

## THE REVIEW OF THE EVOLUTION OF INFORMATION IN THE PUBLIC NON-FINANCIAL REPORTS OF RUSSIAN METALLURGICAL COMPANIES

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### Abstract

The evolution of information maintenance of the business practice constructed on the principles of social responsibility and sustainable development of 5 large Russian companies of ferrous metallurgy became **the subject** of this publication. Due to the growing attention and concern of the civil society to the issues of "green economy" and climate change, occupational safety and production, risk management, energy efficiency, implementation of anti-corruption practices, contribution to the development of the territories of the presence - an a specific plateau of the analysis of public non-financial reporting (hereinafter - PNR) of the companies: PJSC Magnitogorsk Iron and Steel Works (hereinafter - referred to as JSC MMK), PJSC Novolipetsk Steel (hereinafter - PJSC NLMK), PJSC Severstal, JSC Holding The new company "METALLOINVEST" (JSC "HK METALLOINVEST"), United Metallurgical Company JSC (JSC "OMK").

**The purpose** of the research was to identify the features and patterns of development and implementation of socially responsible business, clarify and systematize the main problem areas in the practice of providing information to stakeholders of Russian metallurgical companies.

**Results and practical importance:** The obtained results allow drawing conclusions about significant aspects of corporate responsibility from the point of view of Russian companies, about the contribution of business to solving socially significant problems, and the trends in the development of social reporting among Russian flagships of ferrous metallurgy. At the same time, the results of the research are interesting in terms of forming modern ideas about responsible corporate practice and business ethics of Russian business.

**Keywords:** public non-financial reporting, Russian steel companies

## 1 INTRODUCTION

The national business faces the task of ensuring strong positions in the domestic and foreign economy, which creates the basis for sustainable development of the country. In conditions of globalization and openness of markets, such opportunities largely depend on the level of competitiveness of Russian companies. Competitiveness today is determined by the effectiveness of using not only production assets

and monetary resources, but also intangible assets of companies, quality management of non-financial risks. The activities covered by non-financial indicators reflect a wide range of issues - the quality of management, the ethics of business conduct, the structure and effectiveness of social investments associated with the development of personnel, maintaining health in the workplace, creating an enabling environment in the areas of presence. These factors, determining the public face of the company, increasingly affect the formation of its business reputation, which has quite certain economic consequences.

The beginning of the active phase of non-financial reporting into 2000-2001 years. In this time, the same tendencies of the development of this process were manifested in the country, which were observed and continue to develop in the world: rather high rates of growth in the number of participants, expansion of the use of universal indicators and an integrated approach to assessing non-financial performance of companies.

The authors emphasize that the social responsibility of Russian business was initially out of the state's attention and was based purely on voluntary initiatives. By 2011 year the first signs of the state understanding of importance of this initiative have appeared. This initiative was ended in May, 2017 in connection with adoption of "The concept of development of the public non-financial reporting" (hereinafter - Concept) [21] (PNR). All provisions of the Concept are developed taking into account the Russian [2],[3],[4],[8],[22], [29] and international documents [ 9],[10],[18], [23], [31]. As a result, [21, c. 3] the PNR becomes mandatory for state companies, state corporations, public-law companies, state unitary enterprises and business entities with state participation. For other commercial and non-commercial organizations, the PNR has a strictly voluntary order. The form of the PNR report is chosen by the company.

Public non-financial reporting (PNR) in the Russian Federation is legalized in three different forms [21]:

- The report on activities in the field of sustainable development (hereinafter - SDR) for a wide range of stakeholders, containing information on significant issues of social responsibility and sustainable development, characterize responsible business practices, including economic, environmental, social aspects and management aspects of the organization;
- The annual report - a document for shareholders, where the extended composition of information, taking into account the organizational and legal framework form, presence in the securities market, regulatory requirements legal acts, as well as the provisions of the Code of Corporate Governance. The concept allows including in the annual reports to shareholders information related to the regulation of sustainable development and social responsibility included in public non-financial reporting;
- An integrated report - a document reflecting the relationship between different elements, characterizing the business model and focused primarily on investors. In the integrated report is fully disclosed financial and non-financial information on the activity of the organization.

