

Company Name Severstal
Industry Extractive
Overall Score (*) 15.3 out of 100

Theme Score	Out of	For Theme
2.4	10	A. Governance and Policies
0.0	25	B. Embedding Respect and Human Rights Due Diligence
2.5	15	C. Remedies and Grievance Mechanisms
5.6	20	D. Performance: Company Human Rights Practices
1.3	20	E. Performance: Responses to Serious Allegations
3.5	10	F. Transparency

(*) 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 that Occidental Petroleum and Anadarko Petroleum merged as the assessment process was taking place and as such most of the assessment is based on pre-merger reporting by Occidental Petroleum.

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 2019 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

Detailed assessment

A. Governance and Policies (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	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: General HRs commitment: The Company states the following: "Meeting the highest international standards of compliance with, support for and development of human rights in all operations is important for PAO Severstal". [Human Rights Policy, 18/10/2018: severstal.com] Met: UNGC principles 1 & 2: The Company states that it follows the principles of compliance with, support for and development of human rights established in the Principles of the UN Global Compact. [Human Rights Policy, 18/10/2018: severstal.com] Met: UDHR: The Company states that it follows the principles of compliance with, support for and development of human rights established in the Principles of Universal Declaration of Human Rights. [Human Rights Policy, 18/10/2018: severstal.com] Not met: International Bill of Rights <p>Score 2</p> <ul style="list-style-type: none"> Met: UNGPs: The Company states that it follows the principles of compliance with, support for and development of human rights established in the Principles of UN Guiding Principles on Business and Human Rights. [Human Rights Policy, 18/10/2018: severstal.com] Not met: OECD

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.2	Commitment to respect the human rights of workers	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: ILO Core: The Company states that it will follows the principles of compliance with, support for and development of human rights in respect of its employees as prescribed by the ILO Declaration on Fundamental Principles and Rights at Work, including 'the elimination of discrimination, the abolition of child, forced and compulsory labour, the upholding of the freedom of association and the effective recognition of the right to collective bargaining, and the provision of safe and comfortable workplaces for its employees, employees of its contractors and subcontractors, and agents.' [Human Rights Policy, 18/10/2018: severstal.com] • Met: UNGC principles 3-6: see as above [Human Rights Policy, 18/10/2018: severstal.com] • Met: Explicitly list All four ILO apply to EX BPs: The Company explicitly states that its Human Right Policy applies to its employees, local communities, and business partners, which lists all four ILO requirements including 'the elimination of discrimination, the abolition of child, forced and compulsory labour, the upholding of the freedom of association and the effective recognition of the right to collective bargaining, [...]' [Human Rights Policy, 18/10/2018: severstal.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Explicit commitment to All four ILO Core: The company state that "Severstal will ensure its compliance with human rights in respect of its employees as prescribed by the ILO Declaration on Fundamental Principles and Rights at Work, including the elimination of discrimination, the abolition of child, forced and compulsory labour, the upholding of the freedom of association and the effective recognition of the right to collective bargaining, and the provision of safe and comfortable workplaces for its employees, employees of its contractors and subcontractors, and agents. [Human Rights Policy, 18/10/2018: severstal.com] • Met: Respect H&S of workers: The Company states that the 'Health and safety of its employees is Severstal's number one priority.' The company state that conducts all of its work to the highest standards of health & safety and environmental sustainability and that it encourages and strengthen a shared, company-wide culture of safety which will enable the Company to reduce accidents to the very minimum, eliminate fatalities and, in doing so, become the industry leader in this field. [Code of Business Conduct, n/a: severstal.com & Health and Safety Policy, April 2019: severstal.com] • Not met: H&S applies to EX BPs
A.1.3.EX	Commitment to respect human rights particularly relevant to the industry (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: Based on UN Instruments • Not met: Voluntary Principles (VPs) participant • Not met: Uses only ICoCA members • Not met: Respecting indigenous rights: The Company states that it recognises the importance of the protection of rights of indigenous people who live on their ancestral lands, self-identify as a separate ethnicity and maintain their traditional lifestyle, homesteading and trades. It pays special attention to culture, traditions and practices of indigenous people, their attachment to their ancestral land, participation in economic development and lifestyle relying on the use of natural resources. However, there is not evidence of a commitment to indigenous rights. [Human Rights Policy, 18/10/2018: severstal.com] • Not met: ILO 169 • Not met: UN Declaration on the Rights of Indigenous People (UNDRIP) • Not met: Expects BPs to respect these rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: FPIC commitment • Not met: Voluntary Guidelines on Tenure Rights • Not met: IFC performance standards • Not met: Zero tolerance for land grabs • Not met: Respecting the right to water • Not met: Expects BPs to commit to all these rights
A.1.4	Commitment to engage with stakeholders	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits to stakeholder engagement: The Company states in its Corporate Social Responsibility that it is committed to communicating and engaging with stakeholders on the basis of mutual respect, business partnership and delivery on commitments. [Corporate Social ResponsibilityPolicy, 16/12/2013: severstal.com] • Met: Regular stakeholder engagement: The Company states that it conducts an annual large-scale anonymous social survey, Severstal Pulse, to understand the

