

OPEN JOINT-STOCK COMPANY
BYELORUSSIAN STEEL WORKS
- MANAGEMENT COMPANY
OF "BYELORUSSIAN METALLURGICAL
COMPANY" HOLDING

SOCIAL REPORT 2012

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OPEN JOINT-STOCK COMPANY
"BYELORUSSIAN STEEL WORKS – MANAGEMENT COMPANY OF
"BYELORUSSIAN METALLURGICAL COMPANY" HOLDING

PROGRESS REPORT
on social responsibility and
corporate sustainability of OJSC "BSW - management company
of "BMK" holding for 2012

CONTENT

1. General Director's appeal	2
2. Preface to the fifth report	4
3. Steel markets. Reaching a new level	6
4. Participation of the republican scientific potential in the development of the metallurgical complex	10
5. Metallurgy of Belarus	13
<i>Tasks and goal of the sector formation</i>	13
<i>Development strategy</i>	13
6. Description of key impacts, risks and possibilities	16
<i>History of sustainable development</i>	16
<i>Strategy and mission</i>	20
<i>Principles of strategy implementation</i>	21
<i>Strategy and goals in the area of sustainable development</i>	23
<i>Plant objectives for medium-term outlook</i>	23
<i>History of mastering of main types of products</i>	24
<i>Stages of the production output growth</i>	25
<i>Investment project development approach</i>	27
<i>Plant's impact on social-economic development of the region of its economic activity</i>	29
<i>Investment projects tasks and goals</i>	31
<i>Risk management</i>	33
7. Description of the plant	34
<i>Basic information</i>	34
<i>Description of the key production divisions</i>	34
<i>Organizational structure of management</i>	35
<i>Competitive advantages of OJSC "BSW – management company of "BMC" holding»</i>	35
<i>Approaches to provision of sustainable development</i>	36
<i>Transport-logistics scheme of steel export of OJSC "BSW – management company of "BMC" holding</i>	36
<i>Promising directions of marketing</i>	37
<i>Global markets tendencies</i>	41
<i>Date and events of 2012</i>	42
<i>General information about achievements and awards</i>	43

8. Management, obligations, interaction with interested parties	46
Corporate management	46
Communication	49
Approaches in the field of communication formation	49
Approach implementation	50
Participation in external initiatives	55
Interaction with stakeholders	55
Social safety and discipline	57
9. Indicators of effectiveness in the area of social responsibility	60
Corporate social responsibility	60
9.1 Economic activity	61
Financial-economic activity	61
Economic effectiveness	62
Key indicators	62
Profit	63
Payment to the owner	64
Taxes and compulsory payments	64
Enterprise's risks	64
Investment risks	64
Industry risks	65
Country and regional risks	66
Legal risks	66
Industrial safety, labour protection and ecological risks	66
Financial support by the government	67
Presence on markets	67
Medium-term targets of the plant	69
9.2 Environmental activity	70
Environmental policy	70
Key principles and approaches	70
Implementation of ecological strategy	71
Minimizing the plant's impact on the region's vital activity	71
Minimizing of the plant's impact on flora and fauna	71
Efficient use of natural resources	75

<i>Efficient use of energy resources</i>	76
<i>Air basin protection</i>	78
<i>Water basin protection</i>	81
<i>Utilization of industrial wastes</i>	84
<i>Training</i>	85
<i>Improvement of ecological culture of the personnel</i>	85
<i>Development and implementation of resource-saving, low-waste and environmentally safe technologies</i>	86
<i>Expenses for environment protection and monitoring. Ecological payments</i>	87
<i>Medium-term targets of the Company</i>	87
9.3 Social activity	89
<i>Labour relations and adequate labour</i>	89
<i>Personnel management policy</i>	89
<i>Key principles and approaches</i>	90
<i>Description of the personnel</i>	91
<i>Professional and career development</i>	94
<i>Training and education</i>	95
<i>Motivation system</i>	99
<i>Material stimulation</i>	99
<i>Non-financial incentives</i>	103
<i>Short-term targets in the area of social responsibility</i>	104
<i>Labour protection and ensuring of industrial safety</i>	104
<i>Improvement of labour conditions</i>	106
<i>Training and competence evaluation</i>	107
<i>Social control for observance of human rights in the area of labour protection</i>	107
<i>Social programs</i>	108
<i>Social package of benefits and guarantees for the employees</i>	109
<i>Health protection</i>	110
<i>Effectiveness of medical and health promotion programs</i>	112
<i>Health promotion and rest time of the employees and their families</i>	113
<i>Physical culture and sport development</i>	113
<i>Cultural life of the plant employees</i>	115
<i>Solving of employees cultural problems</i>	117
<i>Support for large families</i>	118
<i>Social support of unemployed pensioners, invalids and other categories of people not sufficiently provided for</i>	118

<i>Concern for children</i>	119
<i>Monitoring of public opinion concerning social programs effectiveness</i>	121
<i>Employees' rights</i>	121
<i>Social partnership</i>	123
<i>The trade union organization of OJSC "BSW – management company of "BMC" holding</i>	123
<i>Primary organization of BRYU</i>	126
<i>Veterans' union</i>	127
<i>Women's union</i>	128
<i>Union of soldiers-internationalists</i>	129
<i>Union of young specialists</i>	129
<i>Union of foremen</i>	130
<i>Union of physical training and sport</i>	130
<i>Monitoring of public opinion about social partners</i>	130
9.4 Responsibility for the goods produced	131
<i>General provisions</i>	131
<i>Product life cycle</i>	131
<i>Customer's health and safety</i>	133
<i>Product marking with appropriate information</i>	134
<i>Marketing communications</i>	136
<i>Mutually beneficial cooperation with consumers of the plant's products</i>	136
<i>Mutually beneficial cooperation with suppliers</i>	138
9.5 Interaction of the parties	140
<i>Interaction with the civil society</i>	140
<i>Charity and sponsorship</i>	141
<i>Interaction with mass media</i>	143
<i>Interaction with authorities</i>	145
<i>Interaction with science</i>	145
Annexes	
<i>Achievement of aims and planned targets of RUE "BMZ" for 2010 -2012</i>	
<i>List of abbreviations</i>	
<i>Table of standard reporting components of GRI (G3)</i>	
<i>Notes</i>	
<i>Feedback questionnaire</i>	

General Director's Appeal



DEAR FRIENDS!
YOU ARE WELCOME TO READ 2012 REPORT OF BYE-LORUSSIAN STEEL WORKS. IT HAS BECOME A GOOD TRADITION WITH US TO MAKE PUBLIC THIS DOCUMENT CONTAINING DETAILED INFORMATION ON ALL AREAS OF BSW ACTIVITY AS AN EVIDENCE OF THE PLANT'S OPENNESS TO THE COMMUNITY AND BUSINESS PARTNERS.

A NUMBER OF EVENTS SIGNIFICANT FOR OUR PLANT HAVE TAKEN PLACE SINCE THE PREVIOUS REPORT PUBLICATION: 2012 DEMONSTRATED IMPORTANT INITIATIVES, IMPRESSIVE ACHIEVEMENTS AND TESTED THE PLANT FOR STRENGTH AGAIN. AT THE VERY BEGINNING OF 2012, BSW BECAME AN OPEN JOINT-STOCK COMPANY AND 8 MONTHS LATER, IT BECAME THE MANAGEMENT COMPANY OF "BYELORUSSIAN METALLURGICAL COMPANY" HOLDING. THIS CHANGE IN THE LIFE OF THE PLANT OPENED NEW POSSIBILITIES, EXTENDED ITS POTENTIAL AND AT THE SAME TIME, ADDED RESPONSIBILITY.

A NEW PAGE IN THE HISTORY OF BSW WAS OPENED WITH THE ESTABLISHMENT OF THE HOLDING. ONE CANNOT BUT MENTION THAT 2012 BECAME A START OF KEY PROJECTS OF THE MOST LARGE-SCALE PROGRAM OF REVAMPING IN THE PLANT'S HISTORY. WE STARTED THE CONSTRUCTION OF A SMALL-SECTION MILL WITH THE CAPACITY OF 700 THOUSAND TONS WITH FURTHER EXPANSION OF ITS CAPACITY TO 1 MLN TONS PER YEAR AND A NEW LIME KILN No.3 DESIGNED TO ELIMINATE GROWING SHORTAGE OF ANNEALED LIME. OVER EUR500 MILLION WILL BE INVESTED FOR IMPLEMENTATION OF THESE PROJECTS.

IF TO REVIEW 2012 IN TERMS OF PRODUCTION RESULTS, WE HAVE EVERY REASON TO CALL IT A YEAR OF RECORDS. FIRST OF ALL, WE HAVE TO POINT OUT OPERATION OF THE ELECTRIC MELT SHOPS WHICH MADE A NUMBER OF RECORDS IN STEEL MAKING SEVERAL TIMES DURING 12 MONTHS. SO, OCTOBER CONTRIBUTED THE HIGHEST MONTHLY RESULT IN THE PLANT'S HISTORY — 236 THOUSAND 729 TONS. THE ANNUAL RESULT IS ALSO A RECORD FOR BSW. SO THE PLANT CLIMBED ONE MORE STEP TOWARDS ITS STRATEGIC GOAL OF THE CURRENT FIVE-YEAR PERIOD — TO REACH THE OUTPUT OF 3 MILLION TONS OF STEEL AND ITS COMPLETE PROCESSING INTO FINISHED PRODUCT.

IN 2012 BYELORUSSIAN STEEL WORKS' TEAM PROVED ONCE AGAIN THAT COMMON EFFORTS DIRECTED TOWARDS ACHIEVEMENT OF COMMON GOALS ALWAYS BRING A WORTHY RESULT. THIS COMMITMENT ALLOWED THE ENTERPRISE TO BECOME A WINNER OF SIGNIFICANT AWARDS OF THE NATIONAL AND INTERNATIONAL LEVEL LAST YEAR. I CAN POINT OUT TWO AWARDS AMONG THE MOST SIGNIFICANT ONES: DIPLOMA OF THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS FOR THE ACHIEVEMENTS IN THE AREA OF QUALITY AND THE TITLE OF THE LAUREATE OF THE CIS AWARD FOR 2011.

THE PLANT'S SUCCESS IS ENSURED BY ITS EMPLOYEES THAT IS WHY BSW PAYS MUCH ATTENTION TO THE WORK WITH THE PERSONNEL, ITS PROVISION WITH SOCIAL SAFEGUARDS. TODAY



IT IS IMPOSSIBLE TO BUILD BUSINESS AVOIDING THIS ACTIVITY. IT IS CLOSELY CONNECTED WITH THE OPERATION OF ANY ENTERPRISE. ON THE ONE HAND, THE MORE SUCCESSFULLY THE ORGANIZATION FUNCTIONS, THE MORE FINANCIAL POSSIBILITIES IT WILL HAVE TO ENSURE SOCIAL SAFEGUARDS OF ITS EMPLOYEES. ON THE OTHER HAND, THE MORE SOCIALLY PROTECTED THE PLANT'S TEAM IS, THE MORE MOTIVATED IT WILL BE TO ACHIEVE HIGH PERFORMANCE. WE TAKE CARE OF OUR STAFF AND THIS CONCERN IS NOT LIMITED BY THE MAINTENANCE OF THE VITAL ACTIVITY OF THE EXISTING SOCIAL FACILITIES. ALONG WITH THE GENERAL SOCIAL SAFEGUARDS, THE PLANT INTENTLY ATTENDS TO THE LABOUR SAFETY ISSUES. DURING LAST SEVEN YEARS THE LEVEL OF PRODUCTION ACCIDENTS DECREASED PRACTICALLY BY HALF. POSITIVE DYNAMICS WAS ACHIEVED DUE TO THE GROWTH OF INVESTMENTS IN LABOUR PROTECTION. ACCORDING TO 2012 RESULTS, THEIR AMOUNT REACHED ITS HISTORICAL MAXIMUM — MORE THAN \$ 2,2 MILLION. IT ALLOWED US TO IMPLEMENT 100 MEASURES RESULTING IN IMPROVEMENT OF MORE THAN 700 WORKPLACES. IN 2013 WE SHALL CONTINUE OUR WORK IN THIS DIRECTION.

BSW SHALL INVEST APPROXIMATELY \$ 2 MILLION IN LABOUR PROTECTION.

THIS IS THE FIFTH BSW CORPORATE SOCIAL REPORT. IT IS A KIND OF A JUBILEE PROVING BSW MATURITY IN THE AREA OF SOCIAL RESPONSIBILITY. DURING THE TIME PERIOD FROM THE DATE OF BSW JOINING OF THE UN GLOBAL COMPACT, ACTIVITY CARRIED OUT IN THIS DIRECTION HAS ACQUIRED A PURPOSEFUL CHARACTER. WE ARE AWARE OF ITS SIGNIFICANCE AND I HOPE YOU WILL FIND EVIDENCE FOR THIS IN THE REPORT DELIVERED.

BEST REGARDS,
A.N. SAVIANOK,
GENERAL DIRECTOR

Preface to the fifth report

MAINAINING THE TRADITION OF SUSTAINABILITY REPORTING, OPEN JOINT-STOCK COMPANY "BYELORUSSIAN STEEL WORKS – MANAGEMENT COMPANY OF "BELORUSSIAN METALLURGICAL COMPANY" HOLDING, CONFIRMS ITS READINESS FOR OPEN DIALOGUE WITH THE STAKEHOLDERS. THE PLANT DOES NOT REFUSE FROM THE OBLIGATIONS UNDERTAKEN AND FOLLOWS THE CHOSEN COURSE OF IMPROVEMENT AND REORGANIZATION IN ALL DIRECTIONS: MANAGEMENT OF SUSTAINABLE DEVELOPMENT, ECONOMIC ACTIVITY, WORK WITH THE STAFF IN THE AREA OF SOCIAL ACTIVITY OF THE ENTERPRISE IN THE REGION AND COOPERATION WITH SUPPLIERS AND CUSTOMERS, AND POLICY OF ENVIRONMENTAL AND INDUSTRIAL SAFETY.

A NUMBER OF IMPORTANT EVENTS TOOK PLACE IN THE LIFE OF THE ENTERPRISE IN 2012: IN JANUARY THE PLANT BECAME AN OPEN JOINT-STOCK COMPANY, AND IN AUGUST IT WAS REORGANIZED IN A MANAGEMENT COMPANY OF "BYELORUSSIAN METALLURGICAL COMPANY" HOLDING. CONSTRUCTION OF LIME KILN No.3 AND A SMALL-SECTION MILL STARTED THIS YEAR. THEIR COMMISSIONING WILL MAKE THE PLANT STRONGER AND MORE SUCCESSFUL. DUE TO WELL-ORGANIZED WORK OF STEELMAKERS AND BASED ON THE RESULTS OF THE YEAR, THE PLANT CAME VERY CLOSE TO THE LEVEL OF 2 MILLION 700 THOUSAND TONS OF PRODUCTION.

WITHIN THE FRAME OF THE ANNUAL REPORT ALL ASPECTS OF THE PLANT'S OPERATION IN THE AREA OF SOCIAL ACTIVITY ARE DISCLOSED.

OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING PRESENTS ITS FIFTH CORPORATE REPORT PREPARED IN G3 FORMAT "MANUALS ON REPORTING IN THE AREA OF SUSTAINABLE DEVELOPMENT GRI, AND IN COMPLIANCE WITH THE BASIC PRINCIPLES OF THE UN GLOBAL COMPACT. THE REPORT INCLUDES DATA ON THE PLANT'S ACTIVITY IN 2012 AND PLANS, TASKS AND COMMITMENTS FOR FUTURE.

STRATEGIC TASKS SET FORTH FOR THE PLANT IN 2012 REMAIN IMPORTANT FOR 2013 MAINTAINING CONTINUITY AND SUSTAINABILITY OF BSW DEVELOPMENT. ASSESSMENT OF 2012 ACTIVITY RESULTS IS PRESENTED COMPARED TO THE PERFORMANCE OF THE 2011 REPORTING PERIOD OR THE DEGREE OF ACHIEVEMENT OF THE TARGET PERFORMANCE.

THIS REPORT WAS PREPARED WITH THE USE OF THE STAKEHOLDERS' FEEDBACK REGARDING OUR REPORT FOR 2011.

THE REPORT IS BASED ON THE DOCUMENTS DEVELOPED BY THE PLANT IN ACCORDANCE WITH THE REQUIREMENTS OF THE LAW OF THE REPUBLIC OF BELARUS AND INTERNATIONAL STANDARDS.

REPORT ON SOCIAL RESPONSIBILITY AND CORPORATE SUSTAINABILITY INFORMS THE STAKEHOLDERS ABOUT THE STRATEGIC PRIORITIES AND POTENTIAL OF OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING, ABOUT SPECIFIC FEATURES AND LEVEL OF THE MAN-





БЕЛОРУССКИЙ МЕТАЛЛУРГИЧЕСКИЙ ЗАВОД BYELORUSSIAN STEEL WORKS

AGEMENT COMPETENCE, EFFICIENCY OF RISK MANAGEMENT AND ENGAGEMENT WITH THE STAKEHOLDERS. THE REPORT DISCLOSES EFFECTIVENESS OF THE PLANT'S WORK AIMED AT GAINING PROFIT, INTRODUCTION OF NEW METHODS AND TECHNIQUES AND REFLECTS ITS ACTIVITY AIMED AT FORMATION OF HUMAN CAPITAL, PROVISION OF ENVIRONMENTAL SAFETY AND CREATION OF FAVORABLE CONDITIONS FOR DYNAMIC SOCIAL AND ECONOMIC DEVELOPMENT OF THE REGION OF BSW PRODUCTION ACTIVITY.

MATERIALS GIVEN IN REPORT ARE DIRECTED TOWARDS INFORMING THE COMMUNITY AND ALL STAKEHOLDERS OF THE OWNER, INVESTORS, EMPLOYEES, REPRESENTATIVES OF THE DISTRICT, REGION, AND REPUBLICAN AUTHORITIES, POPULATION AND CUSTOMERS.

THE INFORMATION IN THIS REPORT HAS NOT CHANGED MUCH COMPARED TO THE PREVIOUS REPORTS OF THE PLANT. ECONOMIC INDICATORS ARE GIVEN IN USD ACCORDING TO THE ANNUAL AVERAGE RATE OF THE NATIONAL BANK OF THE REPUBLIC OF BELARUS EXISTING IN 2012, EQUALED TO Br 8335,86

THE REPORT DOES NOT CONTAIN THE INFORMATION ON JOINT-VENTURES AND ENTERPRISES LOCATED OUTSIDE THE REPUBLIC OF BELARUS.

ELECTRONIC VERSION OF THE REPORT FOR 2012 CAN BE SEEN ON THE BSW CORPORATE WEB-SITE: (WWW.BELSTEEL.COM).

SO AS TO MAINTAIN A CONSTRUCTIVE DIALOGUE WITH ALL INTERESTED PARTIES, THE PLANT VALUES EVERY OPINION ABOUT ITS ACTIVITY IN THE AREA OF SUSTAINABLE DEVELOPMENT. THAT IS WHY CONTACT INFORMATION AND FEEDBACK FORM IS GIVEN IN THE REPORT.



YOUR OPINION AND PROPOSALS REGARDING THE FORM AND CONTENT OF THE REPORT AS WELL AS QUESTIONS MAY BE SENT TO;

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Steel markets

Reaching a new level

THE YEAR 2012 WAS NOT SIMPLE FOR BYELORUSSIAN STEEL WORKS AS FOR THE WHOLE ECONOMY OF THE COUNTRY. DECREASE OF STEEL DEMAND AND SUBSEQUENT CONTRACTION OF STEEL PRODUCTION HAD A NEGATIVE IMPACT ON THE ECONOMIC PERFORMANCE OF THE SECTOR. BYELORUSSIAN STEEL WORKS INTEGRATED INTO THE GLOBAL STEEL PRODUCTION MARKET FACED THE SAME DIFFICULTIES AS THE OVERWHELMING MAJORITY OF STEEL MAKERS FROM OTHER COUNTRIES.

WE HAD TO WORK IN THE ENVIRONMENT OF STEEL PRICE DECREASE WHICH CAUSED THE EXPORT INDICATOR IN MONEY TERMS APPEARED TO BE LOWER THAN PLANNED. THUS, EXPORT SHIPMENTS IN TONS MADE UP 107% IN 2012, IN MONEY TERMS THEY EQUALED TO 95% COMPARED TO THE LEVEL OF 2011.

BUT AS FOR EXPORT DISTRIBUTION, BSW STEEL DELIVERIES TO THE LARGEST CONSUMING COUNTRIES GREW AS COMPARED WITH 2011. MORE PRODUCTS WERE SOLD TO THE RUSSIAN FEDERATION AND LITHUANIA, EXPORT TO TURKEY AND THAILAND GREW AS WELL.

MEASURES TAKEN TO OPTIMIZE THE NUMERICAL STRENGTH, RESTRUCTURING OF ENTERPRISES, IMPROVEMENT OF PRODUCTION ORGANIZATION AND INCREASE OF THE UTILIZATION COEFFICIENT OF THE PRODUCTION CAPACITIES HAD A POSITIVE EFFECT ON THE STEEL SECTOR IN GENERAL AND BYELORUSSIAN STEEL WORKS IN PARTICULAR IN TERMS OF LABOUR EFFICIENCY.

SPEAKING ABOUT GLOBAL TENDENCIES, IT IS NECESSARY TO POINT OUT THAT ACCORDING TO WORLD STEEL ASSOCIATION (WSA) ASSESSMENT, STEEL MAKING IN 63 KEY COUNTRIES GREW BY 1,28%, AND REACHED A RECORD OF 1,51 BILLION TONS LAST YEAR, BUT THE GROWTH DYNAMICS APPEARED TO BE THE LOWEST FOR THE LAST THREE YEARS – ONLY 1,2%.

BUT USE OF THE GLOBAL CAPACITIES OF STEEL MAKING LOWERED IN 2012: IN DECEMBER IT DROPPED TO 73,2% COMPARED TO THE PEAK ANNUAL PERFORMANCE OF 83,9%. ANNUAL AVERAGE USE DECREASED TO 78,8% AGAINST 80,7% IN THE PREVIOUS YEAR.

ON THE WHOLE, NEGATIVE DYNAMICS OF PRODUCTION BASED ON THE RESULTS OF 2012 WAS DEMONSTRATED BY MOST

OF THE METALLURGICAL COUNTRIES OF THE WORLD. TOTAL PRODUCTION VOLUMES INCLUDED PRC (+3,58%), INDIA (+6,24%), TURKEY (+5,22%), THE USA (+2,73%) AND RUSSIA (+2,71%).

ACCORDING TO WSA DATA, IN 2012 STEEL OUTPUT GROWTH WAS SHOWN ONLY BY ASIA, NORTH AMERICA, MIDDLE EAST AND AFRICA, WHILE SUCH REGIONS AS EUROPEAN COMMUNITY, CIS, SOUTH AMERICA AND OCEANIA DEMONSTRATED DECREASE.

IN EUROPE, FOR EXAMPLE, STEEL PRODUCTION DROPPED BY 2,7% IN 2012 COMPARED TO 2011 AND REACHED 320,6 MILLION TONS. IN EC COUNTRIES IT DECREASED BY 4,7% TO 169,4 MLN TONS. HERE THE LEADER IS GERMANY WHERE THIS INDICATOR IS 42,7% (MINUS 3,7%). THE REASON FOR THIS DROP IS A DEBT CRISIS AND GENERAL DECREASE OF BUSINESS ACTIVITY IN THE EUROPEAN COMMUNITY.

IN CIS STEEL PRODUCTION IN 2012 DROPPED BY 1,2% TO 111,3 MLN TONS. BUT BELARUS, MOLDOVA AND UZBEKISTAN DEMONSTRATE POSITIVE DYNAMICS COMPARED TO THE LAST YEAR: +5,0%, +5,5% AND +0,3% ACCORDINGLY.

IN 2011 RUSSIA MANAGED TO INCREASE THE PRODUCTION BY 2,5% TO 70,6 MLN TONS. BUT THE COUNTRY HAS NOT REACHED THE PRE-CRISIS PERFORMANCE: IN 2007 STEEL PRODUCTION IN RUSSIA WAS 72,4 MLN TONS.

ROLLED FERROUS METAL ANNUAL PRODUCTION IN RUSSIA GREW BY 4% TO 61,8 MLN TONS. IN 2012 2,433 MLN TONS OF LARGE DIAMETER PIPES WERE PRODUCED (77,1% OF THE OUTPUT OF 2011).

STEEL PRODUCTION IN THE UKRAINE MADE UP 32,911 MLN TONS IN 2012 WHICH IS 6,9% LESS THAN IN 2011. THE UKRAINIAN SHARE IN THE GLOBAL STEEL PRODUCTION IN 2012 DECREASED FROM 2,3% TO 2,1%. ON THE BACKGROUND OF THE GROWTH OF THE GLOBAL PRODUCTION, THE UKRAINE SHOWED ONE OF THE BIGGEST DECREASE RATE. AS A RESULT, THE SHARE OF THE COUNTRY IN THE GLOBAL PRODUCTION DROPPED BY 2,1%, AND THE UKRAINE OCCUPIED THE TENTH PLACE AMONG THE LARGEST STEEL PRODUCERS.

IN SOUTH AMERICA STEEL PRODUCTION IN 2012 LOWERED BY 3,0% TO 46,9 MLN TONS. AS FOR BRAZIL, ITS OUTPUT



DECREASED TO 34,7 MLN TONS WHICH IS 1,5% LOWER THAN IN 2011.

AT THE SAME TIME, THE TOP FIVE COUNTRIES IN STEEL OUTPUT REMAINED UNCHANGED: CHINA, JAPAN, THE USA, INDIA AND RUSSIA. IN ALL THESE COUNTRIES, JAPAN EXCLUDED (DROP BY 0,3%), GROWTH RANGE 2,5 TO 4,3% WAS OBSERVED, BESIDES, INDIA DEMONSTRATED THE HIGHEST GROWTH DYNAMICS.

ACCORDING TO THE FORECAST OF THE CONSULTING COMPANY ERNST & YOUNG, GLOBAL STEEL CONSUMPTION IN 2013 WILL RAISE BY APPROXIMATELY 3% AS COMPARED WITH 2% A YEAR AGO. FINISHED PRODUCT AND SEMIS PRICES WILL REMAIN RELATIVELY LOW. BUT AN EXCESSIVE SUPPLY WILL STRENGTHEN. ACCORDING TO WSA DATA, THE AVERAGE LEVEL OF STEEL PRODUCTION CAPACITY USE WAS 73,2% IN 2012, WHICH IS MORE THAN TWO-YEAR MINIMAL PERFORMANCE. AT THE SAME TIME, IN THE OPINION OF MIKE ELLIOTT, STEEL MARKET LEADER OF THE ANALYTICAL GROUP ERNST & YOUNG, UTILIZATION SHOULD BE AT LEAST 80% TO MAKE THE WORK OF THE SECTOR PROFITABLE.

IN THIS CONNECTION, THE FORECASTING ACTIVITY OF THE PLANT CONSIDERING THE RESULTS OF THE ANALYSIS OF CONTINUOUSLY CHANGING MACROECONOMIC TENDENCIES BECAME THE FIRST-PRIORITY TASK OF THE PLANT IN THE PRESENT SITUATION SO AS TO REARRANGE THE PRODUCTION IN THE DIRECTIONS DEMANDED BY THE MARKET.

THE MAIN CONDITION FOR MAINTAINING THE EXISTING VOLUME OF PRODUCTION AND ITS FURTHER GROWTH WHEN THE COMPETITION IN THE GLOBAL MARKET IS TIGHTENING IS A MORE ACTIVE IMPLEMENTATION OF MEASURES AIMED AT IMPROVEMENT OF THE TECHNICAL LEVEL OF PRODUCTION AND QUALITY OF THE MANUFACTURED AND EXPORTED PRODUCTS. THE LATTER SHALL ENSURE A RATHER ACTUAL FOR THE NATIONAL STEEL MAKING INDUSTRY GROWTH OF THE EFFICIENT USE OF THE MATERIAL, FUEL AND ENERGY AND LABOUR RESOURCES.

THE PROGRAM OF THE INNOVATIVE DEVELOPMENT BEING IMPLEMENTED BY BYELORUSSIAN STEEL WORKS AT PRESENT AND PLANNED TO BE COMPLETED BY 2015 FORESEES A COMPLEX MODERNIZATION OF THE EXISTING PRODUCTION AND COMMISSIONING OF NEW PRODUCTION FACILITIES. THE RESULT



"BYELORUSSIAN STEEL WORKS" IS ONE OF THE MOST ADVANCED AND EFFICIENT BASIC ENTERPRISES OF BELARUSIAN INDUSTRY. ITS REVAMPING WITH UP-TO-DATE EQUIPMENT AND INTRODUCTION OF INNOVATIVE TECHNOLOGIES WILL RESULT IN EXPORT POTENTIAL GROWTH AND WILL HELP TO PROMOTE ECONOMIC GROWTH AND SUSTAINABLE DEVELOPMENT OF THE COUNTRY IN GENERAL."

V.I. GULYAEV,
*DIRECTOR OF THE BELARUSIAN REPRESENTATIVE OFFICE
OF THE EURASIAN BANK OF DEVELOPMENT.*

OF THE WORK OF THE PLANT SPECIALISTS WILL BE 3-MILLION TONS LEVEL OF STEEL PRODUCTION TO BE REACHED BY 2015. THE LEVEL OF STEEL PRODUCTION TO BE REACHED BY 2015 AND A COMPLETE BALANCE OF THE STEEL MAKING STAGE OF THE PLANT'S PRODUCTION PERMITTING TO TRANSFER FROM SEMIS SALE TO DOWNSTREAM PROCESSING. IN 2014 THE KEY PROJECT OF THE CURRENT FIVE-YEAR PERIOD WILL BE COMPLETED: COMMISSIONING OF ROLLING PLANT No.2, INCLUDING THE WORLD MOST ADVANCED COMBINED ROLLING MILL WITH THE CAPACITY OF ABOUT 700 000 TONS PER YEAR. THE SOURCE OF FINANCING ARE BSW OWN FUNDS AND CREDIT RESOURCES OF THE EURASIAN BANK OF DEVELOPMENT AND OJSC SB BELARUSBANK AGAINST THE GUARANTEE OF THE GOVERNMENT OF BELARUS.

WE CONTINUE TO IMPLEMENT THE PROJECT ON RECONSTRUCTION OF DEDUSTING PLANT No.1 AND No.3. WE HAVE NO RIGHT TO CONTINUE TO INCREASE THE STEEL MELTING OUTPUT UNTIL WE ACCOMPLISH THIS PROJECT.

CONSTRUCTION OF LIME KILN No.3 IS CLOSE TO ACCOMPLISHMENT. COMMISSIONING OF THE PLANT WILL DECREASE THE COST OF THE PRODUCT DUE TO EXCLUSION OF THE DEFICIT OF ANNEALED LIME AND REFUSAL FROM IMPORTED SUBSTITUTES.

ONE MORE PROJECT AIMED AT PROVISION OF BSW RAW MATERIAL RESOURCE SAFETY IS CONSTRUCTION OF A NEW AIR SEPARATION PLANT WHICH WILL HELP BYELORUSSIAN STEEL WORKS TO EXCLUDE POSSIBLE DEFICIT OF TECHNICAL GASES, REDUCE COSTS OF BUYING OXYGEN. THE PROJECT IS PLANNED FOR COMMISSIONING IN JANUARY 2015.



Steel markets

Reaching a new level

►► OUR PLANS ARE VAST AND MODERNIZATION CANNOT AVOID ELECTRIC MELTING FACILITIES BEING THE ACTUAL STARTING LINK OF THE PRODUCTION CHAIN. AT THE END OF 2012, MODERNIZATION OF A NUMBER OF PRODUCTION FACILITIES OF MELT SHOP No.1 STARTED SO AS TO INTRODUCE OXYGEN TECHNOLOGIES AT ELECTRIC-ARC FURNACE No.1. IMPLEMENTATION OF THIS PROJECT IS REQUIRED TO INCREASE THE FURNACE OUTPUT UP TO 130 t/h OR 1 MILLION TONS PER YEAR BY INSTALLATION OF A MORE POWERFUL SYSTEM OF OXYGEN SUPPLY TO THE MELT AND SUPPLY OF CARBON-CONTAINING POWDER INTO THE SLAG FOR ITS SPONGING. THE INNOVATION WILL TOUCH ALL STEEL GRADES PRODUCED IN EAF -1, AS WELL AS PRODUCTS MANUFACTURED FROM THESE STEEL GRADES. TOGETHER WITH IMPLEMENTATION OF THIS PROJECT, WE PLAN TO MODERNIZE EAF-1 CONTROL SYSTEM, REPLACE THE DISTRIBUTION UNIT AND MODERNIZE THE FURNACE AUTOMATION SYSTEM IN 2013. SO AS TO REDUCE THE AMOUNT OF EMISSIONS OF STEEL AND SLAG DURING CHARGING AND ADDITIONAL CHARGING IN AUTUMN AND WINTER, DECREASE EMERGENCY DOWNTIME OF THE EAFs, WE PLAN TO INSTALL AN INTERMEDIATE HOPPER AT EAF -1, 2. MODERNIZATION OF CCM-2 WILL INCREASE ITS OUTPUT AND IMPROVE QUALITY OF CONCAST BILLET.

ALL EFFORTS OF THE MANAGEMENT AND SPECIALISTS WERE DIRECTED TOWARDS OPTIMIZATION OF THE CURRENT AND OPERATIONAL COSTS AND IT WAS NOT JUST A REACTION TO THE EXTERNAL ENVIRONMENT, BUT CONTINUATION OF THE CORPORATE STRATEGY OF THE LAST YEARS. FOR EXAMPLE, THE RESULTS OF 2012 SHOWED THAT THE ENERGY SAVING PERFORMANCE WAS MINUS 5 PER CENT. IN MONEY TERMS THE EFFECT OF THE MEASURES TAKEN MADE UP ABOUT USD16,8 MILLION.

IN SPITE OF DIFFICULTIES, 2012 WAS A SUCCESSFUL YEAR FOR BSW. DURING 12 MONTHS THE MELT SHOPS MADE AND RENEWED SEVERAL PRODUCTION RECORDS. THUS, IN OCTOBER THE MONTHLY HIGHEST PRODUCTION WAS ADDED TO THE HISTORY OF THE PLANT: 236 THOUSAND 729 TONS. THE ANNUAL RESULT IS ALSO A RECORD FOR BSW. THE PLANT GOT CLOSE TO THE LEVEL OF 2 MILLION 700 THOUSAND TONS. THE ANNUAL RESULT OF EAF-2 MADE US PARTICULARLY HAPPY: IT PRODUCED OVER 1 MILLION TONS OF STEEL. THIS FIGURE HAS BEEN NEVER ACHIEVED

BY ANY OF BSW FURNACES BEFORE. IT BROUGHT US ONE STEP CLOSER TO OUR STRATEGIC GOAL OF THE CURRENT FIVE-YEAR PERIOD: 3 MILLION TONS OF STEEL OUTPUT.

AT THE END OF 2012 OCTG PIPE SUPPLY CONTRACTS FOR THE AMERICAN MARKET IN THE AMOUNT OF 55 THOUSAND TONS WERE SIGNED. AS FOR THE RUSSIAN MARKET, POSITIVE TENDENCIES WERE DETECTED: PLANNED AND ORDERED AMOUNT OF DELIVERIES EQUALED TO 32 THOUSAND TONS. THE PLANT HAS ESTABLISHED LONG-TERM PARTNERSHIP RELATIONS WITH SUCH COMPANIES AS RUSSNEFT, LUKOIL, GASPROM, BASHNEFT, TNK-VR. IN SPITE OF THE CRISIS ON THE EUROPEAN MARKET, THE PLANT MANAGED TO MAINTAIN ITS SHARE OF SUPPLIES CONFIRMED BY PRELIMINARY ORDERS. A CONTRACT OF PIPE DELIVERY TO VENEZUELA WAS SIGNED FOR THE AMOUNT OF 9 420 TONS. SO, THE VOLUME OF PIPE SALE IN 2013 IS PLANNED TO BE INCREASED TO 148 THOUSAND TONS TO MAKE UP 120% COMPARED TO THE LEVEL OF 2012.

A NEGOTIATION CAMPAIGN FOR 2013 WAS A SUCCESS AND SO WAS HARDWARE PRODUCT (TIRE CORD, HOSE WIRE AND BEAD WIRE) SALE. CONTRACTS WERE SIGNED WITH ALL BSW CUSTOMERS. FLEXIBLE PRICE POLICY, IMPROVEMENT OF LOGISTICS AND PRODUCT QUALITY HELPED US TO REACH AGREEMENTS WITH CUSTOMERS WHICH PROVIDE FOR A CONSIDERABLE GROWTH OF THESE PRODUCTS SHIPMENTS IN 2013. PLANNED GROWTH OF TIRE CORD WILL MAKE UP 100 – 105 THOUSAND TONS, HOSE WIRE – UP TO 41 THOUSAND TONS, BEAD WIRE – UP TO 42 THOUSAND TONS. TOTAL INCREASE OF SHIPMENTS OF TIRE CORD, HOSE WIRE AND BEAD WIRE WILL GROW BY APPROXIMATELY 40 THOUSAND TONS WHICH ALLOWS US TO BE OPTIMISTIC ABOUT OUR FUTURE.

THE ABOVE MENTIONED AND OTHER LESS IMPORTANT PROJECTS OF BYELORUSSIAN STEEL WORKS WILL BE IMPLEMENTED WITHIN THE COMING 3 YEARS, SO IT IS TOO EARLY TO SPEAK ABOUT THE LIMIT OF THE PLANT'S PRODUCTION GROWTH.

OUR PLANT SUPPORTS THE PRINCIPLES OF SOCIAL RESPONSIBILITY AND CONTINUES TO RESOLVE SOCIAL ISSUES CONSIDERING THE AVAILABLE POSSIBILITIES WITHOUT DECREASING ITS BUSINESS ACTIVITY.



Participation of the republican scientific potential in the development of the metallurgical complex

STEEL MAKING IS ONE OF THE KEY PRODUCTION LINKS OF ANY MODERN INDUSTRIALLY DEVELOPED STATE. THIS SECTOR IS VERY IMPORTANT FOR THE DEVELOPMENT OF THE WHOLE NATIONAL ECONOMY OF THE REPUBLIC OF BELARUS. BYELORUSSIAN STEEL WORKS, A LARGE ADVANCED STEEL ENTERPRISE WHICH OCCUPIES A LEADING POSITION IN THE INDUSTRIAL COMPLEX AND ECONOMY OF THE REPUBLIC OF BELARUS AND A LARGE SUPPLIER OF SCIENCE-INTENSIVE COMPETITIVE HIGH-QUALITY STEEL (WIRE ROD, REINFORCING BARS, TIRE CORD, ETC.), MANUFACTURED ON THE BASIS OF ADVANCED RESOURCE-SAVING AND INNOVATIVE PRODUCTION PROCESSES IN CONFORMITY WITH GLOBAL CRITERIA OF TECHNICAL NOVELTY WAS ESTABLISHED IN OUR COUNTRY DURING A RELATIVELY SHORT PERIOD OF TIME. TO A CERTAIN EXTENT, STEEL PRODUCTION TAKES PLACE PRACTICALLY AT ALL LARGE INDUSTRIAL ENTERPRISES OF BELARUS: OJSC "MINSK AUTOMOBILE PLANT", OJSC "BELARUSIAN AUTOMOBILE PLANT", PS "MINSK TRACTOR PLANT", OJSC "MINSK HEATING FACILITIES PLANT", OJSC "GOMEL FOUNDRY "TSENTROLIT", OJSC "MOGI-LYOV METALLURGICAL PLANT" WHICH USE LARGE-SCALE OR SMALL-SCALE STEEL MAKING, FOUNDRY, POWDER METALLURGY TECHNOLOGIES AND ALLIED PRODUCTIONS. TOTALY, ABOUT 300 PRODUCTION SHOPS AND DEPARTMENTS OF FOUNDRY, METALLURGICAL AND HEAT TREATMENT PRODUCTIONS EXIST AT BELARUSIAN ENTERPRISES. STRATEGY OF FURTHER DEVELOPMENT OF STEEL MAKING, CASTING, ROLLING AND HEAT TREATMENT PRODUCTION PROCESSES MAKES IT NECESSARY TO MANUFACTURE QUALITY STEELS AND ALLOYS AND CREATE SCIENCE-INTENSIVE STEEL PRODUCTS ON THEIR BASIS. IT ASSUMES DESIGN, TECHNICAL REVAMPING AND MODERNIZATION OF STEELMAKING, FOUNDRY AND HEAT TREATMENT EQUIPMENT INCLUDING SMELTERS, SECONDARY METALLURGY UNITS, CONTINUOUS CASTING MACHINES, ROLLING MILLS, HEATING AND HEAT TREATMENT FURNACES, DRAWING AND OTHER EQUIPMENT. ENERGY-EFFECTIVE TECHNOLOGIES ARE REQUIRED.

SO AS TO SOLVE THESE QUESTIONS, AN APPLIED SCIENTIFIC RESEARCH STATE PROGRAM "ESTABLISHMENT OF HIGHLY-EFFICIENT PRODUCTION PROCESSES AND EQUIPMENT FOR THE DEVELOPMENT OF THE STEELMAKING COMPLEX OF THE REPUBLIC OF BELARUS" WAS WORKED OUT IN 2005. THE PROGRAM WAS APPROVED BY THE DECISION OF THE COUNCIL OF MINISTERS OF THE REPUBLIC OF BELARUS AND BY THE DECISION

OF THE PRESIDUM OF THE NATIONAL ACADEMY OF SCIENCE OF BELARUS. THE AIM OF THE PROGRAM IS IMPROVEMENT OF THE QUALITY, COMPETITIVENESS AND EXPORT POTENTIAL OF STEELMAKING INDUSTRY THROUGH IMPROVEMENT OF THE EXISTING AND DEVELOPMENT OF NEW FOUNDRY AND STEELMAKING PROCESSES, INCLUDING POWDER METALLURGY, ATTRACTING SCIENTIFIC POTENTIAL OF THE COUNTRY. ON THIS BASIS, MAIN TASKS OF THE PROGRAM RELATING TO BSW INCLUDED THE FOLLOWING:

- DEVELOPMENT OF CASTING METHODS AND EQUIPMENT TO GET HIGH-QUALITY INGOTS AND BILLETS OF SPECIAL IRON, STEEL AND ALLOYS;
- DEVELOPMENT OF ENERGY- AND RESOURCE-SAVING PROCESSES AND METHODS IN STEELMAKING AND POWDER METALLURGY TO REDUCE CONSUMPTION OF FUEL AND FORMATION OF SCALE;
- DEVELOPMENT OF METAL-FORMING AND HEAT TREATMENT TECHNOLOGIES, PRINCIPLES OF DESIGNING OF ADVANCED HEATING EQUIPMENT AND PROPOSALS FOR REDUCTION OF ENERGY CONSUMPTION AND DECREASE OF PAYBACK PERIODS.