The prolonged period of the introduction of the rules the PNR, according to the Concept, should ensure a consistent transition of state and socially significant companies to the regular informing of civil society about their effectiveness in achieving sustainable development and socially responsible business. The choice of such a decision is due to the existing dichotomy in Russian business, which is manifested in 17-year recognition of the importance of social responsibility of activities, with a spontaneous choice of the form, periodicity and composition of the indicators produced by the PNR. Hence, it is important to determine the specifics of implementing socially responsible entrepreneurship in the Russian Federation, as well as to identify problems related to transparency in informing interested users. The choice of the object of the study of socially responsible activities of the five largest systemically important [11] metallurgical companies are due to the following reasons:

- Belonging to the second, after the oil and gas, strategic sector for the Russian economy, with a share of 5% in the country's GDP and a share in exports of about 14% [30];
- Ferrous metallurgy, as the largest consumer of products and services, uses 5,3% of electricity, more than 8% of natural gas from total domestic consumption in Russia, its share in freight rail transportation is 15%;
- Completion of the formation of the sectoral structure of metallurgy in the market potential of the country in the formation of ten large vertically and horizontally integrated holdings that unite enterprises along the entire technological chain of production from coal and ore mining and processing to infrastructure units, scrap processing, energy, ports and railway transport;
- Referring the metallurgical industry to the second largest environmental damage to the environment [26].

When choosing companies for the research, the authors were guided by the following requirements: the size

of business with a wide geography of accommodation in Russia and abroad; the presence of city-forming enterprises in the structure of companies; a variety of socially responsible environmental and social activities; the number of companies employed by enterprises (See Table 1).

**Table1. Number of employees working at enterprises - the object of research**

Company name	Number of employees	Share of employees in the industry (%)
JSC "HC METALLOINVEST"	60 300	9,55
PJSC "NLMK"	38 869	6,12
PJSC Severstal	35 418	5,59
PJSC MMK	29 868	4,7
JSC OMK	27 021	4,2
<b>TOTAL:</b>	<b>191476</b>	<b>30,16</b>

Source: compiled by the authors based on [14], [15], [16] [17], [20].

The PNR is considered as the basis for informing about the sustainable development of companies and socially responsible business of a wide range of stakeholders: owners, investors, representatives of civil society.

## 2 SOURCES AND METHODS

The information base of the research was the regulatory framework governing various aspects of the metallurgical industry and public non-financial reporting, a sample of 40 non-financial reports of 5 metallurgical companies (See Figure 1), published from 2004 – 2016 years on official websites of companies, as well as placed in the National Register and the Library corporate non-financial reports [12] of the Russian Union of Industrialists and Entrepreneurs (hereinafter- RUIE), analytical reviews of socially responsible initiatives of Russian business, the results of monitoring of the Russian Regional Network for Integrated Reporting (hereinafter - "RRNIR"), scientific publications and publications in the mass media.

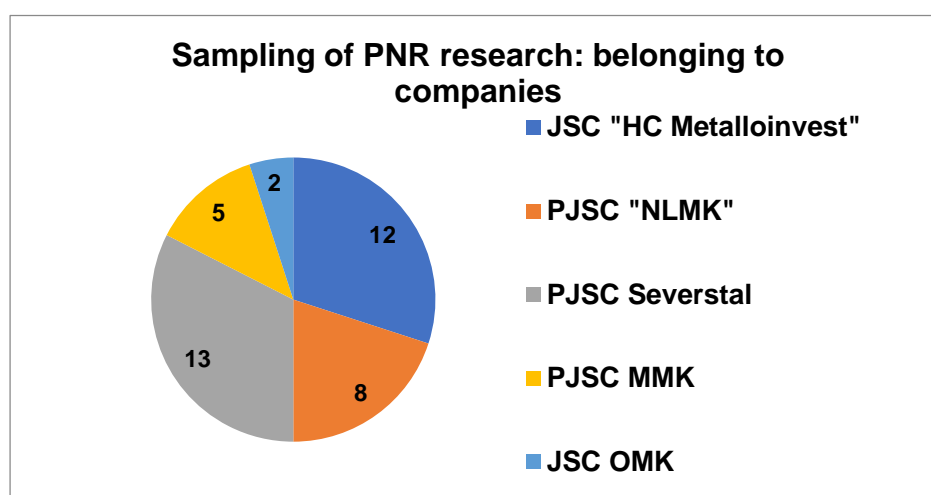


Fig1. Research sample: company affiliation

Source: compiled by the authors

The sample array is not uniform, because consists of 4 types of reports (Figure 2), selected by companies as a form of submission in different periods from 2004 - 2016 years.