Indicator Code	Indicator name	Score (out of 2)	Explanation
			level of satisfaction of its employees and their engagement with Severstal strategy, and to identify the most important issues. [Corporate Social Responsibility and Sustainable Development Report 2017, 31/12/2017: globalcompact.ru] Score 2 <ul style="list-style-type: none"> • Not met: Commits to engage stakeholders in design • Not met: Regular stakeholder design engagement
A.1.5	Commitment to remedy	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Commits to remedy Score 2 <ul style="list-style-type: none"> • Not met: Not obstructing access to other remedies • Not met: Collaborating with other remedy initiatives • Not met: Work with EX BPs to remedy impacts
A.1.6	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"> • Not met: Zero tolerance attacks on HRs Defenders (HRDs) Score 2 <ul style="list-style-type: none"> • Not met: Expects EX BPs to reflect company HRD commitments

A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: CEO or Board approves policy: The company's Human Rights Policy was approved by the company's Board of Directors on October 2018. [Human Rights Policy, 18/10/2018: severstal.com] • Not met: Board level responsibility for HRs Score 2 <ul style="list-style-type: none"> • Not met: Speeches/letters by Board members or CEO
A.2.2	Board discussions	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Board/Committee review of salient HRs • Not met: Examples or trends re HR discussion Score 2 <ul style="list-style-type: none"> • Not met: Both examples and process
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"> • Not met: Incentives for at least one board member • Not met: At least one key EX RH risk, beyond employee H&S Score 2 <ul style="list-style-type: none"> • Not met: Performance criteria made public

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"> • Met: Commits to ILO core conventions: See A.1.2 • Not met: Senior responsibility for HR: The Company states that its senior responsibility for human rights issues include Board of directors, Ethics Committee, HR Directors, and etc. Chairman of the Board Alexey Mordashov actively supports the Ethics Committee, an internal body of Severstal responding to all submissions related to the violations of Company values, wrongdoings, and violations of behaviour standards by Severstal employees. Chief Executive personally reviews and approves all decisions of the Ethics Committee'. However, it is not clear whether there is a senior role(s) or senior management body that centralises responsibility for human rights issues. [Corporate Social Responsibility and Sustainable Development Report 2017, 31/12/2017: globalcompact.ru] Score 2 <ul style="list-style-type: none"> • Not met: Day-to-day responsibility • Not met: Day-to-day responsibility for EX BRs
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"> • Not met: Senior manager incentives for human rights • Not met: At least one key EX HR risk, beyond employee H&S

