoring and corrective actions	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: Score of at least 1 on A.1.2.a</li> <li>• Not Met: Monitors implementation of HRs policy commitments across global ops and EX BPs</li> <li>• Not Met: Discloses % of EX BP's monitored</li> <li>• Not Met: Describes how workers are involved in monitoring</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Score of 2 on A.1.2.a</li> <li>• Not Met: Describes corrective actions process</li> <li>• Not Met: Discloses findings and number of correction action processes</li> </ul>
B.1.7	Engaging and terminating business relationships	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: HRs performance affects selection EX BPs: The Company states that: 'In engaging in these procurement activities, we are committed to compliance with laws and regulations, consideration of environmental conservation, elimination of racial discrimination and human rights abuses, confidentiality and thorough information management as prerequisites'. However, no description of how human rights performance is taken into account in the procurement process was found. [Nippon Steel Sustainability report 2022, 10/2022: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: HRs performance affects ongoing BPs relationships</li> <li>• Not Met: Describes positive HRs incentives for business relationships</li> <li>• Not Met: Works with EX BPs to meet HRs requirements</li> </ul>
B.1.8	Approach to engagement with affected 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: Describes how workers and communities identified and engaged in the last two years</li> <li>• Not Met: Discloses stakeholders whose HRs may be affected</li> <li>• Not Met: Provides two examples of engagement with stakeholders: The Company has a section called 'Communicating with stakeholders' within the 'Human Rights' section, and it states that 'Adhering to laws and the group-company labor agreements, and respecting the rights to organize and to bargain, Nippon Steel strives to maintain sound labor-management relationships. With a focus on mutual understanding through two-way dialogue, we have a place for discussion with labor unions for the entire Company as well as for each steelworks and each office. There we discuss various matters including the operating and financial performance and working conditions.' However, it does not provide further details nor a second example. [Integrated report 2022, 2022: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Analysis of stakeholder views on company's HRs issues</li> <li>• Not Met: Describes how stakeholders views influenced company's HRs approach</li> </ul>

## 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	<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: Describes process of identifying risks in own operations: The Company states that 'we are continuously and systematically promoting activities to prevent human rights abuses. This includes the understanding of human rights risks [...]' However, there is no descriptions about a process to identify human rights risks. [Nippon Steel Sustainability report 2022, 10/2022: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes process for identifying risks in EX BPs</li> <li>• Not Met: Describes global risk identification system incl. stakeholder consultation</li> <li>• Not Met: Describes how risk identification system is triggered by new circumstances</li> <li>• Not Met: Describes risks identified in relation to new circumstances</li> </ul>
B.2.2	Assessing 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: Describes assessment process and discloses salient HRs risks</li> <li>• Not Met: Describes how process applies to EX BPs</li> <li>• Not Met: Public disclosure of results of HRs risk assessment</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Meets all requirements under score 1</li> <li>• Not Met: Describes how assessment involved affected stakeholders</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
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"> <li>• Not Met: Describes system to prevent, mitigate and remediate HRs issues: The Company states that 'From the viewpoint of promoting human rights (HR) awareness activities by assigning human rights awareness advocates at each steelworks and each office, and of implementing corporate-wide human rights awareness activities, we hold a "corporate-wide forum of human rights awareness advocates" in March each year to exchange views on human rights awareness education and new human rights risks, and to consider the related action policy for the next fiscal year. [...] In addition to implementing human rights awareness activities in accordance with the policies decided at the forum, each steelworks and each office are actively engaged in employee awareness-raising activities, including holding workshops on a specific issue of the steelworks or office. We also participate in enlightenment organizations and activities hosted by public entities and others in each community. We do this as concerted efforts for human rights enlightenment with the communities.' However, it does not describe a global system to prevent, mitigate or remediate its salient human rights issues. [Nippon Steel Sustainability report 2022, 10/2022: <a href="https://nipponsteel.com">nipponsteel.com</a>]</li> <li>• Not Met: Describes how global system applies to EX BPs</li> <li>• Not Met: Example of actions decided on at least 1 salient HRs issue</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Meets all requirements under score 1</li> <li>• Not Met: Describes how stakeholders involved in decisions about actions taken</li> </ul>