SO AS TO CONSOLIDATE ITS POSITION ON THE MARKET AND SUSTAIN TOUGH COMPETITION, IT IS NOT ENOUGH FOR AN INDUSTRIAL ENTERPRISE TO HAVE HIGH PRODUCTION OUTPUT. IT IS NECESSARY TO MANUFACTURE PRODUCTS CHARACTERIZED BY HIGH QUALITY AND OPTIMAL PRIME COST. BESIDES, ONE SHOULD NOT FORGET ABOUT MEETING THE NEEDS OF CUSTOMERS AND FILLING STILL FREE MARKET NICHES WITH NEW TYPES OF PRODUCTS. IT IS IMPOSSIBLE TO SCORE A SUCCESS WITHOUT SCIENTIFIC AND RESEARCH SUPPORT.

SCIENTIFIC ACTIVITY OF THE PLANT IS MAINLY CONCENTRATED AT THE RESEARCH CENTRE. IT INCLUDES 4 LABORATORIES: STEELMAKING, ROLLING, HARDWARE AND RESEARCH LABORATORY PROVIDING THE WORK DONE WITH METALLOGRAPHIC TESTS. BSW RESEARCH CENTRE ACTIVITY MAY BE DIVIDED IN 4 IMPORTANT DIRECTIONS: APPROVAL OF NEW MATERIALS AND GOODS; DEVELOPMENT OF NEW TYPES OF PRODUCTS, WORK WITH SCIENTIFIC - RESEARCH AND EDUCATIONAL ESTABLISHMENTS; IMPROVEMENT OF THE EXISTING PRODUCTION METHODS.



Participation of the republican scientific potential in the development of the metallurgical complex



IN 2012 THE RESEARCH CENTRE DEVELOPED AND MASTERED A NEW TECHNOLOGY OF PRODUCTION OF STEEL FOR AUTOMOTIVE INDUSTRY (C45X10, 42CrMo4X1, 16MnCrS5, HAY5). OUR PLANT CAME TO NEW PROMISING MARKETS: THE PRODUCT HAS ALREADY BEEN APPROVED BY AND SHIPPED TO HAMMERWERK FRIDINGEN (GERMANY) WHICH DELIVERS COMPONENTS TO VOLKSWAGEN CONCERN.

A GOOD EXAMPLE OF COOPERATION WITH SCIENTIFIC AND RESEARCH ESTABLISHMENTS OF OUR COUNTRY IS WORK DONE BY BSW SPECIALISTS TOGETHER WITH THE MATERIALS TECHNOLOGY AND ENGINEERING DEPARTMENT OF BELARUSIAN NATIONAL TECHNICAL UNIVERSITY. THUS, PRODUCTION OF PIERCING PLUG BARS USED IN PIPE PRODUCTION WAS ARRANGED AT OJSC "LEGMASH" PLANT WITHIN THE PROGRAM OF IMPORT SUBSTITUTION. SO AS TO GET PLUG BARS WITH HIGH DURABILITY, OUR RESEARCH CENTRE AND BSTU WERE INVOLVED IN IMPROVEMENT OF THEIR PRODUCTION METHOD. FOLLOWING THE RESULTS OF RESEARCHES, UNIVERSITY SPECIALISTS SUGGESTED A NUMBER OF TECHNICAL SOLUTIONS WHICH WILL IMPROVE QUALITY AND PERFORMANCE OF THE PLUG BARS PRODUCED. BASED ON THEIR RECOMMENDATIONS OPTIMAL STEEL GRADE AND PRODUCTION METHODS WERE SELECTED TO OBTAIN THE REQUIRED DURABILITY.

IN 2012 OUR SPECIALISTS CARRIED OUT WORKS ON APPLICATION OF CHROMIUM COATING OF PLUG BARS TOGETHER WITH THEIR CHEMICAL-THERMAL (BOROSILICIUM AND BORON) PROCESSING WITH SUBSEQUENT EXPERIMENTAL HIGH-TEMPERATURE OXIDATION. WE ALSO DEVELOPED AND MADE TRIAL TESTING OF BILLET FORGING – BLOOM CUTTING INTO SEPARATE BILLETS AND INCREASE OF THE DEGREE OF FORGING OF THESE BILLETS. ONE SHIPMENT OF PLUGS DIAMETER 120MM WAS PRODUCED AND TESTED. MICROCEMENTATION OF PLUGS WITH SUBSEQUENT EXPERIMENTAL HIGH-TEMPERATURE OXIDATION WAS CARRIED OUT AS WELL AS EXPERIMENTAL HEAT TREATMENT OF PLUG BARS (QUENCHING IN COMBINATION WITH TEMPERING) TO INCREASE THEIR LIFE TO 199 CONDITIONAL PASSES.

ACTIVE WORK IS CONTINUED IN STEELMAKING TO INCREASE THE LIFE OF REFRACTORY LINING OF THE ELECTRIC-ARC FURNACES UP TO 1000 HEATS WITHOUT INTERMEDIATE COLD REPAIRS. OUR SPECIALISTS DEVELOPED A METHOD OF USE OF SMALL-FRACTION ALUMINUM IN STEEL PROCESSING IN

LADLE-FURNACE No.2 FOR SLAG AND STEEL DEOXIDATION AND PRELIMINARY (PRIOR TO PROCESSING IN RH) ALUMINUM ALLOYING. USE OF SMALL-FRACTION ALUMINUM ALLOWED US TO REDUCE THE COST OF STEEL ALLOYING, INCREASE COEFFICIENTS OF ALLOYING ELEMENTS ASSIMILATION, AUTOMATE REGISTRY OF ADDED MATERIAL AND TIME OF ITS PERFORMANCE, DECREASE PHYSICAL STRESS ON TECHNOLOGICAL PERSONNEL AND PROVIDE FOR IMPORT SUBSTITUTION.

NEW TYPES OF TIRE CORD, BRONZE-PLATED BEAD WIRE WITH HIGHER CONSUMER PROPERTIES AND REINFORCING BARS WITH IMPROVED PLASTIC PROPERTIES ARE WORKED OUT.

WE DEVELOPED THE METHOD OF COLD-DEFORMED REINFORCING STEEL CLASS B550A PRODUCTION IN ACCORDANCE WITH THE REQUIREMENTS OF ONORM B 4707:2010. IT ALLOWED US TO CERTIFY OUR PRODUCTS AGAINST THIS STANDARD. DURING THIS WORK WE ANALYZED INFLUENCE OF CHEMICAL COMPOSITION, MECHANICAL PROPERTIES AND MICROSTRUCTURE OF WIRE ROD AND DIFFERENT TECHNOLOGICAL SCHEMES OF PRODUCTION ON QUALITATIVE CHARACTERISTICS OF THREE-SIDED COLD-DEFORMED REINFORCING BARS. WE ALSO DETERMINED THE IMPACT OF MECHANICAL WAY OF REINFORCING BAR STRAIGHTENING ON ITS PLASTIC AND TENSILE PROPERTIES AND GEOMETRICAL CHARACTERISTICS.

BUNDLED SOFTWARE DEVELOPED IN 2012 TO AUTOMATE THE BUSINESS-PROCESS OF FORWARDING SERVICE ACCOUNTING ALLOWED BSW TO PLAN AND ACCOUNT FORWARDING SERVICES RENDERED BY CARRIERS DURING A CERTAIN TIME PERIOD AND FOLLOW UP ALL STAGES OF SHIPMENT FROM PLANNING TO DECLARATION IN SAP R/3 SYSTEM.

CLEARLY REALIZING THE IMPORTANCE OF INNOVATION ACTIVITY BEING A KEY INSTRUMENT OF THE TECHNOLOGICAL DEVELOPMENT, BSW PAYS GREAT ATTENTION TO IT. THERE ARE 8 CANDIDATES OF SCIENCE, 16 HOLDERS OF MASTER DEGREE, AND 5 GRADUATE STUDENTS AT OUR PLANT. OUR PLANT ESTABLISHED GOOD PARTNERSHIP RELATIONS WITH BELARUSIAN NATIONAL TECHNICAL UNIVERSITY, GOMEL STATE TECHNICAL UNIVERSITY NAMED AFTER P.O. SUKHOI, BELARUSIAN STATE UNIVERSITY OF TRANSPORT, DEPARTMENTS OF THE NAS OF BELARUS. OUR OWN PIPE SCHOOL IS BEING FORMED SO AS TO DEVELOP AND STRENGTHEN HOT-ROLLED SEAMLESS PIPE PRODUCTION SECTOR, WHICH IS NEW FOR OUR COUNTRY.



Metallurgy of Belarus

THE STEELMAKING FACILITY INCLUDES 8 ENTERPRISES WHICH MAIN PRODUCTION IS CERTIFIED IN MANY COUNTRIES WORLDWIDE AND CORRESPONDS TO INTERNATIONAL STANDARDS. ENTERPRISES OF THIS SECTOR PRODUCE STEEL ELECTRICALLY WELDED ROUNDS AND SHAPED PIPES, STEEL CAST BILLET, ROLLED SECTIONS, DIFFERENT TYPES OF WIRE, TIRE CORD, BOLTS, SCREWS, NUTS, NAILS, MOLDING MATERIALS AND HEATING EQUIPMENT.

OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING IS THE LARGEST ENTERPRISE NOT ONLY IN THE REPUBLIC OF BELARUS, BUT ALSO IN EUROPE, AND IS A BASIC ENTERPRISE FOR THE NATIONAL STEELMAKING. IT HAS BEEN AMONG COMPETENT STEEL MAKERS FOR ALMOST THREE DECADERS ALREADY. ITS DESIGN, ERECTION AND PROVISION WITH ADVANCED EQUIPMENT AND UP-TO-DATE TECHNOLOGY AND SUBSEQUENT COMMISSIONING AND WARRANTY OPERATION WAS CARRIED OUT ON THE PRINCIPLES OF CONTRACTING EUROPEAN COMPANIES ON A TURN-KEY BASIS. ATTRACTION OF ADVANCE EXPERIENCE AND STATE-OF-THE-ART TECHNOLOGIES FOR THE PLANT ERECTION AND ITS FURTHER DEVELOPMENT ALLOWED US TO ESTABLISH A UNIQUE INDUSTRIAL ENTERPRISE IN THE REPUBLIC OF BELARUS.

TASKS AND GOALS OF THE SECTOR FORMATION

FERROUS METALLURGY HAS RE-ORIENTED ITS EFFORTS FROM INCREASE OF FERROUS RAW MATERIALS PROCESSING TOWARDS DOWN-STREAM PROCESSING AND IMPROVEMENT OF MANUFACTURING EFFECTIVENESS (IMPROVEMENT OF PRODUCT QUALITY AND MASTERING OF NEW TYPES OF PRODUCTS). IN THE FOLLOWING THREE YEARS A PRIORITY DIRECTION OF THE DEVELOPMENT WILL BE GROWTH OF PRODUCTION OF HIGH-TECH GOODS WITH A LARGE DEGREE OF PROCESSING, IMPROVEMENT OF THE STRUCTURE OF PRODUCTION AND SALES OF QUALITY STEEL GRADES, ROLLED MATERIAL, TIRE CORD AND STEEL WIRE, DEVELOPMENT OF ENERGY-SAVING METHODS, MODERNIZATION OF PRODUCTION AND BUILDING AND COMMISSIONING OF NEW PRODUCTION FACILITIES.

METALLURGY IS ONE OF THE BASIC INDUSTRIES IN THE REPUBLIC OF BELARUS AND LEVEL OF ITS DEVELOPMENT SHALL CONFORM TO THE STRATEGIC TASKS OF PROVIDING BELARUSIAN ECONOMY WITH QUALITY PRODUCTS AND SUSTAINABLE POSITION ON EXTERNAL MARKETS.



"SO AS TO KEEP AFLOAT, IT IS NECESSARY TO BUILD SOMETHING ALL THE TIME, CREATE AND MASTER NEW PRODUCTS AND SELL THEM. THEN PEOPLE WILL FEEL THAT THE PLANT HAS FUTURE AND THEY WILL BE CONFIDENT IN THEIR OWN THEIR OWN FUTURE."

V.I. SEMASHKO,
FIRST DEPUTY PRIME-MINISTER OF THE REPUBLIC OF BELARUS

MAIN TASKS TO BE SOLVED BY ANY STEEL MAKING PLANT ARE:

- MARKET-APPROPRIATE GROWTH OF PRODUCTION;
- STRENGTHENING OF POSITION ON THE EXISTING OUTLETS AND CONQUERING OF NEW MARKETS;
- INCREASE OF SALES OF PRODUCTS WITH A HIGH ADDED VALUE.

THEREFORE, THE STRATEGY WORKED OUT FOR THE DEVELOPMENT OF THE INDUSTRY SHALL STRENGTHEN THE EXISTING COMPETITIVE PRIVILEGES AND CREATE NEW ONES.

IT IS NECESSARY TO CONSIDER THE FOLLOWING MAIN DIRECTIONS OF FURTHER DEVELOPMENT OF THE NATIONAL STEEL-MAKING SECTOR:

- FURTHER DEVELOPMENT OF THE EXISTING ROLLING PRODUCTION OF OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING AND IN A MIDDLE-TERM OUTLOOK A COMPLETE REFUSAL FROM PRODUCTION AND SALE OF SUCH TYPE OF PRODUCT AS MARKETABLE SEMIS (CAST BILLETS AND BLOOMS) WHICH MAKE UP ABOUT 25% OF THE EXISTING SHIPMENT STRUCTURE OF THE ENTERPRISE;
- EXPANSION OF THE PIPE PRODUCTION BY ARRANGING OCTG FINISHING AT OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING;
- RESOLUTION OF PROBLEMS RELATED WITH RAW MATERIAL PROVISION OF THE METALLURGICAL SECTOR OF BELARUS.



Metallurgy of Belarus

►► DEVELOPMENT STRATEGY

TILL RECENT TIME, STRATEGY OF METALLURGICAL ENTERPRISES DEVELOPMENT WAS AIMED AT STEEL OUTPUT INCREASE. BUT HIGH RATE OF DEVELOPMENT OF THE CHINESE STEEL SECTOR, STRENGTHENING OF COMPETITION ON ALL TRADITIONAL EXPORT MARKETS RESULTED IN HIGH RISKS IN THIS EXTENSIVE WAY OF DEVELOPMENT.

“THE MODERNIZATION STARTED BY BYELORUSSIAN STEEL WORKS WILL BE THE MOST LARGE-SCALE IN THE HISTORY OF THE ENTERPRISE. IT DOES NOT ONLY CORRESPOND TO THE HIGH LEVEL OF DEVELOPMENT, BUT WILL PROMOTE FURTHER IMPROVEMENT OF THE IMAGE OF ZHLOBIN STEELMAKERS ON GLOBAL MARKETS AND WILL HAVE A GENERAL POSITIVE IMPACT ON THE DEVELOPMENT OF THE REGION.”



G.A. SUZDALEV,
CHAIRMAN OF ZHLOBIN DISTRICT EXECUTIVE COMMITTEE

MAIN GOAL OF DEVELOPMENT OF OJSC “BSW-MANAGEMENT COMPANY OF “BMC” HOLDING IN 2011-2015 ARE TECHNICAL AND TECHNOLOGICAL MEASURES TAKEN TO ELIMINATE THE IMBALANCE OF THE PRODUCTION CAPACITIES AND CREATE CONDITIONS FOR INCREASE OF STEEL MELTING AND CASTING UP TO THE LEVEL OF 3 MILLION TONS PER YEAR (NOW 2,691 MLN T). THE MAIN TASK OF MASTERING OF NEW CAPACITIES IS A COMPLETE PROCESSING OF CAST BILLETS INTO FINISHED MARKETABLE PRODUCTS WITH A HIGH ADDED VALUE, ESTABLISHMENT OF NEW PRODUCTIONS FINALLY ALLOWING REDUCTION OF FINISHED PRODUCT PRIME COST. SO AS TO FULFILL THE TASKS SET FORTH, IT IS NECESSARY TO MODERNIZE THE EXISTING FACILITIES OF THE MAIN AND AUXILIARY PRODUCTION, ERECT AND COMMISSION A NUMBER OF NEW FACILITIES.

BASED ON THE ABOVE GOAL, THE PLANT DETERMINED THE FOLLOWING DIRECTIONS OF DEVELOPMENT:

- INCREASE OF THE TECHNICAL AND ECONOMIC LEVEL OF PRODUCTION DUE TO RECONSTRUCTION, MODERNIZATION AND NEW CONSTRUCTION;

- EXPANSION OF PRODUCTION OF STEEL WITH A HIGH ADDED VALUE;

- IMPROVEMENT OF THE STRUCTURE OF EXPORT DELIVERIES TOWARDS INCREASE OF DOWNSTREAM PRODUCTS, DEVELOPMENT OF IMPORT SUBSTITUTING PRODUCTIONS;

- FURTHER DECREASE OF THE SPECIFIC CONSUMPTION OF RAW MATERIALS, FUEL AND ENERGY AND LABOUR RESOURCES FOR STEEL PRODUCTION;

- IMPROVEMENT OF ENVIRONMENTAL CHARACTERISTICS OF THE EXISTING PRODUCTIONS (INTRODUCTION OF ENVIRONMENT-FRIENDLY TECHNOLOGIES, DECREASE OF WASTES AND SPECIFIC EMISSIONS OF HAZARDOUS MATERIALS INTO AIR WATER BASINS, GROWTH OF VOLUMES AND EFFICIENCY OF PRODUCTION WASTES PROCESSING);

- IMPROVEMENT OF THE EMPLOYEES’ LIFE LEVEL.

THE REQUIRED PRECONDITIONS FOR IMPLEMENTATION OF THE STRATEGY ARE AS FOLLOWS:

- PROVISION OF RAW MATERIAL RESOURCES. AVAILABILITY OF RAW MATERIAL SOURCES IS A POWERFUL LEVER OF PRODUCT SELF COST CONTROL;

- UNIFIED STEEL PRODUCTS HIGHLY LIQUID ON EXTERNAL MARKETS AND BEING THE BASIS FOR THE PRODUCTION PROGRAM;

- GROWING COMPETITION AND COSTS INCREASE DICTATE THE NECESSITY OF A QUICK INTRODUCTION OF RESOURCE-SAVING AND ENERGY-SAVING TECHNOLOGY AND EQUIPMENT, OPTIMIZATION OF THE SELF COST STRUCTURE (DECREASE OF THE SHARE OF COSTS FOR RAW MATERIAL AND ENERGY, INCREASE OF DEPRECIATION COST). AN ALTERNATIVE: GRADUAL LOSS OF COMPETITIVENESS ON THE EXTERNAL AND THEN ON THE INTERNAL MARKET;

- EFFECTIVE MANAGEMENT;

- STABLE ECONOMIC STATUS OF ENTERPRISES PERMITTING TO DEVELOP THE LEVEL OF BORROWINGS FOR IMPLEMENTATION OF LARGE-SCALE PROJECTS.

ANALYSIS OF THE PRESENT SITUATION AND OUTLOOK FOR DEVELOPMENT OF THE NATIONAL STEELMAKING SECTOR ALLOWS US TO FOCUS ON THREE PROBLEMS:

1. IN A SHORT-TERM OUTLOOK: KEEP EXPORT MARKETS AND PREDOMINATE ON THE EXTERNAL MARKET, MAINTAIN A RATHER



Description of key impacts, risks and possibilities

HIGH LEVEL OF PROFITABILITY OF THE STEELMAKING SECTOR. THE AIM: MAINTAIN AND GRADUALLY DEVELOP PRODUCTION OUTPUT ON THE EXISTING BASIS, GRADUAL GROWTH OF THE SHARE OF DELIVERIES TO THE INTERNAL MARKET IN ACCORDANCE WITH THE GROWTH OF CONSUMPTION, SUCCESSFUL COMPETITION WITH CIS PRODUCERS AND FURTHER MODERNIZATION OF EQUIPMENT.

2. IN A MEDIUM-TERM OUTLOOK: INCREASE OF STEEL MELTING OUTPUT, ERECTION OF NEW PRODUCTION FACILITIES AND MASTERING OF NEW PRODUCTIONS.

3. IN A LONG-TERM OUTLOOK: RESOLVING OF RAW MATERIAL PROBLEMS, DEVELOPMENT OF IRON ORE RAW MATERIAL, PRODUCTION OF SPONGE IRON WITH THE USE OF GREEN TECHNOLOGIES OF DIRECT REDUCTION OF METAL.

IMPLEMENTATION OF THIS STRATEGY WILL HELP TO FULFILL THE TASKS DETERMINED BY THE PROGRAM OF THE DEVELOPMENT OF THE INDUSTRIAL COMPLEX OF THE REPUBLIC OF BELARUS FOR 1998–2015 AND THE NATIONAL STRATEGY OF SUSTAINABLE SOCIAL AND ECONOMIC DEVELOPMENT OF THE REPUBLIC OF BELARUS FOR THE PERIOD TILL 2020 WHICH DETERMINE PROVISION OF SUSTAINABLE HIGH GROWTH RATE ON THE BASIS OF MODERNIZATION, IMPROVEMENT OF THE INDUSTRIAL AND TECHNOLOGICAL STRUCTURE OF PRODUCTIONS AND INCREASE OF THE COMPETITIVE LEVEL OF THE PRODUCT MANUFACTURED AS THE MAIN AIM OF ITS DEVELOPMENT. ADVANCE DEVELOPMENT OF SCIENCE INTENSIVE EXPORT-ORIENTED PRODUCTIONS WITH THE STATE SUPPORT OF ENTERPRISES PLAYING A VERY IMPORTANT ROLE IN THE NATIONAL ECONOMY AND INCREASE OF RESPONSIBILITY FOR ITS EFFICIENT USE IS FORESEEN.

IN FERROUS METALLURGY, EFFORTS WILL BE RE-ORIENTED FROM THE GROWTH OF VOLUMES OF METALLURGICAL RAW MATERIAL PROCESSING TO THE INCREASE OF DEPTH OF ITS PROCESSING AND IMPROVEMENT OF THE PRODUCTION PROCESSABILITY (IMPROVEMENT OF PRODUCT QUALITY AND MASTERING OF NEW TYPES OF PRODUCTS). IN THE NEAREST FIVE-YEAR PERIOD THE PRIORITY DIRECTIONS OF DEVELOPMENT WILL BE GROWTH OF PRODUCTION OF HIGH-TECH DOWNSTREAM PRODUCTS, IMPROVEMENT OF THE PRODUCTION STRUCTURE AND SALES OF QUALITY STEEL GRADES, ROLLED MATERIALS, STEEL CORD AND STEEL WIRE, DEVELOPMENT OF ENERGY-SAVING METHODS AND ERECTION AND COMMISSIONING OF NEW PRODUCTION FACILITIES.



“INTRODUCTION OF THE INNOVATIVE PRODUCTION OF ROLLED SECTION HAS LARGE PERSPECTIVES AND WILL ALLOW US TO STOP SELLING CAST BILLETS AND OCCUPY QUITE A NEW LEVEL, THUS COMPENSATING SHORTAGE OF STEEL IN ENGINEERING AND CONSTRUCTION SECTOR. I AM SURE THAT WE WILL MAKE OUR INDUSTRIAL GIANTS STRONGER AND OUR ECONOMY STABLE.”

*M.V. MYASNIKOVICH,
PRIME-MINISTER OF BELARUS*

HISTORY OF SUSTAINABLE DEVELOPMENT

MARCH 19, 1982 – SIGNATURE OF THE PLANT ERECTION CONTRACT.

OCTOBER 15, 1984 – BEGINNING OF OPERATION OF THE MELT SHOP PRODUCTION FACILITIES, FIRST STEEL MELTED AND CAST.

NOVEMBER 4, 1984 – BEGINNING OF OPERATION OF THE ROLLING MILL – FIRST ROLLED SECTION PRODUCED IN MILL 320/150.

NOVEMBER 21, 1987 – BEGINNING OF OPERATION OF:

- THE SECONDARY METALLURGY UNIT AND CONTINUOUS CASTING MACHINE No.3 (CCM No.3) IN ELECTRIC MELT SHOP No.2 (EMS-2);

- LARGE-SECTION MILL 850;

- PRODUCTION FACILITIES OF STEEL WIRE SHOP No.1 (SWS-1) AND PRODUCTION OF THE FIRST LOT OF BELARUSIAN TIRE CORD.

MARCH 1, 1991 – BEGINNING OF OPERATION OF THE PRODUCTION FACILITIES OF STEEL WIRE SHOP No.2, LIME KILN No.2, EAF-3 AND LADLE VACUUM DEGASSER IN THE ELECTRIC MELT SHOP.

AUGUST 1, 1996 – OPENING OF ZHLOBIN METALLURGICAL TECHNICAL SCHOOL.

SEPTEMBER 15, 2000 – COMMISSIONING OF THE NEW ROLLING MILL 150 IN THE PRESENCE OF THE PRESIDENT OF THE REPUBLIC OF BELARUS A.G. LUKASHENKO.



Description of key impacts, risks and possibilities



NOVEMBER 30, 2000 – BEGINNING OF THE OPERATION OF THE PRODUCTION FACILITIES OF STEEL WIRE SHOP No.3 (SWS No.3).

MAY 19, 2002 – BEGINNING OF OPERATION OF THE PRODUCTION FACILITIES OF THE 2ND STAGE OF THE OXYGEN PLANT.

MAY 24, 2005 – BEGINNING OF ERECTION OF THE PIPE FACILITY.

FEBRUARY 24, 2006 – COMMISSIONING OF BRASS COATING LINE No. 6 AFTER MODERNIZATION, IN SWS-2.

OCTOBER 2006 – NEW SIX-BLOCK AND TEN-BLOCK DRAWING MACHINES WERE INSTALLED IN STEEL WIRE SHOP No.3 WITHIN THE FRAMEWORK OF THE DNEPR PROJECT IMPLEMENTATION.

DECEMBER 28, 2006 – COMMISSIONING OF BEAD BRONZING LINE No. 2 IN STEEL WIRE SHOP No.1.

DECEMBER 30, 2006 – COMMISSIONING OF AN ION-EXCHANGE PLANT IN STEEL WIRE SHOP No.1.

JULY 13, 2007 – COMMISSIONING OF THE PIPE MILL IN THE PRESENCE OF THE PRESIDENT OF THE REPUBLIC OF BELARUS A.G. LUKASHENKO.

JANUARY 17, 2008 – CEREMONIAL OPENING OF A WATER-AND-HEALTH-IMPROVING BLOCK OF THE HOCKEY AND SWIMMING CENTRE OF THE OLYMPIC RESERVE. IT CONSISTS OF MODERN WATER ATTRACTIONS, A SAUNA, A SOLARIUM, A CAFÉ, AND OTHER FACILITIES. HONOR TO CUT THE RED RIBBON WAS FAVORED TO THE CHAIRMAN OF THE REGIONAL EXECUTIVE COMMITTEE A.S. YAKOBSON, THE CHAIRMAN OF ZHLOBIN DISTRICT EXECUTIVE COMMITTEE L.N. APANASYUK, GENERAL DIRECTOR OF RUE "BMZ" N.V. ANDRIANOV, AND DIRECTOR OF BUILDING AND CONSTRUCTION TRUST No.27 A.M. RYABKOV.

MARCH 6, 2008 – 62ND MEETING OF THE COUNCIL OF FERROUS METALS PRODUCERS AND EXPORTERS OF CIS COUNTRIES WAS HELD ON THE BASIS OF BMZ. MEMBERS OF THE COUNCIL DISCUSSED THE CONDITIONS OF THE FERROUS METALS MARKET, ASSESSED THE PERSPECTIVES OF ITS DEVELOPMENT AND DEVELOPED THE MIDDLE-TERM OUTLOOK FOR EXPORT PRICES FOR THE KEY TYPES OF FERROUS METALS.

JUNE 18, 2008 – BELARUSIAN METALLURGICAL FORUM "INTEGRATION OF SCIENCE, PRODUCTION AND EDUCATION IN THE DEVELOPMENT OF STEELMAKING IN THE REPUBLIC OF BELARUS TILL 2020" WAS HELD ON THE BASIS OF BMZ. THE

EVENT HELPED TO DETERMINE THE CONCEPT OF DEVELOPMENT OF THE NATIONAL STEEL SECTOR FOR THE NEAREST PERIOD.

JUNE 30, 2008 – RECONSTRUCTION OF THE SULFURIC ACID REGENERATION PLANT OF THE CHEMICAL BLOCK OF STEEL WIRE SHOP No.2.

AUGUST 8, 2008 – MODERNIZATION OF DUST AND GAS TRAPPING UNITS OF ELECTRIC-ARC FURNACE No.2 (EAF-2) IN ELECTRIC MELT SHOP No.1.

DECEMBER 2008 – THE PIPE MILL REACHED ITS DESIGNED CAPACITY.

MARCH 2009 – MODERNIZATION OF THE FINISHING LINE OF ROLLING MILL 320.

JULY 9, 2009 – PRESENTATION OF BMZ NEW PRODUCT – STEEL FIBER.

OCTOBER 9, 2009 – OUR PLANT WAS THE FIRST IN THE COUNTRY TO SUBMIT ITS CORPORATE SOCIAL REPORT TO THE COMMUNITY AND PARTICIPANTS OF THE UN GLOBAL COMPACT.

DECEMBER 6, 2009 – A LARGE INVESTMENT PROJECT – MODERNIZATION OF CONTINUOUS CASTING MACHINE No.3 (CCM-3) COMPLETED.

DECEMBER 14, 2009 – APPOINTMENT OF ANATOLY SAVIANOK THE GENERAL DIRECTOR OF RUE "BMZ" WAS APPROVED BY THE PRESIDENT OF THE INTERNATIONAL UNION OF STEELMAKERS.

2009 – PRODUCT DELIVERIES GREW BY MORE THAN 17 COUNTRIES IN THE YEAR OF CRISIS.

FEBRUARY 2010 – MOLD AND DISC SAW PREPARATION DEPARTMENT STARTED TO WORK IN THE PIPE MILL. THE DEPARTMENT IS PROVIDED WITH THE EQUIPMENT UNIQUE FOR OUR COUNTRY.

MARCH 2010 – SWS-2 MASTERS THE TECHNOLOGY OF PRODUCTION OF SHAPED (SQUARE) WIRE FOR HIGH-PRESSURE HOSES.

APRIL 2010 – THE PIPE MILL STARTED TO MASTER ROLLING OF PIPES FROM ROUND BILLET DIAMETER 200 MM, A TRIAL LOT OF WHICH WAS CAST IN CCM-3.

MARCH 29, 2010 – A CONTRACT FOR THE ERECTION OF LIME KILN No.3 WAS SIGNED WITH TECHCOM (GERMANY).



JUNE 2010 – ONE OF THE 11 PROJECTS FOR EXPANSION OF THE ROUGH-INTERMEDIATE DRAWING DEPARTMENT OF SWS-1 WAS DEVELOPED. TWO NEW ROUGH DRAWING MACHINES WERE INSTALLED.

JULY 2010 – THE RESULT OF NEGOTIATION BETWEEN BMZ AND TECHCOM WAS A CONTRACT FOR DELIVERY OF EQUIPMENT FOR THE LIME KILN BY MAERZ, AUSTRIA.

JULY 2010 – JUBILEE 10TH INTERNATIONAL SCIENTIFIC AND TECHNICAL CONFERENCE “METAL-2010” WAS HELD AT BMZ. THE CONFERENCE UNITED 80 REPRESENTATIVES OF THE PLANT AND 45 REPRESENTATIVES OF ENTERPRISES AND EDUCATIONAL ESTABLISHMENTS OF BELARUS, RUSSIA, UKRAINE, LITHUANIA AND KAZAKHSTAN.

AUGUST 2010 - NEW TECHNOLOGY OF PRODUCTION OF FLAT WIRE FOR HIGH-PRESSURE HOSES WAS MASTERED.

SEPTEMBER 2010 – A CONTRACT WAS SIGNED WITH WATER GROUP FOR RECONSTRUCTION OF THE SYSTEM OF TRAPPING AND CLEANING OF THE EXHAUST GASES OF EAFs No.1 AND No.3. THE PROJECT WAS DEVELOPED SPECIFICALLY FOR BSW STEEL FURNACES.

OCTOBER 2010 – MEMBERS OF TEAM No. 4 OF ROLLING MILL 150 SET A RECORD: THEY PRODUCED 1200 TONS OF WIRE ROD DURING A SHIFT. PRIOR OPTIMAL FIGURE OF PRODUCTION REACHED 1070 TONS.

NOVEMBER 2010 – 20 YEARS AGO, FIRST TONS OF STEEL WERE PRODUCED IN ELECTRIC-ARC FURNACE No.3. NOW EAF-3 PRODUCES NOT 4 AS PREVIOUSLY, BUT 12 HEATS PER SHIFT.

NOVEMBER 2010 – SWS-2 PRODUCED A JUBILEE TON OF TIRE CORD – 500 THOU. T.

DECEMBER 2010 – STEEL WIRE SHOP No.2 CROSSED THE BOUNDARY OF ONE MILLION TONS. THIS IS THE AMOUNT PRODUCED IN THE SHOP IN THE PERIOD FROM 1991 TO 2010 INCLUSIVE.

DECEMBER 2010 – THE TEAM OF ROLLING MILL 320 PRODUCED ONE MILLIONTH TON OF REINFORCING BARS IN 2010.

FROM FEBRUARY 1 TILL MARCH 7, 2011 80 SPECIALISTS FROM THE REPUBLIC OF SLOVAKIA WERE TRAINED IN ROLLING AND STEEL PRODUCTIONS WITHIN THE FRAMEWORK OF THE INTERNATIONAL COOPERATION OF STEELMAKERS.

FEBRUARY 2011 – TWO UNIVERSAL WINDING UNITS PRODUCED BY GCR EURODRAW (ITALY) WERE COMMISSIONED

AT THE THERMAL ETCHING-GALVANIZING DEPARTMENT OF STEEL WIRE SHOP No.1.

MARCH 17, 2011 – THE 1ST INTERNATIONAL CONFERENCE OF SUPPLIERS TOOK PLACE. IT GATHERED ABOUT 90 REPRESENTATIVES OF DIFFERENT COMPANIES COOPERATING WITH BMZ IN THE AREA OF MATERIAL, RAW MATERIAL AND EQUIPMENT DELIVERY.

MARCH 23, 2011 – THE STAFF OF ROLLING MILL 320 STARTED TO ROLL REINFORCING BARS No.14 WITH THE HELP OF 4-STRAND SLITTING. IT TOOK THEM A LITTLE MORE THAN ONE MONTH TO REACH THE LEVEL OF INDUSTRIAL PRODUCTION OF THIS SECTION.

MARCH 24, 2011 –IX MEETING OF MEMBERS OF THE LEADERS' CLUB OF THE CENTRAL AND EASTERN EUROPE (CEE) TOOK PLACE AT THE PLANT. REPRESENTATIVES OF MORE THAN 10 COUNTRIES TOOK PART IN THE MEETING.

APRIL 6, 2011 – 1ST CONSIDERABLE MARK IN THE HISTORY OF THE PIPE MILL: 250-THOUSANDTH TON OF PRODUCTS WAS MANUFACTURED.

APRIL 2011 – A FLAME CUTTING MACHINE IS INSTALLED IN THE REPAIR-MECHANICAL SHOP. THIS NEW EQUIPMENT PRODUCED BY THE TURKISH COMPANY AKYAPAK GIVES NEW OPTIONS FOR THE REPAIR MECHANICS IN RECOVERY AND PRODUCTION OF LARGE-SIZE PARTS.

APRIL 21, 2011 –10-MILLIONTH TON OF STEEL SINCE COMMISSIONING OF CCM-3 OF EMS No.2 WAS CAST.

JUNE 2011 – THE PLANT BOUGHT THE TERRITORY OF AGRO-TECHSERVICE WITH THE TOTAL AREA OF 11 HECTARES AT THE AUCTION SO AS TO INCREASE ITS SCRAP YARD. THE ADDITIONAL LAND WILL ALLOW US TO INCREASE THE WINTER SCRAP STOCK STORAGE AREA.

JUNE 20, 2011 – THE PLANT PRODUCED 35—MILLIONTH TON OF STEEL.

JULY 2, 2011 – THE FIRST IN THE PLANT'S HISTORY OPEN DOOR DAY WAS HELD.

JULY 7, 2011 – THE OPENING CEREMONY OF THE 11TH INTERNATIONAL SCIENTIFIC AND TECHNICAL CONFERENCE OF YOUNG WORKERS “METAL-2011” TOOK PLACE AT ZHLOBIN METALLURGICAL TECHNICAL SCHOOL. EXCEPT BELARUSIAN PARTICIPANTS, REPRESENTATIVES OF RUSSIA, UKRAINE, LATVIA, GREAT BRITAIN AND AUSTRIA PARTICIPATED IN THE CONFERENCE.



Description of key impacts, risks and possibilities



JULY 2011 – NEW EQUIPMENT FOR AIR DRYING PRODUCED BY BELGIAN COMPANY ATLAS COPCO WAS COMMISSIONED AT THE COMPRESSOR STATION OF THE REPAIR SHOP BLOCK.

AUGUST 18, 2011 – MINISTRY OF INDUSTRY ISSUED AN ORDER FOR PA BMZ TO TAKE OVER GA "BELVTORMET" INCLUDING SIX REGIONAL ENTERPRISES ENGAGED IN COLLECTING AND PROCESSION OF FERROUS SCRAP, AND UE "BELTSVETMET" TOGETHER WITH ITS DAUGHTER UNITARY ENTERPRISE "TSVETMET" (ZHODINO). DURING LAST THREE YEARS "BELVTORMET" TOOK OVER THREE MORE ENTERPRISES: OJSC "TEKH-NOPRIBOR" (MOGILYOV), OJSC "POLESIE'LECTROMASH" (LUNINETS), OJSC "KOBRIIN TOOLMAKING PLANT "SITOMO".

AUGUST 26, 2011 – STEEL WIRE SHOP No.3 CROSSED THE BORDERLINE OF 1 MILLION TON OF PRODUCTION.

AUGUST 31, 2011 – A CONTRACT ON ERECTION OF A NEW SECTION ROLLING MILL CAPACITY 700 THOU. TPY WITH AN OPTION TO REACH THE PRODUCTION OF 1 MILLION TPY WAS SIGNED WITH DANIELI (ITALY).

SEPTEMBER 22, 2011 – ELECTRIC MELT SHOP No.2 PRODUCED 10 000 000 TONS OF STEEL SINCE ITS COMMISSIONING.

OCTOBER 20, 2011 – THE 1ST SCIENTIFIC-PRACTICAL SEMINAR "MAIN DIRECTIONS OF INNOVATIVE-TECHNOLOGICAL DEVELOPMENT OF THE PRODUCTION ASSOCIATION "BYELORUSSIAN STEEL WORKS" PARTICIPATED BY RECTORS OF THE LEADING HIGHER EDUCATIONAL ESTABLISHMENTS OF GOMEL REGION TOOK PLACE AT THE PLANT.

OCTOBER 2011 – THE STAFF OF ELECTRIC MELT SHOPS No. 1 AND No.2 SET UP A RECORD IN PRODUCTION OF CONCAST BILLET: 229 673 TONS.

NOVEMBER 2011 – A DECISION TO REORGANIZE OUR REPUBLICAN UNITARY ENTERPRISE INTO AN OPEN JOINT-STOCK COMPANY WAS TAKEN BY THE CONFERENCE OF THE PLANT'S EMPLOYEES.

DECEMBER 2011 – ROLLING MILL 850 PRODUCED 9-MILLION TON OF CAST BILLET.

DECEMBER 8, 2011 – ROLLING MILL 320 CROSSED THE BORDERLINE OF 1 MILLION TONS.

DECEMBER 2011 – FIRST SQUARE BILLET 140 x 140MM CAST IN CCM-2 EMS-1.

DECEMBER 20, 2011 – CONSTITUENT ASSEMBLY OF BYE-

LORUSSIAN STEEL WORKS, DUFERCO S.A.» (SWITZERLAND), PISEC GROUP GMBH (AUSTRIA) TOOK PLACE TO ESTABLISH A JOINT VENTURE "BMZ-TUBULARS LTD." FOR PROCESSING OF OCTG PIPES.

JANUARY 1, 2012 – TARE AND DIE SHOP (T&DS) WAS ESTABLISHED TO UNITE THE TARE SHOP AND THE POWDER METALLURGY AND DIE SHOP.

JANUARY 2, 2012 – STATE REGISTRY OF OPEN JOINT-STOCK COMPANY "BYELORUSSIAN STEEL WORKS" (OJSC "BMZ") IN THE UNIFIED REGISTRY OF LEGAL ENTITIES AND INDIVIDUAL ENTREPRENEURS UNDER THE NUMBER 400074854.

MARCH 7, 2012 – FOUNDATION FOR LIME-KILN No.3 WAS LAID DOWN AND A CAPSULE WITH AN APPEAL TO OUR DESCENDANTS WAS EMBEDDED BY THE GENERAL DIRECTOR A.N. SAVIANOK.

MARCH 11, 2012 – A MUSEUM OF METALLURGY FOR CHILDREN WAS OPENED IN KINDERGARTEN No. 34 OF BYELORUSSIAN STEEL WORKS FOR THE FIRST TIME IN THE REPUBLIC OF BELARUS.

MARCH 2012 – ACCORDING TO THE RESULTS OF MARCH, ELECTRIC MELT SHOPS DEMONSTRATED THE BEST IN THE PLANT'S HISTORY PERFORMANCE AND PRODUCED 233 THOU. 880 TONS EXCEEDING THE RECORD-BREAKING PRODUCTION OF OCTOBER 2011 BY MORE THAN 4 THOUSAND TONS.

APRIL 1, 2012 – HOCKEY TEAM "METALLURG" BECAME THE CHAMPION WINNING THE MATCH WITH GRODNO TEAM "NYOMAN" IN THE FINAL SERIES OF PLAY-OFFS OF THE EXTRA-LEAGUE OF THE OPEN CHAMPIONSHIP OF BELARUS.

APRIL 4-5, 2012 – THE SECOND INTERNATIONAL CONFERENCE OF SUPPLIERS WAS HELD AT THE PLANT.

APRIL 22, 2012 – CEREMONIAL AWARDING OF THE CHAMPIONS OF BELARUS, WINNERS OF THE 20TH OPEN CHAMPIONSHIP OF THE REPUBLIC OF BELARUS 2011/2012 – PLAYERS OF THE "METALLURG" TEAM.

MAY 15, 2012 – A CAPSULE WITH AN APPEAL TO OUR DESCENDANTS WAS EMBEDDED IN THE FOUNDATION OF THE SMALL-SECTION MILL.

MAY 16, 2012 – VISIT OF THE HEAD OF THE ADMINISTRATION OF THE PRESIDENT OF THE REPUBLIC OF BELARUS V.V. MAKEI TO BMZ.