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 • Not met: Performance criteria made public
B.1.3	Integration with enterprise risk management	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: HR risks is integrated as part of enterprise risk system Score 2 • Not met: Audit Ctte or independent risk assessment
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	0	The individual elements of the assessment are met or not as follows: Score 1 • Met: Commits to ILO core conventions: See indicator A.1.2 [Human Rights Policy, 18/10/2018: severstal.com] • Not met: Communicates its policy to all workers in own operations: The Company states that it will develop and comply with labour regulations in all labour relations, including training of its employees. However, it is not clear how the company communicates its policy to its employees. [Human Rights Policy, 18/10/2018: severstal.com] Score 2 • Met: Commits to all 4 ILO core conventions: See indicator A.1.2 [Human Rights Policy, 18/10/2018: severstal.com] • Not met: Communication of policy commitments to stakeholder [Human Rights Policy, 18/10/2018: severstal.com] • Not met: How policy commitments are made accessible to audience
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 • Met: Commits to all 4 ILO core conventions for suppliers [Human Rights Policy, 18/10/2018: severstal.com] • Not met: Communicating policy to EX contractors and joint ventures: The Company states that it informs its business partners of the principles and contents of this Policy, and strives to prevent being connected with violations of human rights or indirectly responsible for any human rights violations committed by its business partners. However, it is not clear what is the company's overall approach to communicated its policy. [Human Rights Policy, 18/10/2018: severstal.com] • Not met: Including to EX BPs (removed) Score 2 • Not met: How HR commitments made binding/contractual • Not met: Including on EX BPs
B.1.5	Training on Human Rights	0	The individual elements of the assessment are met or not as follows: Score 1 • Met: Scores at least 1 on A.1.2 [Human Rights Policy, 18/10/2018: severstal.com] • Not met: Trains all workers on HR policy commitments: The Company states that it provides training on human rights policy to its employees. The mandatory programmes for the management also cover human rights. However, it is not clear if all workers are trained. [Corporate Social Responsibility and Sustainable Development Report 2017, 31/12/2017: globalcompact.ru] • Not met: Trains relevant EX managers including security personnel Score 2 • Not met: Score of 2 on A.1.2 • Not met: Both requirements under score 1 met
B.1.6	Monitoring and corrective actions	0	The individual elements of the assessment are met or not as follows: Score 1 • Met: Scores at least 1 on A.1.2 [Human Rights Policy, 18/10/2018: severstal.com] • Not met: Monitoring implementation of HR policy commitments • Not met: Monitoring EX BP's Score 2 • Not met: Score of 2 on A.1.2 • Not met: Describes corrective action process • Not met: Example of corrective action • Not met: Discloses % of EX supply chain monitored
B.1.7	Engaging business relationships	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: HR affects selection EXs business partners • Not met: HR affects on-going EX business partner relationships Score 2 • Not met: Both requirement under score 1 met • Not met: Working with EX business partners to improve performance
B.1.8	Approach to engagement	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Stakeholder process or systems

Indicator Code	Indicator name	Score (out of 2)	Explanation
	with potentially affected stakeholders		<ul style="list-style-type: none"> • Not met: Frequency and triggers for engagement • Not met: Engagement includes EX business partners workers • Not met: Engagement includes EX business partners communities Score 2 <ul style="list-style-type: none"> • Not met: Analysis of stakeholder views and company's actions on them

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

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Identifying risks in own operations • Not met: identifying risks in EX business partners Score 2 <ul style="list-style-type: none"> • Not met: Ongoing global risk identification • Not met: In consultation with stakeholders • Not met: In consultation with HR experts • Not met: Triggered by new circumstances • Not met: Explains use of HRIAs or ESIA (inc HR)
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Salient risk assessment (and context) • Not met: Public disclosure of salient risks Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Action Plans to mitigate risks • Not met: Including amongst EX BPs • Not met: Example of Actions decided Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: System to check if Actions are effective • Not met: Lessons learnt from checking effectiveness Score 2 <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Comms plan re identifying risks • Not met: Comms plan re assessing risks • Not met: Comms plan re action plans for risks • Not met: Comms plan re reviewing action plans Score 2 <ul style="list-style-type: none"> • Not met: Including EX business partners • Not met: Responding to affected stakeholders concerns • Not met: Ensuring affected stakeholders can access communications