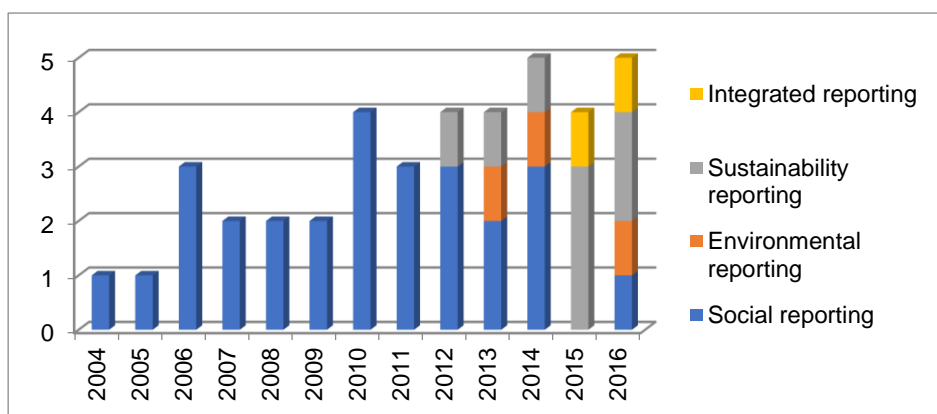


Fig2. The sample of the research: the format of the PNR by the years of submission  
Source: compiled by the authors

Figure 2 demonstrates the predominance of the form of the social report (hereinafter - SR) over others. So, from 2004 to 2011 years, the metallurgical companies (PJSC "MMK", PJSC "Severstal", PJSC "NLMK", JSC "HK METALLOINVEST" and JSC "OMK") did not issue any other types of reports. A variety of forms appears only in 2012 year, with the publication of a sustainable development report (hereinafter - SDR) from PJSC Severstal. The civilized form of the PNR companies are acquired in the last 4 years (2013-2016) with the expansion of the range of the PNR environmental reporting (hereinafter - ER) and integrated reports (hereinafter - IR).

The research is based on the methodology of the historic-comparative approach, in the context of which the problem-chronological and historical-genetic methods are applied. As part of checking the results of observations with the historical-logical approach, the authors decided to distribute the results for several periods (Figure 3).