MAY 17, 2012 – BUSINESS CONFERENCE "BELARUS – RUS-



SIA: COOPERATION OF THE STEEL MARKET PLAYERS". OVER 50 LEADERS OF STEELMAKING ENTERPRISES MET AT BMZ.

MAY 24-25, 2012 – PLANT SCIENTIFIC CONFERENCE OF YOUNG SPECIALISTS OF OJSC "BMZ" "METALL-2012" WAS HELD.

MAY 25, 2012 – 20 YEARS SINCE COMMISSIONING OF THE NETWORK, SUBSTATIONS AND TECHNICAL MAINTENANCE SHOP (NS&TMS).

JUNE 11, 2012 – OJSC "BMZ" TOOK THE FIRST PLACE IN THE NOMINATION "EXPORT SALES LEADER" AMONG CLIENTS OF PRIORBANK. THIS HIGH APPRAISAL OF OUR WORK WAS MADE BY THE COUNCIL OF EXPERTS OF ONE OF THE LEADING BANKS OF THE COUNTRY. ON JUNE 11, A SPECIAL BADGE WAS PRESENTED THE GENERAL DIRECTOR A.N. SAVIANOK.

JUNE 20, 2012 – BMZ BECAME A LAUREATE OF THE CONTEST FOR A PRIZE OF THE COMMONWEALTH OF INDEPENDENT STATES IN 2011 IN THE CATEGORY "MANUFACTURE OF GOODS FOR PRODUCTION PURPOSES" (IN ORGANIZATIONS WITH MORE THAN 250 EMPLOYEES).

JULY 4-6, 2012 – 12TH INTERNATIONAL SCIENTIFIC-TECHNICAL CONFERENCE OF YOUNG WORKERS "METAL-2012" WAS HELD. REPRESENTATIVES OF RUSSIA, UKRAINE, KAZAKHSTAN AND BELARUS TOOK PART IN IT.

JULY 7, 2012 – THE SECOND DAY OF OPEN DOORS TRADITIONALLY HELD ON THE EVE OF THE METALLURGISTS' DAY TOOK PLACE AT THE PLANT.

JULY 13, 2012 – 5 YEARS SINCE COMMISSIONING OF THE PIPE MILL.

JULY 18, 2012 – 20TH BIRTHDAY OF THE PALACE OF CULTURE OF METALLURGISTS.

JULY 20, 2012 – OJSC "BMZ" JOINED THE WORLD STEEL ASSOCIATION (WSA), A PRESTIGIOUS PROFESSIONAL INDUSTRIAL ASSOCIATION NUMBERING OVER 170 WORLD STEELMAKERS AND RESEARCH INSTITUTES WORKING IN THIS FIELD.

AUGUST 17, 2012 – 5 MILLION TONS PRODUCED IN MILL 150 SINCE MILL 320/150 WAS DIVIDED IN TWO INDEPENDENT MILLS (SEPTEMBER 15, 2000).

AUGUST 24, 2012 – OPEN JOINT-STOCK COMPANY "BYELORUSSIAN STEEL WORKS- MANAGEMENT COMPANY OF "BYELORUSSIAN METALLURGICAL COMPANY" HOLDING (BSW- MAN-

AGEMENT COMPANY OF "BMC" HOLDING) WAS REGISTERED IN THE UNIFIED REGISTRY OF LEGAL ENTITIES AND INDIVIDUAL ENTREPRENEURS UNDER THE NUMBER 400074854.

AUGUST 31, 2012 – CEREMONIAL COMMISSIONING OF THE FIRST STAGE OF PIPE FINISHING LINE No.3 (PFL-3) OF THE PIPE MILL.

SEPTEMBER 3, 2012 – THE PLANT BECAME THE WINNER OF THE REPUBLICAN PROFESSIONAL CONTEST "BEST CONSTRUCTION PRODUCT OF 2012". STEEL FIBER FOR CONCRETE REINFORCEMENT (ANCHOR, WAVY, MICROFIBER).

SEPTEMBER 10, 2012 – 20TH BIRTHDAY OF THE METALLURGICAL EQUIPMENT REPAIR SHOP (MERS).

SEPTEMBER 14, 2012 – 30 YEARS SINCE THE FOUNDATION OF BMZ WAS LAID DOWN. DIRECTOR DEROZHANT AKOPOV AND CHIEF ENGINEER OF VOEST-ALPINE ALFRED PROBST LAID AN APPEAL TO OUR DESCENDANTS IN TWO LANGUAGES IN A CAPSULE EMBEDDED IN THE FOUNDATION OF ELECTRIC MELT SHOP No.1.

OCTOBER 11, 2012 – PLANT HOSTEL No.3 WAS OPENED AFTER CAPITAL REPAIRS AND MODERNIZATION.

OCTOBER 31, 2012 – PUBLIC HEARING OF THE CORPORATE SOCIAL REPORT FOR 2011.

NOVEMBER 6, 2012 – UNOFFICIAL HOCKEY MATCH WAS HELD BETWEEN THE CHAMPIONS OF 2011/2012 OF TWO COUNTRIES: BELARUS AND AUSTRIA. THE MATCH BETWEEN METALLURG (ZHLOBIN) AND "BLACK WINGS" (LINZ, AUSTRIA) WAS TIMED TO 30-YEAR ANNIVERSARY OF THE BEGINNING OF THE PLANT ERECTION.

NOVEMBER 20, 2012 – THE FIRST COLUMN INSTALLED ON THE SITE OF THE SMALL-SECTION MIL.

NOVEMBER 21, 2012 – 25 YEARS SINCE COMMISSIONING OF STEEL WIRE SHOP No.1.

NOVEMBER 21, 2012 – 25TH ANNIVERSARY OF ELECTRIC MELT SHOP No. (EMS-2) AND ROLLING MILL 850 OF THE ROLLING PRODUCTION SHOP (RPS).

DECEMBER 2, 2012 – 30 YEARS SINCE BMZ PERSONNEL SERVICE WAS ARRANGED.

DECEMBER 2012 – AT NIGHT DECEMBER 6 – 7, ONE MILLION TON OF ROLLED STOCK WAS PRODUCED IN MILL 320. BENCHMARK: JANUARY 2012.



Description of key impacts, risks and possibilities



STRATEGY AND MISSION

SINCE START UP OF THE OPERATION IN 1984 THE PLANT HAS SUCCESSFULLY FULFILLED ITS INFRASTRUCTURAL FUNCTION WHICH IS AN INTEGRAL PART OF A COMPLICATED SOCIAL – ECONOMIC RELATIONS IN THE REGION OF ITS BUSINESS ACTIVITY. OJSC “BSW-MANAGEMENT COMPANY OF “BMC” HOLDING IS AMONG THE LARGEST NATIONAL COMPANIES IN TERMS OF THE AMOUNT OF PRODUCT SOLD AND SCALE OF PURCHASING AND IS ONE OF THE LARGEST EMPLOYERS AND TAX PAYERS.

BSW MAKES A CONSIDERABLE CONTRIBUTION INTO THE DEVELOPMENT OF THE ECONOMY OF THE REPUBLIC OF BELARUS. IN 2012, SIMILAR TO PREVIOUS PERIODS, THE PANT TRADITIONALLY INVESTED ITS PROFIT TO SUPPORT AND DEVELOP SUSTAINABLE PRODUCTION ACTIVITY, EFFICIENT USE OF RESOURCES, CREATION OF NEW WORKPLACES AND PAYMENT OF SALARY AND WAGES TO THE EMPLOYEES. CREATED COST WAS ALSO DISTRIBUTED TO PAYMENT OF NATIONAL AND REGIONAL TAXES, FINANCING OF SOCIAL AND ECONOMIC PARTNERSHIP PROGRAMS AND CHARITABLE PROJECTS IN THE REGION OF ITS PRESENCE. TIMELY DEDUCTIONS TO BUDGETS OF ALL LEVELS IS CONSIDERED BY THE PLANT AS PART OF ITS SOCIAL RESPONSIBILITY AND BASIS FOR DEVELOPMENT OF SOCIAL PROJECTS (SEE SECTION “ECONOMY”). ACCORDING TO 2012 DATA, SHARE OF THE PANT IN THE GROSS DOMESTIC PRODUCT (GDP) OF THE REPUBLIC OF BELARUS IS ABOUT 3,5%, THE EXPORT PORTION OF THE TOTAL COUNTRY VOLUME IS 3,6%.

THE PLANT STRICTLY ADHERES TO THE CHOSEN COURSE OF IMPROVEMENT AND REFORMS IN ALL DIRECTIONS: MANAGEMENT OF SUSTAINABLE DEVELOPMENT, ECONOMIC ACTIVITY, WORK WITH EMPLOYEES, PLANT’S ACTIVITY IN THE REGION AND CO-OPERATION WITH SUPPLIERS AND CUSTOMERS, ENVIRONMENTAL POLICY AND INDUSTRIAL SAFETY.

IN 2012 WE CONTINUED FORMATION OF A NEW TEAM OF TOP MANAGEMENT AND IMPROVEMENT OF THE MANAGEMENT STRUCTURE OF BYELORUSSIAN STEEL WORKS.

ORIENTING TOWARDS EFFICIENCY, THE TOP MANAGEMENT ATTACHES MUCH IMPORTANCE TO INTRODUCTION OF PRINCIPLES AND PRACTICES OF SUSTAINABLE DEVELOPMENT IN THE WHOLE PLANT. BSW STRATEGIC AIM IS TO OCCUPY A LEADING POSITION AMONG STEEL ENTERPRISES OF THE WORLD IN THE AREA OF SUSTAINABLE DEVELOPMENT. ASPECTS OF SUPPORT OF THE EMPLOYEES, ENVIRONMENT, INTERACTION WITH THE REGION ARE CLOSELY INTERRELATED WITH PRODUCTION AND ECONOMIC PRIORITIES.

THE TOP MANAGEMENT OF OJSC “BSW-MANAGEMENT COMPANY OF “BMC” HOLDING UNDERTOOK OBLIGATIONS, DETERMINED A UNIFIED CORPORATE POLICY AND ESTABLISHED UNIFIED TARGETS OF THE PLANT. THE TOP MANAGEMENT ANALYZES FULFILLMENT OF THE GOALS EVERY HALF-YEAR AND ANNUALLY AND ADJUSTS THEM, IF REQUIRED.

OPEN JOINT-STOCK COMPANY “BYELORUSSIAN STEEL WORKS-MANAGEMENT COMPANY OF “BYELORUSSIAN METALLURGICAL COMPANY” HOLDING IS A PERSISTENTLY DEVELOPING AND CONTINUOUSLY REPLENISHING ORGANIZATION WHICH TAKES INTO CONSIDERATION TENDENCIES AND RISKS EXISTING IN THE EXTERNAL ENVIRONMENT.

MISSION OF THE PLANT: PRODUCTION OF HIGH TECH PRODUCTS TO IMPROVE PROFITABILITY OF THE ENTERPRISE TAKING CARE OF THE ENVIRONMENT AND PEOPLE’S HEALTH, AND PROVIDING A HIGH LEVEL OF THE EMPLOYEES’ LIFE AND SATISFACTION OF ALL PARTIES CONCERNED.

BSW VISION: BE THE BEST SUPPLIER OF PRODUCTS MEETING THE NEEDS OF NATIONAL AND FOREIGN CUSTOMERS ON ALL DEVELOPED STEEL MARKET SEGMENTS DUE TO USAGE OF PROGRESSIVE AND ENVIRONMENT-FRIENDLY METHODS, EFFICIENT USE OF RESOURCES AND OPTIMAL ORGANIZATION OF PRODUCTION PROCESSES AND MANAGEMENT.

BSW VALUES: EMPLOYEES, ENVIRONMENT AND EFFICIENT USE OF NATURAL AND OTHER RESOURCES, PARTNERS, QUALITY, KNOWLEDGE, AND COMMUNITY.

THE STRATEGY OF THE PLANT IS DIRECTED TOWARDS SATISFACTION OF INTERESTS OF ALL STAKEHOLDERS IN:

- MANUFACTURING OF PRODUCTS OF THE REQUIRED QUALITY, AMOUNT AND RANGE;
- PROVISION OF SUSTAINABLE DEVELOPMENT;
- MAINTENANCE AND STRENGTHENING OF POSITIONS ON THE DEVELOPED MARKETS;
- IMPROVEMENT OF THE EMPLOYEES’ WELFARE;
- MAINTENANCE OF HEALTH AND LIFE OF EVERY MEMBER OF THE LABOUR COLLECTIVE;
- CONTINUOUS DECREASE OF THE ENVIRONMENTAL IMPACT IN THE COURSE OF PRODUCTION ACTIVITY;
- SUPPORT AND FURTHER DEVELOPMENT OF STANDARDS OF CORPORATE MANAGEMENT.



PRINCIPLES OF STRATEGY IMPLEMENTATION

THE PLANT SETS FORTH MEASURABLE, FEASIBLE AND CONSISTENT ECONOMIC, SOCIAL AND ENVIRONMENTAL GOALS, UNDERSTANDING ITS ROLE AND UNDERTAKING RESPONSIBILITY FOR THE CONSEQUENCES OF ITS DECISIONS AND ACTIONS.

IMPLEMENTATION OF THE MISSION AND STRATEGY INCLUDES:

- ACHIEVEMENT OF THE PLANT PERFORMANCE GOALS SET FORTH;
- TIMELY RESPONSE TO CONTINUOUSLY CHANGING EXTERNAL CONDITIONS WITH THE USE OF P-D-C-A CYCLE (PLANNING – DISPOSAL – CONTROL – ACTION);
- INTRODUCTION OF ADVANCED TECHNOLOGIES DURING DESIGNING, DEVELOPMENT OF PRODUCTION PROCESSES OF NEW COMPETITIVE TYPES OF PRODUCTS SO AS TO IMPROVE PRODUCT QUALITY, DECREASE DANGERS AND RISKS IN PRODUCTION PROCESSES, PREVENT HARMFUL IMPACT OF THE PRODUCTION FACTORS ON THE EMPLOYEES, REDUCTION OF EMISSIONS OF CONTAMINATING SUBSTANCES IN THE AIR, WATER BASIN, WASTES GENERATION, AND NATURAL RESOURCE CONSUMPTION.
- CONTINUOUS IMPROVEMENT OF THE EFFECTIVENESS AND EFFICIENCY OF THE FUNCTIONING OF THE MANAGEMENT SYSTEMS CORRESPONDING TO THE REQUIREMENTS OF INTERNATIONAL STANDARDS ISO 9001, ISO 14001, OHSAS 18001, 26000, SA-8000 AND INDUSTRIAL REQUIREMENTS OF AUTOMOTIVE AND OIL AND GAS INDUSTRY ISO/TS 16949, ISO/TS 29001 (API SPEC. Q1), DEVELOPMENT AND INCLUSION IN THE MANAGEMENT SYSTEM THE SUBSECTIONS "MANAGEMENT OF ENERGY SAVING" IN ACCORDANCE WITH ISO 50001, "FINANCIAL MANAGEMENT" ACCORDING TO ISO 10014, "SYSTEMS OF INFORMATION PROTECTION" IN CONFORMITY WITH ISO 27001;
- PREDICTION OF RISKS CONNECTED WITH THE PLANT OPERATION;
- CONTINUOUS CONTROL OF RISKS RELATED TO THE PRODUCTION PROCESSES, PREVENTIVE AND CORRECTIVE ACTIONS DIRECTED TOWARDS PREVENTION OF GENERATION OF OCCUPATIONAL DISEASES AND PRODUCTION ACCIDENTS;
- PREVENTION OF ENVIRONMENT CONTAMINATION, DAMAGES AND WORSENING OF THE EMPLOYEES' HEALTH DURING PRODUCTION ACTIVITY;
- ACTIVITY IN THE AREA OF QUALITY, SOCIAL RESPONSIBILITY, INFORMATION PROTECTION, FINANCES, ENERGY SAVING IN ACCORDANCE WITH THE REQUIREMENTS OF THE INTERNATIONAL STANDARDS, EXISTING LAW, AND OTHER REQUIREMENTS;
- ACTIVITY IN THE AREA OF LABOUR PROTECTION AND INDUSTRIAL SAFETY, AND ENVIRONMENT IN ACCORDANCE WITH THE REQUIREMENTS OF THE INTERNATIONAL STANDARDS, EXISTING LAW AND OTHER REQUIREMENTS RELATED TO ENVIRONMENTAL ASPECTS, PRODUCTS OR SERVICES, DANGERS IN THE AREA OF OCCUPATIONAL HEALTH AND LABOUR SAFETY;
- REGULAR MONITORING OF THE PRODUCTION PROCESSES AND MANAGEMENT;
- IMPROVEMENT OF PRODUCT QUALITY, ENSURING LABOUR SAFETY AND HEALTH PROTECTION, PROTECTION OF ENVIRONMENT, ENERGY SAVING INCLUDING BSW SUPPLIERS, CONTRACTORS AND CUSTOMERS;
- PURPOSEFUL PROFESSIONAL TRAINING OF EMPLOYEES, CREATION OF OPTIMAL CONDITIONS FOR HIGH QUALITY LABOUR, SHOWING OWN ABILITIES AND INITIATIVE OF EACH EMPLOYEE AND THEIR INTEREST IN GUARANTEEING HIGH QUALITY OF PRODUCTS, EFFICIENT USE OF RAW MATERIALS, MATERIALS AND ENERGY RESOURCES;
- IMPROVEMENT OF PRODUCTION CULTURE AND ENSURING OF PERSONAL MORAL AND MATERIAL RESPONSIBILITY FOR QUALITY OF LABOUR.

THE PLANT MANAGEMENT IS INTERESTED IN FULFILLMENT OF THE CORPORATE POLICY AND CONTINUOUSLY CREATES CONDITIONS REQUIRED FOR THAT SO AS TO GUARANTEE A WORTHY LEVEL OF EMPLOYEES' LIFE AND CONFIDENCE IN TOMORROW.

THE PLANT MANAGEMENT AND EMPLOYEES CARRY OUT THEIR ACTIVITY IN ACCORDANCE WITH THE CODE OF ETHICS WITH WHICH THE PLANT PERSONNEL AND EXTERNAL PARTNERS ARE ACQUAINTED. BSW CODE OF ETHICS IS DEVELOPED WITH CONSIDERATION OF KEY VALUES, SUCH AS TRUTHFULNESS, STRAIGHTFORWARDNESS AND RESPECT FOR MUTUAL INTERESTS, AND THEIR OBLIGATORY FULFILLMENT LEADS TO MUTUAL



Description of key impacts, risks and possibilities

▶▶ TRUST, OPENNESS AND TRANSPARENCY OF RELATIONS. TRUST OF THE STAKEHOLDERS IS ONE OF THE KEY VALUES OF OUR PLANT.

EVERY YEAR THE TOP MANAGEMENT OF OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING DETERMINES TARGETS OF THE COMPANY BASED ON FORECAST DEVELOPMENT INDICATORS DETERMINED BY THE MINISTRY OF INDUSTRY OF BELARUS, POLICY, SPECIAL-PURPOSE ORDERS AND RESULTS OF THE MANAGEMENT REVIEW. BASED ON THE PLANT TARGETS, POLICY, SPECIAL-PURPOSE ORDERS, LEADERS OF THE PLANT DEPARTMENTS DETERMINE TARGETS OF THEIR DEPARTMENTS. THE PLANT TARGETS AND TARGETS OF ITS DEPARTMENTS ARE BROUGHT TO THE INFORMATION OF ALL EMPLOYEES OF THE DEPARTMENT. TOP MANAGEMENT, HEADS OF STRUCTURAL SUBDIVISIONS ANALYZE THE TARGETS EVERY HALF-YEAR, EVERY YEAR AND ADJUST THEM IF REQUIRED. EFFICIENCY OF FULFILLMENT OF THE TARGETS IS CHECKED DURING INTERNAL AUDITS AND MANAGEMENT REVIEW. THIS PROCEDURE IS REGULATED BY STP 840-KSM-5.6 AND STP 840- KSM-8.2.2.

THE DYNAMIC ANALYSIS OF FULFILLMENT OF THE TARGETS OF THE ACTIVITY OF OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING FOR 2012 IS GIVEN IN ANNEX 1.

STRATEGY AND GOALS IN THE AREA OF SUSTAINABLE DEVELOPMENT

IN ACCORDANCE WITH THE CORPORATE POLICY, MANAGEMENT OF THE PLANT ENSURES DEVELOPMENT AND IMPLEMENTATION OF TECHNICAL, PRODUCTION AND INVESTMENT PROGRAMS AIMED AT IMPROVEMENT OF PRODUCT QUALITY AND DIRECTLY CONTRIBUTING TO SUSTAINABLE DEVELOPMENT OF THE PLANT.

A SET OF MEASURES DIRECTED TOWARDS ENSURING HIGH CUSTOMER PROPERTIES OF THE GOODS MANUFACTURED ARE INCLUDED IN AN ANNUAL BUSINESS-PAN THE DEVELOPMENT PROCEDURE OF WHICH IS REGULATED BY STP 840-SMK-4.1.2.

SO AS TO IMPROVE PRODUCT QUALITY AND PROVIDE FOR ITS COMPETITIVENESS AND IMPROVE TECHNICAL LEVEL OF THE PRODUCTION PROCESS, THE PLANT DEVELOPED A LONG-TERM PROGRAM OF BSW DEVELOPMENT FOR 2011-2015, AND APPROVED PLANS OF SCIENTIFIC-RESEARCH AND DEVELOP-

MENT (TECHNOLOGICAL) WORK FULFILLED ON A CONTRACTUAL BASIS AND WITH OWN FORCE.

KEY ACTIVITIES FOR PRODUCT QUALITY AND PRODUCTION EFFICIENCY IMPROVEMENT ARE INCLUDED IN ANNUAL SPECIAL-PURPOSE ORDERS OF THE GENERAL DIRECTOR SPECIFYING TIME AND RESPONSIBLE EXECUTORS:

- No.1 "ABOUT IMPROVEMENT OF BUSINESS ACTIVITY AND INVESTMENT PROGRAMS";
- No.2 "ABOUT MEASURES TO IMPROVE QUALITY AND COMPETITIVENESS OF MARKETABLE PRODUCTS"
- No.3 "ABOUT MEASURES TO PROVIDE FOR SAFE LABOUR CONDITIONS";
- No.5 "ABOUT PERSONNEL DEVELOPMENT";
- No.6 "ABOUT PROGRESSIVE TECHNOLOGIES, MASTERING OF NEW TYPES OF PRODUCTS, INNOVATORY AND INNOVATIVE ACTIVITY";
- No.7 "ABOUT MEASURES FOR ENVIRONMENT PROTECTION";
- No.8 "ABOUT MEASURES TO DECREASE PRODUCTIONS COSTS".





PLANT OBJECTIVES FOR MEDIUM-TERM OUTLOOK

THE FOLLOWING KEY TARGETS OF SOCIAL AND ECONOMIC DEVELOPMENT OF THE PLANT ARE PLANNED FOR 2013:

1. PRODUCTION, FINANCES AND ECONOMY:		
– GROWTH RATE OF INDUSTRIAL PRODUCT OUTPUT IN PRICES OF THE BASIC (2011) YEAR ON THE BASIS OF A SET OF REPRESENTATIVE GOODS, NOT LESS THAN, %		108,0
– EFFICIENCY OF SALES, NOT LESS THAN, %		12,0
– ENERGY SAVING INDICATOR, %		-7,0
– STEEL EXPORT COMPARED TO THE LEVEL OF 2012, NOT LESS THAN, %		117,4
– FOREIGN TRADE BALANCE, NOT LESS THAN, USD THOU.		779 354,2
RELATION OF STEEL EXPORT AND PRODUCTION OUTPUT, NOT LESS THAN, %		80,3
2. QUALITY:		
– LEVEL OF REJECTS DUE TO PRODUCTION SHOPS, MAX., %		SET BY ORDER No. 2
– LEVEL OF NON-CONFORMING PRODUCTS, MAX., %		SET BY ORDER No. 2
– LEVEL OF EXPENSES DUE TO DEFECTS PER BRB1000. OF MARKETABLE PRODUCTS, MAX., %		3,31
– ASSESSMENT OF CUSTOMER'S SATISFACTION, MIN., %		
	FOR STEELMAKING PRODUCTION	90,5
	ROLLING PRODUCTION	92,0
	PIPE PRODUCTION	90,2
	TIRE CORD AND STEEL WIRE PRODUCTION	93,5
AMOUNT OF CLAIMED PRODUCTS COMPARED TO THE LEVEL OF 2012, %		TO BE DECREASED BY 10
3. ENVIRONMENT:		
– AMOUNT OF STORED PRODUCTION WASTES COMPARED TO 2012, %		TO BE DECREASED BY 5
4. LABOUR PROTECTION AND INDUSTRIAL SAFETY:		
– IMPROVEMENT OF CONDITIONS AND ENSURING OF LABOUR SAFETY FOR THE SHOP WORKERS, PERSONS		750
5. SOCIAL RESPONSIBILITY:		
– TRAINING OF MANAGERS AND SPECIALISTS, PERS.		1510
– PROFESSIONAL TRAINING OF WORKERS, PERS.		3304
– GENERAL SATISFACTION OF THE PERSONNEL, MIN. %		72,0
– WAGES AND SALARIES GROWTH RATE, MIN. %		103,1
– EMPLOYEE TURNOVER, MAX. %		3,5

Description of key impacts, risks and possibilities

HISTORY OF MASTERING OF MAIN TYPES OF PRODUCTS

OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING IS ONE OF A FEW ENTERPRISES OF THE REPUBLIC OF BELARUS WHICH INCREASES ITS VOLUME OF PRODUCTION FROM YEAR TO YEAR INVESTING CONSIDERABLE FUNDS INTO RECONSTRUCTION AND MODERNIZATION AND TECHNICAL REVAMPING. STARTING FROM THE PLANT COMMISSIONING IN 1984, VOLUME OF A STEEL HEAT GREW FROM THE DESIGNED 700 THOU. TONS PER YEAR BY MORE THAN 3,5 TIMES.

BESIDES, INCREASE OF THE OUTPUT IN NATURAL TERMS GOES PARALLEL TO THE GROWTH OF THE SPECIFIC WEIGHT OF NEW TYPES OF PRODUCTS IN THE TOTAL PRODUCTION OUTPUT. CLOSE COOPERATION WITH NATIONAL SCIENCE, FIRST OF ALL WITH ESTABLISHMENTS OF THE NAS OF BELARUS AND EDUCATIONAL ESTABLISHMENTS, ALLOW MASTERING OF A NUMBER OF NEW TYPES OF HIGH QUALITY STEEL PRODUCTS EVERY YEAR.

THE MOST SIGNIFICANT TYPES OF PRODUCTS MASTERED BY THE PLANT DURING LAST THREE YEARS INCLUDE THE FOLLOWING:

2010:

- WELDING DIE-ROLLED REINFORCING BARS No. 10-32, CLASS A500C;
- CARBON STEEL QUALITY PIPES OF VARIOUS SIZES;
- WELDING DIE-ROLLED REINFORCING BARS No. 10-32, CLASS B500NC;
- HOT-ROLLED SECTION OF BEARING STEEL GRADE ШХ15СГ Ø 160;
- ULTRA-HIGH-TENSILE TIRE CORD CONSTRUCTION 4+3x0,35 UT;
- TIRE CORD CONSTRUCTION 3x5x0,245;
- ZINC-COATED STEEL WIRE FOR SINGLE-WIRE CORES Ø 1,85; 2,10; 2,65; 3,05 MM;
- ZINC-COATED STEEL WIRE FOR SINGLE-WIRE CORES Ø 2,0 MM;
- MICROFIBER.

2011:

- CARBON QUALITY SECTIONAL ROUND BILLET Ø 200MM;
- IMPROVED QUALITY ROLLED CARBON COILS SAE 1010 Ø 18,5MM;
- SIMPLE CARBON STEEL REINFORCING BARS No.10-28, CLASS Y500-2;

- HIGH-TENSILE TIRE CORD 3+8 x 0,35HT;
- 3-SIDED REINFORCING WIRE B500A Ø 6,0; 8,0; 10,0; 12,0MM ACCORDING TO DIN 488;
- SIMPLE CARBON STEEL REINFORCING BARS Ø10-40 MM, GRADE B500B;
- TIRE CORD (3+9) x0,22RT AS50491;
- MICROFIBER OF STEEL WIRE SIZE 0,30/6 MM; 0,35/13MM;
- ANCHOR FIBER OF STEEL WIRE SIZE 0,5/30MM;
- 3-SIDED SECTION STEEL WIRE CLASS B500K; BST-500KR (A); B500NA; BST500M Ø 6,0; 8,0; 10,0; 12,0 MM;
- QUALITY CARBON STEEL PIPE;
- ALLOY STEEL PIPE;
- NAIL WIRE.

2012:

- DIE-ROLLED REINFORCING STEEL BARS, NOMINAL Ø 10, 12, 14, 16, 20, 22, 25, 32, GRADE K500C-T ACCORDING TO THE REQUIREMENTS OF SWEDISH STANDARD SS 212540:2011 (E);
- CARBON AND ALLOY STEEL PIPES;
- QUALITY CARBON STEEL PIPE BILLET;
- ALLOY PIPE BILLET;
- NICKEL-MOLYBDENUM STEEL PIPE;
- ROUND COILS Ø 22,0 MM OF LOW-CARBON AND LOW-ALLOY STEEL GRADES;
- LOW-CARBON AND LOW-ALLOY WIRE ROD Ø 12,5 MM, GRADE St1SP, 25Г2P;
- MICROFIBER OF STEEL WIRE SIZE 0,35/13 MM ACCORDING TO SPECIFICATION 1018-0/CC-2010;
- ANCHOR FIBER OF STEEL WIRE SIZE 0,60/30 MM ACCORDING TO TU 14-1-5564-2008;
- COPPER-COATED WELDING WIRE STEEL GRADE 08Г2С WITH ONE-LAYER WINDING ON STEEL CAR-TRIDGE K300;
- BRONZED BEAD WIRE 1,26 MM FOR BRIDGSTONE;
- TIRE CORD CONSTRUCTION 3+8x0,35 HT;
- TIRE CORD CONSTRUCTION 3x0,22+9x0,20 HT;
- ROUND Ø 90 MM OF STEEL GRADE 16 MnCrS5 Hay5 ACCORDING TO THE REQUIREMENTS OF THE CONTRACT (STANDARD SPECIFICATION No. 1139-0/CC-2011);
- TIRE CORD CONSTRUCTION 3x7x0,175 HE;
- ROUND Ø 90-140 MM, STEEL GRADE 42CrMo4X1.



STAGES OF THE PRODUCTION OUTPUT GROWTH

DYNAMIC GROWTH OF CIS ECONOMIES, EXCEPT RUSSIA, WHICH IN 2010-2011 MADE UP APPROXIMATELY 5,9 - 7,1 PER CENT, CONSIDERABLY SLOWED DOWN TO 3,4 PER CENT IN 2012. BOTH INTERNAL AND EXTERNAL CONDITIONS OF DEVELOPMENT WORSENE IN MOST COUNTRIES OF THE COMMONWEALTH. INDUSTRIAL PRODUCTION SLOWED DOWN SIGNIFICANTLY ON THE BACKGROUND OF THE END OF GROWTH OF EUROPEAN ECONOMIES AND GLOBAL PRICES ON RAW MATERIALS. SHARP DECREASE OF DEMAND ON CIS GOODS IN RUSSIA IN 2012 ALSO HAD AN IMPACT. ON THE OTHER HAND, TIGHTENING OF FISCAL AND MONETARY POLICIES IN A NUMBER OF THE STATES IN THE REGION RESULTED IN A CONSIDERABLE SLOW DOWN OF INVESTMENT.

THE GLOBAL SITUATION OF UNCERTAINTY IN 2012 (CRISIS IN EUROZONE, PROBLEMS WITH THE US NATIONAL DEBT, DECREASE OF THE GROWTH RATE OF THE CHINESE ECONOMY) WERE A SERIOUS THREAT FOR ESTABLISHMENT OF SUSTAINABLE TENDENCIES IN STEELMAKING. THUS, AVERAGE STEEL PRICES IN THE WORLD IN 2012 WERE LOWER THAN IN 2011 BY AVERAGE 8-12%.

BEING AN EXPORT-ORIENTED ENTERPRISE, OJSC "BYELORUSSIAN STEEL WORKS-MANAGEMENT COMPANY OF "BYELORUSSIAN METALLURGICAL COMPANY" HOLDING EXPORTED 79% OF ITS PRODUCTION IN NATURAL TERMS IN SPITE OF CRISIS OCCURRENCES IN THE WORLD ECONOMY. THE PLANT'S SHARE IN CURRENCY EARNINGS FROM ABROAD MAKES UP ABOUT 15%.

IN 2012 WE PRODUCED:

STEEL	2 691 014 T
ROLLED PRODUCTS	2 222 812 T
STEEL PIPES	124 602 T
TIRE CORD	87 870 T
BEAD WIRE	32 491 T
HOSE WIRE	36 761 T
STEEL WIRE	256 376 T

EXPERTS AGREE THAT IN THE NEAREST ONE OR TWO YEARS THE MARKET WILL REMAIN VOLATILE AND STABLE RECOVERY OF THE MARKET IS POSSIBLE ONLY AFTER GLOBAL POSITIVE TENDENCIES APPEAR IN THE WORLD (IN PARTICULAR, IN EC COUNTRIES), OR IN ANY CASE AFTER FAVORABLE EXPECTATIONS OF GDP GROWTH FOR 1-2 YEARS AHEAD APPEAR IN DEVELOPED COUNTRIES AND REGIONS.

MAIN AIM OF THE PLANT DEVELOPMENT IN 2012 WERE MEASURES OF TECHNICAL AND TECHNOLOGICAL CHARACTER UNDERTAKEN TO CREATE CONDITIONS FOR GROWTH OF STEEL MAKING AND CASTING. THUS, 140 MEASURES TAKEN IN 2012 WERE DIRECTED TOWARDS EXPANSION OF THE PRODUCT RANGE AND PROVISION OF THE EXISTING PRODUCTION.

THEY INCLUDE:

- REPLACEMENT OF THE 10 T- BRIDGE CRANE IN ELECTRIC MELT SHOP No.2;
- EXPANSION OF THE 15TH AND 27TH TRACK IN THE SCRAP YARD;
- REPLACEMENT OF THE FERROALLOY DRIER IN THE DEPARTMENT OF METALLURGICAL RAW MATERIAL AND AUXILIARY MATERIAL PREPARATION, PROCESSING AND DELIVERY DEPARTMENT OF ELECTRIC MELT SHOP No. 1;
- MODERNIZATION OF THE WATER-COOLED GAS FLUE OF ELECTRIC-ARC FURNACE No.2 AND INSTALLATION OF A DEDUSTER;
- MODERNIZATION OF ROLL LATHE DXW-1000 IN MILL 850 OF THE ROLLING PRODUCTION;
- INSTALLATION OF A CNC MACHINE MODEL MC TUR 930x10.000 MN FOR PRODUCTION OF A WORKING AND TAIL PART OF PLUGS OF THE PIPE MILL;
- RECONSTRUCTION OF THE BEAD LINE IN STEEL WIRE SHOP No.1;
- MODERNIZATION OF 5-BLOCK CABLING MACHINES TYPE Ri/10 INTO Ri/10BM WITH A 3-SPOOL GONDOLA;
- PURCHASING OF A DEVICE TO MEASURE DIAMETER, OVALITY AND GEOMETRY OF FINE DRAWING DIES CHANNELS WITH AN AUTOMATIC SORTING BY DIAMETER AND STATISTICAL PROCESSING FOR DIE GRINDING DEPARTMENT No.1 OF THE TARE AND DIE SHOP;
- INTRODUCTION OF A CENTRALIZED CONTROL OF THE COMPRESSED AIR STATIONS IN THE ENERGY DEPARTMENT.

Description of key impacts, risks and possibilities



ALL THESE MEASURES ALLOWED US TO KEEP THE PRODUCTION PROCESS ON THE HIGH LEVEL AND ENSURE FULFILLMENT OF THE PRODUCTION TARGETS SET.

IN 2012 BYELORUSSIAN STEEL WORKS STARTED TO IMPLEMENT A NUMBER OF STRATEGIC INVESTMENT PROJECTS AIMED AT STEEL PRODUCTION GROWTH SO AS TO INCREASE AND MAINTAIN ITS MARKET SHARE BY COMMISSIONING NEW FACILITIES, EXPANSION AND IMPROVEMENT OF THE PRODUCT RANGE. THE MOST IMPORTANT OF THEM ARE:

- ERECTION OF LIME KILN No.3;
- INTENSIFICATION OF STEELMAKING WITH MODERNIZATION OF THE HYDRAULIC SYSTEM OF ELECTRIC-ARC FURNACE No.1 AND PLASMA COLUMNS AND CONSOLES;
- COMPLEX RECONSTRUCTION OF DE-DUSTING UNIT No. 1 AND No.3;
- ORGANIZATION OF SECTION ROLLING WITH ERECTION OF A SMALL-SECTION MILL;
- COMPLEX RECONSTRUCTION OF CONTINUOUS CASTING MACHINE No.2;
- GROWTH OF THE CAPACITY OF THE SECONDARY METALLURGY.

TOTAL FINANCIAL INVESTMENT IN MODERNIZATION AND MAINTENANCE OF THE EXISTING PRODUCTION IN 2012 WAS ABOUT USD109,9 MILLION.

IN THE RESULT OF INNOVATIONS INTRODUCED, IT IS PLANNED TO IMPROVE THE PRODUCTION STRUCTURE OF THE STEELMAKING FACILITY, FIRST OF ALL DUE TO GROWTH OF THE SHARE OF COMPETITIVE CAPACITIES (AT ALL STAGES OF PRODUCTION), AS WELL AS INCREASE OF THE SHARE OF THE FACILITIES FOR PRODUCTION OF DOWNSTREAM PRODUCTS AND SHARE OF IMPORT-SUBSTITUTING NEW PRODUCTIONS.

CONTINUOUS RENOVATION IS A GUARANTEE OF SUCCESS OF ANY MODERN ENTERPRISE CLAIMING TO OCCUPY A LEADING POSITION ON FOREIGN MARKETS. OF COURSE, RECONSTRUCTION, MODERNIZATION AND COMMISSIONING OF NEW FACILITIES IS COST-BASED AND RESPONSIBLE, BUT IT IS THE ONLY CORRECT WAY OF DEVELOPMENT.

IN GENERAL, METALLURGICAL FACILITY IS A SUCCESSFUL SEGMENT OF ECONOMY IN TERMS OF INVESTMENT. BUT IN SPITE OF THE FACT THAT NATIONAL ENTERPRISES ARE ABLE TO IMPLEMENT LARGE PROJECTS, MAIN TASK OF THE STATE IS TO PROMOTE THESE INVESTMENT PROCESSES IMPLEMENTED IN THE SECTOR, CREATE ADDITIONAL POSSIBILITIES FOR THEIR PARTICIPANTS AND UNDERTAKE RESOLUTION OF TASKS WHICH CANNOT BE SOLVED BY ENTERPRISES THEMSELVES AND WHICH HAVE A MULTIPLICATIVE EFFECT.

INVESTMENT PROJECT DEVELOPMENT APPROACH

DURING THE LAST DECADE, STEELMAKING INDUSTRY WENT THROUGH SEVERAL RISES AND FALLS ACCOMPANIED BY CONSIDERABLE PRICE FLUCTUATIONS ON GLOBAL MARKETS. DEMAND FOR CERTAIN TYPES OF PRODUCTS WAS ALSO DISTINGUISHED BY VARIABILITY. NATURALLY, BYELORUSSIAN STEEL WORKS, WHICH EXPORTS ABOUT 80% OF ITS PRODUCTS, ALSO FELT THE EXISTING CYCLICAL RECESSIONS OF THE GLOBAL ECONOMY. CONCLUSIONS MADE BY THE PLANT BASED ON THE ANALYSIS OF THE MARKET EVENT DEVELOPMENT OF THE XXI CENTURY COME TO THE FACT THAT ONLY THE ONE WHO WILL SUGGEST QUALITY PRODUCTS AT A MORE AFFORDABLE PRICE CAN WIN IN THE CONDITIONS OF TOUGH COMPETITION.

MAIN PROVISION FOR THIS TASK SOLVING IS ACTIVE TECHNICAL REVAMPING OF PRODUCTION, EXPANSION OF PRODUCT RANGE AND DEVELOPMENT OF NEW OUTLETS. AS FAR AS DELIVERY GEOGRAPHY IS CONCERNED, BSW EXPANDED IT BY APPROXIMATELY 25 COUNTRIES DURING 2011-2012. NOW THE ENTERPRISE IS EXPERIENCING A LARGE-SCALE MODERNIZATION OF THE MAIN PRODUCTION AND AUXILIARY DEPARTMENTS THE MAIN AIM OF WHICH IS GROWTH OF PRODUCTION OUTPUT, IMPROVEMENT OF THE PROCESSING LEVEL AND PROVISION OF INFRASTRUCTURE FOR THE EXPANDING PRODUCTION.

TOTAL PLANNED EXPENSES FOR INVESTMENT PROJECT IMPLEMENTATION AND NEW CONSTRUCTION DURING 2010 - 2015 EXCEED USD860 MILLION. (BRB 4 TRILLION). BY 2015 THE PLANT WHICH IS CONSIDERED THE BEST IN EASTERN EUROPE NOW, SHALL BECOME ONE OF THE MOST ADVANCED IN THE WORLD.



SO AS TO ACHIEVE THESE GOALS, THE PLANT SPECIALISTS DEVELOPED THE BUSINESS-PLAN "INNOVATIVE DEVELOPMENT OF THE REPUBLICAN UNITARY ENTERPRISE "BYELORUSSIAN STEEL WORKS" FOR 2010 – 2015" WHICH DETERMINES FURTHER DEVELOPMENT OF THE MAIN BUSINESS WITH CONSIDERATION OF ALL ASPECTS OF RESPONSIBILITY.

THE BUSINESS-PLAN INCLUDES:

- COMPLEX BALANCED DEVELOPMENT OF THE PRODUCTION CAPACITY;
- ENSURING OF INDUSTRIAL, FIRE AND ENVIRONMENTAL SAFETY AND LABOUR PROTECTION;
- INTRODUCTION OF ADVANCED ENERGY- AND RESOURCE- SAVING TECHNOLOGIES;
- RECONSTRUCTION OF THE EXISTING PRODUCTION FACILITIES;
- IMPROVEMENT OF COMPETITIVENESS ON STEEL MARKETS.

IN ACCORDANCE WITH THE REGULATION OF THE GOVERNMENT OF THE REPUBLIC OF BELARUS "COMPLEX PROGRAM OF MODERNIZATION OF THE EXISTING AND CREATION OF NEW WELL-PAID WORKPLACES AT OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING FOR 2012-2015 WAS DEVELOPED SO AS TO MODERNIZE AND REVAMP THE ENTERPRISE, DIVERSIFY ITS PRODUCTION, INTRODUCE NEW TECHNOLOGIES AND NEW TYPES OF PRODUCTS TO BE DELIVERED TO EXTERNAL MARKETS AND CONSEQUENT INCREASE OF THE MARKET COST OF THE ORGANIZATION.