C. Remedies and Grievance Mechanisms (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Channel accessible to all workers: The Company states that it maintains confidential channels for the lodging of any complaints regarding any human rights violations by the Company through its hotline or Ethics Committee. [Human Rights Policy, 18/10/2018: severstal.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Not met: Number grievances filed, addressed or resolved: The Company reports that in 2018, 'it received 406 submissions, compared with 546 in 2017. Of those, 25% were related to HR issues (compensation, bonuses and other payments), 7% were related to health and safety, and 7% were related to landscaping, parking lots and walkways. We were able to help 87% of employees who contacted our hotline'. However, it is not clear the actual number or percentage related to human rights issues, as "HR", based on the topics covered, seem to refer to "human resources". [Corporate Social Responsibility and Sustainable Development Report 2017, 31/12/2017: globalcompact.ru] • Not met: Channel is available in all appropriate languages • Not met: Expect EX BPs to have equivalent grievance system • Not met: Opens own system to EX BPs workers
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from 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 for community: The Company has confidential channels for reporting any human rights violations. The channel is also opened to communities and the company's representatives. [Human Rights Policy, 18/10/2018: severstal.com & Corporate Social Responsibility and Sustainable Development Report 2017, 31/12/2017: globalcompact.ru] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Describes accessibility and local languages • Not met: Expects EX BPs to have community grievance systems • Not met: EX BPs communities use global system
C.3	Users are involved in the design and performance of the channel(s)/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: Engages users to create or assess system • Not met: Description of how they do this <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Engages with users on system performance • Not met: Provides user engagement example on performance • Not met: EX BPs consult users in creation or assessment
C.4	Procedures related to the mechanism(s)/channel(s) are 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: Response timescales • Not met: How complainants will be informed <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Escalation to senior/independent level
C.5	Commitment to non-retaliation over complaints or concerns made	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: The Company states that there shall be no retaliation against any individuals reporting any human rights violations or other concerns related to this Policy. [Human Rights Policy, 18/10/2018: severstal.com] • Met: Practical measures to prevent retaliation: The Company states that it has a comprehensive feedback system that uses several communications channels. Anonymity is guaranteed. [Corporate Social Responsibility and Sustainable Development Report 2017, 31/12/2017: globalcompact.ru] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Has not retaliated in practice • Not met: Expects EX BPs to prohibit retaliation
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	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: Won't impede state based mechanisms • Not met: Complainants not asked to waive rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Will work with state based or non judicial mechanisms • Not met: Example of issue resolved (if applicable)
C.7	Remedying adverse impacts and incorporating lessons learned	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Describes how remedy has been provided • Not met: Says how it would remedy key sector risks <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Changes introduced to stop repetition