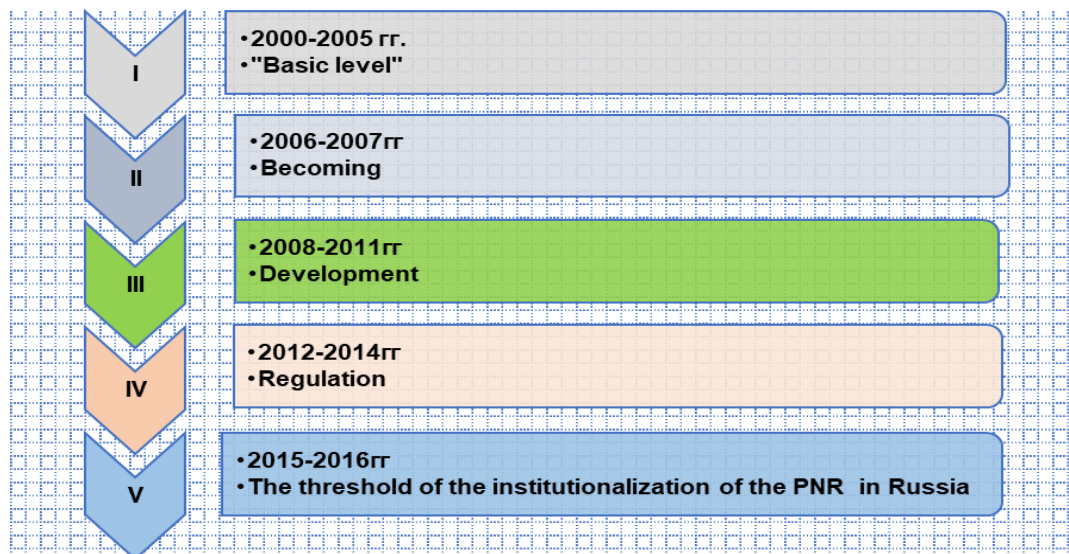


Fig3. Periodization of the evolution the PNR in Russia

Source: author's development

The first period covers 2000-2005 year. This is the beginning of the design of socially responsible business in Russia, the so-called "baseline" from which progress is measured in the future. At this stage, the reporting of the selected companies was presented to JSC "PJSC "MMK" and PJSC "Severstal".

The second period of 2006-2007 year is characterized by the emergence of social responsibility in the form of continuous implementation of activities and the expansion of their list. In our research, this period is presented to PJSC PJSC "MMK", PJSC "Severstal", PJSC "NLMK".

The third period - 2008-2011 year - the formation of key drivers of the development of the PNR in the quality

vector of informing stakeholders. At the same time, companies fall under the press of the financial and economic crisis. The sample of the social responsibility implementation research is provided by the PJSC PJSC "MMK", PJSC "Severstal", PJSC "NLMK" and JSC "HC" METALLOINVEST ".

The fourth period - 2012-2014 year - the formalization of requirements and the first verification of transparency of activities. The review of socially responsible activities is based on the PJSC "PJSC" MMK ", PJSC "Severstal ", PJSC "NLMK "(8 SR, 3 SDR, 2 ER).

The fifth period - 2015-2016 year - the so-called the threshold of the institutionalization of the PNR in Russia. The sample is represented by all companies (PJSC PJSC "MMK", PJSC "Severstal", PJSC "NLMK", JSC "OMK")<sup>1</sup>.

The internal gradation of the presentation of the results is coordinated with the main reporting requirements regulated by the international GRI standard and the national "Social Charter of Russian Business", in positioning with the presentation vector of the metallurgical companies being studied.

### **3 RESULTS**

The research array of public social reporting shows the differences in understanding and methods of implementing the principles of social responsibility by Russian enterprises. The classification analysis of the PNR allowed determining the characteristic features of the introduction of social responsibility in the management practices of Russian business.

The basic level (2000-2005 years) of the PNR testifies to the informal approach to corporate social responsibility and corresponds to the sporadic nature of the implementation of social and environmental activities in the activities of enterprises. This period of social responsibility for the entire Russian business in general and for the steel industry in particular, is characterized by the predominance of one-off charity, as well as numerous examples when PR actions are issued for social initiatives. In the reporting of 2004 year, PJSC Severstal, which RSPP evaluated positively in its analytical reviews [13], publishes numerous examples of charitable actions aimed at supporting the Bolshoi and Mariinsky theaters, the Tretyakov Gallery, the Russian Museum, the Dionisy Museum of Frescoes and the Valaam Monastery. At the same time, the annual amount allocated to support social and cultural projects was indicated - more than \$ 50 million [27], of which about 90% was invested in the development of the territories of the presence of enterprises and the improvement of the lives of ordinary workers. It is important is the fact that the RSPP [13, p.7] notes that PJSC Severstal uses the company's official website to post information about the results of its social programs, while not releasing the present PNR. By the way, we should mention the characteristic feature of the time when out of 280 companies that issued their public non-financial reports in the period from 2000 to 2005 year, 27% did not have their own corporate website [13, from 26]. And those companies who had Internet sites did not use the results of socially responsible activities for posting. Thus, we state the initial endemics of the process of creating the digital platform of the PNR, which will affect in 10 years, when integrated reporting will be introduced. The 2005-year social report [19] of the company PJSC "MMK" already has external signs of standardized non-financial reporting: management's appeal, vision of the future, disclosure of the company's strategy, management structure and management system. Separate sections also present the positions of quality management, economic performance, ecology and environmental protection, respect for human rights, charity and sponsorship programs. Charity support, financial assistance, provision of health and leisure facilities for people, development of urban infrastructure, financing of hospitals and educational institutions, implementation of youth, housing and educational programs, as well as programs to support childhood and maternity. The company declares that its main strategic resource is a person and creates conditions for professional and career growth of personnel, implements a set of measures aimed at ensuring safe working conditions. Achievement of target environmental indicators was ensured by the implementation of the OJSC MMK Environmental Program for 2005 year, which included 60 events [19, p. 33]. The most significant activities carried out by PJSC "MMK" in 2005 in terms of environmental activities were:

- Construction of objects of circulating water supply system;
- Reconstruction of nature protection objects of ore-dressing production (sulfur removal plants, aspiration systems of tail sections of aglomachines).

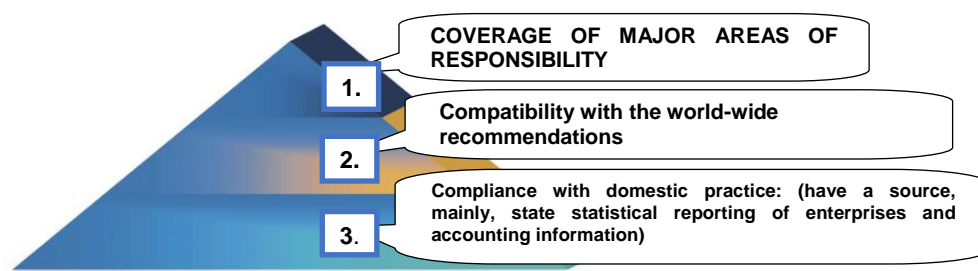
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<sup>1</sup> JSC OMK issues consolidated PML only from 2015. Earlier, the enterprises that were part of OMK issued their social reports. For example, OAO Vyksa Steel Works (Author's Note)

The main results of these activities were indicators:

- Reduction of gross emissions into the atmosphere by 4540 tons;
- reducing the mass of discharges into the company's circulating water supply system by 1,570 tons;
- Utilization of 5, 2 million tons of metallurgical slag;
- Waste processing in the amount of 4, 0 million tons;
- Reclamation of disturbed lands on the territory of industrial facilities with an area of 3.25 hectares.

PJSC MMK implemented renewable energy initiatives. So, the share of coke and blast furnace gas in the fuel balance of the company's power plants was 55% in 2004, and in 2005 - 56.5% [19, p. 35]. A strong tradition has been laid for socially responsible Russian metallurgical companies to analyze in detail the results of activities to reduce harmful emissions into the atmosphere and discharge pollutants into water bodies. It was PJSC "MMK" that first introduced the practice of non-financial reports of Russian metallurgical companies about their environmental activities in accordance with ISO 14001 (Environmental Management).



**THE INDICATORS OF PERFORMANCE IN THE SOCIAL CHARTER OF THE RUSSIAN BUSINESS (RSPP)**

Status indicator	Number of indicators (total)	Section on the Criteria for Sustainable Development		
		Economic indicators	Environmental Indicators	Social Indicators
Basic	29	7	7	15
Additional	19	1	11	7
TOTAL	48	8	18	22

Fig4. Performance Indicators for the "Social Charter of the Russian Business"

Source: compiled by the authors on the basis of [28]

With all the positive trends in the PNR of Russian metallurgical companies on this period, there is still no significant comparability of both intra-industry and business communities, which is explained by the superficial use of the GRI standard. Numerous discussions on this issue were expressed in agreement with the opinion on the need to create a national analogue of the standard of non-financial reporting that was issued by the RSPP in the form of the second edition of the "Social Charter of Russian Business», which, according to the authors, characterized the main evolutionary processes in 2006-2007 year - the period of formation of the PNR.

The social charter of Russian business was adopted by the RSPP Congress in 2004 year, the new edition of 2007 year. National performance indicators, although similar to the GRI version (g3), have their own peculiarities, namely, they are smaller and the calculation methodology is described in detail, i.e. is regulated by the document itself adopted by the national business. This immediately became felt in the implementation of socially responsible activities and informing about the results achieved. The motives for companies to publish non-financial reports remained very diverse. For many companies such as report is one of the ways to inform target audiences about the results of their activities. Public reporting of information relevant to the company to major groups of influence can be recognized as an urgent task for the steel industry.