THE PROGRAM WAS WORKED OUT WITH CONSIDERATION OF RECONSTRUCTION OF THE KEY STEELMAKING EQUIPMENT TO BE CARRIED OUT WITHIN THE FRAMEWORK OF THE BUSINESS-PLAN "INNOVATIVE DEVELOPMENT OF THE REPUBLICAN UNITARY ENTERPRISE "BYELORUSSIAN STEEL WORKS" FOR 2010-2015" AND WITHIN THE FRAMEWORK OF THE UPDATED BUSINESS-PLAN OF THE INVESTMENT PROJECT "ERECTION OF A SMALL-SECTION MILL AT THE REPUBLICAN UNITARY ENTERPRISE "BYELORUSSIAN STEEL WORKS".

THIS PROGRAM DETERMINES GOALS AND TASKS, PRIORITIES AND THE MOST IMPORTANT PARAMETERS OF SOCIAL-ECOLOGICAL DEVELOPMENT OF THE ENTERPRISE AND A SYSTEM OF MEASURES OF PRODUCTION, ORGANIZATIONAL, ECONOMIC AND ENVIRONMENTAL CHARACTER. PROPOSALS REGARDING IM-

PROVEMENT OF THE MECHANISMS OF THEIR IMPLEMENTATION, REQUIRED RESOURCES AND MEASURES ENSURING ACHIEVEMENT OF THE PARAMETERS OF THE DEVELOPMENT IN THE MIDDLE-TERM OUTLOOK WERE DEVELOPED.

FIRST OF ALL, IT IS SUPPOSED TO IMPLEMENT PROJECTS PROVIDING FOR GROWTH OF PRODUCTION OF THE STEELMAKING AND ROLLING PRODUCTION AS WELL AS PROJECTS RELATED WITH ELIMINATION OF THE BOTTLENECKS OF THE PRODUCTION PROCESS AND RESOLUTION OF ENVIRONMENTAL TASKS.

IN PARTICULAR, THE PROGRAM OF DEVELOPMENT OF OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING PLANS TO INCREASE THE AMOUNT OF STEEL OUTPUT UP TO 3 000 THOUSAND TONS PER YEAR, MARKETABLE ROLLED PRODUCTS – UP TO 2 047,5 THOUSAND TONS AND TIRE CORD AND STEEL WIRE – UP TO 503,0 THOUSAND TONS. FOR THAT IT IS NECESSARY TO CARRY OUT RECONSTRUCTION AND MODERNIZATION OF A NUMBER OF THE EXISTING MECHANISMS: ELECTRIC-ARC FURNACE No.1, SYSTEM OF DUST AND GAS REMOVAL OF FURNACE No.1 AND FURNACE No.3, CONTINUOUS CASTING MACHINE No.2; BUILD AND PUT INTO OPERATION NEW FACILITIES: A LIME KILN, AN OXYGEN STATION, A LADLE-FURNACE, A VACUUM DEGASSER, A SMALL-SECTION ROLLING MILL, OCTG PIPE FINISHING AND ANTI-CORROSION COATING APPLICATION FACILITIES OF THE PIPE MILL.

BSW WILL FULFILL ITS PLANS MAINLY WITH THE HELP OF OWN FUNDS AND BY ATTRACTION OF FOREIGN BANKS LOANS AND ESTABLISHMENT OF JOINT-VENTURES WITH FOREIGN INVESTORS. CONSTRUCTION OF THE AIR SEPARATION PLANT AND OCTG PIPE FINISHING LINE CAN BE AN EXAMPLE.

IT IS SUPPOSED TO ATTRACT AUSTRIAN, GERMAN, AND ITALIAN CAPITAL AS WELL AS FINANCIAL RESOURCES OF SOME OTHER COUNTRIES.

REALIZATION OF THE PLANS WILL ALLOW US TO RECEIVE SALES PROCEEDS OF USD 195,1 THOUSAND PER ONE EMPLOYEE AND ADDED VALUE OF USD 71,3 THOUSAND IN 2015.

ALONG WITH IMPLEMENTATION OF THE INVESTMENT PROJECTS, IT IS PLANNED TO SOLVE THE QUESTION OF PERSONNEL SELECTION, TRAINING AND RETRAINING, IMPROVEMENT OF THE PRODUCT QUALITY MANAGEMENT SYSTEM, CERTIFICATION AND ATTESTATION OF THE PRODUCTION AT ALL STAGES OF DEVELOPMENT.



Description of key impacts, risks and possibilities

►► DURING PROGRAM IMPLEMENTATION IT IS PLANNED TO SPEND USD338,5 MILLION (BRB 2,8 TRILLION) FOR CAPITAL INVESTMENTS. FINANCING WILL BE CARRIED OUT AT THE EXPENSE OF LONG-TERM BANK LOANS AND ON ACCOUNT OF OWN FUNDS OF THE PLANT AND THE INNOVATION FUND. TOTAL INVESTMENT EXPENSES OF THE PROGRAM EQUAL TO USD 435,2 MILLION (BRB 3,6 TRILLION).

MAIN AIM OF INVESTMENT AT BYELORUSSIAN STEEL WORKS IS DEVELOPMENT OF HIGH TECH PRODUCTION FACILITIES WITH A HIGH DEGREE OF PROCESSING OF RAW MATERIALS, REPLACEMENT OF OUTDATED EQUIPMENT AND INTRODUCTION OF NEW ADVANCED TECHNOLOGIES IN CORRESPONDENCE WITH THE GLOBAL LEVEL OF STEELMAKING SECTOR DEVELOPMENT. A PECULIAR FEATURE OF THE INVESTMENT PROJECTS IMPLEMENTED IS THEIR DIRECTION TOWARDS IMPLEMENTATION OF A STEPWISE COMPLEX FULL-SCALE RECONSTRUCTION AND MODERNIZATION OF ALL STAGES OF PRODUCTION. IT INCLUDES INTRODUCTION OF TECHNOLOGIES AND EQUIPMENT CONSIDERING THE LATEST TECHNICAL AND TECHNOLOGICAL ACHIEVEMENTS OF STEELMAKING IMPLEMENTED WITH PARTICIPATION OF LEADING COMPANIES OF AUSTRIA, GERMANY, ITALY AND THE

“IMPLEMENTATION OF A SMALL-SECTION MILL ERECTION PROJECT CREATES WORKPLACES, EXPANDS THE PLANT’S CAPABILITIES, ITS EXPORT POTENTIAL AND HAS A POSITIVE IMPACT ON FINANCIAL STATUS OF THE PLANT AND DEVELOPMENT OF ECONOMY OF OUR COUNTRY IN GENERAL.”



S. PISARIK,
CHAIRMAN OF THE BOARD OF OJSC “SB BELARUSBANK

USA. BESIDES, TRANSITION TO PRODUCTION OF PRODUCTS OF A PRINCIPALLY NEW QUALITY AND CONSUMER PROPERTIES CORRESPONDING TO EUROPEAN AND AMERICAN STANDARDS AND WORLD BEST SIMILAR PRODUCTS IS ENSURED.

THE IMPLEMENTATION OF THE BUSINESS-PLAN WILL ALLOW OJSC “BSW-MANAGEMENT COMPANY OF “BMC” HOLDING TO OCCUPY LEADING POSITIONS, INTRODUCE THE MOST PROGRESSIVE STEELMAKING TECHNOLOGIES AND THUS, WILL

CREATE PRECONDITIONS FOR HIGH-RATE DEVELOPMENT OF ECONOMY AND SOCIAL SPHERE OF THE REGION.

PLANT’S IMPACT ON SOCIAL-ECONOMIC DEVELOPMENT OF THE REJOIN OF ITS ECONOMIC ACTIVITY

TO ENSURE BALANCED DEVELOPMENT OF THE REGION AND STEADY IMPROVEMENT OF THE LEVEL OF LIFE, AN IMPORTANT ROLE IS PLAYED NOT ONLY BY AUTHORITIES, BUT BY BUSINESS INITIATIVE CAPABLE OF SIGNIFICANT INFLUENCE ON SOCIAL-ECONOMIC SITUATION OF THE TERRITORY OF ITS PRODUCTION ACTIVITY. OJSC “BSW-MANAGEMENT COMPANY OF “BMC” HOLDING IS ONE OF THE ENTERPRISES OF THE REPUBLIC OF BELARUS WHICH DEMONSTRATES A SYSTEMATIC APPROACH TO THIS QUESTION.

IMPLEMENTING MEASURES OF THE INVESTMENT PROGRAM AND MAKING INVESTMENTS, BYELORUSSIAN STEEL WORKS DOES NOT ONLY INCREASE THE CAPACITY OF ITS PRODUCTION FACILITIES AND IMPROVE EFFICIENCY OF THEIR WORK, BUT FULFILLS ONE OF THE MAIN TASKS IN THE AREA OF SOCIAL RESPONSIBILITY – CREATES FAVORABLE CONDITIONS FOR THE DEVELOPMENT OF ECONOMY AND SOCIAL SECTOR OF THE TERRITORY OF ITS PRODUCTION ACTIVITY. INFLUENCE ON SOCIAL AND ECONOMIC DEVELOPMENT OF THE REGION IN THE AREA OF ENVIRONMENTAL AND SOCIAL ACTIVITY OF THE PLANT IS DESCRIBED IN DETAIL IN CORRESPONDING SECTIONS OF THE REPORT.

ONE OF THE PRIORITY DIRECTIONS OF IMPACT WITHIN THE FRAMEWORK OF SOCIAL RESPONSIBILITY IS IMPROVEMENT OF A MAN’S POTENTIAL WHICH INCLUDES NOT ONLY PROVISION OF FAVORABLE CONDITIONS FOR REALIZATION OF EVERY MAN’S ABILITIES, IMPROVEMENT OF LIVING CONDITIONS OF THE POPULATION AND QUALITY OF THE SOCIAL ENVIRONMENT, BUT IMPROVEMENT OF COMPETITIVENESS OF HUMAN CAPITAL.

GRANTING GUARANTEES, IMPLEMENTING PROGRAMS OF ENVIRONMENT SAFETY IMPROVEMENT OF PRODUCTION FACILITIES, LABOUR PROTECTION AND PREVENTING PRODUCTION INJURY, AND DEVELOPING SPORT, OJSC “BSW-MANAGEMENT COMPANY OF “BMC” HOLDING MAKES ITS INVESTMENT IN STABILIZATION OF POPULATION SIZE AND CREATION OF CONDITIONS FOR ITS GROWTH. THE PLANT ENSURES JOB PLACEMENT FOR ABOUT 30% OF THE SIZE OF ABLE-BODIED POPULATION PARTICIPATING IN THE ECONOMY OF ZHLOBIN DISTRICT. EVERY



SECOND CITIZEN IS SOMEHOW CONNECTED WITH THE PLANT'S ACTIVITY. ACTUAL NUMBER OF THE PLANT'S EMPLOYEES EQUALS TO 12 447 PEOPLE.

BEING THE LARGEST EMPLOYER IN THE REGION, THE PLANT EXERTS DIRECT IMPACT ON THE DEVELOPMENT OF THE LABOUR MARKET. IMPLEMENTING THE INVESTMENT PROGRAM THE PLANT CREATES ADDITIONAL WORKPLACES FOR THE INHABITANTS OF THE REGION. BYELORUSSIAN STEEL WORKS PROVIDES FOR ADEQUATE SALARY AND WAGES AND SOCIAL GUARANTEES, THUS IT PROMOTES FORMATION OF A HIGHER LIVING STANDARD AND SOCIAL STABILITY IN THE COMMUNITY.

THE PLANT SYSTEM OF DEVELOPMENT OF LABOUR FORCE POTENTIAL IN THE REGION PROPOSES NOT ONLY CONTINUOUS PROFESSIONAL TRAINING OF ITS WORKERS DURING THEIR LABOUR ACTIVITY, BUT ALSO:

- IMPLEMENTATION OF THE PROGRAM OF PROFESSIONAL TRAINING OF YOUNG CITIZENS DESIRING TO WORK AT THE PLANT OR OTHER ENTERPRISES OF THE REGION WITH THE HELP OF EVENING STUDIES ARRANGED BY THE CORPORATE TRAINING CENTRE;

- TRAINING OF SECONDARY SCHOOL GRADUATES OF THE REPUBLIC OF BELARUS AT ZHLOBIN STATE METALLURGICAL COLLEGE CARRYING ITS EDUCATIONAL ACTIVITY DUE TO COMPLETE FINANCING BY BYELORUSSIAN STEEL WORKS;

- COOPERATION WITH EDUCATIONAL ESTABLISHMENTS OF THE COUNTRY WHICH HELPS TO IMPROVE THE LEVEL OF TRAINING OF FUTURE SPECIALISTS WITH CONSIDERATION OF OWN REQUIREMENTS AND DUE TO ORGANIZATION OF PRACTICAL TRAINING OF STUDENTS AT WORKPLACES EQUIPPED WITH ADVANCED TECHNOLOGIES AND EQUIPMENT;

- TRAINING OF THE RISING GENERATION CARRIED OUT BY A TEAM OF TEACHERS OF A RAMIFIED SYSTEM OF PRESCHOOL ESTABLISHMENTS;

- FORMATION OF A HEALTHY WAY OF LIVING AND DEVELOPMENT OF A CREATIVE POTENTIAL OF THE INHABITANTS OF THE REGION WHICH IS A PRIORITY DIRECTION OF THE ACTIVITY OF THE "METALLURG" PALACE OF CULTURE AND THE SPORT AND HEALTH FACILITY OF THE PLANT.

ACTIVE PARTICIPATION OF THE PLANT IN INTERNATIONAL EXHIBITIONS AND FORUMS, EFFECTIVE PROMOTION OF ITS PRODUCTS ON GLOBAL MARKETS, CREATION OF THE IMAGE OF A RELIABLE BUSINESS PARTNER HAVE A POSITIVE IMPACT ON THE DEVELOPMENT OF THE REGION OF ITS ACTIVITY. THIS DIRECTION SUGGESTS EXPANSION OF POSSIBILITIES FOR REALIZATION OF COMPETITIVE ADVANTAGES ON MARKETS AND STRENGTHENING OF FOREIGN ECONOMIC POSITIONS OF THE PLANT AND THE COUNTRY IN GENERAL, DEVELOPMENT OF STEADY DIVERSIFIED RELATIONS WITH INTERNATIONAL PARTNERS TO ENSURE SUSTAINABLE DEVELOPMENT OF ECONOMY IN THE LONG-TERM OUTLOOK.

DEVELOPING NON-FINANCIAL REPORTING IN ACCORDANCE WITH INTERNATIONAL STANDARDS, COOPERATING WITH ORGANIZATIONS IN THE AREA OF SOCIAL RESPONSIBILITY, PARTICIPATING IN AND WINNING NATIONAL AND INTERNATIONAL COMPETITIONS, OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING ACTIVELY PROMOTES FORMATION OF A FAVORABLE IMAGE OF THE REPUBLIC OF BELARUS.



"IN MY TIME I WAS A WITNESS OF THE PLANT COMMISSIONING. IN TERMS OF PRODUCTION SOLUTIONS BSW WAS 5 YEARS AHEAD OF OTHER STEELMAKERS OF THAT TIME. THIS TENDENCY IS TRACED TODAY. IT IS VERY IMPORTANT THAT YOU CONTINUE TO DEVELOP."

FERRUCCI DELA VEDOVA,
CHAIRMAN OF THE BOARD, GENERAL DIRECTOR
OF DANIELI AUTOMATION DEPARTMENT

INVESTMENT PROJECTS TASKS AND GOALS

THE PLANT IS AT THE STAGE OF ITS TECHNICAL RENOVATION. WE SET FORTH AN AMBITIOUS TASK TO INCREASE OUR PRODUCTION CAPACITY TO 3 MILLION TONS PER YEAR BY 2016 AND COMPLETELY REFUSE FROM SELLING SEMIS AND KEEP ONLY HIGH ADDED-VALUE PRODUCTS IN THE PLANT RANGE.



Description of key impacts, risks and possibilities



STRATEGY OF THE PLANT FURTHER DEVELOPMENT IS BASED ON THE FOLLOWING PRINCIPAL APPROACH: THE NECESSITY TO MAKE STEEL PROCESSING DEEPER SO AS TO MINIMIZE THE RISK OF RAW MATERIAL PROCUREMENT AND PROVIDE FOR THE PRODUCTION GROWTH DUE TO INCREASE OF THE ADDED VALUE OF THE PRODUCTS MANUFACTURED. APPROXIMATE TOTAL AMOUNT OF INVESTMENT FOR THE MAIN STRATEGIC PROJECTS MADE UP USD 635,7 MILLION.

REALIZATION OF THE TASKS SET FORTH SUGGESTS A SCALED MODERNIZATION OF EQUIPMENT AND INTRODUCTION OF NEW PRODUCTION FACILITIES INCLUDING RECONSTRUCTION (MODERNIZATION) OF STEELMAKING, ROLLING AND AUXILIARY PRODUCTIONS.

CREATION OF THE REQUIRED INFRASTRUCTURE AND GROWTH OF PRODUCTION OUTPUT OF STEEL-MAKING TO REACH THE PRODUCTION CAPACITY OF 3 MILLION TONS PER YEAR OF FINISHED PRODUCTS:

- CONSTRUCTION OF LIME KILN No.3, CAPACITY 400 TONS PER DAY. ANTICIPATED EFFECT OF THE PROJECT IMPLEMENTATION: ELIMINATION OF SHORTAGE OF FRESHLY ANNEALED LIME CAUSED BY CONSIDERABLE INCREASE OF MOLTEN STEEL OUTPUT; DECREASE OF THE AMOUNT OF PURCHASES OF EXPENSIVE IMPORTED MATERIALS;
- EXTENSION OF THE OVERHEAD PASSING FOR SLAG DISCHARGE. INCREASE OF THE SLAG POURING POINT AND ITS COOLING SYSTEM CAPACITY IS PLANNED. IMPLEMENTATION OF THIS PROJECT WILL HELP TO PROCESS SLAG AND ITS FURTHER PROCESSING WITH THE HELP OF THE EXISTING HIGHLY-EFFICIENT CRUSHING PLANTS;
- RECONSTRUCTION OF THE FERROALLOY AND RAW MATERIAL AND AUXILIARY MATERIAL TRANSPORTATION SYSTEMS STORE SO AS TO PROVIDE STEELMAKING PRODUCTION WITH THE REQUIRED RAW MATERIALS;
- INTENSIFICATION OF STEEL MELTING IN EAF-1 WITH THE USE OF OXYGEN TECHNOLOGIES AND RE-PLACEMENT OF CONSOLES. BESIDE INCREASE OF PRODUCTION UP TO 1 MILLION TONS PER YEAR, THE PROJECT IS SUPPOSED TO REDUCE SPECIFIC CONSUMPTION OF ELECTRIC POWER AND ELECTRODES;
- COMPLEX RECONSTRUCTION OF CONTINUOUS CASTING MACHINE No.2. MODERNIZATION OF CCM-2 AND INCREASE OF ITS PRODUCTION UP TO 1.2 MILLION TONS PER YEAR. IN THE RESULT OF THE MODERNIZATION WE WILL GET THE POSSIBILITY TO CAST QUALITY CAST BILLET 140×140 MM, TIRE CORD STEEL GRADES WHICH WILL BE PROCESSED IN THE ERECTED SMALL-SECTION ROLLING MILL. BASED ON THE RESULTS OF THE RECONSTRUCTION OF CCM-2, A CORRESPONDING TECHNICAL CONCEPT OF MODERNIZATION OF CCM-1 WILL BE WORKED OUT;
- GROWTH OF SECONDARY METALLURGY OUTPUT. THE PROJECT SUPPOSES JOINING OF THE CARCASSES OF THE BUILDINGS OF ELECTRIC MELT SHOP No.1 AND No.2 AND ORGANIZATION OF A SECONDARY METALLURGY AND LADLE DEPARTMENT IN THIS BAY. 2 LADLE-FURNACES AND AN RH VACUUM DEGASSER WILL BE INSTALLED. THE AIM OF THE PROJECT IS ADJUSTMENT OF THE METAL BALANCE (PROVISION OF PRODUCTIVITY OF ELECTRIC-ARC FURNACES AND THE CONTINUOUS CASTING MACHINE) AND IMPROVEMENT OF THE FINISHED PRODUCT QUALITY;
- MODERNIZATION OF MILL 320 INCLUDING RECONSTRUCTION OF THE PRODUCTION PROCESS CONTROL SYSTEM AND THE SYSTEM OF MAIN DRIVE SPEED REGULATION. CONVERSION TO THE USE OF CAST BILLET 140×140 MM IN MILL 150;
- COMPLEX RECONSTRUCTION OF THE "Stal" SUBSTATION. IMPLEMENTATION OF THIS PROJECT WILL PROVIDE FOR STABLE POWER SUPPLY OF THE NEW FACILITIES BROUGHT INTO SERVICE;
- ESTABLISHMENT OF A JOINT-VENTURE FOR STEEL SLAG PROCESSING;
- CONSTRUCTION OF AN AIR-SEPARATION PLANT WITH THE CAPACITY OF APPROXIMATELY 10 000 m³/h OF OXYGEN. SO AS TO IMPLEMENT THIS PROJECT JOINT-VENTURE "BMZ-GKS LTD. WAS ESTABLISHED TOGETHER WITH A STRATEGIC PARTNER OF THE PLANT. THE PROJECT IS BEING ACTIVELY IMPLEMENTED. PROVISION OF THE PLANT WITH PRODUCTS OF AIR SEPARATION WILL BE CARRIED OUT ON THE BASIS OF A LONG-TERM CONTRACT.



ERECTION OF NEW FACILITIES AND MASTERING OF THE PRODUCTION OF GOODS WITH A HIGH ADDED-VALUE:

- CONSTRUCTION OF A SMALL-SECTION MILL CAPABLE TO PRODUCE 700 THOU. TPY WITH AN OPTION TO INCREASE ANNUAL AMOUNT PRODUCTION UP TO 1 MILLION TONS. THE PROJECT TASKS:
- FULL PROCESSING OF THE RESIDUES OF BLOOMS AND CAST BILLETS, STOP SELLING SEMIS. GROWTH OF PROCEEDS OF OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING BY USD 140 MILLION PER YEAR AFTER IMPLEMENTATION OF THE PROJECT DUE TO PRODUCTION OF GOODS WITH A HIGHER ADDED VALUE;
- PROVISION OF STEEL CORD AND WIRE PRODUCTION OF OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING AND OJSC "RECHITSA HARDWARE PLANT" WITH WIRE ROD AND CREATION OF CONDITIONS FOR THEIR FURTHER DEVELOPMENT;
- PRODUCTION OF ROUNDS WITH A SMALL DIAMETER FOR THE ENGINEERING SECTOR OF THE REPUBLIC OF BELARUS AND WEST EUROPE.
- INCREASE OF OIL AND GAS LINE PIPE PRODUCTION:
- GROWTH OF THE PRODUCTION VOLUME OF CAST BILLET Ø200 MM IN CONTINUOUS CASTING MACHINE No.3;
- REALIZATION OF MEASURES OF MODIFICATION OF THE PIPE MILL EQUIPMENT SO AS TO OPTIMIZE THE FLOW DIAGRAM AND MEET THE REQUIREMENTS OF INTERNATIONAL STANDARDS IN PIPE PRODUCTION;
- CONSTRUCTION OF FINISHING LINE No.3. IMPLEMENTATION OF THE PROJECT WILL HELP TO OPTIMIZE THE WORK AND INCREASE THE PRODUCTIVITY OF THE PIPE PRE-FINISHING AND FINISHING LINE OF THE EXISTING PRODUCTION.
- ORGANIZATION OF PRODUCTION OF ROUGH AXELS FOR WHEEL PAIRS OF THE ROLLING STOCK AT OJSC "MOGILOYOV METALLURGICAL PLANT". PRODUCTION OF AXELS IN THE AMOUNT OF APPR. 20 000 PC/Y WILL BE CARRIED

OUT BY FORGING, THERMAL AND MECHANICAL PROCESSING OF BLOOMS 300×400 MM PRODUCED IN ELECTRIC MELT SHOP No.2 OF OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING.

- ORGANIZATION OF PRODUCTION OF HIGH-PRESSURE HOSES AT OJSC "LEGMAH PLANT" IN THE TOWN OF ORSHA. JOINT-VENTURE MANULI HYDRAULICS MANUFACTURING BEL. LTD. WAS ESTABLISHED FOR IMPLEMENTATION OF THIS PROJECT. THE PROJECT IS BEING ACTIVELY IMPLEMENTED. PRODUCTION OF REIN-FORCED HIGH-PRESSURE HOSES WITH INTERNAL DIAMETER OF 4,8 TO 12 MM WILL BE ARRANGED AT THE JV. ANNUAL OUTPUT OF THE PRODUCTION WILL EQUAL TO 8 MILLION RM/Y.



"THE PROJECT OF CONSTRUCTION OF A NEW ROLLING MILL IS SIGNIFICANT NOT ONLY FOR THE REPUBLIC OF BELARUS. IT IS INTERNATIONAL, AND IT WILL PROMOTE INVESTMENT AND COMMODITY TURNOVER IN THE COUNTRIES OF THE CUSTOMS UNION."

G. ZHUZHELEV,
DEPUTY CHAIRMAN OF THE BOARD
OF EURASIAN BANK OF DEVELOPMENT

GROWTH OF PRODUCT SALES PROCEEDS AND DEVELOPMENT OF THE COMMODITY DISTRIBUTION NETWORK (CDN):

- GROWTH OF SALES VOLUME VIA COMPUTER BID SYSTEM SO AS TO RECEIVE MAXIMUM PROFIT;
- ARRANGEMENT OF STEEL SERVICE CENTRES IN THE REPUBLIC OF BELARUS, THE RUSSIAN FEDERATION AND BALTIC STATES SO AS TO PROVIDE CUSTOMERS WITH ORDERS WITH MINIMAL SHIPMENTS;
- EXPANSION OF PRODUCT MARKETS, SEARCH FOR NEW PARTNERS;
- SIGNING OF FINISHED PRODUCT SUPPLY CONTRACTS.





RISK MANAGEMENT

HIGH LEVEL OF IMPACT ON SUSTAINABLE DEVELOPMENT IS EXERTED BY POTENTIAL THREATS. THEIR DETECTION, ANALYSIS, SYSTEMATIZATION AND CONTROL ARE A PART OF THE PLANT ACTIVITY IN ACHIEVING PROGRESS IN THE AREA OF SUSTAINABLE DEVELOPMENT. THE TOP MANAGEMENT FORMS STRATEGY OF THE PLANT AND CARRIES OUT ITS ACTIVITY ON THE BASIS OF ANALYSIS OF EXTERNAL ENVIRONMENT RISKS AND RISKS CONNECTED WITH THE PLANT ACTIVITY. MANAGEMENT OF FINANCIAL AND NON-FINANCIAL RISKS HELPS TO REDUCE POTENTIAL DAMAGE AND ENSURE ADDITIONAL GUARANTEES OF REACHING THE STRATEGIC GOALS. SUSTAINABLE DEVELOPMENT OF THE PLANT IS EXPOSED TO THE FOLLOWING RISKS:

- DROP OF DEMAND AND STEEL PRICES;
- GROWTH OF PRICES ON RAW MATERIAL MARKETS;
- DEPENDENCE ON THE RAW MATERIAL BASE;
- CHANGE OF POLITICAL AND ECONOMIC CONDITIONS IN RB;
- CHANGES IN BELARUSIAN LAW;
- GROWTH OF TARIFFS OF NATURAL MONOPOLIES OF ELECTRIC POWER, GAS, RAILWAY TRANSPORT;
- CURRENCY RATE AND INTEREST RATE FLUCTUATIONS;
- PRODUCTION BREAKDOWN;
- ACCIDENTS;
- PERSONNEL.

RISK MANAGEMENT MEASURES ARE INTEGRATED IN THE SYSTEM OF CORPORATE MANAGEMENT OF THE PLANT. OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING TAKES A NUMBER OF MEASURE TO DECREASE RISKS:

- REALIZATION OF A SYSTEM OF COSTS ACCOUNTING AT THE PLACE OF THEIR GENERATION;

- IMPROVEMENT OF THE MATERIAL LOGISTICS;
- DEVELOPMENT OF THE SYSTEM OF INTERNAL AUDITS AND CONTROL;
- DECREASE OF PRODUCTION EXPENSES;
- IMPROVEMENT OF THE ENVIRONMENT MANAGEMENT SYSTEM;
- EXPANSION OF THE PRODUCT RANGE;
- IMPROVEMENT OF THE PRODUCT QUALITY;
- DEVELOPMENT OF THE SALES NETWORK;
- REORIENTATION OF PRODUCTION TO TYPES OF PRODUCTS WHICH ARE MUCH IN DEMAND;
- DEVELOPMENT AND INTRODUCTION OF NEW TECHNOLOGIES AND PRODUCTS;
- MONITORING OF THE RAW MATERIAL MARKET;
- DEVELOPMENT OF LONG-TERM CONTRACTUAL RELATIONS WITH SUPPLIERS AND CUSTOMERS;
- MONITORING OF TARIFF AND QUOTA LIMITATIONS FOR KEY AND PERSPECTIVE PRODUCT MARKETS;
- COOPERATION WITH STATE AUTHORITIES IN DRAWING UP A BALANCED POLICY OF DEVELOPMENT AND SUPPORT OF BYELORUSSIAN STEEL WORKS.

INTRODUCTION OF THE SYSTEM OF CORPORATE STANDARDS, PROVISIONS, REGULATIONS, PROCEDURES AND UNIFIED APPROACHES TO THEIR IMPLEMENTATION WAS AN IMPORTANT SOLUTION IN RISK MANAGEMENT.

PROVIDING TRANSPARENCY AND AVAILABILITY OF RISK INFORMATION, BSW OPERATIVELY DETERMINES A RESPONSE STRATEGY, DEVELOPS MEASURES FOR RISK MANAGEMENT AND PERFORMS MONITORING OF THEIR IMPLEMENTATION EFFICIENCY.



Description of the plant

BASIC INFORMATION

ON JANUARY 2, 2012, BASED ON THE DECISION OF THE STATE PROPERTY COMMITTEE OF THE REPUBLIC OF BELARUS, REPUBLICAN UNITARY ENTERPRISE "BYELORUSSIAN STEEL WORKS" WAS REORGANIZED IN OPEN JOINT-STOCK COMPANY "BYELORUSSIAN STEEL WORKS AND ON AUGUST 24, 2012 AFTER ONE MORE REORGANIZATION A REGISTRATION ENTRY ABOUT OPEN JOINT-STOCK COMPANY "BYELO-RUSSIAN STEEL WORKS – MANAGEMENT COMPANY OF "BYELORUSSIAN METALLURGICAL COMPANY" HOLDING WAS MADE IN THE UNIFIED STATE REGISTRY OF LEGAL ENTITIES AND INDIVIDUAL ENTREPRENEURS.

THE TOP MANAGEMENT BODY OF THE COMPANY IS GENERAL SHAREHOLDERS' MEETING. WHEN THE REPUBLIC OF BELARUS OWNS 100% OF THE COMPANY SHARES, THE DECISION OF THE GENERAL SHAREHOLDERS' MEETING IS A DECISION OF THE BODY CARRYING OUT OWNER'S SUPERVISION. OWNER'S SUPERVISION OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS CARRIED OUT BY THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS.

OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING IS THE LARGEST ENTERPRISE NOT ONLY IN THE REPUBLIC OF BELARUS, BUT ALSO IN EUROPE, AND IS A BASIC ENTERPRISE FOR THE NATIONAL STEELMAKING. IT HAS BEEN AMONG COMPETENT STEEL MAKERS FOR ALMOST THREE DECADES ALREADY. ITS DESIGN, ERECTION AND PROVISION WITH AD-

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS LOCATED IN THE CENTRE OF EUROPE, IN THE TOWN OF ZHLOBIN, GOMEL REGION, 220 KILOMETERS AWAY FROM MINSK – CAPITAL OF BELARUS. TOTAL AREA OF THE PLANT PRODUCTION SITE IS 249,06 HECTARES.

LEGAL (POSTAL) ADDRESS OF THE HEADQUARTERS:

37 PROMYSHLENNAYA STR., ZHLOBIN, GOMEL REGION 247210, THE REPUBLIC OF BELARUS.

VANCED EQUIPMENT AND UP-TO-DATE TECHNOLOGY AND SUBSEQUENT COMMISSIONING AND WARRANTY OPERATION WAS CARRIED OUT ON THE PRINCIPLES OF CONTRACTING EUROPEAN COMPANIES ON A TURN-KEY BASIS. ATTRACTION OF ADVANCE EXPERIENCE AND STATE-OF-THE-ART TECHNOLOGIES FOR THE PLANT ERECTION AND ITS FURTHER DEVELOPMENT ALLOWED US TO ESTABLISH A UNIQUE INDUSTRIAL ENTERPRISE IN THE REPUBLIC OF BELARUS.

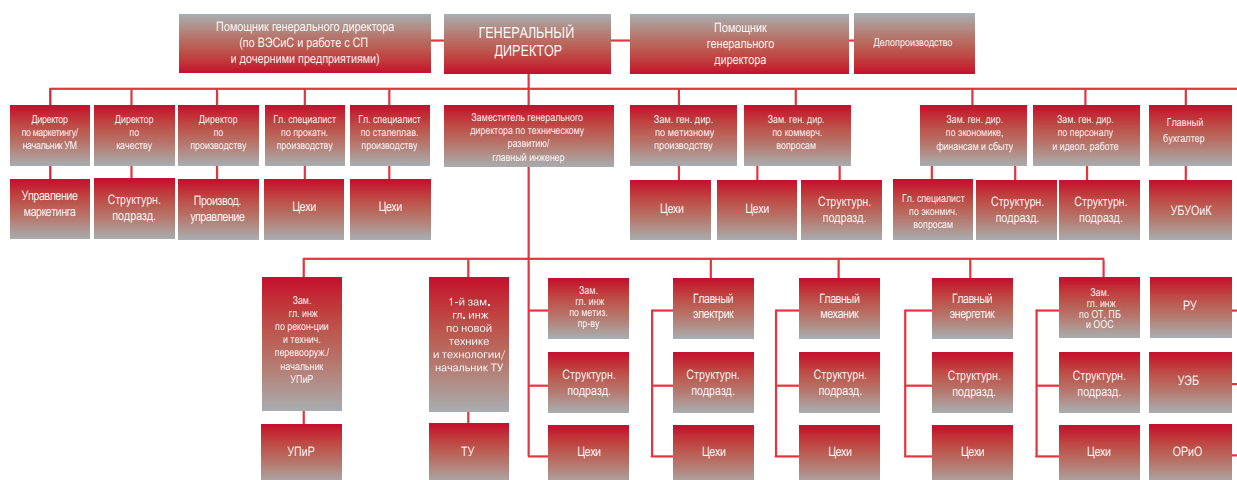
DESCRIPTION OF THE KEY PRODUCTION DIVISIONS

FROM THE POINT OF VIEW OF ITS STRUCTURE THE PLAN CONSISTS OF TWO MAIN PRODUCTIONS -METALLURGICAL (STEELMAKING AND ROLLING) AND HARDWARE PRODUCTION, INFRASTRUCTURAL SHOPS AND DIVISIONS CONTROLLING VITAL ACTIVITY OF THE ENTERPRISE. STEELMAKING INCLUDES A SCRAP YARD, TWO ELECTRIC MELT SHOPS, AND A TECHNOLOGICAL TRANSPORT SHOP. THE ROLLING PRODUCTION CONSISTS OF THREE ROLLING MILLS PRODUCING DIFFERENT SECTIONS AND A PIPE MILL. HARDWARE PRODUCTION INCLUDES THREE STEEL WIRE SHOPS AND A TARE AND DIE SHOP. CONFIGURATION OF THE PLANT INFRASTRUCTURE IS REPRESENTED BY SHOPS REPAIRING STEELMAKING, POWER AND MECHANICAL EQUIPMENT, SHOPS PROVIDING THE PRODUCTION PROCESS WITH MEDIA AND ELECTRIC POWER AND OTHER DIVISIONS. PLANT PRODUCTION CATALOGUE INCLUDES: CONCAST AND HOT-ROLLED BILLET, SHAPED ROLLED PRODUCTS, ROLLED SECTIONS, REINFORCING MATERIAL FOR CONCRETE STRUCTURES, PIPE BILLET, WIRE ROD, TIRE CORD, HOT-DEFORMED SEAMLESS PIPE, STEEL ANCHOR AND WAVY FIBER, MICROFIBER AND STEEL WIRE FOR VARIOUS APPLICATIONS.

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS A HIGHLY TECHNOLOGICAL STEELMAKING FACILITY WITH A COMPLETE PRODUCTION CYCLE. ALL PRODUCTION IS CARRIED OUT ON A SINGLE PRODUCTION SITE IN THE REPUBLIC OF BELARUS WHICH ALLOWS SAVING DUE TO THE SCALE OF PRODUCTION AND MANUFACTURE PRODUCTS WITH LOW EXPENSES. A LARGE SET OF PRODUCTION FACILITIES MAKES IT POSSIBLE TO FORM FLEXIBLE PRODUCTION FLOWS TAKING INTO CONSIDERATION MARKET CONDITION AND MAINTAIN STABLE AMOUNT OF SALES DURING A LONG PERIOD OF TIME.



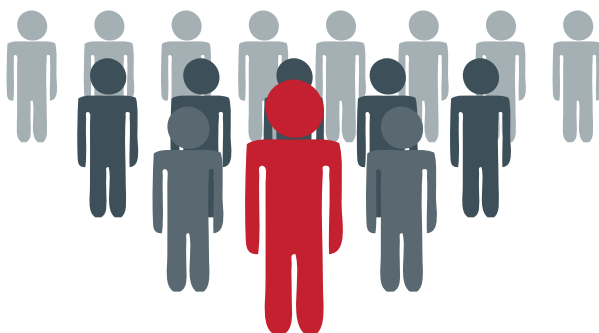
Description of the plant



The organizational structure is based on a hierarchical principle

ORGANIZATIONAL STRUCTURE OF MANAGEMENT

THE ORGANIZATIONAL STRUCTURE IS BASED ON A HIERARCHICAL PRINCIPLE. THE PLANT IS HEADED BY THE GENERAL DIRECTOR WHO ACTS IN ACCORDANCE WITH THE NATIONAL LAW AND ARTICLES OF ASSOCIATION OF OPEN JOINT-STOCK COMPANY "BYELORUSSIAN STEEL WORKS – MANAGEMENT COMPANY OF "BYELORUSSIAN METALLURGICAL COMPANY" HOLDING, DETERMINES POLICY AND OBJECTIVES, DISTRIBUTES RESPONSIBILITIES AND AUTHORITY AMONG HEADS OF THE PLANT DIVISIONS. AS ON DECEMBER 31, 2012 TOTAL NUMBER OF EMPLOYEES EQUALS TO 12447 PEOPLE.



COMPETITIVE ADVANTAGES OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING

MAIN COMPETITIVE ADVANTAGES:

- STRONG POSITION ON GLOBAL STEEL MARKETS;
- FAVORABLE GEOGRAPHIC POSITION OF THE PLANT;
- EMPLOYEES' PROFESSIONALISM;
- HIGH COMPETITIVENESS OF PRODUCTS;
- ACTUAL INVESTMENT PROGRAM;
- WIDE RANGE OF PRODUCTION;
- HIGH REPUTATION AMONG CUSTOMERS DUE TO PRODUCT QUALITY LEVEL;
- OWN COMMODITY DISTRIBUTION NETWORK CONSISTING OF SEVEN JOINT-VENTURES AND NINE DISTRIBUTORS IN EUROPE, AMERICA, CIS AND SOUTH-EAST ASIA.

APPROACHES TO PROVISION OF SUSTAINABLE DEVELOPMENT

BYELORUSSIAN STEEL WORKS ENDED 2012 SUCCESSFULLY. THREE BASIC INDICATORS WERE FUL-FILLED: VOLUME OF PRODUCTION IN COMPARABLE CONDITIONS: 103,3% (GROWTH OF STEEL OUTPUT IS 3,2%), INVESTMENT IN THE FIXED CAPITAL AND FOREIGN TRADE BALANCE: USD679 MILLION. IN PHYSICAL TONS EXPORT GREW BY APPROXIMATELY 109% IN 2012. BUT AT THE SAME TIME, THE EXISTING MARKET CONDITION FORCED THE PLANT TO MAKE



MAXIMUM EFFORTS TO SOLVE THE PROBLEM OF HOW TO SELL PROFIT-ABLY. CONSTANT MONITORING OF PRODUCT MARKETS PERMITTED TO SELL PRODUCTS OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING AT A RATHER HIGH AND COMPETITIVE PRICE CONSIDERING REGIONS AND RECEIVING COUNTRIES AND AT THE SAME TIME MAINTAINING PRESENCE ON THE MOST IMPORTANT PRODUCT MARKETS. COMPARED TO 2011, EXPORT SHARE INCREASED AND REACHED ALMOST 79% OF SHIPMENT.

THE TASK OF IMPORT SUBSTITUTION WAS SUCCESSFULLY SOLVED. IN PARTICULAR, THE AMOUNT OF DELIVERIES OF BELARUSIAN SCRAP IN 2012 EXCEEDED IMPORTED SCRAP AMOUNT FOR THE FIRST TIME. IN GENERAL, SHARE OF IMPORT CONSTITUENT PART OF THE PRODUCT MANUFACTURED WAS REDUCED TO 41% DURING THE YEAR. STARTING WITH THE MIDDLE OF 2010, CONTINUOUS MONITORING OF RAW MATERIAL MARKETS IS CARRIED OUT AND THIS ALLOWS PURCHASING OF QUALITY GOODS AT OPTIMAL PRICE.

WELL-ORGANIZED WORK OF THE PLANT DIVISIONS TO REDUCE THE CONSUMPTION OF STEEL GAVE POSITIVE RESULTS. TOTAL AMOUNT SAVED EQUATED TO ALMOST USD 58 MILLION. POWER SAVING INDICATOR MADE UP MINUS 5,1%.

TRANSPORT-LOGISTICS SCHEME OF STEEL EXPORT OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING

JOINT-VENTURES ESTABLISHED WITH THE HELP OF THE CAPITAL OF BYELORUSSIAN STEEL WORKS CARRY OUT LOGISTICS INCLUDING: INSURANCE OF EXPORTED-IMPORTED GOODS, ORGANIZATION AND FULFILLMENT OF EXPORTED GOODS TRANSPORTATION FROM THE PLANT TO CUSTOMERS AND FULFILLMENT OF IMPORTED PRODUCTS AND RETURNED TARE TRANSPORTATION FROM CUSTOMERS TO OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING, CUSTOMS CLEARANCE OF EXPORTED-IMPORTED GOODS AND RETURNED TARE, ORGANIZATION AND SERVICING OF BUFFER AND CONSIGNMENT WAREHOUSES AND TEMPORARY STORES, COORDINATION OF DELIVERIES BETWEEN THE CUSTOMER AND THE SELLER, AND SETTLEMENT CONTROL.