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"> <li>• Not Met: Describes system for evaluation effectiveness of actions</li> <li>• Not Met: Example of lessons learned from evaluation effectiveness of actions</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Meets all requirements under score 1</li> <li>• Not Met: Involves stakeholders in evaluation effectiveness of actions</li> </ul>
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"> <li>• Not Met: Provides two examples of comms with stakeholders: The Company states that 'Nippon Steel strives to maintain sound labor-management relationships. With a focus on mutual understanding through two-way dialogue, we have a place for discussion with labor unions for the entire Company as well as for each steelworks and each office. We discuss the operating and financial performance, safety, health, and production management issues, working conditions such as salaries and bonus payments, balancing of work and personal life, and other issues. Close labor-management communication is also maintained, particularly concerning the actual work cases for which the labor unions received reports from their members.' It further notes that 'Our steelworks and offices also regularly set up a place for dialogue with the nearby residents' associations to ask for their understanding of our business operations and listen to opinions and requests from them; this is part of what we do to realize better communication with the local community.' However, it does not explain how it communicates with the local community regarding specific human rights impacts raised by them or on their behalf. [Nippon Steel Sustainability report 2022, 10/2022: <a href="https://nipponsteel.com">nipponsteel.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes challenges to effective comms and how it is working to address them</li> </ul>

### 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"> <li>• Met: Grievance mechanism accessible to all workers: The Company states 'As a whistleblower &amp; consultation system, we have set up a Compliance Consulting Room (Internal Control &amp; Audit Division being the internal point of contact; an outside specialized agency serves as outside contact) to receive notifications or inquiries (that can be anonymous) concerning violation of laws, or regulations, or internal rules, including those related to bribery, from employees and family members of Nippon Steel and its group companies, and from business partners, to prevent such violations and help improve operations.' [Internal Controls and Risk Management System, N/A: <a href="https://nipponsteel.com">nipponsteel.com</a>]</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Grievance mechanism available in appropriate languages and workers made aware: The Company states 'We have clarified whom to contact for consultation on various compliance issues including human rights.' However, it is not clear how workers are made aware of this. No information was found regarding the availability of the grievance channel in all appropriate languages. [Internal Controls and Risk Management System, N/A: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> <li>• Met: Describes how workers in EX BPs access grievance mechanism: The Company states it accepts inquiries and reports from employees of business partners [Internal Controls and Risk Management System, N/A: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> <li>• Not Met: Expects EX BPs to convey expectation to their BPs</li> </ul>
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"> <li>• Met: Grievance mechanism accessible to all external individuals and communities: The Company states 'Notification from outside stakeholders concerning Nippon Steel's violation of laws, regulations, or internal rules, and other issues is accepted from an inquiry form on Nippon Steel's website.' [Internal Controls and Risk Management System, N/A: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Grievance mechanism available in appropriate languages and affected stakeholders made aware</li> <li>• Not Met: Describes how external individuals/communities access grievance mechanism: The Company indicates it is accepting complaints regarding rights violations by the Company itself. No information was found regarding the acceptance of complaints of rights violations by extractive business partners. [Internal Controls and Risk Management System, N/A: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> <li>• Not Met: Expects EX BPs to convey expectation to their BPs</li> </ul>
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"> <li>• Not Met: Describes how users engaged on design and performance</li> <li>• Not Met: Provides user engagement examples (at least two) on design and performance</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes how users engaged on improvement of mechanism</li> <li>• Not Met: Provides user engagement examples (at least two) on improvement</li> </ul>