The newly issued companies of PJSC "MMK" PJSC, PJSC "Severstal" and PJSC "NLMK" are already benefiting from the depth of reflecting socially responsible activities and the quality of information preparation for non-financial reporting. In the Table 2 presents the structure of Russian sectoral social investments ahead of the impending global financial crisis, published as part of the United Nations Global Compact in 2009 year.

**Table2. Pre-crisis structure of Russian sectoral social investments in terms of use (as% of total social investment)**

Branches of the economy	Staff development	Health protection	Resource Saving	Good business practice	Community development	Other
Fuel complex	37,0	6,1	35,5	5,5	10,9	4,9
Non-ferrous metallurgy	36,4	15,5	37,7	2,2	7,0	1,0
Ferrous metallurgy	47,8	7,0	32,0	1,3	10,5	1,6
Power engineering	40,7	9,1	42,0	1,3	4,9	1,8
Forest and wood processing industry	48,4	9,7	15,9	1,7	16,9	7,2
Mechanical engineering	61,8	6,8	5,5	15,5	9,0	1,2
Manufacture of consumer goods and services	47,1	10,1	11,7	1,2	20,2	9,4
Chemical industry	42,9	11,2	35,1	1,2	5,5	3,8
Professional Services	49,1	45,1	0,6	5,2	0,0	0,0
Service	79,1	0,4	0,0	9,9	10,5	0,0
Telecommunications	70,0	10,8	0,4	1,9	3,1	13,5
Transport	58,4	33,0	2,9	1,5	2,8	1,1
Financial sector	75,9	0,0	0,0	6,9	17,0	0,0
Trade	59,0	10,6	17,7	0,0	12,7	0,0
Interindustry holdings	31,7	13,8	18,6	0,9	20,9	14,0
Average	52,3	12,6	17,0	3,7	10,1	4,0

Source: compiled by the authors based on [12]

Occupying the third line according to the data in Table 2, the companies of the ferrous metallurgy demonstrate a balanced approach to financing and implementing socially oriented activities. At the same time, the company's PNR met the requirements for that period [6]: use of a standardized approach based on the application of a certain reporting system or "standard" of reporting; presence of audit; availability of the report in English; availability of tools for feedback; availability of the report in the public domain.

The third period (2008-2011 year), determined by the authors in the development of the quality requirements for reporting and social responsibility, with the release of ISO 26000 (Guide to Social Responsibility), is determined by the tasks that the business that was plunged into the global financial crisis had to solve. The authors emphasize the importance of the fact that companies whose results of socially responsible activity we investigate have not abandoned all their corporate programs (Table 3).

**Table3. Comparison of the volume of financing of the main social programs of companies "before" and "during" the global financial crisis (in million rubles)**

Company name	Ecology		Non-state pension provision		Social package and benefits		Health programs	
	2007	2010	2007	2010	2007	2010	2007	2010
JSC "HC METALLOINVEST"	3000	4800	142	192	344,93	468,69	263	358,41
PJSC "NLMK"	4800	4557	95	90	33	120	150	150
PJSC MMK	1905,2	2239,6	96,4	25,4	565,49	613,1	217,58	240,94

Source: compiled by the authors based on the PNR of companies in the National Register and the Library of Corporate Non-Financial Reports [12]

The data in Table 3 prove the author's assumption that the companies under investigation, despite deteriorating business conditions due to the increase in risks associated with the global financial crisis, not only did not abandon social programs, but even increased their funding. Such programs include social benefits and all aspects of medical care under health programs. Perceiving the social vector of the results of the environmental activities of business as a fundamental principle of social responsibility, the companies of ferrous metallurgy have achieved certain successes in these years, which were evaluated by public and environmental organizations. In 2007 year, PJSC MMK took 71 places in the rating of the 100 largest companies in the real sector of the Russian economy, and PJSC NLMK won the Third All-Russian Review Contest "Leader of Environmental Activities in Russia-2007". PJSC "NMLK" is recognized as the laureate of the contest "100 Best Organizations of Russia. Ecology and environmental management ". Honorary title was conferred on the results of environmental activities in 2010 year.