GOODS TRANSPORTATION IS CARRIED OUT BASED ON ANNUAL FORWARDING SERVICE CONTRACTS SIGNED DURING NEGOTIATIONS BETWEEN JOINT-VENTURES AND THE COMPANY AND A FORWARDING AGENT OR BASED ON THE AGREEMENT AND



"BSW HAS A WELL-DEVELOPED COMMODITY DISTRIBUTION NETWORK AND A NUMBER OF TRADING FIRMS. DURING THE YEARS OF ITS EXISTENCE, THE ENTERPRISE MANAGED TO IMPROVE THE LEVEL OF PROFESSIONALISM, INCREASE THE AMOUNT OF PRODUCT EXPORT, COVER GLOBAL MARKETS AND BECAME ONE OF THE LEADING AND VERY STRONG MARKET PLAYERS."

*RUDOLF KIRCHMEIER,
GENERAL DIRECTOR OF FIS FINANCE & INVESTMENT
SERVICES GESMBH*

CONFIRMATION OF TRANSPORTATION RATE BY BYELORUSSIAN STEEL WORKS.

MAIN CONDITION FOR OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING PRESENCE ON THE EXTERNAL MARKET IS PROVISION OF END CUSTOMERS WITH DELIVERY AND PAYMENT TERMS EQUIVALENT TO THOSE OF KEY COMPETITORS WHO GRANT A DELAY OF PAYMENT AFTER DELIVERY.

BYELORUSSIAN STEEL WORKS USES VARIOUS MEANS OF TRANSPORT SO AS TO DELIVER GOODS TO ITS CUSTOMERS: AUTOMOTIVE AND COMBINED (CONTAINER) TRANSPORTATION, RAILWAY AND SEA TRANSPORTATION.

AUTOMOTIVE AND COMBINED (CONTAINER) TRANSPORTATION IS USED TO DELIVER PRODUCTS TO CUSTOMERS IN THE USA AND EUROPEAN COUNTRIES. GOODS ARE TRANSPORTED BY TRUCKS TO SEAPORTS OF THE LITHUANIAN REPUBLIC AND FURTHER TRANSPORTED BY SEA IN CONTAINERS BY CARGO VESSELS. OWN TRUCKS ARE USED FOR GOODS DELIVERY AND EXTERNAL CARRIERS ARE HIRED AS WELL. TRANSPORTATION OF GOODS IS CARRIED OUT ON THE BASIS OF ANNUAL CONTRACTS FOR TRANSPORTATION SERVICES.

MANY YEARS OF WORK ON EXTERNAL MARKETS, AVAILABILITY OF OWN COMMODITY DISTRIBUTION NETWORK IN DIFFERENT REGIONS OF THE WORLD HELPED THE PLANT TO WIN THE REPUTATION OF A RELIABLE PARTNER DELIVERING HIGH TECH PRODUCTS AND A DISTINGUISHED INTERNATIONAL AUTHORITY AND COOPERATION WITH INTERNATIONAL FINANCIAL ESTABLISHMENTS OPENED VAST PROSPECTS FOR THE ENTERPRISE TO RECEIVE BENEFICIAL CREDIT LINES FROM FIRST-CLASS EUROPEAN BANKS.



Description of the plant

▶▶ BELONGING AND HIGH QUALITY OF PRODUCTS DELIVERED TO COUNTRIES OF FIVE CONTINENTS OF THE WORLD IS CONFIRMED BY THE TRADE MARK OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING WHICH IS REGISTERED IN 63 COUNTRIES WORLDWIDE. EFFORTS OF THE MANAGEMENT AND THE WHOLE TEAM OF EMPLOYEES TO INCREASE PRODUCT COMPETITIVENESS AND CREATE A POSITIVE IMAGE OF THE ENTERPRISE ARE MARKED WITH AWARDS OF NATIONAL COMPETITIONS IN THE NOMINATIONS:

- "BEST CONSTRUCTION PRODUCT OF 2012";
- "BEST GOODS OF THE REPUBLIC OF BELARUS OF 2012";
- OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ON MARKETS OF THE RUSSIAN FEDERATION OF 2012".

ALL COMPANY ACTIVITY NATURALLY FITS INTO THE PLANT'S CORPORATE POLICY: PRODUCTION OF HIGH TECH PRODUCTS WITH A HIGH ADDED VALUE MEETING THE REQUIREMENTS OF NATIONAL AND INTERNATIONAL CUSTOMERS, INCREASE OF PROFITABILITY OF THE PLANT DUE TO EFFICIENT USE OF RE-

SOURCES, PRESERVATION OF ENVIRONMENT AND PROVISION OF A HIGH LEVEL OF LIVING OF THE EMPLOYEES OF THE PLANT. RESULTS OF 2012 CLEARLY DEMONSTRATE THAT IT IS NOT JUST A DECLARATION.

PROMISING DIRECTIONS OF MARKETING

IN 2012 EXPORT OF MARKETABLE PRODUCTS OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING EQUALED TO 78,7%. GEOGRAPHY OF EXPORT DELIVERIES NUMBERS 63 COUNTRIES WORLDWIDE. KEY PRODUCT MARKETS ARE EUROPE, MIDDLE EAST, AFRICA AND CIS.

MARKETING STRATEGY OF THE COMPANY IS DIRECTED TOWARDS MAINTENANCE AND ACTIVE IN-CREASE OF ITS PRESENCE ON THE EXISTING SALES MARKETS AND SEARCH FOR NEW ECONOMICALLY PROFIT-ABLE REGIONS ACCOMPANIED BY GROWTH OF SALES VOLUMES VIA OWN COMMODITY DISTRIBUTION NET-WORK. ON THE BASIS OF THE ANALYSIS OF STEEL CONSUMING SECTORS, FORECAST FOR 2013 IS AS FOLLOWS:

INDUSTRY	OUTLOOK	MARKETS
ENGINEERING (BLOOMS, ROUNDS, SEAMLESS PIPES)	RATHER STABLE	- FROM THE POINT OF VIEW OF GEOGRAPHY, CONSIDERING TRANSPORTATION LOGISTICS OF PRODUCT DELIVERY, COUNTRIES OF EAST AND WEST EUROPE AND CIS (RUSSIA, THE UKRAINE) WILL BE MOST INTERESTING.
CONSTRUCTION (BILLET, REINFORCING BARS, WIRE ROD, STEEL WIRE)	POSITIVE SALES DYNAMICS	- REDUCTION OF SHIPMENTS TO THE COUNTRIES WITH LOW PRICES: MIDDLE EAST AND AFRICA. - DELIVERIES TO SOUTH AMERICA (VENEZUELA).
TIRE MARKET	MARKET RECOVERY (RATE OF GROWTH IN 2012-2013 WILL BE 5-10 % HIGHER THAN IN 2011)	- PIPE PRODUCTS SALE IN EC WILL BE LIMITED BY PERMITTED VOLUMES SO AS TO AVOID ANTIDUMPING SANCTIONS. - STUDY OF ALTERNATIVE REGIONS OF DELIVERY OF SEAMLESS PIPES (CIS, MIDDLE EAST, NORTH AND SOUTH AMERICA)

Прогноз на 2013 год, исходя из анализа металлопотребляющих отраслей промышленности



TAKING INTO CONSIDERATION THAT ABOUT 80% OF THE COMPANY STEEL IS EXPORTED, A CONCLUSIVE INFLUENCE ON DECREASE OF DELIVERIES TO TRADITIONAL PRODUCT MARKETS IN 2012 WAS EXERTED BY EXTERNAL FACTORS. THEY INCLUDE EXPANSION OF THE DEBT CRISIS IN A NUMBER OF EUROPEAN COUNTRIES, TENSE POLITICAL SITUATION IN THE MIDDLE EAST AND NORTH AFRICA, DECELERATION OF ECONOMIC GROWTH IN THE COUNTRIES OF SOUTH-EAST ASIA.

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING AS FERROUS METALS PRODUCER OCCUPIES A NICHE OF GLOBAL STEEL CONSUMPTION EQUAL TO SIXTEEN HUNDREDTH PER CENT. GLOBAL ANNUAL STEEL CONSUMPTION PER ONE CITIZEN OF THE REPUBLIC OF BELARUS EQUALS TO 280 KG WHILE ONE CITIZEN OF THE EARTH CONSUMES 210 KG A YEAR. CHANGED MACROECONOMIC SITUATION IN THE WORLD FORCED THE PLANT TO GET ENGAGED IN DIVERSIFICATION OF PRODUCT DELIVERY. AS A RESULT NEW STEEL MARKETS WERE DEVELOPED IN 2012: CROATIA AND THE REPUBLIC OF KAZAKHSTAN, DELIVERIES TO ALBANIA, MOROCCO, NIGERIA, THAILAND, SINGAPORE, JAPAN, BRAZIL, AND CANADA WERE RESUMED. WE MANAGED TO DO THIS MAINLY DUE TO AVAILABILITY OF OUR OWN COMMODITY DISTRIBUTION NETWORK. STEEL DELIVERIES VIA OWN CDN PLAYERS WERE CARRIED OUT THROUGH CIS, EUROPE, AMERICA, ASIA, MIDDLE EAST AND AFRICA. TO A LARGE EXTENT, SUCCESSFUL PROMOTION OF OUR GOODS ON THE NEW MARKETS WAS SUPPORTED BY BSW IMAGE AS AN ENTERPRISE SELLING ONLY HIGH QUALITY PRODUCTS.

IN PARTICULAR, THE FOLLOWING SITUATION WITH SELLING PRODUCTS OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ON GLOBAL MARKETS EXISTED:

EUROPEAN MARKET.

IN MONEY TERMS, GROWTH OF STEEL DELIVERY TO EUROPEAN MARKET DURING 12 MONTHS OF 2012 WAS 76,8% COMPARED TO 12 MONTHS OF 2011. IN 2012 BSW STEEL WAS DELIVERED TO 30 EC COUNTRIES. MAIN VOLUMES WERE DELIVERED TO BELGIUM, GERMANY, ITALY, LITHUANIA, LATVIA, POLAND, ROMANIA, FINLAND (44,3% OF EUROPEAN EXPORT).

THE RUSSIAN FEDERATION.

DURING 12 MONTHS OF 2012, GROWTH OF DELIVERIES TO

RUSSIAN MARKETS WAS 121,7%. MAIN EXPORT VOLUME OF DELIVERIES TO RUSSIA (75,9%) WERE REINFORCING BARS (123,2% COMPARED TO 2011), SEAMLESS PIPES (233,7% COMPARED TO 2011), FIBER (203,3% COMPARED TO 2011), STEEL WIRE (249,5% COMPARED TO 2011)

MIDDLE EAST AND AFRICA.

GROWTH OF PRODUCT DELIVERIES OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING TO THE MIDDLE EAST AND AFRICA MADE UP 98,7% DURING 12 MONTHS 2012 COMPARED TO 12 MONTHS 2011. BSW DELIVERED PRODUCTS TO 16 COUNTRIES OF THIS REGION. THE LARGEST AMOUNT WAS DELIVERED TO EGYPT, JORDAN, TURKEY AND TUNISIA.

MAIN AMOUNT OF THE MIDDLE-EAST EXPORT FELL ON THE LEBANON, GHANA, TURKEY, JORDAN, IRAQ (73,7% OF THE AMOUNT OF THE MIDDLE-EAST EXPORT).

CIS

IN 2012 GROWTH OF DELIVERIES OF BYELORUSSIAN STEEL WORKS' PRODUCTS TO CIS EQUALED TO 77,3% COMPARED TO THE SAME PERIOD OF THE PREVIOUS YEAR. MAIN EXPORT AMOUNT (76,3%) BELONGED TO ROLLED STEEL (PIPE BILLET, STRUCTURAL SECTIONS). THE LARGEST CUSTOMER AMONG CIS COUNTRIES WAS THE UKRAINE (99,7% OF TOTAL CIS DELIVERIES). BESIDES, THERE WERE DELIVERIES TO AZERBAIJAN AND KAZAKHSTAN.

NORTH AND SOUTH AMERICA

GROWTH OF PRODUCT DELIVERIES TO AMERICA WAS 94,1% AS COMPARED WITH THE SAME PERIOD OF THE LAST YEAR.

MAIN AMOUNT OF EXPORT TO AMERICA CONSISTED OF SEAMLESS PIPES. IN 2012 THE PLANT DELIVERED ITS PRODUCTS TO BRAZIL, CANADA, ECUADOR, MEXICO, THE USA AND VENEZUELA.

SOUTH-EAST ASIA

IN 2012 BSW EXPORTED SEAMLESS PIPES TO VIETNAM, INDIA, CHINA, JAPAN AND SINGAPORE. GROWTH OF DELIVERIES TO SEA WAS 376,4% DURING 12 MONTHS 2012 COMPARED TO THE SAME PERIOD OF 2011.

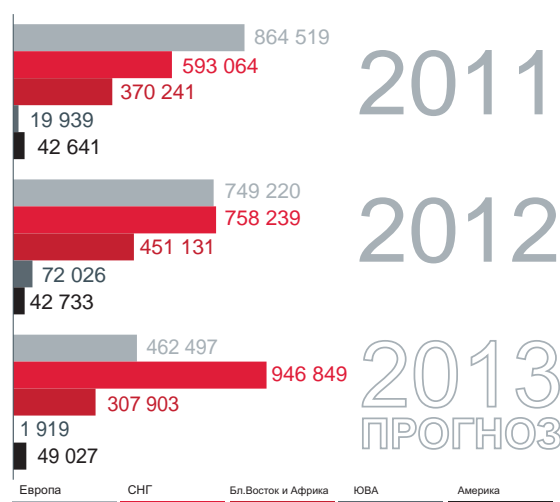


Description of the plant



PRODUCT DESCRIPTION	REGION OF PRODUCT DELIVERY
CAST BILLET	EUROPE, MIDDLE EAST AND AFRICA, SEA, CIS
BLOOM	MIDDLE EAST AND SEA, AFRICA, CIS, EUROPE
ROLLED SECTIONS	MIDDLE EAST AND SEA, CIS, EUROPE, AFRICA
SEAMLESS PIPE	THE USA, EUROPE, MIDDLE EAST AND AFRICA, SEA, CIS
STEEL CORD	MIDDLE EAST AND AFRICA, CIS, EUROPE, SEA
HOSE WIRE	EUROPE, MIDDLE EAST, SEA, CIS, THE USA
BEAD WIRE	EUROPE, CIS
STEEL WIRE	EUROPE, CIS, THE USA

Distribution and structure of sales of products



MAIN DIRECTION OF PROMOTION OF PRODUCTS OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING TO EXTERNAL MARKETS IS MAINTENANCE AND ACTIVE GROWTH OF ITS PRESENCE ON THE EXISTING SALES MARKETS AND SEARCH FOR NEW ECONOMICALLY EFFICIENT REGIONS ACCOMPANIED BY INCREASE OF SALES VOLUME VIA OWN COMMODITY DISTRIBUTION NETWORK.

OUTSIDE THE REPUBLIC OF BELARUS, AS ON 01.01.2012 INTERESTS OF BYELORUSSIAN STEEL WORKS WERE REPRESENTED BY 7 JOINT-VENTURES AND TRADING FIRMS WITH BSW CAPITAL IN GERMANY, AUSTRIA, THE USA, CHINA, LITHUANIA AND THE RUSSIAN FEDERATION WHICH SELL MORE THAN HALF OF BSW PRODUCTS. IN 2012 SHARE OF THE TOTAL AMOUNT OF SALES VIA BSW COMMODITY DISTRIBUTION NETWORK WAS 62,6%, IN 2011 THIS INDICATOR EQUALED TO 54,65%.



1. BELASTAHL AUSSENHANDEL GMBH, BERLIN, GERMANY, ESTABLISHED IN 1994, SELLS STEEL CORD, BRONZED WIRE AND HOT-DEFORMED SEAMLESS PIPES TO THE NORTH-WEST EUROPEAN RE-GION.

2. BELMET HANDELGESELLSCHAFT M.B.H., LINZ, AUSTRIA, ESTABLISHED IN 1996, SELLS STEEL CORD, BEAD WIRE, HOSE WIRE AND HOT-DEFORMED SEAMLESS PIPES TO SOUTH-WEST EUROPEAN REGION.

3. BEL-KAP-STEEL, LLC., MIAMI, USA, ESTABLISHED IN 1998, SELLS STEEL CORD TO THE USA AS WELL AS REINFORCING BARS, WIRE ROD, CAST BILLET AND HOT-DEFORMED SEAMLESS PIPE TO NORTH AND SOUTH AMERICA, SCANDINAVIAN COUNTRIES, THE NETHERLANDS, ITALY, POLAND, GREAT BRITAIN, SLOVAKIA AND TURKEY.

4. BELMET (SHANGHAI) TRADING Co., LTD., SHANGHAI, PRC, ESTABLISHED IN 2004, DELIV-ERES HOSE WIRE AND HOT-DEFORMED SEAMLESS PIPES TO SOUTH-EAST REGION.

5. Togovy Dom BMZ-BALTIJA, SHAULYAI, LITHUANIA, ESTABLISHED IN 2008, SELLS REINFORC-ING BARS, STEEL WIRE, HOT-DEFORMED SEAMLESS PIPE TO BALTIC COUNTRIES.

6. Togovy Dom BMZ, St. PETERSBURG, RUSSIAN FEDERATION, WAS ESTABLISHED IN 2003. THIS FIRM WAS ORGANIZED SO AS TO ENSURE RAW MATERIAL SAFETY OF BYELORUSSIAN STEEL WORKS, DELIVERIES OF SCRAP AND MATERIALS.

7. Togovy Dom BMZ, MOSCOW, RUSSIAN FEDERATION, WAS ESTABLISHED IN 2007 SO AS TO ARRANGE SALES OF FINISHED PRODUCTS (REINFORCING BARS, STEEL WIRE AND HOT-DEFORMED SEAMLESS PIPES) OF OJSC "BSW – MAN-AGEMENT COMPANY OF "BMC" HOLDING IN RUSSIAN FEDERATION.

SO AS TO INCREASE THE SHARE OF THE PLANT EXPORT VIA THE COMMODITY DISTRIBUTION NETWORK, FIRST OF ALL WE FOCUS ON EXPANSION OF THE NUMBER OF JOINT-VENTURES, DISTRIBUTORS AND IMPROVE-MENT OF THE EFFICIENCY OF THEIR ACTIVITY. SO AS TO DIVERSIFY STEEL SALES AND ENSURE THE REQUIRED LEVEL OF SALES, WE PLAN TO IMPROVE OPERATION OF THE COMMODITY DISTRIBUTION NETWORK CAR-

DINALLY BY 2015 AND GRADUALLY STOP WORKING WITH INDE-PENDENT TRADERS.

TASKS SET FOR THE JOINT-VENTURES REGARDING PROMO-TION OF HIGH TECH PRODUCTS OF BYELORUSSIAN STEEL



"TODAY WE PROMOTE SUCH PROD-UCTS OF **BSW** AS REINFORCING BARS, WIRE ROD, AND NAIL WIRE ON THE MARKET. ALTHOUGH 2012 WAS RATHER DIFFICULT, BUT DUE TO JOINT EFFORTS OF THE PLANT AND **TD BMZ-BALTIJA** WE FUL-FILLED ALL OBLIGA-TIONS UNDER-TAKEN."

A. GAVEDAS,
DIRECTOR OF JV UAB "TORGOVYIO DOM BMZ-BALTIJA"

WORKS AND EXPANSION OF PRODUCT MARKETS HAVE BEEN SUCCESSFULLY FULFILLED. AMONG PRIORITY TASKS FOR 2013, DEVELOPMENT OF MARKETS OF NORTH AFRICA, PRO-MOTION OF PIPE PRODUCTS, ARRANGEMENT OF SALES OF AUTOMOBILE RINGS PRODUCED IN MILL 850, ACTIVATION OF SALES OF STEEL CORD AND BEAD WIRE ON RUSSIAN MAR-KETS ARE SINGLED OUT. OPTIMIZATION OF MONEY FLOWS BY JOINT-VENTURES HELPS TO IMPROVE RELIABILITY OF PRO-CEEDS FROM CUSTOMERS AND CONSIDERABLE REDUCTION OF SETTLEMENT TERM.

SO, HAVING ANALYZED THE KEY STEEL MARKETS OF THE COM-PANY, WE MAY SAY THAT THE PLANT HAS STRONG POSITIONS AND LARGE PROSPECTS.

GLOBAL MARKETS TENDENCIES

SHORT-TERM OUTLOOK

SHORT-TERM OUTLOOK OF THE STEEL INDUSTRY DEVELOP-MENT MAY FORESEE STAGNATION OF THE GLOBAL ECONOMY AND MAINTAINING OF THE CURRENT LEVEL OF CUSTOMER AC-TIVITY AND REGIONAL STEEL SALES; MARKET IS SUPPORTED BY ECONOMIC GROWTH OF CHINA AND DEVELOPING COUNTRIES. ►►

Description of the plant

►► DEVELOPING COUNTRIES ARE DRIVERS OF GROWTH, AND A DETERRENT FACTOR WILL BE ECONOMIES OF DEVELOPED COUNTRIES. MOREOVER, RECOVERY IN KEY COUNTRIES OF THE WORLD IS GETTING SLOWER DUE TO GROWTH OF THE DISCOUNT RATE IN 2011.

IN THE CONDITIONS OF REMOVAL OF ANTI-CRISIS ECONOMIC INCENTIVES (CREDIT POLICY AND ESTATE MARKET CONDITIONS BECAME TOUGHER, TRANSITION TO A FLOATING YUAN RATE TOOK PLACE), SIGNS OF DECELERATION OF BUSINESS INDICATORS APPEARED: INDUSTRIAL PRODUCTION GROWTH RATE DECREASED, US CONSTRUCTION ACTIVITY REDUCED. UNDOUBTEDLY, GROWING US BUDGET DEFICIT REMAINS ONE OF THE MOST SERIOUS THREATS FOR GLOBAL STABILITY, AT THE SAME TIME DUE TO MEASURES TAKEN BY THE GOVERNMENT DURING LAST CONSECUTIVE SIX MONTHS, A NUMBER OF MACROECONOMIC INDICATORS DEMONSTRATE STRENGTHENING OF THE MARKET SITUATION, ALTHOUGH WEAK. THE RESULT OF THE ANNOUNCED DECREASE OF BUDGET DEFICITS IN EC COUNTRIES WILL BE GROWTH OF UNEMPLOYMENT AND DECELERATION OF THE GROWTH RATE OF INCOME OF THE POPULATION. CONSEQUENTLY, THERE ARE NO PRECONDITIONS FOR CONSUMPTION GROWTH IN THIS REGION IN THE COMING YEARS AND ESPECIALLY FOR RECOVERY OF THE PRE-CRISIS LEVEL. AS PROTECTIONIST SENTIMENTS BECOME STRONGER, INTEREST OF EUROPEAN CUSTOMERS IN IMPORTED PRODUCTS WILL CONTINUE TO REDUCE.

DYNAMICS OF PRICE CHANGE WILL BE CHARACTERIZED BY A SHORTER WAVE CYCLE AND AMPLITUDE OF ITS FLUCTUATION FROM THE MEDIUM LEVEL WILL INCREASE. AMONG OTHER REASONS OF THE CYCLIC CHARACTER CHANGE ONE MAY POINT OUT REDUCTION OF THE LEVEL OF COMMODITY STOCK OCCURRING EVERYWHERE (IN THESE CONDITIONS PRICES WILL QUICKLY REACT TO THE EXISTING DEMAND) AND TRANSITION TO QUARTERLY RAW MATERIAL CONTRACTS.

STAGNATION (RATHER ABSENCE OF SIGNS OF AGGRAVATION) OF THE GLOBAL ECONOMY WILL SUPPORT THE PRICE LEVEL FOR RAW MATERIALS AND POWER RESOURCES WHICH MEANS RELATIVE STABILITY OF BUDGETS REPLENISHMENT FOR CIS COUNTRIES. EVEN SLOW RESTORATION OF THE POPULATION INCOME WILL HELP TO EXPANSION OF THE NATIONAL DEMAND. IMPLEMENTATION OF ANTI-CRISIS PROGRAMS OF THE GOVERNMENT BECAME A PULSE FOR ACTIVATION OF CUSTOMER DEMAND AND STARTING FROM THE MIDDLE OF 2011 AMOUNT OF

CIRCULATING ASSETS INJECTED IN KEY INDUSTRIES STARTED TO DECREASE. ON THE ONE HAND, IT WAS DETERMINED BY LIMITED POSSIBILITIES OF THE BUDGET (BOTTLENECKS OF CIS ECONOMY ARE HIGH SOCIAL OBLIGATIONS WHICH IS ESPECIALLY CLEARLY SEEN ON THE BACKGROUND OF THE POST-CRISIS TAX PROCEEDS DROP) ON THE OTHER HAND. LONG SATURATION OF THE MARKET WITH LIQUIDITY TOGETHER WITH DECREASE OF THE COST OF BORROWED FUNDS MAY PROVOKE GROWTH OF INFLATION PROCESSES TOGETHER WITH DEMAND BACKOFF. IT IS NECESSARY TO POINT OUT THAT DECREASE OF STATE SUBSIDIES WILL TURN INTO DROP OF DEMAND AND CORRESPONDING DROP OF PRODUCTION PERFORMANCE OF INDUSTRIAL PRODUCTION (FOR EXAMPLE, PARTICIPANTS OF THE PROGRAM OF SELF-UTILIZATION).

LONG-TERM OUTLOOK

DURING 3-5 YEARS WE EXPECT RECOVERY OF GLOBAL STEEL MARKET AND ACCORDINGLY, IMPROVEMENT OF STEEL CONSUMPTION, RECOVERY OF ENGINEERING, CONSTRUCTION, MOTOR CAR CONSTRUCTION, OIL PRODUCTION, AND PETROLEUM REFINERY. FOR BSW LONG-TERM OUTLOOK WE PLAN TO COMPLETELY RESTORE CUSTOMERS ON TRADITIONAL PRODUCT MARKETS (EUROPE, CIS), KEEP OUR CUSTOMERS ON DEVELOPING MARKETS (MIDDLE EAST), AND GAIN NEW CUSTOMERS BOTH ON THE EXISTING AND NEW MARKETS. IN PARTICULAR, THE PLANT ACTIVELY DEVELOPS NEW PRODUCTS AND STUDIES NEW MARKETS FOR THESE PRODUCTS SALE WHICH MAY HELP US TO GAIN NEW CUSTOMERS.

DATES AND EVENTS OF 2012

JANUARY — JANUARY 1 — TARE AND DIE SHOP (T&DS) WAS ESTABLISHED TO UNITE THE TARE SHOP AND THE POWDER METALLURGY AND DIE SHOP.

JANUARY 2 — STATE REGISTRY OF OPEN JOINT-STOCK COMPANY "BYELORUSSIAN STEEL WORKS" (OJSC "BMZ") IN THE UNIFIED REGISTRY OF LEGAL ENTITIES AND INDIVIDUAL ENTREPRENEURS UNDER THE NUMBER 400074854.

MARCH — MARCH 7 — FOUNDATION FOR LIME-KILN No.3 WAS LAID DOWN AND A CAPSULE WITH AN APPEAL TO OUR DESCENDANTS WAS EMBEDDED BY THE GENERAL DIRECTOR A.N. SAVIANOK.

MARCH 11 — A MUSEUM OF METALLURGY FOR CHILDREN WAS



OPENED IN KINDERGARTEN No. 34 OF BYELORUSSIAN STEEL WORKS FOR THE FIRST TIME IN THE REPUBLIC OF BELARUS

ACCORDING TO THE RESULTS OF MARCH, THE ELECTRIC MELT SHOPS DEMONSTRATED THE BEST IN THE PLANT'S HISTORY PERFORMANCE AND PRODUCED 233 THOU. 880 TONS EXCEEDING THE RECORD-BREAKING PRODUCTION OF OCTOBER 2011 BY MORE THAN 4 THOUSAND TONS.

APRIL – APRIL 1 – HOCKEY TEAM “METALLURG” BECAME THE CHAMPION WINNING THE MATCH WITH GRODNO TEAM “NYOMAN” IN THE FINAL SERIES OF PLAY-OFFS OF THE EXTRA-LEAGUE OF THE OPEN CHAMPIONSHIP OF BELARUS.

APRIL 4-5 – THE SECOND INTERNATIONAL CONFERENCE OF SUPPLIERS WAS HELD AT THE PLANT.

APRIL 22 – CEREMONIAL AWARDING OF THE CHAMPIONS OF BELARUS - WINNERS OF THE 20TH OPEN CHAMPIONSHIP OF THE REPUBLIC OF BELARUS 2011/2012 – PLAYERS OF THE “METALLURG” TEAM

MAY – MAY 4 BRONZED BEAD WIRE LINE OF SWS-1 STARTED ITS OPERATION AFTER RECONSTRUCTION. IT WAS PLANNED TO PRODUCE APPROXIMATELY \$14,2 MILLION OF MARKETABLE PRODUCTS BY THE END OF 2012.

MAY 15 – A CAPSULE WITH AN APPEAL TO OUR DESCENDANTS WAS EMBEDDED IN THE FOUNDATION OF THE SMALL-SECTION MILL.

MAY 16 – VISIT OF THE HEAD OF THE ADMINISTRATION OF THE PRESIDENT OF THE REPUBLIC OF BELARUS V.V. MAKEI TO BMZ.

MAY 17 – BUSINESS CONFERENCE “BELARUS – RUSSIA: COOPERATION OF THE STEEL MARKET PLAYERS”. OVER 50 LEADERS OF STEELMAKING ENTERPRISES MET AT BMZ.

MAY 24-25 – PLANT SCIENTIFIC CONFERENCE OF YOUNG SPECIALISTS OF OJSC “BMZ” “METALL-2012” WAS HELD.

MAY 25 – 20 YEARS SINCE COMMISSIONING OF THE NETWORK, SUBSTATIONS AND TECHNICAL MAINTENANCE SHOP (NS&TMS).

JUNE – JUNE 9 – EAF-3 PRODUCES 107 – 108 TONS OF STEEL IN ONE HEAT. PREVIOUS MAXIMUM DAILY AMOUNT OF STEEL CAST IN CCM-3 IS 26 CASTS. ON JUNE 9, STEELMAKERS ADDED ALMOST 216 TONS MORE.

JUNE 6 – FIRST INTRODUCTION OF THE STANDARD “MANAGEMENT OF SALES CHANNELS, SALES AND PROMOTION OF PRODUCTS OF THE COMPANY ON EXTERNAL AND INTERNAL MARKETS.”

JULY – JULY 4-6 -12TH INTERNATIONAL SCIENTIFIC AND TECHNICAL CONFERENCE OF YOUNG WORKERS “METAL-2012” WAS HELD. REPRESENTATIVES OF RUSSIA, THE UKRAINE, KAZAKHSTAN AND BELARUS TOOK PART IN IT.

JULY 7, – THE SECOND DAY OF OPEN DOORS TRADITIONALLY HELD ON THE EVE OF THE METALLURGISTS' DAY TOOK PLACE AT THE PLANT.

JULY 13 – 5 YEARS SINCE COMMISSIONING OF THE PIPE MILL.

JULY 18 – 20TH BIRTHDAY OF THE PALACE OF CULTURE OF METALLURGISTS.

JULY 20 – OJSC “BMZ” JOINED THE WORLD STEEL ASSOCIATION (WSA), A PRESTIGIOUS PROFESSIONAL INDUSTRIAL ASSOCIATION NUMBERING OVER 170 WORLD STEELMAKERS AND RESEARCH INSTITUTES WORKING IN THIS FIELD

AUGUST – AUGUST 17 – 5 MILLION TONS PRODUCED IN MILL 150 SINCE MILL 320/150 WAS DIVIDED IN TWO INDEPENDENT MILLS (SEPTEMBER 15, 2000).

AUGUST 24 – OPEN JOINT-STOCK COMPANY “BYELORUSSIAN STEEL WORKS- MANAGEMENT COMPANY OF “BYELORUSSIAN METALLURGICAL COMPANY” HOLDING (BSW- MANAGEMENT COMPANY OF “BMC” HOLDING) WAS REGISTERED IN THE UNIFIED REGISTRY OF LEGAL ENTITIES AND INDIVIDUAL ENTREPRENEURS UNDER THE NUMBER 400074854.

AUGUST 30-31 – A NEW PRODUCTION BORDERLINE WAS ACHIEVED BY THE TEAM OF MILL 320. PRODUCTION OF ROLLED SECTION REACHED 96 100 TONS.

AUGUST 31 – CEREMONIAL COMMISSIONING OF THE FIRST STAGE OF PIPE FINISHING LINE No.3 (PFL-3) OF THE PIPE MILL.

SEPTEMBER – SEPTEMBER 10 – 20TH BIRTHDAY OF THE METALLURGICAL EQUIPMENT REPAIR SHOP (MERS).

SEPTEMBER 14 - 30 YEARS SINCE THE FOUNDATION OF BMZ WAS LAID DOWN. DIRECTOR DEROZHANT AKOPOV AND CHIEF ENGINEER OF VOEST-ALPINE ALFRED PROBST LAID AN APPEAL TO OUR DESCENDANTS IN TWO LANGUAGES IN A CAPSULE EMBEDDED IN THE FOUNDATION OF ELECTRIC MELT SHOP No.1.

Description of the plant

►► **OCTOBER** — A NEW PRODUCTION BORDERLINE WAS ACHIEVED BY THE TEAMS OF THE ELECTRIC MELT SHOPS. TOTAL STEEL PRODUCTION IN EAF-1, 2, 3 EQUALED TO 236 729 TONS.

A RECORD IN PRODUCTION OF CONCAST BILLET WAS SET: 168 365 THOU. TONS.

A NEW PRODUCTION BORDERLINE WAS ACHIEVED BY THE TEAMS OF MILLS 320 AND 150. PRODUCTION OF ROLLED SECTION IN MILL 320 REACHED 96 318 TONS AND IN MILL 150 – 49 022 TONS.

OCTOBER 11 - PLANT HOSTEL No.3 WAS OPENED AFTER CAPITAL REPAIRS AND MODERNIZATION.

OCTOBER 31 – PUBLIC HEARING OF THE CORPORATE SOCIAL REPORT FOR 2011

NOVEMBER – NOVEMBER 6 - UNOFFICIAL HOCKEY MATCH WAS HELD BETWEEN THE CHAMPIONS OF 2011/2012 OF TWO COUNTRIES: BELARUS AND AUSTRIA. THE MATCH BETWEEN METALLURG (ZHLOBIN) AND "BLACK WINGS" (LINZ, AUSTRIA) WAS TIMED TO 30-YEAR ANNIVERSARY OF THE BEGINNING OF THE PLANT ERECTION.

NOVEMBER 7 – RESULTS OF THE FIRST IN THE HISTORY OF THE PLANT ART COMPETITION AMONG CHILDREN "MY FUTURE – SAFETY OF MY PARENTS' WORK" WERE SUMMARIZED AND WINNERS AWARDED.

NOVEMBER 20 – THE FIRST COLUMN WAS MOUNTED ON THE SMALL-SECTION MILL CONSTRUCTION SITE.

NOVEMBER 21 – 25 YEARS SINCE COMMISSIONING OF SWS-1.

NOVEMBER 21 – THE 25TH ANNIVERSARY OF ELECTRIC MELT SHOP No.2 (EMS-2) AND ROLLING MILL 850.

DECEMBER – DECEMBER 2 - 30 YEARS SINCE PERSONNEL SERVICE OF BYELORUSSIAN STEEL WORKS WAS ARRANGED.

AT NIGHT DECEMBER 6 – 7, ONE MILLIONTH TON OF ROLLED STOCK WAS PRODUCED IN MILL 320. BENCHMARK: JANUARY 2012.

DECEMBER 12 – CEREMONIAL PRESENTATION OF THE 3RD TRADITIONAL CORPORATE CALENDAR WITH CHILDREN'S DRAWINGS "I WANT TO BE A STEELMAKER".

GENERAL INFORMATION

ABOUT ACHIEVEMENTS AND AWARDS

- WINNER OF THE COMPETITION FOR THE RB GOVERNMENT AWARD FOR QUALITY ACHIEVEMENTS (2001, 2004, 2007);
- WINNER OF THE COMPETITION FOR THE RB MINISTRY OF INDUSTRY AWARD FOR QUALITY ACHIEVEMENTS (2001, 2004, 2007, 2011);
- WINNER OF THE COMPETITION "BEST PRODUCTS OF THE REPUBLIC OF BELARUS" IN THE NOMINATION "TECHNICAL INDUSTRIAL PRODUCTS" (2002-2012);
- WINNER OF THE COMPETITION "BEST PRODUCTS OF THE REPUBLIC OF BELARUS ON THE MARKET OF THE RUSSIAN FEDERATION" IN THE NOMINATION "TECHNICAL INDUSTRIAL PRODUCTS" (2001, 2003-2012);
- WINNER OF THE BADGE OF HONOR AWARD "COMMONWEALTH STAR" IN THE NOMINATION "BEST CIS COMPANY" (2006);
- LAUREATE OF THE CIS AWARD FOR 2011 IN THE CATEGORY "MANUFACTURING OF INDUSTRIAL PRODUCTS (ORGANIZATION NUMBERING OVER 250 EMPLOYEES)."
- WINNER OF THE 3RD INTERNATIONAL QUALITY TOURNAMENT AMONG CEE COUNTRIES, HOLDER OF EFQM CERTIFICATE "5 STAR EXCELLENCE ACKNOWLEDGMENT IN EUROPE" (2007);
- WINNER OF THE COMPETITION FOR CIS AWARD FOR PRODUCTION AND SERVICES QUALITY ACHIEVEMENTS (2006/2007);
- WINNER OF THE NATIONAL COMPETITION "BEST EXPORTER-2007" IN THE NOMINATION "MACHINE BUILDING, METALLURGY AND METAL FINISHING";
- WINNER OF THE COMPETITION "BEST QUALITY MANAGER" (2007-2009);
- WINNER OF THE 4TH INTERNATIONAL QUALITY TOURNAMENT AMONG CEE COUNTRIES (2008);
- "5 STAR EXCELLENCE ACKNOWLEDGMENT IN EUROPE" BY THE EUROPEAN FUND FOR QUALITY MANAGEMENT (EFQM) -2009



- WINNER OF THE NATIONAL COMPETITION «BRAND OF THE YEAR – 2009» IN THE NOMINATIONS:
 - “SOCIALLY RESPONSIBLE BRAND» IN THE CATEGORIES “BEST EMPLOYER” AND “ACTIVE SOCIAL POSITION”;
 - “PROFESSIONAL NOMINATION, GOODS AND SERVICES B2B» IN THE CATEGORY “BRAND-EXPORT”;
- WINNER OF THE COMPETITION “BEST CONSTRUCTION PRODUCT OF THE YEAR” (2010-2012);
- CERTIFICATE OF THE 8TH REPUBLICAN ECOLOGICAL FORUM “FOR A CONSIDERABLE CONTRIBUTION TO THE DEVELOPMENT AND INTRODUCTION OF ADVANCED TECHNOLOGIES IN THE AREA OF WASTES HANDLING”;
- WINNER OF THE CONTEST “BEST EXPORTER- 2011” OF THE RB IN THE NOMINATION “METALLURGY”;
- WINNER OF THE CONTEST “BEST EXPORTER- 2011” IN GOMEL REGION IN THE NOMINATION “METALLURGY”;
- “BRAND OF THE YEAR-2010” AND HONORARY DIPLOMA IN THE CATEGORY “ACTIVE SOCIAL POSITION”;
- SINCE 2008 BMZ IS A MEMBER OF THE QUALITY LEADERS’ CLUB OF CENTRAL AND EAST EUROPEAN COUNTRIES (CEE QLC);
- SINCE 2011 BMZ IS A MEMBER OF EUROPEAN FUND OF QUALITY MANAGEMENT (EFQM);
- BMZ TRADE UNION ORGANIZATION BECAME THE WINNER OF THE REPUBLICAN CONTEST “BEST PRIMARY TRADE UNION ORGANIZATION OF BELARUSIAN TRADE UNION OF INDUSTRIAL WORKERS FOR THE PERIOD OF 2010-2011”;
- LAUREATE OF THE AWARD OF THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS IN THE AREA OF SCIENCE AND TECHNIQUE. IT IS AWARDED FOR DEVELOPMENT AND INTRODUCTION OF NEW TYPES OF MATERIALS AND METHODS HELPING THE NATIONAL SCIENCE TO REACH THE GLOBAL LEVEL AND IMPROVEMENT OF THE EFFICIENCY OF THE INDUSTRIAL SECTOR;
- WINNER OF THE DISTRICT COMPETITION BASED ON THE RESULTS OF 2011 AMONG ENTERPRISES OF THE FIRST GROUP NUMBERING OVER 2 THOUSAND EMPLOYEES;
- WINNER IN THE NOMINATION “BEST INVESTOR AND EXPORTER” OF THE DISTRICT COMPETITION BASED ON THE RESULTS OF 2011;
- MARCH 3, 2012 – BASED ON THE RESULTS OF THE REGIONAL COMPETITION IN PROFESSIONAL WORKMAN-SHIP VYACHESLAV BIRYUKOV – YOUNG SPECIALIST OF THE METALLURGICAL EQUIPMENT REPAIR SHOP – WAS AWARDED THE TITLE OF “THE BEST MILLING MACHINE OPERATOR OF THE REGION”.
- WINNER OF THE 2ND PLACE IN THE NOMINATION “ENERGY-EFFICIENT AND RESOURCE-SAVING TECHNOLOGIES, EQUIPMENT AND MATERIALS IN INDUSTRY AND POWER ENGINEERING” OF THE 9TH INTERNATIONAL COMPETITION OF ENERGY-EFFICIENT AND RESOURCE-SAVING TECHNOLOGIES AND EQUIPMENT;
- APRIL 8, 2012 – STAFF OF OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING RECEIVED A LETTER OF APPRECIATION OF THE CHAIRMAN OF GOMEL REGIONAL EXECUTIVE COMMITTEE FOR A CONSIDERABLE CONTRIBUTION IN SOCIAL AND ECONOMIC DEVELOPMENT OF THE REGION IN 2012;
- JUNE 2, 2012 – SENIOR COACH OF “METALLURG” HOCKEY TEAM VASILY SPIRIDONOV WAS NAMED THE BEST COACH OF 2011-2012 IN BELARUS BY THE DECISION OF THE HOCKEY FEDERATION OF THE REPUBLIC OF BELARUS;
- 1ST PLACE WINNER IN THE NOMINATION “LEADER OF EXPORT SALES” AMONG OJSC “PRIORBANK” CUSTOMERS;
- NOVEMBER 16, 2012 – BASED ON THE RESULTS OF THE XVIIIth INTERNATIONAL INDUSTRIAL EXHIBITION “METAL-EXPO 2012” BSW WAS AWARDED A CUP FOR THE BEST EXPOSITION AND A DIPLOMA FOR HIGHLY PROFESSIONAL ORGANIZATION OF PROMOTION OF PRODUCTS AND SERVICES;
- ACCORDING TO THE RESULTS OF EcoVADIS (MICHELIN) EXPERT ASSESSMENT, BSW ACHIEVEMENTS IN SOCIAL AREA AND IN ENVIRONMENT PROTECTION IN 2012 EXCEEDED THE LEVEL SET BY MICHELIN FOR ITS SUPPLIERS. THE RESULTS ACHIEVED DEMONSTRATE THE LEVEL OF A CONSIDERABLE MATURITY OF BSW IN THE AREA OF SOCIAL RESPONSIBILITY AND ENVIRONMENT PROTECTION AND ARE A COMPONENT PART OF MICHELIN CRITERIA IN SELECTING SUPPLIERS.