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism

D. Performance: Company Human Rights Practices (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.3.1	Living wage (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"> • Not met: Living wage target timeframe or achieved • Met: Describes how living wage determined: The Company states that in December 2017, representatives of its employees signed a new collective agreement for 2018–2020. This agreement covers almost 24,000 employees. According to the new document, minimum wage needs to be at least twice the living minimum established for the employable population in the respective region of Russia. It also increased the amount of one-time support payments. Benefits for employees returning from military service was doubled from 5,000 to 10,000 roubles. Maternity grant was increased to 3,000 roubles, and monthly benefits for widowers and widows with children, legal guardians and donors who donated blood at least three times per year were increased as well. In addition the Company discloses that 'In 2018, the average salary at Severstal's manufacturing businesses was higher than regional average, and in our key regions, Vologda Oblast and the Republic of Karelia, it was twice as high as the regional average. Our standard entry-level worker wage was on average more than three times higher than the legal minimum wage'. [Corporate Social Responsibility and Sustainable Development Report 2017, 31/12/2017: globalcompact.ru & Corporate Social Responsibility and Sustainable Development Report 2018, 31/12/2018: severstal.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Pays living wages • Not met: Reviews livings wages definition 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 re non EITI countries • Not met: Disclosures contract terms where not a requirement
D.3.3	Freedom of association and collective bargaining (in own extractive operations, which includes JVs)	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits not to interfere with union rights and collective bargaining and prohibits intimidation and retaliation: The Company states that it will ensure its compliance with human rights in respect of its employees as prescribed by the ILO Declaration on Fundamental Principles and Rights at Work, including the upholding of the freedom of association and the effective recognition of the right to collective bargaining. In addition, "between 34% and 66% of Severstal employees are members of GMPR (Miners' and Metallurgical Workers' Union of Russia), Rosugleprof (Russian Independent Union of Coal Workers) or NPG Independent Miner Union, who have their representation in our businesses." [Human Rights Policy, 18/10/2018: severstal.com] • Met: Discloses % covered by collective bargaining: The Company reports that in 2018, the trade union involvement at Olcon, Karelsky Okatysh, Vorkutaugol, and Cherepovets Steel Mill were 33.4%, 41.4%, 65.4%, and 66.4% respectively. [Corporate Social Responsibility and Sustainable Development Report 2017, 31/12/2017: globalcompact.ru] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Both requirement under score 1 met
D.3.4	Health and safety: Fatalities, lost days, injury rates (in own extractive operations, which includes JVs)	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Injury Rate disclosures: The Company reports that the number of injuries were 81 in 2018. The long-term injury frequency rate is 0.95 in 2018. [Corporate Social Responsibility and Sustainable Development Report 2017, 31/12/2017: globalcompact.ru] • Not met: Lost days or near miss disclosures • Met: Fatalities disclosures: The Company reports that there were 2 fatalities in 2018. [Corporate Social Responsibility and Sustainable Development Report 2017, 31/12/2017: globalcompact.ru]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> Met: Set targets for H&S performance: The Company reports that it aims to reduce Long-Term Injury Frequency Rate (LTIFR) by 50% compared with 2017 and eliminate all work-related fatalities with our personnel by 2025. [Objectives of the Severstal Group of Companies on Environment, Health and Safety by 2025: severstal.com] Met: Met targets or explains why not: The Company reports that 'Vorkutaugol and Karelsky Okatysh achieved our injury reduction targets in 2018. Vorkutaugol almost halved the injury rate (from 43 to 25 cases). This result was achieved by implementing a production control system with clear separation of duties and responsibilities, eliminating process redundancies, engaging all managers and conducting performance assessments'. [Corporate Social Responsibility and Sustainable Development Report 2017, 31/12/2017: globalcompact.ru]
D.3.5	Indigenous peoples rights and free prior and informed consent (FPIC) (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: Process to identify indigenous rights holders: The Company reports that it respects the rights of indigenous people and provides ongoing support to events focused on preservation of ethnic heritage and development of regional cultural potential. However, the Company has not described the process to identify or recognize affected or potentially affected indigenous people. [Corporate Social Responsibility and Sustainable Development Report 2017, 31/12/2017: globalcompact.ru] Not met: How engages with communities in assessment <p>Score 2</p> <ul style="list-style-type: none"> Not met: Commits to FPIC (or ICMM) Not met: Gives recent example FPIC or dropping deal
D.3.6	Land rights (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: Approach to identification of land tenure rights holders Not met: Describes approach to doing so if no recent deals <p>Score 2</p> <ul style="list-style-type: none"> Not met: How valuation and compensation works Not met: Steps to meet IFC PS 5 in state deals Not met: Describes approach if no recent deals
D.3.7	Security (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: How implements security (inc VPs or ICOC) Not met: Example of respecting HRs in security Not met: Ensures Business Partners follow security approach <p>Score 2</p> <ul style="list-style-type: none"> Not met: Assesses and involves communities Not met: Working with local community
D.3.8	Water and sanitation (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: Action to prevent water and sanitation risks <p>Score 2</p> <ul style="list-style-type: none"> Not met: Water targets considering local factors Not met: Reports progress in meeting targets and shows trends in progress made