The characteristic feature of informing interested users through the PNR of this time for Russian steel companies was a detailed description of the main risks of their activities with a gradation of external and internal aspects. In addition, during this period companies began to introduce internal audit departments into their control structures. Despite the fact that the level of subordination of these departments to general directors, that is top management and not representatives of owners - the Board of Directors, is the endemic of Russian business, it was a small step forward. For the sake of fairness, the authors need to clarify that so far, many Russian companies have the same situation. The fourth period (2012-2014 year) is the period of formalization of the requirements for the most social responsibility and the first assessment of transparency of Russian companies, which was associated with important events for these aspects - a broad international discussion of the provisions of a new type of public non-financial reporting, the idea of which was born in the midst of the global financial crisis in 2010 year, and the new edition of the GRI (g4) 2013 standard.

In these years, there have been trends in the steel industry to publish not only positive information about them. Thus, in the reports of PJSC Severstal, PJSC MMK, JSC HC METALLOINVEST, this period data appeared that had not existed before: fines for damage to the environment, damage estimates related to man-made accidents, an increase in the number of occupational diseases in personnel, etc. An example is provided by the data in Table 4.

**Table4. Lost time injury frequency rate - the frequency of injuries with temporary disability**

<b>Company name</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
"METALLOINVEST"	0,45	0,44	0,67	0,42
"Severstal"	1,92	1,91	1,56	1,43
"Magnitogorsk Iron and Steel Works"	0,79	0,89	0,99	0,94

Source: compiled by the authors based on the PNR of companies in the National Register and the Library of Corporate Non-Financial Reports [12]

In 2013 year, "RRNIR" was the first large-scale action to assess the information openness and transparency of the 481 Russian companies. As a result, PJSC "NLMK" took the 20th place, and PJSC "Severstal" 38th place, PJSC "MMK" 68th place, JSC "HC METALLOINVEST" 68th place, JSC "OMK" - 202nd place [7]. The PJSC Severstal in the form of SDR issued in these years testifies to the revision of the company's mission, which is regarded as the most important identification sign of integrating the principles of social responsibility in enterprise management [32] and corresponds to the implementation of social responsibility at the level of strategic goal-setting. The structure of the filling of these reports fully complies with the regulations of the GRI standard. For the first time there is evidence that SDR management and audited financial statements were used in the preparation of SDR. Sources of data reflecting activities in the social sphere and in the field of labor relations are also indicated. Explanations are given of methods of obtaining and accumulating an array of indicators based on environmental protection. It is stated that the set of indicators of activity in the sphere of sustainable development basically corresponds to the perimeter of the financial statements, and the reporting is consolidated. These SDRs were publicly certified by the Council on Non-Financial Reporting of the Russian Union of Industrialists and Entrepreneurs and were published on the official website of the company in Russian and English languages for access to a wide audience in Russia and abroad. It is important to emphasize that, since this time, the forecasting information and various forward-looking assessments of both financial and other results related to the socially responsible activities of enterprises are included in the PNR of metallurgical companies. Among other things, prospective assessments of conditions and changes in competition in the markets, as well as other risks affecting the conduct of operations of metallurgical companies, began to appear. The fifth period - 2015-2016 year - the so-called the threshold of the institutionalization of the PNR is marked by new informal initiatives of the Russian Union of Industrialists and Entrepreneurs (RSPP) and an active business community to improve information and, accordingly, to adjust socially responsible business performance of companies, the publication in 2015 of the "Set of Corporate Social Responsibility and Accountability Indexes" [5] (hereinafter - Index Complex). The output of this publication is aimed at the development of public corporate reporting and external evaluation tools for responsible business practices, creating a platform for regular monitoring of the situation in this area. In the framework of our research, the Index complex has still a certain significance, which is based on the results of the research projects of the registered professors of PJSC Severstal, and the index complex called Social Capital is developed with the active participation of JSC "HC METALLOINVEST". The "Responsibility and Openness" index assesses the quality of PNR disclosure in public corporate reporting. It also allows identifying a range of topics that are priority for Russian business leaders in the field of corporate social responsibility, as well as a set of indicators that companies use to reflect their impact on the economy, society and the environment. The Index "Vector of Sustainable Development" helps to track the dynamics of



processes related to the activities of companies by areas of responsibility, shows the direction of the movement. The list of indicators includes, for example, occupational health and safety at work, pay, staff training, employee turnover, social investment, economic impact, air emissions, water use and other environmental data, energy use, etc. The introduction of these indices allowed a broad valuation of transparency of Russian business conducted in 2015 and 2016 years. Table 5 shows the results of the location in these companies' ratings of the survey sample.