Management, obligations, interaction with interested parties

CORPORATE MANAGEMENT

CORPORATE MANAGEMENT OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS A PACKAGE OF PROCESSES ENSURING MANAGEMENT AND CONTROL OF THE COMPANY ACTIVITY. THE COMPANY AUTHORITIES ARE":

- GENERAL SHAREHOLDERS' MEETING;
- SUPERVISORY BOARD;
- EXECUTIVE BODIES (DIRECTORATE AND GENERAL DIRECTOR).

CONTROL ORGAN OF THE COMPANY IS THE AUDITING COMMITTEE. GENERAL SHAREHOLDERS' MEETING IS THE TOP AUTHORITY OF THE COMPANY. GENERAL MANAGEMENT OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IN BETWEEN GENERAL SHAREHOLDERS' MEETINGS IS CARRIED OUT BY THE SUPERVISORY BOARD. THE SUPERVISORY BOARD AND THE AUDITING COMMITTEE ARE SUBORDINATED TO THE GENERAL SHAREHOLDERS' MEETING. EXECUTIVE BODIES ARE ACCOUNTABLE TO THE GENERAL SHAREHOLDERS' MEETING AND THE SUPERVISORY BOARD AND ARRANGE FULFILLMENT OF DECISIONS OF THESE AUTHORITIES.

CORPORATE MANAGEMENT PROCESSES OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING INCLUDE RELATIONS BETWEEN THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS - AUTHORITY CARRYING OUT OWNER'S SUPERVISION - THE SUPERVISORY BOARD, EXECUTIVE BODIES (MANAGEMENT) AND EMPLOYEES SO AS TO ACHIEVE STRATEGIC PURPOSES OF THE COMPANY. MAIN AIM OF THE COMPANY ACTIVITY IS TO REALIZE PROFIT. THE COMPANY CONSIDERS CORPORATE MANAGEMENT TO BE A MEANS TO IMPROVE EFFICIENCY OF THE ENTERPRISE ACTIVITY AND STRENGTHEN ITS REPUTATION. CORPORATE POLICY OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS BASED ON CONTINUOUS IMPROVEMENT OF THE PLANT MANAGEMENT SYSTEM, WHICH EFFICIENCY IS AN IMPORTANT FACTOR FOR IMPROVEMENT OF THE INVESTMENT ACTIVITY OF THE COMPANY.

AS THE REPUBLIC OF BELARUS OWNS 100% OF SHARES OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING, OWNER'S SUPERVISION IS PERFORMED BY THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS (MINPROM). MINPROM IS A STATE AUTHORITY OF THE PUBLIC ADMINISTRA-

TION AND IS SUBORDINATED TO THE COUNCIL OF MINISTERS OF THE REPUBLIC OF BELARUS.

MINPROM PURSUES SCIENTIFIC, TECHNICAL, AND ECONOMIC POLICIES DIRECTED TOWARDS CREATION OF CONDITIONS FOR EFFICIENT WORK OF ITS SUBORDINATE NATIONAL ORGANIZATIONS. MINPROM WORKS OUT FORECASTS OF PRODUCTION AND TECHNICAL, FINANCIAL AND ECONOMIC DEVELOPMENT OF THE CORRESPONDING BRANCHES OF INDUSTRY; DEVELOPS AND ENSURES IMPLEMENTATION OF INVESTMENT PROGRAMS AIMED AT ACCELERATION OF SCIENTIFIC AND TECHNICAL PROGRESS, GROWTH OF PRODUCT COMPETITIVENESS, DECREASE OF ITS MATERIALS AND POWER CONSUMPTION; PROVIDES PURSUE OF THE SCIENTIFIC AND TECHNICAL POLICY DIRECTED TOWARDS EXTENSION OF THE RANGE OF PRODUCTS MANUFACTURED, IMPROVEMENT OF THEIR QUALITY; ORGANIZES AND CONTROLS WORK TO PROVIDE RATIONAL USE OF RAW MATERIALS, AUXILIARY MATERIALS, FUEL AND POWER RESOURCES, ACCESSORIES, INVOLVEMENT OF SECONDARY MATERIAL RESOURCES AND LOCAL TYPES OF RAW MATERIALS IN THE ECONOMIC TURNOVER; CARRIES OUT GENERAL MANAGEMENT OF STATE ORGANIZATIONS ACCORDING TO THE ESTABLISHED PROCEDURE PROVIDING THEIR EFFECTIVE OPERATION TOGETHER WITH THE MANAGERS OF THESE ORGANIZATIONS; COORDINATES FOREIGN ECONOMIC ACTIVITY OF STATE ORGANIZATIONS AND ECONOMIC ASSOCIATIONS WITHIN ITS COMPETENCE, HELPS THEM TO ESTABLISH FOREIGN ECONOMIC RELATIONS, DEVELOP PROGRESSIVE FORMS OF INTEGRATION, ORGANIZES COOPERATION WITH THE CORRESPONDING AUTHORITIES OF STATE ADMINISTRATION OF CIS COUNTRIES; WITHIN ITS COMPETENCE IT ORGANIZES AND COORDINATES WORK OF STATE ORGANIZATIONS AND ECONOMIC ASSOCIATIONS IN THE AREA OF TECHNICAL REGULATION AND STANDARDIZATION, CERTIFICATION AND PRODUCT QUALITY, ETC.

IMPROVED EFFECTIVENESS IN THE FIELD OF SUSTAINABLE DEVELOPMENT IS ENSURED BY AN EFFICIENT CORPORATE MANAGEMENT SYSTEM. THE EXECUTIVE BODIES (THE GENERAL DIRECTOR, MEMBERS OF THE DIRECTORATE) CARRY OUT THEIR ACTIVITY ADHERING TO THE FOLLOWING APPROACHES IN CORPORATE MANAGEMENT

- COMPLIANCE WITH LEGISLATION AND STATUTORY NORMS OF THE REPUBLIC OF BELARUS AS WELL AS WITH THE INTERNATIONAL LEGAL ACTS VALIDATED IN THE RB;
- IMPROVEMENT OF MANAGEMENT QUALITY;



- INVOLVEMENT OF ALL UNITS AND PARTICIPANTS OF BUSINESS PROCESSES;
- IMPROVEMENT OF THE SYSTEM OF EFFECTIVENESS EVALUATION;
- PROVISION OF EFFECTIVE DISTRIBUTION OF PROFIT;
- UPDATING THE TECHNOLOGICAL LEVEL OF THE PRODUCTION PROCESSES;
- EXPANSION OF PRODUCTION FACILITIES WITH MINIMIZATION OF ENERGY AND RAW MATERIAL CONSUMPTION LEVELS; DISCLOSURE OF COMPLETE AND RELIABLE INFORMATION REGARDING THE COMPANY PERFORMANCE;
- MAKING THE PLANT ATTRACTIVE FOR INVESTMENT;
- ENHANCING OF RESPONSIBILITIES;
- KEEPING UP AN OPEN DIALOGUE WITH THE STAKEHOLDERS;
- PROVIDING OF THE BEST POSSIBLE OUTPUT/EXPENDITURES RATIO;
- ENSURING A REASONABLE BALANCE BETWEEN THE PLANT'S AND PUBLIC INTERESTS.

TO PROVIDE FOR TRUST AND MUTUAL UNDERSTANDING AMONG ALL INTERESTED PARTIES, THE PLANT FOLLOWS THE BELOW PRINCIPLES OF THE CODE OF ETHICS:

- TRANSPARENCY – PROMPT PROVISION OF RELIABLE INFORMATION;;
- ACCOUNTABILITY;
- JUSTICE – EQUAL ATTITUDE;
- RESPONSIBILITY – RECOGNITION OF THE RIGHTS AND OBLIGATIONS.

IN ITS ACTIVITIES OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ASPIRES TO ENSURE COMPLIANCE WITH INTERNATIONAL STANDARDS OF BUSINESS ACTIVITIES. THE COMPANY HAS ADOPTED AND INTRODUCED INTO ACTIVE USE INTERNAL DOCUMENTS PROVIDING FOR FULFILLMENT OF OB-

LIGATIONS CONCERNING COMPLIANCE WITH THE CORPORATE MANAGEMENT PRINCIPLES. THESE DOCUMENTS ARE AVAILABLE TO GENERAL PUBLIC ON THE PLANT'S WEB-SITE: WWW.BEL-STEEL.COM.

OUR MISSION, AS WE SEE IT, IS TO ENSURE SUSTAINABLE DEVELOPMENT THAT WOULD ACCOUNT FOR LONG-TERM ECONOMIC INTERESTS, CONTRIBUTE TO SOCIAL PEACE, AND PROVIDE FOR SAFETY AND WELL-BEING OF THE PLANT'S EMPLOYEES AND CITIZENS IN THE REGION OF BSW PRODUCTION ACTIVITIES, ENVIRONMENT AND HUMAN RIGHTS PROTECTION.

TO ACHIEVE HIGH INDICATORS OF LONG-TERM SOCIAL AND ECONOMIC EFFICIENCY BSW STRIVES FOR MAINTAINING OF A REASONABLE BALANCE OF INTERESTS OF ALL PARTIES CONCERNED BY DISTRIBUTION OF RESPONSIBILITIES AND INVOLVEMENT OF EMPLOYEES IN ACCORDANCE WITH THE ENTERPRISE'S ORGANIZATIONAL STRUCTURE (SEE SECTION 7), THE ARTICLES OF ASSOCIATION OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING (AS APPROVED BY THE DECISION OF THE EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING OF THE COMPANY IN ACCORDANCE WITH THE ORDER OF THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS), PROVISIONS ON STRUCTURAL DIVISIONS OF THE PLANT AND OTHER NORMATIVE ACTS.

STRATEGIC AND OPERATIONAL MANAGEMENT OF THE PLANT'S ACTIVITY IS CARRIED OUT BY THE COMPANY GENERAL DIRECTOR ANATOLY SAVIANOK.

LEADERSHIP OF THE DIRECTOR GENERAL AND DOWN TO THE HEADS OF DIVISIONS IS BASED ON THE FOLLOWING:

- TAKING DECISIONS WITHIN ONE'S COMPETENCE;
- ESTABLISHING POLICIES AND SPECIFYING OBJECTIVES TO BE RECORDED IN THE RESPECTIVE DOCUMENTATION, SUCH AS BUSINESS PLAN OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING, OBJECTIVES OF DIVISIONS;
- IDENTIFYING RESOURCES (LABOUR, INFRASTRUCTURE AND PRODUCTION ENVIRONMENT) AS REQUIRED FOR PLANNING AND CARRYING OUT ACTIVITIES TO ACHIEVE THE GOALS SET FORTH;
- DETERMINING PROCESSES OF THE CMS AND PROVIDING FOR THEIR EFFICIENT FUNCTIONING.



Management, obligations, interaction with interested parties

►► QUALIFICATIONS, COMPETENCE AND ACTIVITIES OF THE PLANT'S TOP MANAGEMENT ARE EVALUATED BY THE AUTHORITY PERFORMING OWNER'S SUPERVISION, I.E. THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS. FRINGE BENEFITS ARE PAID OUT TO THE MEMBERS OF THE SUPERVISORY COMMITTEE AND EXECUTIVE AUTHORITIES (THE GENERAL DIRECTOR, MEMBERS OF THE DIRECTORATE) DEPENDING ON THE EFFICIENCY OF PLANT'S PERFORMANCE AND COMPLIANCE WITH THE INDICATORS OF SOCIAL AND ECONOMIC DEVELOPMENT OF THE COMPANY.

INTERNAL CONTROL SYSTEM FOR SUPERVISION OF FINANCIAL AND ECONOMIC ACTIVITIES OF THE COMPANY COMPRISES THE AUDIT COMMITTEE AND THE INTERNAL AUDITING SERVICE.

TO ENSURE AWARENESS OF THE TOP MANAGEMENT OF ECONOMIC EFFICIENCY, PERFORMANCE IN THE FIELDS OF ENVIRONMENTAL PROTECTION, OCCUPATIONAL SAFETY, PRODUCTION QUALITY CONTROL AND TO PROVIDE FOR INTERACTION WITH EMPLOYEES AND OPERATIONAL DECISION-MAKING, THE PLANT ARRANGES MONTHLY MEETINGS OF THE MANAGEMENT EXECUTIVES AND HEADS OF STRUCTURAL DIVISIONS

BASED ON THE GLOBAL EXPERIENCE IN THE FIELD OF CORPORATE MANAGEMENT, THE PLANT INTRODUCED AND IS NOW IMPLEMENTING THE CORPORATE MANAGEMENT SYSTEM, WHICH IS IN COMPLIANCE WITH THE REQUIREMENTS OF ISO 9001, ISO 14001, OHSAS 18001 AND SA 8000.

COMPLIANCE OF THE PLANT'S ACTIVITIES WITH ISO 9001, ISO 14001, OHSAS 18001, ISO/TS 29001 INTERNATIONAL STANDARDS IS VALIDATED BY INTERNATIONAL AUDIT COMPANIES, SUCH AS TÜV RHEINLAND» (GERMANY), BUREAU VERITAS CERTIFICATION (GREAT BRITAIN), AMERICAN PETROLEUM INSTITUTE AND OTHERS. BSW ACTIVITIES CONFIRMING ITS ADHERENCE TO THE PRINCIPLES OF UN GLOBAL COMPACT ARE REPRESENTED IN THIS REPORT.

TO PROVIDE FOR CONTINUOUS EVALUATION OF APPLICABILITY, ADEQUACY, AND EFFICIENCY OF THE SYSTEM AND UPDATING OF DOCUMENTATION, THE TOP MANAGEMENT CARRIES OUT AN ANALYSIS OF THE PLANT'S CMS PERFORMANCE. THE PERFORMANCE ANALYSIS IS CARRIED OUT ONCE A YEAR AND ONCE A HALF-YEAR BASED ON THE REQUIREMENTS IDENTIFIED IN THE ENTERPRISE STANDARD STP 840-KSM-5.6 "MANAGEMENT ANALYSIS. SELF-ASSESSMENT OF THE CORPORATE MANAGE-

MENT SYSTEM". THE RESULTS OF THE ANALYSIS ARE PRESENTED AS A REPORT ON CMS PERFORMANCE AND A REPORT ON CMS SELF-ASSESSMENT. BASED ON THE ANALYSIS RESULTS, CORRECTIVE MEASURES AND PREVENTIVE ACTIONS TO AVOID UNWANTED EVENTS ARE IDENTIFIED SO AS TO IMPROVE EFFICIENCY OF THE CMS. THE PROCEDURE FOR IDENTIFYING THE ABOVE ACTIONS IS GOVERNED BY STP 840-KSM-8.5 "CONTINUOUS IMPROVEMENT. DATA ANALYSIS. PREVENTIVE AND CORRECTIVE ACTIONS".

THE CORPORATE MANAGEMENT SYSTEM EXISTING AT THE PLANT COMPRISES DOCUMENTATION REGULATING PROCESSES, DISTRIBUTION OF RIGHTS AND OBLIGATIONS WITHIN THE STAFF, INTERACTION OF EXECUTORS WITH ALL INTERESTED PARTIES, RESPONSIBILITIES AND POWERS OF EMPLOYEES. CMS PROCESSES WERE DETERMINED WITH THE USE OF IDEFO METHOD, WHICH ENSURES THEIR PROPER SEQUENCE AND INTERACTION:

- A11 MARKETING;
- A12 MANAGEMENT ANALYSIS;
- A21 HUMAN RESOURCES MANAGEMENT;
- A22 MAINTENANCE AND REPAIRS;
- A23 INFRASTRUCTURE AND PRODUCTION ENVIRONMENT MANAGEMENT;
- A31 INTERACTION WITH CUSTOMERS (CONTRACT ANALYSIS);
- A32 DESIGN AND DEVELOPMENT:
 - A32/1 DESIGN AND DEVELOPMENT OF NEW TYPES OF PRODUCTS, NEW METHODS;
 - A32/2 EQUIPMENT DESIGN AND DEVELOPMENT;
- A33 PROCUREMENT;
- A34 PRODUCTION PLANNING AND PREPRODUCTION ACTIVITIES;
- A35 MANUFACTURE AND SUPPLIES OF CONCAST BILLET;
- A36 MANUFACTURE AND SUPPLIES OF ROLLED PRODUCTS;
- A37 MANUFACTURE AND SUPPLIES OF PIPES;



- A38 MANUFACTURE AND SUPPLIES OF STEEL CORD, WIRE AND FIBER;
- A41 INTERNAL AUDITS;
- A42 PROCESS FLOW AND PRODUCTION MONITORING.

SELF-ASSESSMENT IN TERMS OF CORPORATE MANAGEMENT SYSTEM EFFICIENCY FOR THE YEAR 2011 WAS CARRIED OUT BASED ON EFQM EXCELLENCE MODEL WITH THE USE OF THE FOLLOWING EVALUATION CRITERIA:

1. CRITERIA CHARACTERISTIC OF THE ORGANIZATION CAPABILITIES:

- MANAGEMENT'S LEADERSHIP;
- ORGANIZATION'S POLICY AND STRATEGY;
- HUMAN RESOURCES;
- PARTNERSHIP AND RESOURCES AVAILABLE;
- PROCESSES;

2. CRITERIA CHARACTERISTIC OF THE ORGANIZATION'S PERFORMANCE:

- EXTERNAL CUSTOMERS;
- INTERNAL CUSTOMERS;
- BENEFITS FOR THE SOCIETY;
- BASIC PERFORMANCE INDICATORS.

ACCORDING TO THE SELF-ASSESSMENT, THE TOTAL ENTERPRISE RATE FOR THE YEAR 2012 AMOUNTED TO 74,66%, AGAINST 75,09% FOR THE SAME PERIOD OF THE PREVIOUS YEAR, WHICH CORRESPONDS TO THE "ACCEPTABLE" RATING. BASED ON THE SELF-ASSESSMENT RESULTS, CORRECTIVE ACTIONS WERE DETERMINED TO IMPROVE THE SITUATION.

BASED ON THE COMPREHENSIVE SOCIAL AND PSYCHOLOGICAL CLIMATE STUDY CARRIED OUT BY THE PLANT'S SOCIAL SERVICE, THE PARTICIPATING EMPLOYEES RATED TOP MANAGEMENT

EFFICIENCY QUITE HIGH (THE SATISFACTION INDEX WAS 0,71 AGAINST 0,72 IN 2011. A SLIGHT DECREASE OF THE INDEX IS CONDITIONED BY CRISIS EFFECTS IN THE GLOBAL ECONOMY AFFECTING THE OPINION OF THE PLANT STAFF.).

COMMUNICATION

APPROACHES IN THE FIELD OF COMMUNICATION FORMATION

CORPORATE MANAGEMENT IS MAINTAINED BY ENSURING HIGH LEVELS OF EMPLOYEES' AWARENESS. ORGANIZATION OF COMMUNICATION RESTS ON THE FOLLOWING PRINCIPLES:

- GOOD TIMING AND REGULARITY;
- RELIABILITY AND COMPREHENSIVENESS;
- FREE ACCESSIBILITY;
- FEEDBACK;
- OPERATIONAL FLEXIBILITY AND AVAILABILITY.

HIGH LEVEL OF INFORMATION WORK PROVIDES FOR:

- SETTING GOALS AND ASSIGNING TASKS, ENSURING EMPLOYEES' AWARENESS OF THE PERFORMANCE RESULTS ACHIEVED;
- FEEDBACK;
- IDENTIFYING ACTIONS FOR FURTHER IMPROVEMENT;
- DISCUSSIONS OF FOCAL ISSUES;
- MAKING PROPOSALS.

INFORMATION EXCHANGE IS ENSURED BY:

- MEETINGS ACCORDING TO THE SCHEDULES ESTABLISHED IN CONFORMITY WITH LOCAL REGULATIONS;
- MATERIALS OF THE CORPORATE NEWSPAPER "METALLURG";
- WEEKLY RECEPTIONS ON PERSONAL ISSUES ARRANGED BY MEMBERS OF THE EXECUTIVE AUTHORITIES OF THE COMPANY AND HEADS OF STRUCTURAL DIVISIONS;
- MEETINGS AND GATHERINGS OF THE GENERAL DIRECTOR, MEMBERS OF THE DIRECTORATE, HEADS OF BOARDS WITH



Management, obligations, interaction with interested parties



EMPLOYEES IN ACCORDANCE WITH THE APPROVED SCHEDULE OF INFORMATION ACTIVITIES;

- NEGOTIATIONS AND CONSULTATIONS;
- DISCUSSIONS AND "ROUND TABLES";
- SOCIOLOGICAL POLLS;
- CORRESPONDENCE;
- PROVIDING INFORMATION PLACED ON THE STANDS LOCATED IN VARIOUS STRUCTURAL DIVISIONS, REPRESENTING PERFORMANCE OF THE DIVISION AND THE PLANT IN WHOLE AS WELL AS DYNAMICS OF THEIR ACTIVITIES;
- DATA TRANSFER WITHIN THE LOCAL COMPUTER NETWORK;
- USE OF "INFO-BMZ" INFORMATIONAL SYSTEM COVERING OVER 3000 COMPUTERIZED WORK STATIONS;
- USE OF ELECTRONIC DISPLAYS WITH CREEPING LINES.

EXCHANGE OF INFORMATION AND CONSULTATIONS ON ISSUES RELATED TO QUALITY CONTROL, OCCUPATIONAL SAFETY AND ENVIRONMENT PROTECTION, INDUSTRIAL SAFETY AND SANITATION, DATA SECURITY, ENERGY AND MATERIAL RESOURCES SAVING, INVOLVING REPRESENTATIVES OF VARIOUS MANAGEMENT LEVELS, EMPLOYEES AND OTHER INTERESTED PARTIES, ARE AIMED AT THE FOLLOWING:

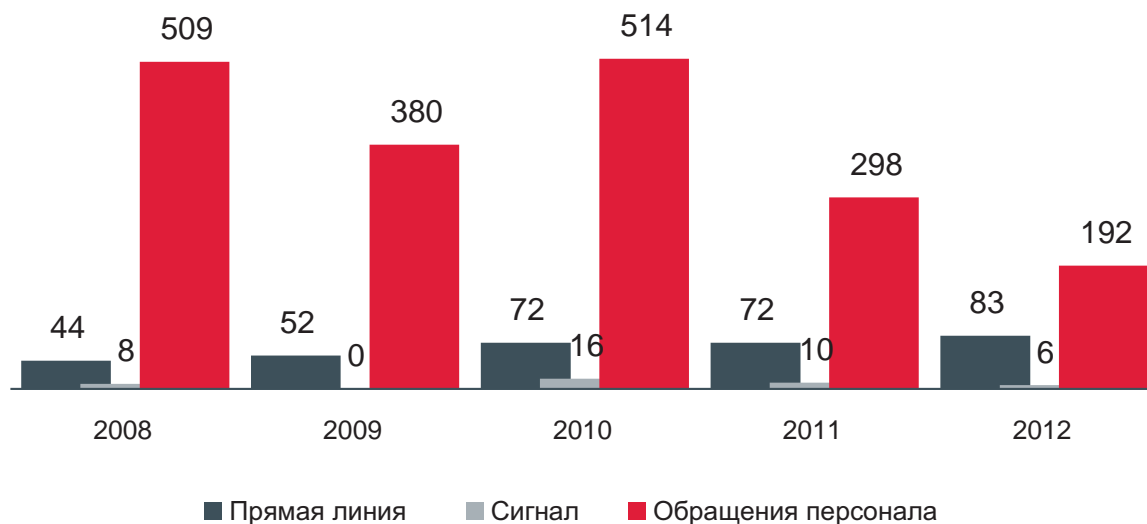
- UNDERSTANDING OF ONE'S ROLE AND RESPONSIBILITY;
- IMPROVING OF AWARENESS;
- ENGAGING IN EFFICIENCY IMPROVEMENT ACTIVITIES;
- ILLUSTRATING OF MANAGEMENT'S OBLIGATIONS;
- SAVING OF ENERGY AND MATERIAL RESOURCES;
- ENSURING OF PROPER INTERACTION OF ALL MANAGEMENT LEVELS;
- ARRANGING OF REPORTING ACTIVITIES;
- OPERATIONAL DECISION-MAKING ON CURRENT ISSUES.

APPROACH IMPLEMENTATION

THE EXECUTIVE AUTHORITIES OF THE COMPANY DEVELOP INTERNAL COMMUNICATIONS USING THEM AS ONE OF ITS MAJOR TOOLS TO ENCOURAGE SOCIAL PARTNERSHIP, MAINTAIN FAVORABLE SOCIAL CLIMATE AMONG THE EMPLOYEES AND TO ENSURE EFFICIENT INFORMATION EXCHANGE BETWEEN THE ENTERPRISE'S MANAGEMENT AND ITS EMPLOYEES. ACTING IN ACCORDANCE WITH THE PRINCIPLES OF THE UN GLOBAL COMPACT, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING PROVIDES FREE ACCESS TO ANY DATA, WHICH IS LIMITED ONLY BY LEGISLATION REQUIREMENTS. FOR THE PURPOSES OF EFFICIENT PERFORMANCE, SPECIAL ATTENTION IS GIVEN TO FEEDBACK. BEING AN ESSENTIAL ELEMENT OF THE ENTERPRISE'S POLICY, THE FEEDBACK PROVIDES FOR AN ENHANCED MUTUAL TRUST, CONSOLIDATES AND UNITES INTERESTED PARTIES BASED ON COMMON PUBLIC OBJECTIVES, VALUES AND INTERESTS.

FEEDBACK CHANNELS COMPRISE BOTH TRADITIONAL FORMS OF COMMUNICATION WITH EMPLOYEES (CONFERENCES, INFORMATIVE MEETINGS WITH PARTICIPATION OF THE PLANT'S TOP MANAGEMENT AND PUBLIC AUTHORITIES, MEETINGS OF EMPLOYEES, PRESS CONFERENCES, "FREE MICROPHONE" EVENTS, ETC.) AND POLLS, INTERVIEWS, "DIRECT LINES", WHEN EVERY SINGLE EMPLOYEE CAN ASK THE MANAGEMENT QUESTIONS AND WOULD BE GIVEN IRREFRAGABLE ANSWERS TO THEM. TO ENSURE TIMELY RESPONSE OF THE MANAGEMENT IN CONNECTION WITH ANY ISSUE, COMMENT AND PROPOSAL RAISED OR MADE BY THE PLANT'S EMPLOYEES, AN AUTOMATED "SIGNAL" SYSTEM WAS INTRODUCED WHICH IS ACTIVE 24 HOURS A DAY. EVERY PERSON WHO HAS ANYTHING TO SAY COULD MAKE A PHONE CALL AND STATE HIS/HER REQUEST, MAKE A COMMENT, A PROPOSAL, AND THOSE ARE CONSIDERED WITHIN 15 DAYS AND THE RESPONSE IS COMMUNICATED EITHER DIRECTLY TO THE REQUESTING PERSON OR THROUGH THE PLANT'S LOCAL NEWSPAPER "MET-ALLURG.

ONE MORE TOOL OF FEEDBACK (OR IT'S BETTER TO SAY BI-DIRECTIONAL COMMUNICATION) BETWEEN THE PLANT IN THE PERSON OF ITS MANAGEMENT OF DIFFERENT LEVELS AND THE STAFF IS THE PLANT'S WEB-SITE «INFO-BMZ» WITH ELEMENTS OF A CORPORATE SOCIAL NETWORK. THIS TOOL CREATES MULTIPLE AND FREQUENTLY NEW RELATIONS BETWEEN THE STAFF AND DIFFERENT WORKING GROUPS OF THE PLANT. THESE RELATIONS HELP TO SPREAD CORPORATE KNOWLEDGE AND



Активность персонала. Обратная связь

EXPERIENCE ACCORDING TO THE METHOD OF «CROSS POLLINATION» AND CREATE QUITE REAL COMMERCIAL ADVANTAGES. USE OF NEW PLATFORMS OF SOCIAL SOFTWARE WITHIN THE PLANT ALLOW THE CORPORATE INFORMATION ACTIVITY FACTOR USERS NOT ONLY TO INCREASE USE OF THE INFORMATION, BUT HAVE A POSSIBILITY TO COMMENT, GET FEEDBACK, CREATE AN EDUCATIONAL SOCIAL NETWORK WHERE SPECIALISTS DISCUSS IMPORTANT ISSUES, COUNCIL, AND TRAIN RECRUITS, CREATE DOCUMENTS, AND SUGGEST IDEAS.

OWING TO THE ACTIVITY OF THE STAFF, THE SO CALLED INFORMATION RESOURCE (CONTENT) IS FORMED ON THE CORPORATE WEB-SITE WHICH IS THE BASIC ELEMENT OF THE CORPORATE SOCIAL NETWORK AND OF THE KNOWLEDGE MANAGEMENT SYSTEM.

THE SITE REPRESENTS OVER 24 000 MATERIALS OF TECHNICAL, NORMATIVE, AND HOUSEKEEPING INFORMATION.

ON THE AVERAGE, 3 515 PEOPLE VISIT THE SYSTEM EVERY DAY. «INFO-BMZ» IS A PLATFORM FOR CARRYING OUT ON-LINE SOCIAL POLLS AMONG THE PLANT'S EMPLOYEES WHICH CONSIDERABLY ENHANCE THE EFFICIENCY OF THE INFORMATION ACQUISITION AND ITS RESULTS OUTPUT.

THE ENTERPRISE'S DEVELOPMENT LEVEL INCLUDES NOT ONLY ANALYSIS OF ITS FINANCIAL, ECONOMIC AND PRODUCTION INDICATORS, BUT ALSO THE OUTCOME OF SOCIAL STUDIES, WHICH MAKE IT POSSIBLE TO OBTAIN A REALISTIC PICTURE OF THE SOCIAL AND PSYCHOLOGICAL CLIMATE AND WORKING ENVIRONMENTS AND ARE PART AND PARCEL OF SELF-CONSISTENT INTERNAL COMMUNICATIONS. KNOWLEDGE OF THE PSYCHOLOGICAL BACKGROUND EXISTING WITHIN THE ENTERPRISE IS OF ESSENTIAL SIGNIFICANCE WHEN IT COMES TO THE NEED FOR NO-CONFLICT UPGRADING ACTIVITIES.

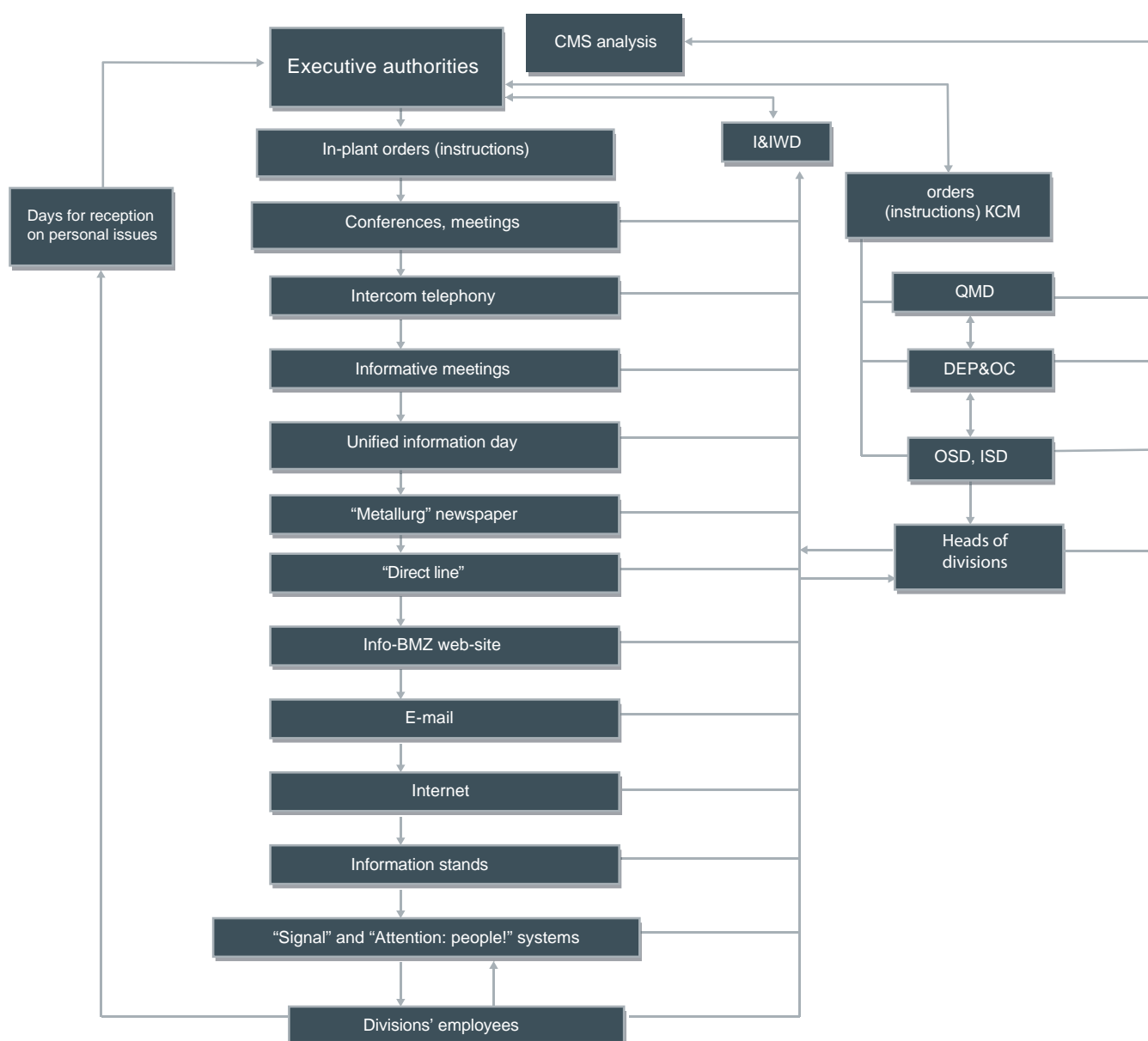
график и режим работы	0,87	0,85	0,86	0,88	0,86	0,85
уровень механизации труда	0,66	0,68	0,61	0,69	0,67	0,67
техническая оснащенность	0,62	0,63	0,64	0,69	0,67	0,65
санитарно-гигиенические условия	0,61	0,61	0,65	0,68	0,71	0,68

■ 2007г. ■ 2008г. ■ 2009г. ■ 2010 ■ 2011 ■ 2012г.(целевой показатель)

Удовлетворенность условиями труда

Management, obligations, interaction with interested parties

INTERNAL COMMUNICATION STRUCTURE



Internal communication structure

REGULAR ENQUIRIES CONDUCTED IN PLANT'S DIVISIONS MAKE IT POSSIBLE TO OBTAIN DATA ON SOCIAL WELL-BEING OF ITS EMPLOYEES, LEVELS OF SATISFACTION WITH THE WORKING ENVIRONMENT AND UTILITIES WITHIN THE FRAMES OF THE PRODUCTION PROCESS AS WELL AS INFORMATION ON THE SOCIAL AND PSYCHOLOGICAL CLIMATE. RESULTS OF THE ABOVE ENQUIRIES ARE TAKEN INTO CONSIDERATION WHEN DEVELOPING SOCIAL PROGRAMMES, PROJECTS AND IDENTIFYING ACTIONS TO IMPROVE EMPLOYEES' WORKING ENVIRONMENT AND LIVING CONDITIONS AND WHEN TAKING MANAGERIAL DECISIONS CON-

CERNING BOTH EMPLOYEES' INTERESTS AND INTERESTS OF THE ENTERPRISE IN WHOLE.

DURING THE YEAR, RESEARCH FIELDS IN TERMS OF PLANT EMPLOYEES' OPINIONS WERE IDENTIFIED AS FOLLOWS: GENERAL SOCIAL AND PSYCHOLOGICAL CLIMATE WITHIN THE ENTERPRISE; WORK OF THE PLANT'S CANTEENS, SATISFACTION OF THE STAFF WITH ATTITUDES OF EMPLOYEES TOWARDS THE CONDITIONS, NATURE AND SCOPE OF WORKS, THEIR SATISFACTION WITH THE WORKING ENVIRONMENT, AS WELL AS EVALUA-



TION OF THE LEVEL OF READINESS TO MAINTAIN ORDER AND CLEANNESS OF WORKPLACES, PROVISION OF THE PRODUCTION WITH A TRAINED MANAGEMENT RESERVE, ATTITUDE OF YOUNG SPECIALISTS TOWARDS THEIR WORKING ACTIVITY AT THE ENTERPRISE, TOWARDS IMPLEMENTATION OF THE PLANT'S YOUTH PROGRAM, TOWARDS THEIR PERSONAL DEVELOPMENT AND PROFESSIONAL GROWTH PERSPECTIVES; PROMOTION OPPORTUNITIES, EMPLOYEES' CAREER ASPIRATIONS, SATISFACTION WITH THE WAGE SYSTEM AND REWARD SCHEMES EXISTING AT THE PLANT. THE RESEARCH ACTIVITIES ALSO COVERED ISSUES, SUCH AS DYNAMICS OF SATISFACTION OF BSW EMPLOYEES WITH HEALTHCARE SERVICES PROVIDED BY THE PLANT AND IMPROVEMENT OF BSW MEDICAL DEPARTMENT WORK. SO AS TO IMPROVE THE SYSTEM OF RELATIONS WITH THE STOCKHOLDERS MONITORING OF THE IMAGE OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING AMONG CITIZENS OF THE REGION, EFFECTIVENESS OF ITS ACTIVITY IN THE AREA OF SOCIAL RESPONSIBILITY, INFLUENCE ON THE COMMUNITY.

AN IMPORTANT ROLE IN THE INTERNAL AND EXTERNAL COMMUNICATION SYSTEM IS ATTRIBUTED TO THE CORPORATE NEWSPAPER "METALLURG." ITS MAIN TASKS INCLUDE ENSURING A COMPREHENSIVE REPRESENTATION OF EVENTS AND ACTIVITIES WITHIN THE ENTERPRISE AND CONSOLIDATION OF THE STAFF WORKING AT OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING FOR THE PURPOSE OF ACHIEVING OBJECTIVES SET FOR THE PLANT. EVENTS AND ACTIVITIES ON BOTH THE IN-PLANT AND REGIONAL SCALES ARE REPRESENTED IN SUCH COLUMNS AS "FIRSTHAND", "PROVIDING FOR PRODUCTION", "PEOPLE WE ARE PROUD OF", "IN PUBLIC ORGANIZATION", "BEST IN PROFESSION", "OUR PERSPECTIVE", "ATTENTION TO PEOPLE", "THE PLANT YOUTH", "INTERNATIONAL COOPERATION", "LABOUR PROTECTION", "IN THE COUNTRY" AND OTHERS. THE FIRST ISSUE OF "METALLURG" WAS PUBLISHED IN 1985 WITH CIRCULATION OF 2000 COPIES. AT PRESENT, ITS PRINTING OFFICE INCREASED THE CIRCULATION TO OVER 9 500 COPIES, WHICH MEANS THAT ALMOST EVERY SINGLE FAMILY OF SPECIALISTS EMPLOYED AT OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS ABLE TO GET ITS OWN COPY OF THE NEWSPAPER. THE DISTRIBUTION AREA FOR THE NEWSPAPER COVERS NOT ONLY THE PLANT'S PRODUCTION REGION, BUT ALSO ROGACHYOV AND SVETLOGORSK DISTRICTS. AMONG ITS READERS ONE CAN MENTION THE PLANT'S OLD-TIMERS. FOR THEIR BENEFIT, THE PLANT'S TRADE UNION COMMITTEE TAKES OUT, AT ITS OWN COST, AN ANNUAL SUBSCRIPTION FOR THE NEWSPAPER.

DECEMBER 28, 2011 "METALLURG" WAS ISSUED WITH THE TOPIC PAGES "CORPORATE ENVIRONMENT" DESCRIBING THE LIFE OF THE ENTERPRISES – MEMBERS OF THE HOLDING "BYELORUSSIAN METALLURGICAL COMPANY". THEY ARE ISSUED EVERY MONTH.

THE EDITORIAL STAFF INCLUDES A TV-NEWS TEAM. EVERY WEEK, LOCAL TOWN TV CHANNEL "NYUANS" BROADCASTS "BMZ NEWS" PROGRAM. SOME STORIES ABOUT BYELORUSSIAN STEEL WORKS ARE ALSO SHOWN IN "REGION" TV PROGRAM BROADCAST ACROSS THE WHOLE GOMEL REGION.

IN 2012 FIVE NEWSLETTERS WERE PREPARED AND ISSUED:

- WHAT CURRENT YEAR PREPARES FOR US: SUCCESSFUL TODAY IS A SAFE TOMORROW!
- CARE FOR NEW GENERATION – SUMMER HEALTH IMPROVEMENT OF CHILDREN;
- PIPE MILL JUBILEE;
- COMING ELECTIONS: COUNTRY'S FUTURE IS DETERMINED BY US!
- AREA OF SPECIAL ATTENTION – CHARITY.

EVENTS AT OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING AND ITS MARKET STANDING WERE HIGHLIGHTED REAL-TIME ON THE PLANT'S WEB-SITE, IN DISTRICT, REGIONAL AND REPUBLICAN PERIODICALS, SUCH AS "NOVY DEN", "GOMELSKAYA PRAVDA", "ZNAMIA YUNOSTI", "REPUBLIKA", ETC. COMMUNICATION FUNCTIONS ARE ALSO MAINTAINED BY THE PLANT'S MUSEUM, ACTIVE SINCE 1999, WHICH IS INTENDED FOR PRESERVATION OF THE ENTERPRISE'S HISTORICAL AND CULTURAL HERITAGE AND IS ACTIVELY ENGAGED IN VOCATIONAL GUIDANCE ACTIVITIES, BRINGING UP OF THE YOUNGER GENERATION TO STAY LOYAL TO THE PLANT AND PASSING ON LABOUR TRADITIONS OF THE PLANT.