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"> <li>• Not Met: Describes procedure and timescales for managing complaints or concerns: The Company indicates that 'When the Compliance Consulting Room receives a notification or inquiry, the matter is reported to the General Manager of the Internal Control &amp; Audit Division and a counselling staff interviews the informant and investigates the matter and facts. In case an outside specialized agency receives a notification or inquiry, the agency takes up the matter and deals with solving the issue, jointly with Nippon Steel.' It further states that 'we investigate the facts and, if necessary, seek advice from outside parties, including lawyers and outside professional organizations, to protect the privacy of the persons and to ensure that they do not receive unfavorable treatment. We then provide guidance and education to those involved, and strive to appropriately resolve the incidents.' However, no information was found as to whether it sets specific timescales for its response. [Internal Controls and Risk Management System, N/A: <a href="http://nipponsteel.com">nipponsteel.com</a>] &amp; [Respect for human rights on website (includes website policy), N/A: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> <li>• Not Met: Describes technical, financial, advisory support to enable equal access</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describe types of outcome to complainant through use of mechanism</li> <li>• Not Met: Describes escalation to senior levels / independent adjudicators</li> </ul>
C.5	Prohibition of retaliation for raising complaints or concerns	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: Public statement prohibiting retaliation against workers/stakeholders</li> <li>• Not Met: Describes practical measures to prevent retaliation</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Specifies no legal action, firing or violence</li> <li>• Not Met: Expects EX BPs to prohibit retaliation against workers/stakeholders</li> </ul>
C.6	Company involvement with state-based judicial	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: Complainants not asked to waive legal rights</li> <li>• Not Met: Does not require confidentiality provisions</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
	and non-judicial grievance mechanisms		Score 2 <ul style="list-style-type: none"> <li>• Not Met: Cooperates with state based non judicial mechanisms</li> <li>• Not Met: Example of issue resolved (if applicable)</li> </ul>
C.7	Remediating adverse 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: Describes approach taken to remedy adverse HRs impacts</li> <li>• Not Met: Describes how remedy would be provided if no adverse impact identified</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Describes changes to systems, processes and practices to prevent future impacts</li> <li>• Not Met: Describes approach to monitoring/implementing agreed remedy</li> <li>• Not Met: Describes approach to learning from incidents if no adverse impacts identified</li> </ul>
C.8	Communication on the effectiveness of grievance mechanism(s) 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"> <li>• Not Met: Discloses number of grievances filed, addressed or resolved and outcomes achieved: The Company states that 'In fiscal 2020, the Compliance Consulting Room received a total of 375 notifications and inquiries.' However, no information was found on how those were addressed or resolved. [Internal Controls and Risk Management System, N/A: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> <li>• Not Met: Example of how lessons from mechanism improved HRs management system</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Describes process to evaluate mechanism and changes made as a result</li> <li>• Not Met: Describes procedures to address delays of outcomes agreed with stakeholders</li> </ul>

#### 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	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Pays living wage or sets time-bound target: The Company states that 'In compliance with laws and regulation concerning salary and wages payment, Nippon Steel has set up pay at a higher level than minimum wage stipulated by the country, region, and type of work where we do business. With regard to bonuses, we regularly survey related matters, including the status of each country, region, and type of work, hold meetings with labor representatives, and appropriately reward employees by paying performance-based bonuses linked to company profits.' However, it is not clear from the above if the Company is paying a living wage. No further information was found. [Nippon Steel Sustainability report 2022, 10/2022: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> <li>• Not Met: Describes how living wage determined</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Achieved paying living wage</li> <li>• Not Met: Reviews definition living wage with unions</li> </ul>
D.3.2	Transparency and accountability (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"> <li>• Not Met: Member of EITI</li> <li>• Not Met: Reports of taxes and revenues beyond legal minimums</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Reports taxes and revenue by country</li> <li>• Not Met: Steps taken to promote transparency in non EITI countries</li> <li>• Not Met: Provides example of contracts for terms of exploitation for countries without disclosure requirements</li> </ul>
D.3.3	Freedom of association and collective bargaining (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"> <li>• Not Met: Measures to prohibit violence/retaliation against workers for joining trade union</li> <li>• Not Met: Discloses % of total direct operations covered by CB agreements</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Meets both requirements under score 1</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