**Table5. Positioning of the surveyed companies in the benchmarking of transparency of activities in 2015 -2016**

2015		2016	
Place in the rating	Name of the company	Place in the rating	Name of the company
<b><i>I. level of transparency - "Disclosure of information at the level of the best international practices"</i></b>			
24	JSC "HC METALLOINVEST"	25	JSC "HC METALLOINVEST"
<b><i>II. level of transparency - "Disclosure of information on international requirements"</i></b>			
43	JSC "OMK"	51	JSC "OMK"
<b><i>III. level of transparency - "Disclosure of information beyond Russian legislative requirements"</i></b>			
52	PJSC Severstal	55	PJSC Severstal
62	PJSC "NLMK"	71	PJSC "NLMK"
82	PJSC MMK	139	PJSC MMK

Source: compiled by the authors on the basis of [7], [23], [25]

According to the data in Table 5, four companies have lowered their rating level. Only PJSC "NLMK" rose by 9 positions. These results testify to the emergence of a new type of intersectoral competition - the competition of socially responsible information about their activities and "stimulates demand for information that confirms that business, primarily large business, is focused on achieving a balance of all three components of sustainable development - economic, social and ecological" [Cit.by1]. In general, metallurgical companies in the sample (Figure 2) in these years continue to produce PNR under the name of social reports, although for internal filling they fully comply with the requirements for sustainable development reports. The loyalty to the former name, in all probability, is determined by the main target group of stakeholders. NLMK in 2016 year issued two reports at once - one in the field of sustainable development, the other - an annual one, but showing signs of an ESG- report containing information that the stock exchanges began to demand. It is possible that the current state of non-financial reporting, characterized by the existence of several reporting platforms and other requirements, may present certain difficulties in the choice of strategy in the reporting area. In 2015 and 2016 years released its company OMK IR. These reports, for the time being, both in structure and in content, do not differ much from reports on sustainable development or ordinary annual reports, except for the use of terminology on capital (human, natural, etc.). Such a report, as a rule, contains consolidated data including analysis of the market, financial and production results, a report on corporate governance in accordance with the requirements of the Bank of Russia, specific industry topics in accordance with the matrix of materiality of topics, a review of activities in the field of personnel management, environmental protection and social investments, financial reporting. The fundamental idea set forth in the International Standard for Integrated Reporting is to describe (yet not to measure) the flow of capital while it remains unrealized. The digital form of the integrated reporting platform with the use of active windows of the interrelations between the indicators has not yet been claimed by the performers, which is typical for companies of all industries. To the general shortcomings PNR of the 5 metallurgical companies and the entire Russian business community can be attributed:

- The predominance of descriptions over analytics;
- There is practically no vector of effectiveness in disclosing information on interaction with society;
- The "voices of stakeholders" are not heard when determining the problems of activities and evaluating the performance of programs;
- The boundaries of the report are often not defined, as well as the focus and tasks of the reporting period.

## 4 CONCLUSIONS

Summarizing the observations, the authors note that the non-financial reporting of the five large backbone private metallurgy companies demonstrates the general trend of acquiring the PNR features of maturity,

which creates a good basis for the further development of data collection and analysis systems that will be crucial for the quality of disclosure and reporting in future.

Companies that have implemented public reporting processes in management systems and current business practices demonstrate a real increase in information openness and responsibility for the impact of their activities not only on ecology, but also on society.

In turn, this shows, as a rule, about the higher development of corporate culture of such companies in comparison with those that remain closed to the external community, for stakeholders in their country and abroad.

## REFERENCE LIST

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