THE MUSEUM HAS EXHIBITS HIGHLIGHTING THE PLANT'S HISTORY AND NARRATING ABOUT PEOPLE WHO USED TO WORK HERE AND CONTRIBUTED TO ITS DEVELOPMENT AT VARIOUS TIMES AS WELL AS ABOUT THOSE WHO ARE STILL WORKING FOR THE LABOUR GLORY OF THE PLANT. THE STORIES ARE ILLUSTRATED BY NUMEROUS DOCUMENTS AND PHOTOS SCATTERED



Management, obligations, interaction with interested parties



AT STANDS. MUCH OF THE MUSEUM SPACE IS DEDICATED TO AWARDS, WHICH THE PLANT WAS HONORED WITH THROUGHOUT THE YEARS OF ITS PRODUCTION AND SOCIAL ACTIVITIES.

IN THE MUSEUM, ONE CAN LEARN ABOUT ALL STAGES OF BSW AND REGION'S DEVELOPMENT. THERE ARE NUMEROUS BIOGRAPHICAL RESOURCES TELLING ABOUT FAMOUS PEOPLE OF THE PLANT, SPECIMEN PRODUCTS, PRIZES AND GIFTS.

TODAY THE MUSEUM IS A HISTORICAL AND CULTURAL CENTRE OF THE PLANT AND THE TOWN WHERE SCIENTIFIC-ENLIGHTENING WORK IS CARRIED OUT: EXCURSIONS, EXHIBITIONS AND SHOWS OF FILMS ABOUT THE PLANT. IN 2012 THE MUSEUM WAS VISITED BY 2624 PEOPLE INCLUDING REPRESENTATIVES OF THE GENERAL HEADQUARTERS OF THE ARMED FORCES OF THE REPUBLIC OF BELARUS, TRADE UNION FEDERATION OF THE REPUBLIC, BELARUSIAN MASS MEDIA, RUSSIA, THE UKRAINE, GOMEL REGIONAL EXECUTIVE COMMITTEE, ZHLOBIN DISTRICT EXECUTIVE COMMITTEE, PUPILS FROM SECONDARY SCHOOLS OF ZHLOBIN, STUDENTS OF HEE AND ZHLOBIN STATE METALLURGICAL COLLEGE, ETC. TOTALLY, 60 DELEGATIONS REPRESENTING OUR COUNTRY AND GERMANY, ITALY, RUSSIA, THE UKRAINE AND CHINA VISITED THE MUSEUM IN 2012.

A KEY ROLE BOTH IN HUMAN RESOURCES AND INTERNAL COMMUNICATIONS DEVELOPMENT BELONGS TO THE PLANT'S INFORMATION AND TRAINING CENTRE – THE SCIENTIFIC AND TECHNICAL LIBRARY.

PRIORITY DIRECTIONS IN THE WORK OF THE LIBRARY ARE:

- ACCESS OF THE PLANT'S EMPLOYEES TO ALL KINDS OF INFORMATION OF PUBLIC SIGNIFICANCE (LEGAL, SCIENTIFIC, TECHNICAL, AND CULTURAL);
- RENDERING INFORMATION SERVICES TO THE PLANT'S EMPLOYEES, COMMUNITIES, AND INDIVIDUAL INFORMING ON DIFFERENT REQUESTS AND INTERESTS;
- SUPPORT OF THE ENTERPRISE'S RESEARCH ACTIVITIES, SUPPORT OF THE PLANT'S INNOVATIVE ACTIVITY, PROVIDING WITH INFORMATION RESOURCES.

THE SCIENTIFIC AND TECHNICAL LIBRARY OF THE COMPANY HAS A READING AND INTERNET HALLS. IN 2012 THE LIBRARY STOCK WAS ENLARGED BY 1754 BOOKS AND NUMBERED 39

522 COPIES. MAIN FORM OF THE LIBRARY WORK IS DISSEMINATION OF ADVANCED POLITICAL, PHILOSOPHIC, SCIENTIFIC, INTELLECTUAL AND CULTURAL VIEWS SO AS TO INTRODUCE THEM INTO PUBLIC MIND AND IMPROVE SOCIAL ACTIVITY OF THE CITIZENS. WORK OF THE LIBRARY IS CLOSELY CONNECTED WITH THE NEEDS OF THE PLANT AND IN GENERAL IS DETERMINED BY THE TASKS FOR FUTURE AND PROSPECTS OF THE COUNTRY AND PLANT DEVELOPMENT UP TO 2015.

SO AS TO ACQUAINT THE EMPLOYEES WITH NEW ARRIVALS, THE PLANT'S LIBRARY ORGANIZES EXHIBITIONS, VIEWINGS, "ENGINEER HOURS". FOR QUICK INFORMATION RETRIEVAL AN ELECTRONIC LIBRARY "ELBI" IS USED WHICH HELPS TO ANY EMPLOYEE HAVING ACCESS TO THE INTERNAL SITE "INFO-BMZ" TO ADDRESS TO THE DATA BASE COVERING OVER 80 THOUSAND ARTICLES FROM VARIOUS NATIONAL AND FOREIGN EDITIONS. ELBI PROVIDES OVER 650 ACTUAL TECHNICAL BOOKS, MATERIALS OF INTERNATIONAL AND SPECIALIZED TECHNICAL CONFERENCES, BULLETINS OF NEW ARRIVALS TO THE SCIENTIFIC-TECHNICAL LIBRARY, NATIONAL AND FOREIGN TECHNICAL NOVELTIES FOR THE PLANT EMPLOYEES. IN 2012 A NEW VERSION OF ELBI STARTED TO OPERATE: NOW IT IS REALIZED AS AN INDEPENDENT INFORMATION SYSTEM. A UNIVERSAL SUBJECT HEADING LIST IS DEVELOPED WHICH HELPS TO FIND THE REQUIRED MATERIAL QUICKLY. THE MAIN PAGE ANNOUNCES NEW ARRIVALS OF THE TECHNICAL INFORMATION, THERE ARE SECTIONS INCLUDING VARIOUS SUBHEADINGS. BASED ON THE MATERIALS OF SPECIALIZED JOURNALS, BULLETIN OF SCIENTIFIC-TECHNICAL INFORMATION IS ISSUED (BSTI) WHERE EMPLOYEES OF THE PLANT CAN FIND INFORMATION ABOUT NEW PUBLICATIONS ON STEELMAKING, ECONOMY, LABOUR PROTECTION, ENVIRONMENTAL SAFETY, ETC AND READ COMPLETE ARTICLES THEY GET INTERESTED IN WHICH ARE LOCATED ON THE BASE OF ELBI. IN 2012 THE PLANT SUBSCRIBED TO 156 TECHNICAL EDITIONS FOR ITS DIVISIONS, ABOUT 60 OF WHICH ARE COMPUTERIZED AND ARE LOCATED IN ELBI. DURING 2012 THE NUMBER OF ELECTRONIC LIBRARY USERS EXCEEDED 450 PEOPLE, AND THE NUMBER OF VISITS TO ELBI PAGES AMOUNTED TO 53900.

A LIST OF NEW TECHNICAL LITERATURE IS PUBLISHED IN METALLURG NEWSPAPER AND INFO-BMZ, AND IS ELECTRONICALLY MAILED TO THE HEADS OF STRUCTURAL DIVISIONS, LEADING SPECIALISTS OF THE COMPANY WITH THE HELP OF NETWORK TECHNOLOGIES.



THE LIBRARY OF BYELORUSSIA STEEL WORKS CLOSELY CO-OPERATES WITH THE REGIONAL AND NATIONAL TECHNICAL LIBRARIES.

FROM THE VERY BEGINNING OF ITS ACTIVITY THE PLANT PAYS MUCH ATTENTION TO THE ISSUES OF COMMUNICATION DEVELOPMENT AND GROWTH OF THE LEVEL OF THE STAFF AWARENESS.

ARRANGEMENTS AIMED AT IMPROVEMENT OF THE INFORMATIONAL SUPPORT OF THE EMPLOYEES ARE WORKED OUT ON THE BASIS OF ASSESSMENT OF ITS INDICATORS AND ANALYSIS OF THE STATE OF THIS ACTIVITY. EVERY YEAR PLANT'S SOCIOLOGICAL SERVICE CARRIES OUT A COMPLEX STUDY OF THE PSYCHOLOGICAL ATMOSPHERE IN THE WORKING TEAMS OF THE DIVISIONS. MORE THAN 1300 PARTICIPANTS OF THIS STUDY ORGANIZED IN 2012 HIGHLY ESTIMATED THE LEVEL OF AWARENESS OF THE PERSONNEL (SATISFACTION INDEX EQUALED TO 0,75 AGAINST 0,76 IN 2011).

BASED ON THE RESULTS OF THE 2012 DISTRICT CONTEST, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING BECAME THE WINNER IN THE NOMINATION "FOR HIGH LEVEL OF INFORMATION PROVISION OF THE EMPLOYEES AND CITIZENS OF THE REGION".

PARTICIPATION IN EXTERNAL INITIATIVES

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING HAS ITS REPRESENTATIVES IN VARIOUS NATIONAL-SCALE ORGANIZATIONS, INCLUDING ALL LEVELS OF LEGISLATIVE BODIES, WHICH MAKES IT POSSIBLE FOR THE PLANT TO TAKE PART IN LAWMAKING, INFLUENCE THE DECISIONS RELATED TO THE REGIONAL ECONOMIC DEVELOPMENT, ESTABLISH OPEN RELATIONSHIPS WITH AUTHORITIES, THUS PROVIDING FOR A STEADY REDUCTION OF THE RISKS ASSOCIATED WITH ITS ACTIVITIES.

ECONOMIC, ENVIRONMENTAL AND SOCIAL CHARTERS JOINED BY THE PLANT ARE LISTED IN SECTION 8 OF THIS REPORT.

TO PROVIDE FOR INTERACTION WITH THE INTERNATIONAL PROFESSIONAL COMMUNITY AND PROPER REPRESENTATION OF ITS INTEREST, THE PLANT BECAME A MEMBER OF THE FOLLOWING ASSOCIATIONS:

- BYELORUSSIAN ASSOCIATION OF FOUNDRIES AND STEEL WORKS;
- INTERNATIONAL UNION OF STEELMAKERS;

- INTERNATIONAL UNION OF ROLLERMEN;
- WORLD STEEL ASSOCIATION (WSA);
- QUALITY LEADERS CLUB OF CENTRAL AND EASTERN EUROPEAN COUNTRIES.

MEMBERSHIP IN THE ABOVE ORGANIZATIONS MAKES IT POSSIBLE FOR THE PLANT TO ENSURE A MORE EFFICIENT REPRESENTATION OF ITS INTERESTS ON THE GLOBAL SCALE AND TO DEVELOP ITS BUSINESS ACTIVITIES BASED ON THE GLOBAL TRENDS AND STRATEGIC TASKS.

INTERACTION WITH STAKEHOLDERS

STAKEHOLDERS ARE ESTABLISHMENTS AND INDIVIDUALS SUBSTANTIALLY INFLUENCED BY THE PLANT'S ACTIVITIES, WHOSE ACTIONS COULD PRODUCE A CERTAIN EFFECT ON THE PLANT'S ABILITY TO ENSURE EFFICIENT IMPLEMENTATION OF ITS STRATEGIES AND TO ACHIEVE OBJECTIVES SET.

BSW CORPORATE SOCIAL RESPONSIBILITY IS A SYSTEMATIC FUNCTION WITHIN THE COMPLEX SCHEME OF SOCIAL AND ECONOMIC RELATIONS, WHICH IS EFFECTIVELY INCORPORATED IN THE PLANT'S EVERYDAY ACTIVITIES AND IS PERFORMED BY ENSURING INTERACTION WITH AN EXTENSIVE NUMBER OF STAKEHOLDERS.

BY PROVIDING FOR AN EFFICIENT MODEL OF INTERACTION WITH INTERESTED PARTIES, IT IS POSSIBLE TO ENSURE A SUCCESSFUL IMPLEMENTATION OF PLANS, STRATEGIES AND TO ACHIEVE ANY OBJECTIVES SET. BYELORUSSIAN STEEL WORKS FORMS PROCESSES OF INTERACTION WITH INTERESTED PARTIES ACCORDING TO THE STAGES LISTED BELOW:

- SETTING OF A STRATEGIC INTERACTION TASK;
- IDENTIFICATION OF INTERACTION PARTIES;
- SETTING OF OBJECTIVES AND LIMITS OF INTERACTION;
- DESIGN OF PROCESSES AND INVOLVEMENT IN INTERACTION;
- ANALYSIS AND PLANNING;
- EVOLVEMENT OF COMPETENCE TO ENCOURAGE INTERACTION;
- EVALUATION OF RESULTS, CORRECTIVE ACTIONS AND REPORTING;
- ENSURING OF AWARENESS OF THE INTERACTION PARTIES.



Management, obligations, interaction with interested parties

▶▶ WHEN IDENTIFYING MAJOR INTERESTED PARTIES, THE PLANT ACCOUNTED FOR THEIR ABILITY TO INFLUENCE THE ACTIVITIES OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING. THE PLANT IS ENGAGED IN INTERACTION WITH AN EXTENSIVE NUMBER OF STAKEHOLDERS. AMONG THOSE, THE PARTIES LISTED BELOW ARE CONSIDERED TO BE OF MAJOR SIGNIFICANCE:

- PUBLIC AUTHORITIES;
- THE COMPANY EMPLOYEES;
- THE TRADE UNION;
- PEOPLE LIVING IN THE REGION OF BSW PRODUCTION ACTIVITIES;
- CUSTOMERS AND SUPPLIERS;
- EDUCATIONAL ESTABLISHMENTS.

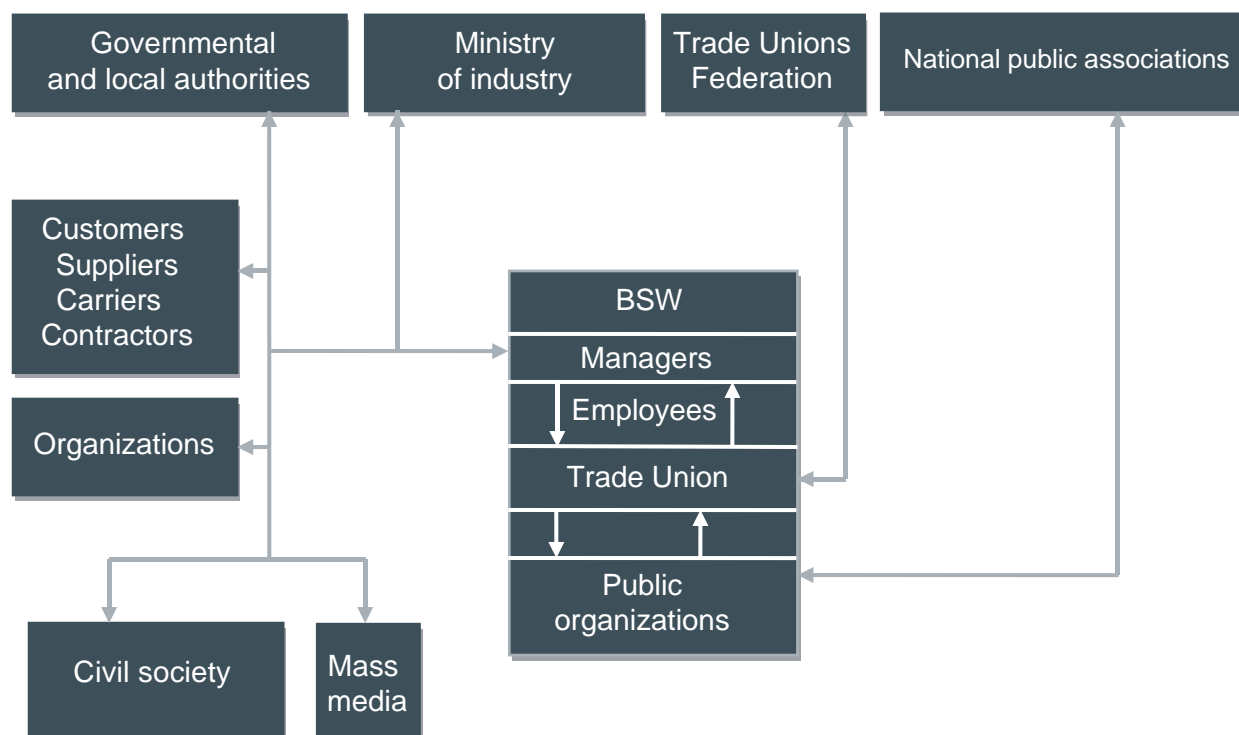
BSW DEEMS IT ESPECIALLY IMPORTANT TO KEEP UP AN OPEN POSITIVE DIALOGUE WITH INTERESTED PARTIES AND, IN ITS RE-

LATIONS WITH THOSE, IT IS GUIDED BY THE PRINCIPLES OF THE CODE OF ETHICS.

AWARENESS OF INTERESTED PARTIES' OPINIONS AND DUE ACCOUNT FOR THOSE CONTRIBUTE GREATLY TO THE COMPANY STABILITY.

STRIVING FOR A MORE INFORMED DECISION-MAKING, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING RECEIVES FEEDBACK FROM ITS EMPLOYEES, THE GOVERNMENT, PUBLIC AUTHORITIES, PUBLIC ORGANIZATIONS, COMMUNITIES AND CITIZENS. IN 2012 THE PLANT'S INFORMATION SERVICES CONDUCTED A NUMBER OF SOCIAL STUDIES INVOLVING THE PLANT'S EMPLOYEES AND PEOPLE LIVING IN THE REGION OF THE PLANT'S PRODUCTION ACTIVITIES.

WITHIN THE FRAMES OF PUBLIC HEARINGS ARRANGED FOR THE PURPOSES OF SOCIAL REPORTING, THERE WAS A POLL CONDUCTED WITH PARTICIPATION OF A LARGE NUMBER OF INTERESTED PARTIES (PUBLIC AUTHORITIES, SUPPLIERS AND CUSTOMERS, SUPERVISION AGENCIES, PUBLIC ORGANIZATIONS AND REPRESENTATIVES OF COMMUNITIES).



External communication structure



EXTERNAL COMMUNICATION STRUCTURE

TO PROVIDE FOR AWARENESS OF PUBLIC OPINIONS SHARED BY PEOPLE LIVING IN THE REGION OF THE PLANT'S DIRECT INFLUENCE IN CONNECTION WITH THE PLANT'S PRODUCTION AND SOCIAL ACTIVITIES, ITS CORPORATE POLICY, WAYS IT AFFECTS THE SURROUNDING COMMUNITIES AND FOR A MORE EFFICIENT INTERACTION WITH INTERESTED PARTIES, ANNUAL SOCIAL STUDY IS CONDUCTED UNDER THE TITLE "EXTERNAL INFLUENCE EXERTED BY THE ENTERPRISE ON GENERAL PUBLIC; TOWN-SCALE IMAGE OF THE ENTERPRISE." IN 2012 REPRESENTATIVES OF PUBLIC COMMUNITIES RATED ACTIONS TAKEN BY THE PLANT IN SOCIAL RESPONSIBILITY FIELD QUITE HIGH. THE STUDY RESULTS SHOW THAT THE ENTERPRISE ENJOYS FAVORABLE AND RESPECTFUL ATTITUDES IN TERMS OF ITS ACTIVITIES; IT HAS SUCCEEDED IN FORMING A HIGH PRESTIGE VALUE OF BEING EMPLOYED BY THE ENTERPRISE AND A SCALED-UP SOCIAL STATUS OF BSW EMPLOYEES AS VIEWED BY OTHER PEOPLE LIVING IN THE REGION. ONE OF THE INDICATORS OF A SIGNIFICANCE OF THE ENTERPRISE IS GROWTH OF THE NUMBER OF THOSE WHO MANAGED TO VISIT THE PLANT. MOREOVER, THE RESPONSES OF THE PARTICIPANTS OF THE POLL SHOW THAT THE MOST ATTRACTIVE FACTOR OF WORKING AT BSW IS A HIGH SALARY, PROFESSIONAL GROWTH PERSPECTIVE AND A SOCIAL PACKAGE.

IT IS A GOOD TRADITION TO ARRANGE AN OPEN DAY ON THE EVE OF THE METALLURGISTS' DAY: ANYONE WHO WISHED TO VISIT THE PLANT GET AN OPPORTUNITY TO BE ACQUAINTED WITH THE HISTORY AND THE PRODUCTION OF THE FLAGSHIP OF BELARUSIAN METALLURGY.

ONE MORE MAJOR EVENT OF 2012 IN TERMS OF ESTABLISHING INTERACTION WITH INTERESTED PARTIES WAS PREPARATION AND PUBLIC DISCUSSION OF THE CORPORATE SOCIAL REPORT FOR THE YEAR 2011 PARTICIPATED BY REPRESENTATIVES OF PUBLIC AUTHORITIES, LOCAL COMMUNITY, MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS, SUPPLIERS AND CUSTOMERS, PUBLIC ORGANIZATIONS AND MASS MEDIA. THE PREPARATORY WORK IN CONNECTION WITH THE ABOVE REPORT WAS AN OPPORTUNITY FOR THE PLANT TO CHECK ITS SYSTEM OF INTERACTION WITH STAKEHOLDERS, MADE IT POSSIBLE TO REVEAL ITS WEAKNESSES AND STRENGTHS AND TO IDENTIFY PERSPECTIVES FOR ITS FURTHER DEVELOPMENT. THE REPORT WAS PRESENTED TO ALL INTERESTED PARTIES OF ACTUAL OR PROSPECTIVE INFLUENCE ON ACTIVITIES OR DEVELOPMENT OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING, WHICH WAS AN IMPORTANT STEP TOWARDS ENHANCED INFORMATION OPENNESS AND TRANSPARENCY. THE



"TODAY BSW IS NOT ONLY AN ENTERPRISE FORMING A COMPANY TOWN AND PRODUCING HIGH-QUALITY PRODUCTS FOR MANY COUNTRIES OF THE WORLD. BYELORUSSIAN STEEL WORKS IS FAMOUS FOR ITS STEELMAKERS' SCHOOL AND ITS SPECIALISTS. DAY OF OPEN DOORS IS ONE MORE POSSIBILITY TO EARN WHAT STANDS BEHIND BSW BRAND."

S.M. BORSHCHOV,
DEPUTY GENERAL DIRECTOR FOR TECHNICAL DEVELOPMENT –
CHIEF ENGINEER OF OJSC "BSW – MANAGEMENT COMPANY
OF "BMC" HOLDING

RUSSIAN VERSION OF THE REPORT WAS ALSO MADE AVAILABLE ON THE CORPORATE SITE ([WWW.BELSTEEL.COM](http://www.belsteel.com)) AND ITS ENGLISH VARIANT – ON THE UN GLOBAL COMPACT SITE. PUBLIC DISCUSSIONS ON THE REPORTED DATA ARRANGED AS PUBLIC CONSULTATIONS PROVIDED FOR A PROPER FEEDBACK AND AWARENESS OF INTERESTED PARTIES' OPINIONS RELATED TO THE PLANT'S ACTIVITIES, ITS STRATEGIC INTENTS AND ITS SOCIAL RESPONSIBILITY SYSTEM.

OUTCOME OF INTERACTION WITH INTERESTED PARTIES, KEY TOPICS AND CONCERNS TOGETHER WITH RESPECTIVE RESPONSE BY VARIOUS ORGANIZATIONS CAN BE FOUND IN SECTIONS 9.3, 9.4 AND 9.5.

SOCIAL SAFETY AND DISCIPLINE

TO ENSURE ECONOMIC SAFETY AND PREVENT CORRUPT PRACTICES, THE PLANT CARRIES OUT ITS PRODUCTION AND ECONOMIC ACTIVITIES BASED ON PRINCIPLES OF RESPONSIBILITY AND TRANSPARENCY.

IN ACCORDANCE WITH THE RECOGNIZED INTERNATIONAL PRINCIPLES OF UNHINDERED ECONOMIC ACTIVITIES ESTABLISHED BY THE UN GLOBAL COMPACT, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING CONSIDERS FAIR COMPETITION AS A PREREQUISITE TO PROVIDE FOR EXERCISING OF THE RIGHT TO ENTREPRENEURIAL FREEDOM. NO LEGAL SANCTIONS HAVE EVER BEEN IMPOSED ON THE ENTERPRISE IN CONNECTION WITH ACTIONS VIOLATING THE FAIR COMPETITION PRINCIPLE.

IN 2012 THE PLANT CONTINUED TO IMPLEMENT DIRECTIVE No. 1 DD. 11.03.2004 ON ENHANCE PUBLIC SAFETY AND DISCIPLINE. IT WAS NOT ONCE THAT ISSUES OF LABOUR AND ADMINISTRATIVE DISCIPLINE AND OCCUPATIONAL SAFETY WERE



Management, obligations, interaction with interested parties

► RAISED AT ADMINISTRATIVE MEETINGS, REGULAR CONFERENCES AND HEAD OF DIVISIONS MADE REPORTS IN CONNECTION THEREWITH. IN 2012 THE TOTAL NUMBER OF SUCH ISSUES CONSIDERED AMOUNTED TO 12. IN PURSUANCE OF DIRECTIVE No. 1, INDICATORS OF LABOUR AND ADMINISTRATIVE DISCIPLINE AND OCCUPATIONAL SAFETY WERE INCLUDED INTO THE LIST OF CRITERIA USED FOR EVALUATION OF THE MANAGEMENT EFFICIENCY. VIOLATION OF THE ABOVE CRITERIA IS STRICTLY PUNISHED, UP TO EARLY TERMINATION OF LABOUR CONTRACTS.

GUIDED BY THE DIRECTIVE ON MEASURES TO ENHANCE PUBLIC SAFETY AND DISCIPLINE, THE LAW OF THE REPUBLIC

“ANTICORRUPTION ACTIVITY SHALL BE CONTINUOUS AND SYSTEMATIC. BSW PAYS MUCH ATTENTION TO PREVENTION OF CORRUPTION. IMPROVEMENT OF THE PERSONNEL POLICY INCLUDING STRENGTHENING OF THE REQUIREMENTS TOWARDS CANDIDATE FOR MANAGERIAL AND MATERIALLY RESPONSIBLE POSITIONS, STRICT CONTROL OF LABOUR AND EXECUTIVE DISCIPLINE ARE SIGNIFICANT AND INTEGRAL COMPONENT PARTS OF THIS WORK”.

V.V. PEKURIN, DEPUTY HEAD OF THE LEGAL SUPPORT AND ECONOMIC SAFETY BOARD OF OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING



OF BELARUS ON CORRUPT PRACTICES COUNTERACTIONS AND IN SUPPORT OF THE PRINCIPLES OF THE UN GLOBAL COMPACT, THE PLANT FORMED A DEPARTMENT INTENDED FOR PREVENTION OF CORRUPT PRACTICES AND ABUSE, RISK OPTIMIZATION IN CONNECTION WITH THE SELECTION OF SUPPLIERS AND CUSTOMERS OF GOODS UNDER SEVERE COMPETITION OBSERVED AT THE TRADING MARKETS, AND PRESERVATION OF THE STATE-OWNED PROPERTY MANAGED BY THE ENTERPRISE.

THE EXISTING ECONOMIC SAFETY DEPARTMENT EXCLUDES ANY POSSIBILITY OF MALPRACTICE INCLUDING CORRUPTION AS REGARDS NEW RECRUITS AND PEOPLE WORKING AT OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING. MORE THAN 90% THE SAFETY DEPARTMENT EMPLOYEES HAVE SPECIAL HIGHER EDUCATION. DURING 2012 OVER 70% OF THE EMPLOYEES OF THE ECONOMIC SAFETY DEPARTMENT WERE TRAINED IN POLICIES AND PROCEDURES RELATED TO HUMAN RIGHTS.

CORRUPTION COUNTERACTION PROGRAM WAS ELABORATED AND IS FUNCTIONING AT BSW, ACCORDING TO WHICH CONTINUOUS MONITORING OF THE RESULTS OF FINANCIAL AND BUSINESS ACTIVITY OF THE ENTERPRISE IS FULFILLED, LOCAL NORMATIVE ACTS REGULATING THE PROCEDURE OF PREPARATION OF BID DOCUMENTS AND SELECTION OF SUPPLIERS ARE UPDATED. SO AS TO MINIMIZE BUSINESS RISKS AND FULFILL CONTROL FUNCTIONS RELATED TO ECONOMIC SAFETY, A PRE-CONTRACTUAL INSPECTION OF LEGITIMACY OF POTENTIAL CONTRACTORS AND STUDY OF AGREEMENTS BY THE STRUCTURAL SUBDIVISIONS OF THE PLANT IS ORGANIZED. A COMPLEX OF MEASURES ARE TAKEN TO PREVENT CORRUPTION AND DELINQUENCY IN ALL DIVISIONS: A CLOSER CONTROL OF CONSUMPTION OF INVENTORY HOLDINGS IS KEPT, UNPLANNED RANDOM STOCK-TAKING OF ASSETS IS CARRIED OUT, ROTATION OF THE EMPLOYEES OF COMMERCIAL SERVICES OF THE COMPANY TAKES PLACE, INFORMATION OF THE ORGANS OF DOMESTIC AFFAIRS REGARDING FINANCIAL INVESTIGATIONS AS WELL AS FACTS OF CORRUPTION CRIMES COMMITTED BY THE EMPLOYEES OF THE ORGANIZATIONS SUBORDINATED TO THE MINISTRY OF INDUSTRY SUBMITTED BY THE PUBLIC PROSECUTOR’S OFFICE IS STUDIED.

IMPLEMENTATION OF THE PROGRAM IS MONITORED BY THE COMMITTEE FOR PREVENTION OF CORRUPT PRACTICES, WHICH HELD 6 MEETINGS IN 2012.

IN SPITE OF OPENNESS, TRANSPARENCY, PARTNERSHIP AND MUTUAL TAKING INTO ACCOUNT OF INTERESTS OF ALL STAKEHOLDERS, THERE WERE 6 COMMERCIAL CRIMES COMMITTED BY EMPLOYEES OF OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING IN THE COMPANY IN 2012 ACCORDING TO THE INFORMATION OF THE LAW MACHINERY.

IN THIS CONNECTION THE COMPANY TAKES UNPRECEDENTED MEASURES TO PREVENT FURTHER CORRUPTION CRIMES AND UNLAWFUL ACTIONS. ALL EMPLOYEES OF THE PLANT ARE ACQUAINTED WITH THE CONTENT OF ARTICLES 20, 21, 23, 24 OF THE LAW OF THE REPUBLIC OF BELARUS “ABOUT STRUGGLE AGAINST CORRUPTION” AND CORRESPONDING ARTICLES OF THE CRIMINAL CODE OF THE REPUBLIC OF BELARUS AND MANAGERS BEAR PERSONAL RESPONSIBILITY FOR THAT. A MEMO IS LOCATED ON THE INTERNAL SITE OF “INFO- BMZ” AND OVER 3500 EMPLOYEES HAVE A CONSTANT ACCESS TO IT; 82 MANAGERS AND SPECIALISTS WERE TRAINED IN LEGAL AND ORGANIZATIONAL ISSUES OF PREVENTION OF CORRUPTION CRIMES ON THE BASIS OF EDUCATIONAL ESTABLISHMENT “In-



Indicators of effectiveness in the area of social responsibility

DUSTRIAL STAFF". 63 EMPLOYEES TOOK PART IN SPECIAL SEMINARS DEDICATED TO PREVENTION OF CRIMES INCLUDING MEMBERS OF THE EXECUTIVE BODIES OF THE COMPANY IN 2012.

STUDYING OF LEGAL AND ORGANIZATIONAL ASPECTS OF ANTI-CORRUPTION ACTIVITY IS FORESEEN IN THE PROCESS OF TRAINING FOREMEN AND THEIR RESERVE IN THE COURSE NAMED "LINEAR MANAGER".

WHEN PERSONNEL DECISIONS ARE TAKEN AS REGARDS PERSONS OCCUPYING LEADING POSITIONS, AN OBLIGATORY EVALUATION OF THE EFFICIENCY OF MEASURES TAKEN BY THEM SO AS TO ENSURE OBSERVATION OF THE ANTI-CORRUPTION LAW IS CARRIED OUT.

NO FINES OR SANCTIONS WERE IMPOSED ON THE PLANT IN CONNECTION WITH VIOLATION OF LAWS OR STATUTORY REQUIREMENTS IN 2012.

ENSURING FULFILLMENT OF THE ASSUMED OBLIGATIONS TO THE INVESTORS, ITS EMPLOYEES, BUSINESS PARTNERS, AND THE SOCIETY IN GENERAL, THE PLANT STRICTLY ADHERES TO APPLICABLE LEGISLATION, CIVIL REGULATIONS, BUSINESS CODE OF ETHICS AND PURSUES THE PRINCIPLES OF EFFICIENT MANAGEMENT, INFORMATION TRANSPARENCY, FINANCIAL DISCIPLINE, LEGITIMACY AND ETHICALITY.

CORPORATE SOCIAL RESPONSIBILITY

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING REGARDS CORPORATE SOCIAL RESPONSIBILITY AS THE TOTAL OF OBLIGATIONS AND DECISIONS TAKEN WITH PARTICIPATION OF INTERESTED PARTIES, WHICH ARE AIMED AT IMPLEMENTATION OF INTERNAL AND EXTERNAL PROGRAMMES TO CONTRIBUTE TO THE PLANT'S DEVELOPMENT AND SCALE ITS STATUS UP.

SOCIAL RESPONSIBILITY COVERS A WIDE RANGE OF ACTIONS TAKEN BY THE COMPANY IN THE ECONOMIC, SOCIAL AND ECOLOGICAL FIELDS AND PROVIDES FOR A RESPONSIBLE BUSINESS CONDUCT, WHICH ENSURES ITS SUSTAINABLE DEVELOPMENT WITH DUE ACCOUNT FOR EXPECTATIONS OF ALL INTERESTED PARTIES. BYELORUSSIAN STEEL WORKS CONSIDERS INTRODUCTION OF CORPORATE RESPONSIBILITY PRINCIPLES INTO ITS BUSINESS PRACTICE TO BE AN ESSENTIAL PREREQUISITE FOR EFFICIENT MANAGEMENT. DECISIONS CONCERNED WITH SOCIAL RESPONSIBILITY CAN BE MADE AT EACH OF THE MANAGEMENT LEVELS. PRODUCTION AND ECONOMIC DECISIONS ARE TAKEN IN THE CONTEXT OF SOCIAL AND ECOLOGICAL CONSEQUENCES BOTH FOR THE PLANT AND THE OTHER INTERESTED PARTIES.

CORPORATE SOCIAL RESPONSIBILITY IS ONE OF THE MOST IMPORTANT PRINCIPLES OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING RELIES ON IN ITS ACTIVITIES. MEASURES TAKEN BY THE COMPANY IN THIS FIELD ARE OF REGULAR CHARACTER AND ARE INTENDED FOR ESTABLISHING A SAFE AND EFFICIENT WORKING ENVIRONMENT, ENSURING PROFESSIONAL DEVELOPMENT OF ITS EMPLOYEES, PROVIDING SUPPORT FOR SPORTS AND CULTURE FACILITIES, ENVIRONMENTAL PROTECTION AND REGIONAL DEVELOPMENT.

IN THE FIELD OF SOCIAL RESPONSIBILITY, BSW ACTIVITIES ARE BASED ON THE FOLLOWING APPROACHES:

- COMPLIANCE WITH LEGISLATION AND STATUTORY NORMS OF THE REPUBLIC OF BELARUS;
- ENHANCEMENT OF BUSINESS PROCESSES EFFICIENCY AND INVESTMENT ATTRACTIVENESS OF THE PLANT;
- ENHANCEMENT OF THE PLANT'S REPUTATION AND CONFIDENCE IN IT;
- ENSURING ECOLOGICAL AS WELL AS OCCUPATIONAL AND HEALTH SAFETY IN REGIONS OF ACTIVE PRODUCTION;
- MINIMIZING FINANCIAL AND NON-FINANCIAL RISKS, ENHANCING COMPETITIVENESS OF THE PLANT'S PRODUCTION;
- IMPLEMENTATION OF SOCIAL AND CHARITY INITIATIVES;
- PROVIDING FOR POSITIVE COOPERATION WITH ALL INTERESTED PARTIES (STAKEHOLDERS);
- AVAILABILITY OF INFORMATION, OPENNESS AND TRANSPARENCY.

ACTIONS WHICH BYELORUSSIAN STEEL WORKS UNDERTAKES IN THE ECONOMIC, ECOLOGICAL AND SOCIAL FIELDS AS WELL AS INTERACTION WITH INTERNAL AND EXTERNAL INTERESTED PARTIES AND MEASURES TAKEN TO ENSURE THEIR AWARENESS OF THE COMPANY PERFORMANCE ARE THE KEY FIELDS OF CORPORATE SOCIAL RESPONSIBILITY IMPLEMENTATION.

CORPORATE SOCIAL RESPONSIBILITY CONCEPTS FOR ECONOMIC, ECOLOGICAL AND SOCIAL ACTIVITIES ARE GOVERNED BY THE LEGISLATION OF THE REPUBLIC OF BELARUS, BRANCH AND CORPORATE REGULATIONS, INTERNATIONAL STANDARDS ISO 9000, ISO 14000, OHSAS 18000, SA 8000 SERIES AND STIPULATE THE NEED FOR EVALUATION AND ANALYSIS OF THE PLANT'S EFFECTIVENESS.

Economic activity

THE PLANT'S STRATEGIC OBJECTIVE IN ITS ECONOMIC ACTIVITIES IS TO PROVIDE FOR AS MUCH STABILITY AND EFFICIENCY OF DEVELOPMENT AS POSSIBLE AND TO ACHIEVE HIGH FINANCIAL RESULTS, AT THE SAME TIME TO ENSURE A REASONABLE BALANCE OF INTERESTS OF ALL PARTIES CONCERNED AND SATISFY SOCIAL AND ECONOMIC NEEDS OF CIVIL AND BUSINESS COMMUNITIES IN THE REGIONS OF ITS ACTIVE PRODUCTION.

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING BELIEVES SOCIAL RESPONSIBILITY TO BE AN INTEGRAL PART OF ITS BUSINESS STRATEGY AND CORPORATE ETHICS, WITH THE LATTER BASED ON THE PRINCIPLES OF DECENCY, JUSTICE AND HONESTY IMPLEMENTED IN RELATIONS WITH ITS PARTNERS AND COMPETITORS.

IN ITS ECONOMIC ACTIVITY, THE COMPANY RELIES ON THE RB LEGISLATION, STABILITY AND PRODUCTION DEVELOPMENT FACTORS, ECONOMIC FEASIBILITY AS WELL AS ITS RESPONSIBILITIES ASSUMED BEFORE THE OWNER, INVESTORS, EMPLOYEES AND BUSINESS PARTNERS, LOCAL COMMUNITIES AND OTHER INTERESTED PARTIES.

ECONOMIC DEVELOPMENT OF THE PLANT IS UNDERSTOOD AS ENSURING OF INCREASED PROFITABILITY BY RAMPING UP MANUFACTURE OF HIGH-TECHNOLOGY PRODUCTS AS REQUIRED BY THE STRATEGY AND ENHANCED PRODUCTION EFFICIENCY.

IN ITS ECONOMIC ACTIVITY, BYELORUSSIAN STEEL WORKS IMPLEMENTS APPROACHES AS FOLLOWS:

- COMPLIANCE WITH THE LEGISLATION AND STATUTORY NORMS OF THE REPUBLIC OF BELARUS;
- INVOLVEMENT OF ALL PRODUCTION SEGMENTS AND BUSINESS PROCESS PARTICIPANTS;
- COMPLETE AND RELIABLE DISCLOSURE OF THE PLANT'S PERFORMANCE INFORMATION;
- ENHANCED RESPONSIBILITY;
- ENSURING OF THE BEST POSSIBLE EXPENDITURE/ECONOMIC PERFORMANCE RATIO;
- MAINTAINING OF THE PLANT'S INTERESTS IN REASONABLE BALANCE WITH THOSE OF THE COMMUNITY.

AN OVERALL INCREASE IN PRODUCTION RATES, OPERATIONAL INTENSITY AND PRODUCTION QUALITY, TECHNICAL SOPHISTICATION OF THE PRODUCTION PROCESSES, AND SPEED UP DECISION-MAKING SET UP ENHANCED REQUIREMENTS REGARDING THE EMPLOYEES IRRESPECTIVE OF THEIR DEPARTMENTS. THE PLANT'S ECONOMIC TEAM IS COMPOSED OF SKILLED, HIGHLY QUALIFIED SPECIALISTS HAVING A HIGHER EDUCATION. THEY ARE REGULARLY TRAINED IN POLICIES AND PROCEDURES CONNECTED WITH THE ISSUES OF PRODUCTION EFFICIENCY AND BUSINESS PROCESSES EFFECTIVENESS.

FINANCIAL-ECONOMIC ACTIVITY

MAIN TASKS OF THE PLANT IN 2012 WERE: MAINTENANCE OF PRODUCTION, SEARCH OF NEW CUSTOMERS, STRICT SAVING OF MEANS AT EACH WORK PLACE, STRONG SAVING OF ALL MATERIAL AND POWER RESOURCES, STRICT OBSERVATION OF FINANCIAL DISCIPLINE BY TOUGH CONTROL OF FULFILLMENT OF THE BUDGET OF CASH FLOW. 2012 IS CHARACTERIZED BY DIFFICULT CONDITIONS ON THE INTERNATIONAL MARKET, DROP OF BUSINESS ACTIVITY, DECREASE OF DEMAND OF THE ENGINEERING SECTOR AND AS A RESULT DROP OF STEEL PRICES. THIS LEAD TO SOME REDUCTION OF ECONOMIC INDICATORS COMPARED TO 2011. SO AS TO OPPOSE ALL NEGATIVE PROCESSES ON INTERNATIONAL MARKETS, THE PLANT WORKED OUT AN INTEGRATED PROGRAM OF MEASURES AIMED AT STABILIZATION AND DEVELOPMENT OF PRODUCTION AND REDUCTION OF PRODUCT PRIME COST.

STRICT CONTROL OF FULFILLMENT OF THE PROGRAM AT ALL LEVELS GAVE A POSITIVE RESULT. ECONOMIC EFFECT OF THE MEASURES DIRECTED TOWARDS DECREASE OF PRIME COST IN 2012 EQUALED TO USD 61,9 MILLION. THE SAVING WAS ACHIEVED DUE TO PRODUCTION OUTPUT GROWTH AND IMPROVEMENT OF THE PRODUCTION PROCESSES AS WELL AS DUE TO FULFILLMENT OF ENERGY-SAVING MEASURES AND DECREASE OF GENERAL PRODUCTION AND BUSINESS EXPENSES.

TO OBTAIN A SUBSTANTIATED EXPERT OPINION CONCERNING THE REPRESENTATION OF THE RESULTS OF FINANCIAL ACCOUNTABILITY, AN INTERNATIONAL INDEPENDENT AUDITING COMPANY CARRIES OUT AUDITS AT OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IN ACCORDANCE WITH THE REQUIREMENTS OF THE INTERNATIONAL FINANCE REPORTING STANDARDS (IFRS).