D.3.4	Health and safety: Fatalities, lost days, injury, occupational disease rates (in own extractive operations, which includes JVs)	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Describes process to identify H&amp;S risks and impacts</li> <li>• Not Met: Discloses injury rate or lost days for last reporting period</li> <li>• Met: Discloses fatalities for last reporting period: The Company states that 'Safety improved in fiscal 2021. There were 6 accidents for Nippon Steel's employees and 10 for employees of subcontracting companies (including zero fatal accident for Nippon Steel and two in subcontracting companies)' [Safety and health on website, N/A: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> <li>• Not Met: Discloses occupational disease rate for last reporting period</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Set targets for H&amp;S performance: The Company states that 'We will continue to strive for a safe work environment with the safety wellness targets for fiscal 2022 that are zero fatalities/severe accidents and less than 0.10 as the accident frequency rate.' However, the no targets for occupational health were found. [Nippon Steel Sustainability report 2022, 10/2022: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> <li>• Not Met: Met targets or explains why not or actions to improve H&amp;S management systems</li> </ul>
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"> <li>• Not Met: Process to identify/recognise indigenous rights holders</li> <li>• Not Met: Describes how indigenous communities are engage during assessment</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Commitment to FPIC</li> <li>• Not Met: Recent example of obtaining FPIC or not pursuing indigenous people's land/resources</li> </ul>
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"> <li>• Not Met: Describes approach to indentifying lang tenure rights holders and negotiating compensation</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Describes approach to compensation including valuation</li> <li>• Not Met: Describes steps to meet IFC PS 5 in state deals</li> </ul>
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"> <li>• Not Met: Describes security implementation (incl. VPs or ICOC) and provides an example</li> <li>• Not Met: Ensures Business Partners/JVs follow security approach</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Security and HRs assessment includes input from local communities</li> <li>• Not Met: Two examples of working with local communities to improve security</li> </ul>
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"> <li>• Met: Describes preventative/corrective action plans for water and sanitation risks: The Company states that 'Moreover, our steelworks have enhanced facilities to prevent water pollution. These facilities were provided to increase waste water treatment capacity and involved installation of a large storage tank so that water tainted with iron ore powder would not directly be released into the sea even if our steelworks were subjected to localized heavy rain.' Besides that, it states that 'We try not to waste precious water resources, and to control wastewater discharge. To achieve this, we make daily efforts to maintain and improve the performance of wastewater treatment equipment, and the inspection and control of wastewater quality. Our operational bases in Japan are evaluated by the World Resources Institute (WRI) Aqueduct to confirm that we are not prone to high-level water stress. Nevertheless, in preparation of the remote chance of a water intake restriction, some of our steelworks possess their own water reservoir. In certain circumstances, we contribute to easing water stress of the community by providing water for agricultural use or by cooperating in other ways.' [Nippon Steel Sustainability report 2022, 10/2022: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Sets targets on water stewardship that consider water use by local communities</li> <li>• Not Met: Reports progress in meeting targets and trends demonstrating progress</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.3.9	Women's rights (in own extractive operations, which include 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"> <li>• Not Met: Describes processes to stop harassment and violence against women: The Company states that 'In order for all Nippon Steel employees to work with vigour, it is extremely important to respond appropriately to harassment issues, and we are strengthening our efforts to prevent them. Specifically, we have clarified our internal policies to prevent harassment in terms of working regulations and internal regulations, and we have also prepared and distributed leaflets to promote awareness among all employees. In addition, we engage in education through e-learning for all officers and employees, and through sponsoring lectures on harassment at milestone training events, spanning activities from new employees to higher management. In addition to continuing these efforts, we incorporated our awareness of the matter of unconscious bias into our training programs in fiscal 2021. We will continue such periodical reviews of the content of training programs. Dedicated consultation and reporting points of contact have been established so that employees who face a harassment issue can consult with other people, in addition to someone close to themselves, such as their supervisor or co-worker. [...] Each of the contact points takes individual actions and makes sure not to disbenefit anyone for reporting or cooperating. After investigating and confirming the existence of a problem, we take strict measures in accordance with employment rules and other regulations.' However, no specific measures were found that take into account gender. [Nippon Steel Sustainability report 2022, 10/2022: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> <li>• Met: Working conditions take into account gender issues: The Company states that 'The ratio of women in overall