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"> Headline: 36 deaths following explosions at Severstal's mine in Arctic Russia Area: H&S Story: On February 25th 2016, two methane blasts killed 4 people, injured 8 and trapped 26 workers at a depth of 748 metres in a Severstal mine in Arctic Russia. Two days after, a third explosion killed five rescue workers sent to retrieve the trapped miners, as well as another miner. A spokeswoman for the mine operator, Vorkutaugol (a subsidiary of Severstal), said that "according to the expert technical council, 26 (missing) people who were in the mine had no chance of surviving." On February 29th 2016, Severstal announced that 36 people were killed by explosions at the Severnaya mine. Russian President Vladimir Putin ordered a government commission to look into the incident at the mine. Sources: [Shanghai Daily - 29/02/2016: archive.shine.cn][Metal Bulletin - 29/02/2016: metalbulletin.com][Reuters - 28/02/2018: reuters.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).1	The Company has responded publicly to the allegation	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Public response available: There is no evidence that Severstal has publicly responded to the allegation. According to one source, the Russian authorities tasked with investigating the mine collapse stated that the disaster was a result of natural causes, but this has been disputed by various sources. [As the death toll rises, is Russia failing its coal miners?, 08/06/2016: mining-technology.com & Miners trapped after accident in Russia's Arctic pronounced dead, 28/02/2016: reuters.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Response goes into detail
E(1).2	The Company has appropriate policies in place	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: Company policies address the general issues raised: Severstal states that "The health and safety of our employees is Severstal's number one priority." Additionally, it states: "Severstal will not compromise on ensuring the safest working environment possible. This is the immediate priority of managers at all levels of the company." [Health and Safety Policy, April 2019: severstal.com] • Not met: Policies apply to the type of business relationships involved: The company states that it trained 100% of its line managers (3,700 people) on its health and safety corporate knowledge assessment and training system. It states that it extended these practices to suppliers. However, the company has not made clear whether its health and safety applies to both employees and suppliers. [Corporate Social Responsibility and Sustainable Development Report 2017, 31/12/2017: globalcompact.ru] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Policies address the specific rights in question: The company provides data on health and safety related to injury rates, both major and minor injuries, and fatalities over a two-year period. [Corporate Social Responsibility and Sustainable Development Report 2017, 31/12/2017: globalcompact.ru]
E(1).3	The Company has taken appropriate action	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: Engages with affected stakeholders: There is no evidence that the company has engaged with affected stakeholders. According to a Russian State news agency, all rescuers that were killed or injured will be given posthumous state awards. • Not met: Encourages linked business to engage affected stakeholders: There is no evidence that the company has encouraged linked business to engage with affected stakeholders. • Not met: Provides remedies to affected stakeholders: There is no evidence that the company has provided remedies to affected stakeholders. • Not met: Has reviewed management systems to prevent recurrence: There is no evidence that the company has reviewed management systems in light of the allegations. [Corporate Social Responsibility and Sustainable Development Report 2017, 31/12/2017: globalcompact.ru] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Remedies are satisfactory to the victims: There is no evidence that the company has provided remedies to the victims or their families. • Not met: Has improved systems and engaged affected stakeholders: In 2017, the company carried out a number of improvements at the Vorkutaugol mine location, including: "Installation of explosion-proofing systems and controls at mine entrances; Containment of methane and coal dust explosions in mines; Establishing the rules for movement and installation of methane sensors in the mines; Elimination of human errors and unauthorised movement of sensors in mines; Installation of Strata safety system; Continuous monitoring of air quality, dust and gas explosion protection, locations of all miners with 20 m accuracy, underground wireless communications, etc." Additionally, the company states: "In 2017 Vorkutaugol organised several large-scale events on prevention of injuries from collapsing rock in mines. We designed memos for underground mining employees, introduced weekly newsletters with information on the causes and circumstances of typical accidents resulting from collapsing rock, and many other topics." However, there is no evidence that the company has engaged with affected stakeholders. [Corporate Social Responsibility and Sustainable Development Report 2017, 31/12/2017: globalcompact.ru]

F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	1.05 out of 4	Out of a total of 38 indicators assessed under sections A-D of the benchmark, Severstal made data public that met one or more elements of the methodology in 10 cases, leading to a disclosure score of 1.05 out of 4 points.
F.2	Recognised Reporting Initiatives	2 out of 2	The individual elements of the assessment are met or not as follows: Score 2 <ul style="list-style-type: none"> • Met: Company reports on GRI: The Company reports on GRI at the end of its Corporate Social Responsibility and Sustainable Development Report 2018. [Corporate Social Responsibility and Sustainable Development Report 2017, 31/12/2017: globalcompact.ru] • Not met: Company reports on SASB • Not met: Company reports on UNGPRF
F.3	Key, High Quality Disclosures	0.4 out of 4	Severstal met 1 of the 10 thresholds listed below and therefore gets 0.4 out of 4 points for the high quality disclosure indicator. Specificity and use of concrete examples <ul style="list-style-type: none"> • Not met: Score 2 for A.2.2 : Board discussions • Not met: Score 2 for B.1.6 : Monitoring and corrective actions • Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers • Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s) Discussing challenges openly <ul style="list-style-type: none"> • Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts • Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned Demonstrating a forward focus <ul style="list-style-type: none"> • Not met: Score 2 for A.2.3 : Incentives and performance management • Not met: Score 2 for B.1.2 : Incentives and performance management • Not met: Score 1 for D.3.1 : Living wage (in own extractive operations, which includes JVs) • Met: Score 2 for D.3.4 : Health and safety: Fatalities, lost days, injury rates (in own extractive operations, which includes JVs)

Disclaimer

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

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

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As CHRB Ltd, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.