hiring is 15%, and we will continue to expand their hiring. We are encouraging remote working to facilitate a shift to a flexible workstyle and to reduce long work hours so that those with a constraint on the workplace or work time due to childcare or other conditions can continue to work. In addition, career assessments for female employees have been conducted to facilitate flexible placement and development based on the understanding of individual circumstances and to improve retention rates.' [Nippon Steel Sustainability report 2022, 10/2022: <a href="http://nipponsteel.com">nipponsteel.com</a>]</li> <li>• Not Met: Measures and steps to address gender pay gap at all levels of employment</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Meets all requirements under score 1</li> <li>• Not Met: Provides analysis of trends demonstrating closing gender pay gap</li> </ul>

## 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		<ul style="list-style-type: none"> <li>• Area: Forced labour</li> <li>• Headline: Nippon Steel &amp; Sumitomo Metal ordered to compensate four South Korean laborers for forced labour</li> <li>• Story: "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 Japanese 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> <p>On June 4th, 2020, a Korean court has decided to begin a legal procedure that could lead to liquidating seized assets of Nippon Steel &amp; Sumitomo Metal that has ignored the ruling to compensate Korean victims of Japan's wartime forced labor. After the firm refused to comply with the ruling, the plaintiffs requested an asset seizure, which was approved by the court in Pohang. The assets in question are 194,794 shares, worth around PNR 973 million won (USD 799,400), a joint venture set up by Nippon Steel and South Korean steelmaker POSCO.</p> <p>On 30 December 2021, a South Korean court ordered Nippon Steel Corp. to sell off its securities of PNR, a joint venture company with Korean steelmaker POSCO Co., to pay workers forced into labor during Japan's 1910-45 colonial rule of the Korean Peninsula.</p> <p>On 12 January 2022, Nippon Steel Corp appealed a South Korean court order over the sale of company assets South Korean plaintiffs have seized in connection with wartime labor issues.</p> <p>[The Korea Herald, 30/10/2018, "Court orders Japan firm to compensate wartime forced laborers": <a href="http://koreaherald.com">koreaherald.com</a>] [The Boston Globe, 09/01/2019, "South Korea orders seizure of Japan assets over forced labor": <a href="http://bostonglobe.com">bostonglobe.com</a>] [The Japan Times, 07/08/2020, "Nippon Steel appeals South Korean court-ordered asset seizure": <a href="http://japantimes.co.jp">japantimes.co.jp</a>]</p>
E(1).1	The company has responded publicly to the allegation	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"> <li>• Met: Public response: Nippon Steel said the verdict was "deeply regrettable" and refused to follow South Korea's Supreme Court 2018 ruling, siding with Japan's position that all colonial-era compensation issues were settled by a 1965 treaty that restored diplomatic relations between the two governments. .</li> </ul> <p>Following the decision on seizing its assets, Nippon Steel issued a statement, saying the issue of wartime labor was already resolved and the company would "respond appropriately" based on diplomatic negotiations between the two countries. [The Boston Globe, 09/01/2019: <a href="http://bostonglobe.com">bostonglobe.com</a>] [The Japan Times, 07/08/2020: <a href="http://japantimes.co.jp">japantimes.co.jp</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Detailed response: The company did not provide a detailed response on the allegation of forced labor of Korean workers during Japan's 1910-45 colonization of the Korean Peninsula.</li> </ul>
E(1).2	The company has investigated and 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: Engaged with stakeholders: The facts go back so far that there are no public sources available to prove that the company engaged with the affected stakeholders.</li> <li>• Not Met: Identified cause: The company does not present investigative results on the underlying causes of the events concerned.</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Identified and implemented improvements: 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: <a href="https://nssmc.com">nssmc.com</a>]</li> <li>• Not Met: Stakeholder input to steps taken</li> </ul>
E(1).3	The company has engaged with affected stakeholders to provide for or cooperate in remedy(ies)	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: Provided remedy: The company declared that reparations for the alleged events were settled by the 1965 Normalization Treaty, under which Japan provided \$500 million in economic assistance to Korea. In 1997, Nippon Steel supported a memorial service in South Korea to commemorate Korean forced laborers killed during an Allied air raid and gave each plaintiff \$18,000 in consolation money for the loss of life. However, there is no evidence available that the company provided a remedy to the affected Korean stakeholders to compensate them for their labour exploitation during Japanese rule. [U.S. Institute of Peace, 18/08/2022, "A Formula to Resolve the South Korea-Japan Wartime Forced Labor Issue": <a href="https://usip.org">usip.org</a>]</li> <li>• Not Met: Evidence for lack of Impact or link</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Remedy satisfactory to stakeholders</li> <li>• Not Met: Remedy delivered</li> <li>• Not Met: Independent remedy process used</li> </ul>

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