TOP MANAGEMENT IS INFORMED ABOUT PRODUCTION AND FINANCIAL-ECONOMIC ACTIVITY BY MEANS OF MONTHLY SUMMARY REVIEWS, ECONOMIC COUNCILS, AND ANALYTICAL REPORTING.

FOR THE PURPOSES OF COMMUNICATION DEVELOPMENT AND EXPANDING OPPORTUNITIES OF INTERACTION WITH THE INTERESTED PARTIES, EMPLOYEES' PROFESSIONAL ADVANCEMENT AND EXCHANGE OF EXPERIENCE, OJSC BSW ARRANGES ANNUAL INTERNATIONAL SCIENTIFIC CONFERENCE "METAL." APART FROM PARTICIPANTS FROM THE CIS COUNTRIES, THE "ECONOMICS AND FINANCE" SECTION OF THE CONFERENCE INCLUDES SPECIALISTS FROM THE PLANT'S FINANCIAL, ECONOMIC AND MARKETING DEPARTMENTS. DURING THE CONFERENCE, ITS PARTICIPANTS MAKE REPORTS ON CURRENT ISSUES AND EXCHANGE THEIR EXPERIENCE IN IMPLEMENTATION OF STRATEGIC OBJECTIVES AND INTRODUCTION OF RECENT ENGINEERING SOLUTIONS IN THE FIELD OF SUSTAINABLE PRODUCTION DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY.

ECONOMIC EFFECTIVENESS

IN 2012 STEELMAKING INDUSTRY FOUND ITSELF IN ANOTHER TURN OF PRODUCTION DECLINE. ENTERPRISES FACED TWO SERIOUS PROBLEMS: EUROPEAN DEBT CRISIS AND DROP OF THE GLOBAL ECONOMY GROWTH RATE ON THE ONE HAND AND OVERPRODUCTION IN THE STEELMAKING ITSELF ON THE OTHER HAND. THIS SITUATION PRACTICALLY BROUGHT DOWN FERROUS METALS MARKET IN ALL PRODUCT SEGMENTS.

BYELORUSSIAN STEEL WORKS IS CLOSELY INTEGRATED IN THE GLOBAL STEEL MARKET (OVER 80% OF PRODUCTS IS EXPORTED), THAT IS WHY EVENTS OF CRISIS IN THE GLOBAL STEELMAKING HAD A DIRECT EFFECT ON THE OUTCOME OF THE COMPANY ACTIVITY. THE PLANT EXPERIENCED CONSIDERABLE DIFFICULTIES IN SERVICING ACCOUNTS PAYABLE. IN THE CONDITIONS OF RECONSTRUCTION CARRIED OUT TO DEVELOP PRODUCTION TECHNOLOGY, SUPPORT PRODUCT QUALITY AND COMPETITIVENESS, DECREASE OF PRODUCTION OUTPUT AND PRICES INEVITABLY LEAD TO THE PROGRESSING GROWTH OF ACCOUNTS PAYABLE, IMPAIRMENT OF LIQUIDITY INDICATORS, DEFICIT OF CIRCULATING ASSETS AND INSTABILITY OF PAYMENTS.

IN SPITE OF NEGATIVE TENDENCIES ON INTERNATIONAL MARKETS AND IN THE SITUATION OF GLOBAL STEEL PRODUCTION AND PRICES DROP, THE PLANT INCREASED ITS PRODUCTION CAPACITY AND SALES VOLUME IN 2012 COMPARED TO 2011.

IN THE REPORTING PERIOD, VOLUME OF PRODUCT SALES GREW BY 87 032 TONS OR 103,4%. SHARE OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IN THE CURRENCY PROCEEDS OF THE COUNTRY EQUALS TO 15,0%.

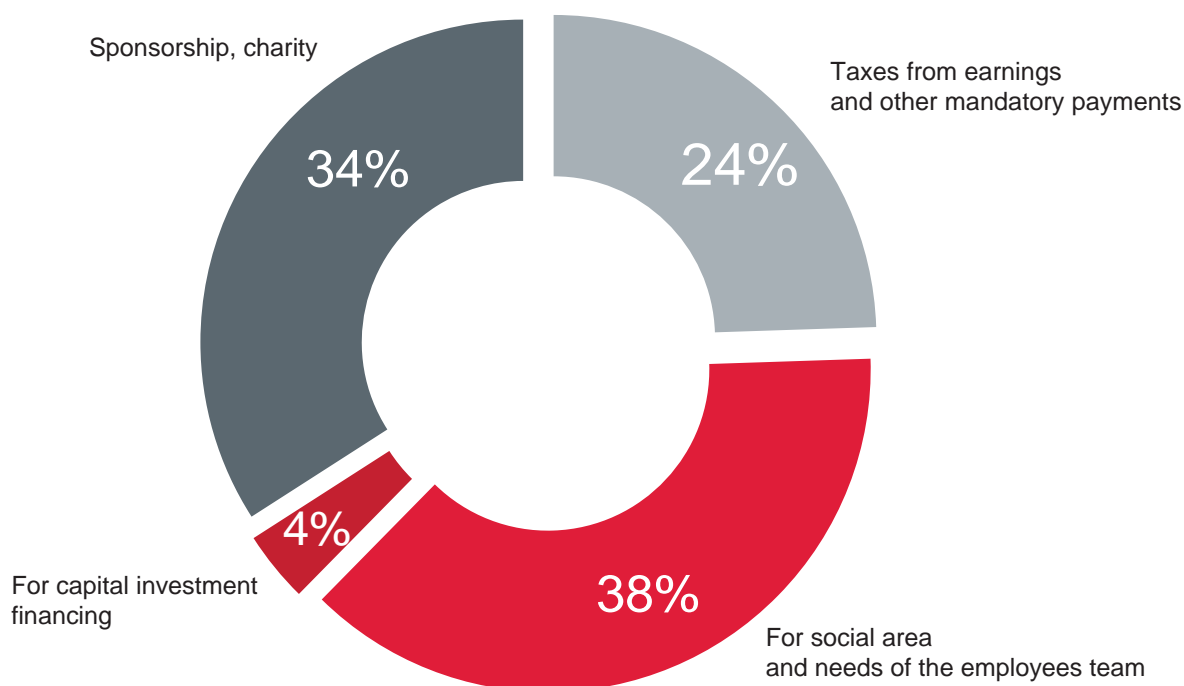
KEY INDICATORS

IN SPITE OF ALL DIFFICULTIES, BASED ON THE RESULTS OF 2012 THE ENTERPRISE FULFILLED MOST OF THE TARGETS SET. PRODUCTION RATE GROWTH IN COMPARABLE PRICES BASED ON THE ANNUAL RESULTS WAS 103,4%, WHICH IS 1,4 PER CENT POINTS HIGHER THAN THE INITIAL TARGET SET FORTH. MARKETABLE PRODUCT SALES PROCEEDS MADE UP USD 1 892,7 MILLION. PRODUCTION OF STEEL AMOUNTED TO 2 691 THOUSAND TONS WHICH IS A RECORD BREAKING RESULT OF THE ENTERPRISE AND EXCEEDS 2011 STEEL PRODUCTION WHICH WAS ALSO RECORD BREAKING FOR THE PLANT BY 84 THOUSAND TONS. INVESTMENTS IN THE FIXED ASSETS MADE UP BRB 822,1 BILLION AND ALSO EXCEEDS THE TARGET. FOREIGN TRADE BALANCE CONSIDERABLY EXCEEDS THE TARGET AND EQUALS TO USD 688,4 MILLION AND OVER USD 855 MILLION IN THE HOLDING IN GENERAL. ENERGY-SAVING INDICATOR WAS ACHIEVED AND EQUALED TO MINUS 5,2% (TARGET - 5,0%).



Proceeds of product sales, work fulfilled and services rendered, USD million

Economic activity



Use of profit in 2012

►► SELF COST OF THE PRODUCTS, WORKS AND SERVICES SOLD DECREASED BY 2,5% IN US DOLLAR TERMS SUBJECT TO RAW MATERIAL PRICE DROP. BUT FINISHED PRODUCT PRICE DECREASE IS NOT COMPENSATED BY RAW MATERIAL PRICE DROP. IT IS A PECULIAR FEATURE OF A CRISIS IN THE STEEL-MAKING SECTOR THAT PRODUCT PRICES GO DOWN FASTER AND TO A LARGER EXTENT THAN RAW MATERIALS PRICES. THAT IS THE REASON FOR A LOWER PROFIT THAN A YEAR BEFORE.

PROFIT

SALES PROCEEDS IN 2012 MADE UP USD 172,4 MILLION. COST-EFFICIENCY OF SOLD PRODUCTS EQUALED TO 10,5%.

NET PROFIT OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IN 2012 WAS USD4,6 MILLION WHICH IS LOWER THAN THE NET PROFIT IN 2011. NET PROFIT DECREASE WAS CAUSED BY MACROECONOMIC SITUATION AND THE NECESSITY TO WRITE OFF THE NEGATIVE RATE DIFFERENCE DUE TO DEPRECIATION OF THE NATIONAL CURRENCY IN 2011. DURING 2012, RATE DIFFERENCE IN THE AMOUNT OF USD83,9 MILLION WAS WRITTEN OFF ON ACCOUNT OF PROFIT.

NET PROFIT DUE TO SALES PROFITABILITY DROPPED FROM 8,3% IN 2011 TO 0,2% IN 2012. USE OF PROFIT IN 2012 IS GIVEN IN THE BELOW DIAGRAM.

IN SPITE OF A WORSE FINANCIAL SITUATION IN 2012, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING CONTINUED TO SPONSOR ENTERPRISES OF THE HOLDING, EDUCATIONAL ESTABLISHMENTS AND SPORT CLUBS. THE SPONSORED AMOUNT WAS COMPARABLE WITH THE FINANCIAL ASSISTANCE RENDERED IN 2011. THE COMPANY SPONSORED ITS DAUGHTER COMPANY RDU-AE "PAPOROTNOE", BELARUSIAN NATIONAL TECHNICAL UNIVERSITY, OJSC "KOBRI", TOOLMAKING PLANT "SITOMO", STATE EDUCATIONAL ESTABLISHMENT "INDUSTRIAL PERSONNEL", ZHLOBIN STATE METALLURGICAL COLLEGE, OJSC "AVTOREMPROEKT", EDUCATIONAL DEPARTMENT OF ZHLOBIN DISTRICT EXECUTIVE COMMITTEE. MOREOVER, THE PANT RENDERED FINANCIAL ASSISTANCE TO SPORT DEVELOPMENT (HOCKEY AND VOLLEYBALL CLUBS, UE "BELARUSIAN BIATHLON CLUB", HOCKEY FEDERATION OF THE REPUBLIC OF BELARUS). TOTAL AMOUNT SPONSORED EQUALED TO USD 15,7MILLION.

IN 2012 THE ENTERPRISE DISBURSED PAYMENTS TO ITS EMPLOYEES IN THE AMOUNT OF USD 9,9 MILLION INCLUDING



REMUNERATION BASED ON THE ANNUAL RESULTS, STIMULATING AND COMPENSATING PAYMENTS, ADDITIONAL PAYMENTS TO NON-WORKING PENSIONERS, AS WELL AS MAINTENANCE OF SOCIAL FACILITIES IN THE AMOUNT OF USD 7,6 MILLION.

PAYMENT TO THE OWNER

IN COMPLIANCE WITH THE EXISTING LAW THE ENTERPRISE TRANSFERRED A PART OF ITS PROFIT (DIVIDENDS) IN THE AMOUNT OF USD 1,6 MILLION TO THE STATE BUDGET.

TAXES AND COMPULSORY PAYMENTS

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS A RESPONSIBLE TAXPAYER AND PROVIDES FOR CONSOLIDATION OF THE STATE'S FINANCIAL FOUNDATION BY REGULAR TAX PAYMENTS MADE INTO BUDGETS OF VARIOUS LEVELS. TIMELY AND CORRECT TAX PAYMENT BY THE PLANT IN FAVOR OF THE STATE DETERMINES ECONOMIC STABILITY IN THE REGION OF ITS ACTIVE PRODUCTION ACTIVITY AND IN PARTICULAR OPPORTUNITIES OF INFRASTRUCTURE DEVELOPMENT BY REGIONAL AND LOCAL AUTHORITIES. TAX PAYMENTS INFLUENCE THE ECONOMY OF THE REGION SIGNIFICANTLY BECAUSE THE COMPANY TAX PAYMENTS ARE A KEY SOURCE OF THE LOCAL BUDGET FORMATION: THE PLANT PORTION MAKES UP 36,0 % OF ALL REVENUES TO THE BUDGET OF ZHLOBIN DISTRICT.

THE TOTAL SHARE OF TAXES AND PROFIT-BASED LEVIES IN 2012 WAS 48,6%, COMPARED TO 2011 AND GREW BY 3,7 PER CENT.

ENTERPRISE'S RISKS

INVESTMENT RISKS

ANY PROJECT IMPLEMENTATION IS ASSOCIATED WITH CERTAIN ORGANIZATIONAL, TECHNOLOGICAL AND FINANCIAL RISKS. HOWEVER, INVESTMENT PROJECTS LAUNCHED BY OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ARE IMPLEMENTED AT AN OPERATING ENTERPRISE WHICH HAS SUFFICIENT EXPERIENCE IN USE OF THE PROCESS EQUIPMENT AND CONSTRUCTION OF NEW PRODUCTION FACILITIES. THAT'S WHY ORGANIZATIONAL, TECHNICAL AND TECHNOLOGICAL RISKS ARE OF LITTLE SIGNIFICANCE IN THIS CASE. HIGH QUALIFICATIONS OF THE ENTERPRISE'S EMPLOYEES, APPLICATION OF MODERN

TECHNOLOGICAL, ORGANIZATIONAL AND ADMINISTRATIVE SOLUTIONS IN THE PRODUCTION ACTIVITIES ENSURE ENHANCED EFFICIENCY AND SUSTAINABILITY OF THE IMPLEMENTED PROJECTS AGAINST PROBABLE CONTINGENCIES, WHILE AVAILABILITY OF INVESTED FUNDS MAKES IT POSSIBLE TO MINIMIZE ANY FINANCIAL RISKS.

TO MITIGATE AND ACCOUNT FOR PROBABLE RISK EFFECTS IN BUSINESS-PLANS, THE COMPANY CARRIES OUT MULTI-VARIANT CALCULATIONS TO IDENTIFY PROJECTS' FINANCIAL PERFORMANCE AND EFFICIENCY INDICATORS AGAINST VARIOUS VARIABLE FACTORS (CAPITAL INPUT AMOUNTS, PRODUCT SELLING PRICE, MANUFACTURING COSTS, DEBT-TO-EQUITY RATIOS).

RESULTS OF THE COST EFFICIENCY EVALUATION GIVEN IN THE PROJECT WERE CALCULATED FOR THE BASIC PRICING CONDITIONS, EFFECTIVE AT THE TIME OF BUSINESS PLAN VALIDATION. HOWEVER, AS PROJECTS PROCEED TO SUBSEQUENT STAGES OF IMPLEMENTATION, THESE PRICING CONDITIONS COULD CHANGE DUE TO GLOBAL ECONOMIC CHANGES. BASED ON THE ABOVE, IT WAS IMPORTANT AND ESSENTIAL TO CARRY OUT A RELIABILITY (SENSITIVITY) ANALYSIS, PROVIDING FOR EVALUATION OF POSSIBLE EFFECTS ON PROJECT EFFICIENCY DUE TO VARIATIONS OF EXTERNAL FACTORS AND IDENTIFICATION OF ACCEPTABLE AND CRITICAL SCOPES OF CHANGES.

WHEN CARRYING OUT THE SENSITIVITY ANALYSIS, POSSIBLE CHANGES IN THE FOLLOWING FACTORS OF MAJOR INFLUENCE ON ECONOMIC INDICATORS WERE CONSIDERED:

- SELLING PRICE AS A FACTOR WHICH IS MOST SUSCEPTIBLE TO CHANGES DUE TO METAL MARKET VARIATIONS;
- PRODUCTION COSTS, WHICH DEPEND ON PRICES FOR MELTING STOCK, ENERGY RESOURCES AND OTHER MATERIALS AND SERVICES ESSENTIAL FOR THE PRODUCTION PROCESSES;
- INVESTMENT AMOUNTS WHICH LARGELY DEPEND ON CONTRACTUAL PRICES FOR EQUIPMENT;
- DEBT-TO-EQUITY RATIO.

THE SENSITIVITY ANALYSIS INCLUDED EVALUATIONS CONCERNED WITH THE WAYS IN WHICH THE ABOVE FACTORS INFLU-



Economic activity

- ENCE THE TWO MAJOR EFFICIENCY INDICES – SIMPLE PAY-BACK PERIOD AND INTERNAL RATE OF RETURN.

INDUSTRY RISKS

METALLURGIC INDUSTRY IS DISTINGUISHED BY ITS SUSCEPTIBILITY TO CYCLIC VARIATIONS OF PRICES FOR RAW MATERIALS AND STEEL. DEMAND FOR STEEL IS DETERMINED BY COUNTRY-SPECIFIC LEVELS OF ECONOMIC DEVELOPMENT AND CONSUMPTION BY MAJOR STEEL-CONSUMING INDUSTRIES. VARIATIONS IN RAW MATERIALS PRICES ARE OF SIGNIFICANT INFLUENCE ON THE FINANCIAL-ECONOMIC STATE OF BELARUSIAN STEELMAKING AS MOST OF RAW MATERIALS CONSUMED BY STEEL WORKS ARE IMPORTED. RECENTLY, STEEL PRICING TRENDS HAVE BEEN RATHER UNFAVORABLE. THAT'S WHY POTENTIAL METALLURGY-INHERENT RISKS DUE TO CYCLIC PRICE REDUCTIONS ARE STILL PRESENT. AT THE SAME TIME, WORLD'S MARKET PRICES FOR PRIMARY RAW MATERIALS AND CONSUMABLES USED BY THE PLANT, NAMELY FOR SCRAP METAL, CAST IRON AND FERROALLOYS, ARE EXHIBITING A GROWTH TREND. REDUCTION OF PRICES FOR METAL PRODUCTS WITH SIMULTANEOUS INCREASE OF RAW MATERIALS PRICES SIGNIFICANTLY AFFECTS THE ENTERPRISE'S OPERATIONAL ACTIVITIES AND ITS FINANCIAL PERFORMANCE.

ALONG WITH THE PRICE VARIATIONS, STEELMAKING, ON A GLOBAL SCALE, FACES RISKS OF EXCESSIVE PRODUCTION CAPACITIES. CURRENTLY, A BUNCH OF NEW LARGE ENTERPRISES APPEARED ALL AROUND THE WORLD, WHILE A GREAT NUMBER OF LEADING PRODUCERS HAVE PLANS FOR A SUBSTANTIAL EXPANSION OF THEIR PRODUCTION CAPACITIES, PARTICULARLY, THOSE ASSOCIATED WITH MANUFACTURE OF REINFORCING BARS. WITH A VIEW TO ADVANCES IN STEEL PRODUCTION TECHNOLOGIES AND TRANSITION FROM BLAST-FURNACE AND OPEN-HEARTH FURNACE MELTING OF CAST IRONS AND STEELS TO ELECTRIC FURNACE MELTING, GIVING STEELS OF IMPROVED QUALITY, SCRAP METAL ACQUIRES STILL MORE SIGNIFICANCE. ALONGSIDE WITH THAT, RESOURCE-SAVING TECHNOLOGIES INTRODUCED AT INDUSTRIAL ENTERPRISES RESULT IN RELATIVELY REDUCED SCRAP PRODUCTION RATES IN DEVELOPED COUNTRIES WITH SIMULTANEOUS GROWTH OF DEMAND FOR UNUSED METAL. CONSEQUENTLY, EUROPE IS EXPERIENCING AN UNSATISFIED DEMAND FOR METALLURGIC RAW MATERIALS, SUCH AS SCRAP METAL. THE PLANNED STEELMAKING INDUSTRY EXPANSION (INCREASES IN MELTING

CAPACITIES AT THE ALREADY EXISTING PLANTS, CONSTRUCTION OF NEW ENTERPRISES EQUIPPED WITH ELECTRIC FURNACES), FIRST OF ALL, IN THE EUROPEAN PART OF THE RUSSIAN FEDERATION, AGGRAVATE THE SITUATION EVEN MORE AND COULD RESULT IN TOTAL TERMINATION OF SCRAP METAL SUPPLIES FROM THE RUSSIAN FEDERATION. BESIDES, SUPPLIES OF THIS KIND OF RAW MATERIALS IN MOST COUNTRIES ARE EITHER SUBSTANTIALLY MONOPOLIZED (IN BELARUS, FOR INSTANCE, THESE ACTIVITIES ARE REPRESENTED BY A SINGLE ENTERPRISE – BELVTORMET) OR UNDER A STRINGENT STATE CONTROL (LICENSING OF ACTIVITIES, SETTING EXPORT QUOTAS, EXPORT DUTIES LEVIED). AS A RESULT, CONSUMERS ARE RATHER DEPENDANT ON A LIMITED GROUP OF SCRAP SUPPLIERS AND (OR) BOUND BY CERTAIN GEOGRAPHICAL LIMITS OF SCRAP-SUPPLYING REGIONS.

BY CONSOLIDATING, MANUFACTURERS OF METAL PRODUCTS PROVIDE FOR A REDUCTION OF RISKS ASSOCIATED WITH MARKET ENVIRONMENTS, HOWEVER, FOR BELARUSIAN ENTERPRISES THE SAID RISKS STILL PRESENT A CERTAIN HAZARD. CONCENTRATION OF MINING COMPANIES AND TAKE-OVER OF SCRAP-PRODUCING ENTERPRISES BY STEELMAKING COMPANIES CAN RESULT IN AN ADDITIONAL INCREASE IN PRICES FOR RAW MATERIALS WITH RATHER LIMITED ALTERNATIVE OPPORTUNITIES FOR STEEL RAW MATERIAL SUPPLIES. LATELY, METALLURGIC ENTERPRISES ARE MORE AND MORE ACTIVELY ENGAGING IN MODERNIZATION OF THE EQUIPMENT INSTALLED AT THE ENTERPRISES OF THEIR SCRAP METAL SUPPLIERS AND IN ACTIVITIES IN CONNECTION WITH TAKE-OVER OF THE MOST EFFICIENT SCRAP PRODUCING COMPANIES.

SO, IT IS POSSIBLE TO MINIMIZE THE ABOVE RISKS BY DEVELOPING A SCRAP-PRODUCING NETWORK OF ONE'S OWN. INDUSTRY RISK MANAGEMENT SHOULD BE BASED ON ESTABLISHING LONG-TERM AND MUTUALLY BENEFICIAL RELATIONS WITH MAJOR SUPPLIERS AND OPTIMIZATION OF PROCUREMENT AND RESOURCE MANAGEMENT PROCESSES.

THE FACT THAT METAL PRODUCTION IS PARTLY INTENDED FOR IN-COUNTRY SUPPLIES, WHERE PRICES ARE REGULATED BY THE STATE, ACCOUNTS FOR RESPECTIVE RISKS, WHICH, JUST LIKE ON FOREIGN MARKETS, ARE ASSOCIATED WITH POSSIBLE NEGATIVE EFFECTS DUE TO PRICE VARIATIONS. AND THIS COULD PRODUCE A CERTAIN EFFECT ON THE ENTERPRISE'S ACTIVITIES. HOWEVER, WITH A VIEW TO GRADUAL TRANSITION TO



THE MARKET-CONTROLLED PRICE SETTING OBSERVED IN THE REPUBLIC, IT IS POSSIBLE TO CONSIDER THIS RISK AS NEGLIGIBLE.

COUNTRY AND REGIONAL RISKS

PRODUCTION AND BUSINESS ACTIVITIES OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ARE LARGELY DEPENDANT ON COOPERATION WITH RUSSIA. SUCH CLOSE INTERACTION WITH A SINGLE INDEPENDENT REGION PRESENTS CERTAIN RISKS ASSOCIATED WITH DIFFERENCES IN LEGISLATION AND REGULATORY FRAMEWORK, WHICH COULD AFFECT SUSTAINABLE DEVELOPMENT OF THE ENTERPRISE. THE PERSPECTIVES OF A COMMON CUSTOMS SPACE AND FURTHER ECONOMIC INTEGRATION WILL MAKE IT POSSIBLE IN TIME TO CONSIDER SUCH RISKS AS NEGLIGIBLE.

BESIDES, GEOGRAPHICAL POSITION OF THE REPUBLIC OF BELARUS WILL CONTRIBUTE TO MINIMIZATION OF REGIONAL ECONOMIC RISKS AND POSSIBLE EFFECTS ON THE ENTERPRISE'S ACTIVITIES RESULTING FROM THEM. PRIORITIES WILL INCLUDE FLEXIBLE SUPPLY GEOGRAPHY, ENSURING PROMPT RESPONSE TO THE ENVIRONMENT'S CHALLENGES AND PROTECTION AGAINST POSSIBLE REGIONAL CRISES.

WINTER SUPPLIES OF MAJOR RAW MATERIALS CAN BE AFFECTED BY WEATHER CONDITIONS. TO MINIMIZE RISKS ASSOCIATED WITH INTERRUPTED RAW MATERIALS SUPPLIES, IT IS ESSENTIAL TO PROVIDE FOR AVAILABILITY OF "WINTER BUFFER" RESERVES OF SUCH RAW MATERIALS.

LEGAL RISKS

NOTWITHSTANDING THE STATE-IMPLEMENTED POLICY AIMED AT REDUCTION OF TAX BURDEN ASSUMED BY ECONOMIC ENTITIES OF THE REPUBLIC OF BELARUS, LEGAL PROVISIONS ON TAXES AND DUTIES ARE CONSTANTLY CHANGING. EVERY YEAR, AN ENTIRELY NEW PACKAGE OF TAX REGULATIONS COMES INTO FORCE AND THE PREVIOUS REGULATIONS ARE AMENDED. AT THAT, THE AMENDMENTS ARE PARTLY FOR THE BENEFIT OF TAXPAYERS AND PARTLY – TO THEIR DISADVANTAGE. SIMILAR SITUATION IS OBSERVED IN THE FIELD OF TAX ADMINISTRATION. HOWEVER, TAKEN THE STATE'S ASPIRATION TO ENSURE A SUSTAINABLE GROWTH OF PRODUCTION RATES AND THE STABLE POLITICAL SITUATION, A SIGNIFICANT

INCREASE IN THE ENTERPRISE'S TOTAL TAX BURDEN IN THE NEAR FUTURE IS HIGHLY IMPROBABLE.

ALSO, ONE COULD CONSIDER AS NEGLIGIBLE THOSE RISKS WHICH ARE ASSOCIATED WITH CHANGES IN THE REGULATORY FRAMEWORK AS RELATED TO CUSTOMS CONTROL. BUT THERE ARE CERTAIN RISKS ASSOCIATED WITH CUSTOMS REGULATIONS AND DUTIES IN THE COUNTRIES OF THE ENTERPRISE'S EXPORTS.

INDUSTRIAL SAFETY, LABOUR PROTECTION AND ECOLOGICAL RISKS

WE ARE AWARE THAT METALLURGY IS A POTENTIAL HAZARD TO THE ENVIRONMENT AND PEOPLE, AS SUCH PRODUCTION ACTIVITIES INVOLVE HIGH-TEMPERATURE PROCESSES, INVASIVE CHEMICALS, VOLATILE BY-PRODUCT EMISSIONS AND REQUIRE SPECIAL ARRANGEMENTS IN CONNECTION WITH DISPOSAL OF SOLID AND LIQUID INDUSTRIAL WASTE. DUE TO THE ABOVE, STEELMAKING ENTERPRISES HAVE TO PROVIDE FOR STRICT COMPLIANCE WITH RATHER STRINGENT REGULATIONS WITH REGARD TO LABOUR PROTECTION, INDUSTRIAL AND FIRE SAFETY AND ENVIRONMENTAL PROTECTION.

ECOLOGICAL REQUIREMENTS INCLUDE COMPULSORY PAYMENTS FOR AIR AND LAND POLLUTION AND INSTALLATION AND MODERNIZATION OF SPECIAL POLLUTION-CONTROL EQUIPMENT. SHOULD ANY CRITICAL CONCENTRATIONS SET FOR INDUSTRIAL WASTES BE EXCEEDED, THE ENTERPRISE WILL HAVE TO PAY FINES. POSSIBLE REINFORCEMENT OF ENVIRONMENTAL REGULATIONS AND LOWERING OF CRITICAL POLLUTANT CONCENTRATIONS COULD RESULT IN INCREASED AMOUNTS OF OBLIGATORY PAYMENTS AND FINES STIPULATED FOR VIOLATIONS OF LAW.

FINANCIAL SUPPORT PROVIDED BY THE GOVERNMENT

BYELORUSSIAN STEEL WORKS IS INCLUDED IN REGISTER OF HIGH TECH PRODUCTIONS AND ENTERPRISES WHICH PROFIT FROM OWN HIGH-TECH PRODUCTS (WORK, SERVICES) (EXCEPT COMMERCIAL AND PURCHASING ACTIVITY) IS SUBJECT TO INCOME TAX AT THE RATE REDUCED BY 50 PER CENT (DECREE OF THE PRESIDENT OF THE REPUBLIC OF BELARUS No. 662 "TAXATION OF HIGH TECH ORGANIZATIONS" DD. DECEMBER 4, 2008.)



Economic activity



WITHIN THE FRAMEWORK OF THE STATE PROGRAM OF INNOVATIVE DEVELOPMENT OF THE REPUBLIC OF BELARUS APPROVED BY RESOLUTION No. 669 "ABOUT THE STATE PROGRAM OF INNOVATIVE DEVELOPMENT OF THE REPUBLIC OF BELARUS FOR 2011-2015" DD. MAY 26, 2011 OF THE COUNCIL OF MINISTERS OF THE REPUBLIC OF BELARUS, BSW STARTED TO IMPLEMENT THE INVESTMENT PROJECT "BUILDING OF A SMALL-SECTION WIRE MILL AT OPEN JOINT-STOCK COMPANY "BYELORUSSIAN STEEL WORKS" SINCE MAY 2012.

IN THE RESULT OF THE EXPERTISE A POSITIVE CONCLUSION OF THE MINISTRY OF ECONOMY OF THE REPUBLIC OF BELARUS No. 23-02-12/4902 DD. 30.06.2012 WAS MADE AND IMPLEMENTATION OF THE ABOVE PROJECT WAS SUPPORTED BY THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS, STATE COUNCIL OF EXPERTS IN ENGINEERING AND METAL WORKING AND THE MINISTRY OF ECONOMY OF THE REPUBLIC OF BELARUS.

PLANNING OF THE REALIZATION PROCEDURE OF THIS PROJECT WAS CARRIED OUT WITH CONSIDERATION OF TAX AND CUSTOMS PRIVILEGES IN CONNECTION WITH ENTERING INTO AN AGREEMENT WITH GOMEL REGIONAL EXECUTIVE COMMITTEE IN ACCORDANCE WITH DECREE OF THE PRESIDENT OF THE REPUBLIC OF BELARUS No. 10 "ABOUT CREATION OF ADDITIONAL CONDITIONS FOR INVESTMENT ACTIVITY IN THE REPUBLIC OF BELARUS" DD. 06.08.2009.

IT IS SUPPOSED THAT THE STATE WILL TAKE PART IN FINANCING OF THE INVESTMENT EXPENSES OF THE PROJECT IN THE FORM OF EXEMPTION FROM VAT AND CUSTOMS DUTY PAYMENT FOR THE EQUIPMENT IMPORTED IN THE REPUBLIC OF BELARUS AND IN THE FORM OF GRANTING MEANS FROM THE INNOVATION FUND OF THE MINISTRY OF INDUSTRY SO AS TO REIMBURSE THE COST OF ARCHITECTURAL DESIGN AND BUILDING PROJECT.

SINCE 2011 A LEGAL ACT OF THE STATE SUPPORT IS IN FORCE AT RUE "BMZ": DECREE OF THE PRESIDENT OF THE REPUBLIC OF BELARUS No. 662 "ABOUT TAXATION OF HIGHTECH ORGANIZATIONS" DD. DECEMBER 4, 2008.

PRESENCE ON MARKETS

MARKETING STRATEGY OF BSW IS DIRECTED TOWARDS RETENTION AND ACTIVE GROWTH OF ITS PRESENCE ON THE EXISTING MARKET OUTLETS AS WELL AS SEARCH FOR NEW, ECONOMICALLY PROFITABLE REGIONS. TRADITIONALLY, KEY MARKETS OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ARE EUROPEAN COUNTRIES AND CIS. MACROECONOMIC SITUATION IN THE WORLD SHOWS THE TENDENCY OF RETURN TO THE MARKET OF KEY STEEL CONSUMERS FROM EAST AND WEST EUROPE AND CIS (RUSSIA, THE UKRAINE). THAT IS WHY IN 2013 DISTRIBUTION OF DELIVERIES WILL CHANGE. IT IS SUPPOSED THAT SHARE OF SHIPMENTS TO THE COUNTRIES WITH LOW PRICE SITUATION (SEA, THE UKRAINE) WILL DECREASE. BESIDES, DELIVERY DISTRIBUTION WILL COVER SUCH REGIONS AS SOUTH-EAST ASIA AND NORTH AMERICA. THERE WILL BE ACTIVE SHIPMENTS OF PRODUCTS TO SOUTH AMERICA, IN PARTICULAR, TO VENEZUELA.

IN 2012 BSW PRODUCTS WERE EXPORTED TO 63 COUNTRIES WORLDWIDE. KEY STEEL MARKETS WERE: EUROPE (38,4% OF EXPORT), THE RUSSIAN FEDERATION (35,7%), MIDDLE EAST AND AFRICA (17,1%), AMERICA (3,4%), CIS (2,7%), SEA (2,7%). THESE REGIONS ACCOUNTED FOR 97,3% OF THE TOTAL STEEL EXPORTS. THIS WAS ACHIEVED MAINLY DUE TO AVAILABILITY OF OWN COMMODITY DISTRIBUTION NETWORK. IT IS REPRESENTED BY TRADING FIRMS AND JOINT-VENTURES IN GERMANY, AUSTRIA, THE USA, CHINA, LITHUANIA AND THE RUSSIAN FEDERATION. 1 639 THOU. TONS OF STEEL TO THE AMOUNT OF USD1 138,8 MILLION WERE SOLD VIA THE CDN IN 2012.

IN 2012 BYELORUSSIAN STEEL WORKS CONTINUED IMPLEMENTATION OF MEASURES AIMED AT DIVERSIFICATION OF PRODUCT DELIVERIES WHICH RESULTED IN DEVELOPING OF NEW PRODUCT MARKETS IN CROATIA AND KAZAKHSTAN AND DELIVERIES OF STEEL TO ALBANIA, ISRAEL, MOROCCO, THAILAND, SINGAPORE AND BRAZIL. IN ADDITION TO TRADING FIRMS AND JOIN-VENTURE, BSW PRODUCTS WERE DELIVERED UNDER CONTRACTS SIGNED WITH END USERS VIA LARGE TRANSNATIONAL CORPORATIONS: STEM-COR, DUFERCO, D.R.KARL J.PISEC, ARKAS TRADING LIMITED, BGH EDELSTAHL FREITAL GMBH, F.J.ELS-



NER TRADING G_{MBH}, ISSA TRADING COMPANY DEMCO STEEL INDUSTRIES S.A.L. (DEMIRDJIAN BROS.), JSC LIEPAJAS METALURGS, RMZ VERTRIEBSGESELLSCHAFT M.B.H., IRON BRIDGE OY, HAVING THEIR OWN DIVERSIFIED NETWORK OF STEEL WAREHOUSES IN DIFFERENT COUNTRIES OF THE WORLD. IN ADDITION TO BSW PRODUCT DELIVERIES, A CONSIDERABLE ADVANTAGE OF PARTNERSHIP RELATIONS IS THE POSSIBILITY TO ATTRACT THESE CORPORATIONS AS GUARANTORS OF LOANS GRANTED BY FOREIGN BANKS.

TO A CONSIDERABLE DEGREE SUCCESSFUL PROMOTION OF OUR GOODS ONTO NEW MARKETS WAS SUPPORTED BY BSW IMAGE AS AN ENTERPRISE SELLING ONLY HIGH QUALITY PRODUCTS.

STEEL QUALITY WON A WORLDWIDE RECOGNITION. THIS IS A GREAT SUCCESS OF THE EMPLOYEES OF THE ENTERPRISE. STEEL PRODUCTS, NAMELY REINFORCING BARS, ARE ONE OF THE BEST IN THE WORLD. TIRE CORD IS OUR SPECIAL PRIDE. THIS TYPE OF PRODUCE IS KNOWN BY ALL TIRE PRODUCING COMPANIES OF THE WORLD SUCH AS CONTINENTAL, MICHELIN, PIRELLI, GOODYEAR, DUNLOP, NOKIAN, ETC. THE PLANT ESTABLISHED EXCELLENT RELATIONS WITH ENTERPRISES IN BELARUS AND CIS COUNTRIES. ROLLED SECTIONS ARE THE MATERIALS CONTINUOUSLY USED BY ENGINEERING AND CONSTRUCTION ENTERPRISES OF MOSCOW, SMOLENSK, BRYANSK AND OTHER REGIONS OF THE RUSSIAN FEDERATION. TIRE PLANTS OF YAROSLAVL, NIZHNEKAMSK, OMSK, VORONEZH, KIROV, AND THE UKRAINE ARE INCLUDED IN THE LIST OF BSW REGULAR CUSTOMERS. SINCE 1998 BYELORUSSIAN STEEL WORKS HAS BEEN ONE OF THE LEADING SUPPLIERS OF HOSE WIRE ON THE EUROPEAN MARKET.

AS A PRODUCER OF FERROUS METALS, BSW OCCUPIES A NICHE OF THE GLOBAL STEEL CONSUMPTION EQUAL TO SIXTEEN HUNDREDTH PER CENT WHICH MAKES UP 280 KG PER ONE CITIZEN OF THE REPUBLIC OF BELARUS PER YEAR; WHILE 210 KG OF THE GLOBAL STEEL CONSUMPTION FALL ON ONE INHABITANT OF THE EARTH.

FOR FURTHER PROMOTION OF THE PLANT STEEL ONTO GLOBAL MARKETS AND ACQUAINTANCE OF POTENTIAL BUY-



ERS WITH NEW TYPES OF PRODUCTS OF OUR ENTERPRISE, IT ACTIVELY PARTICIPATES IN ADVERTISING AND EXHIBITION ACTIVITY, TAKES PART IN INTERNATIONAL AND NATIONAL SPECIALIZED EXHIBITIONS AND FAIRS WHERE TALKS ARE HELD WITH THE LARGEST TRADERS OF THE STEEL MARKET, WITH NEW PARTNERS IN PRODUCT SUPPLIES AND QUESTIONS RELATED WITH THE POSSIBILITY TO PRODUCE NEW PRODUCTS, MAKE CHANGES IN THE PRODUCTION PROCESS OF SOME TYPES OF PRODUCTS FOR A CERTAIN CUSTOMER ARE CONSIDERED.

SPEAKING ABOUT PROSPECTS BASED ON THE ANALYSIS OF STEEL CONSUMING INDUSTRIES, WE CAN MAKE THE FOLLOWING FORECAST FOR 2013: SALES OF PRODUCTS OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING FOR ENGINEERING INDUSTRY ARE MODERATELY POSITIVE, I.E. BLOOM, ROUND, SEAMLESS PIPE (ENGINEERING RANGE) WILL BE ACTIVELY DEMANDED. SO, ENGINEERING PRODUCTS SALES IN 2013 WILL BE RATHER STABLE.

CONSTRUCTION, IN GENERAL, SHOWS POSITIVE DYNAMICS WHICH ALLOWS US TO SPEAK ABOUT POSITIVE SALES DYNAMICS IN 2013 OF SUCH PRODUCTS AS BILLET, REINFORCING BAR, WIRE ROD AND STEEL WIRE. IT IS NECESSARY TO MENTION RECOVERY OF THE TIRE MARKET. IN 2012-2013 ITS GROWTH RATE WILL BE 5-10% HIGHER THAN IN 2011.

STEEL DEMAND IN 2013 WILL BE POSSIBLY STABLE, WITH A LITTLE POSSIBILITY OF GROWTH IN 2013 COMPARED TO 2012 AS EXPERTS FORECAST MODERATE TENDENCIES.



Economic activity



MEDIUM-TERM TARGETS OF THE PLANT

IN ACCORDANCE WITH THE INVESTMENT PROGRAM FOR 2013 AND THE BUSINESS-PAN FOR THE DEVELOPMENT OF THE PLANT FOR 2013, TOTAL AMOUNT OF CAPITAL INVESTMENT (INVESTMENTS IN THE CAPITAL ASSETS) IN 2013 WILL MAKE UP USD 258,6 MILLION, INCLUDING INVESTMENTS AT THE EXPENSE OF:

- OWN SOURCES	USD44,4 MILLION;
- INNOVATION FUND	USD11,0 MILLION;
- BANK LOANS	USD203,2 MILLION.

TAKING INTO CONSIDERATION THE INVESTMENTS PLANNED FOR 2013, GROWTH OF INDUSTRIAL PRODUCTS OUTPUT BASED ON THE REPRESENTATIVE PRODUCTS SET (IFO) IS PLANNED AT THE LEVEL OF 107,8 PER CENT. RATES OF OTHER MAIN INDICATORS OF SOCIAL AND ECONOMIC DEVELOPMENT ARE PLANNED TO BE AS FOLLOWS:

- SALES PROFITABILITY, MINIMUM	12,0 %
- POWER SAVING PERFORMANCE	MINUS 8,0 %
- EXPORT OF PRODUCTS AS COMPARED WITH THE LEVEL OF 2012, MINIMUM	118,4 %
- FOREIGN TRADE BALANCE, MINIMUM	USD799 344,1 THOU.
-PRODUCT EXPORT/PRODUCTION RATIO, MINIMUM	81,0 %



БЕЛОРУССКИЙ МЕТАЛЛУРГИЧЕСКИЙ ЗАВОД

BYELORUSSIAN STEEL WORKS



Environmental activity

ENVIRONMENTAL POLICY

THE PLANT REALIZES THAT ITS PRODUCTION ACTIVITIES ARE ASSOCIATED WITH CERTAIN ENVIRONMENTAL HAZARDS AND TAKES ITS BEST EFFORTS SO AS TO MITIGATE NEGATIVE INFLUENCES ON VITAL ACTIVITY OF CITIZENS. OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING TAKES CERTAIN STEPS TO REDUCE ENVIRONMENTAL IMPACTS AND MITIGATE GLOBAL CLIMATE CHANGE RISKS. THESE STEPS ARE A PART OF STRATEGY INTENDED TO PROVIDE FOR A SUSTAINABLE DYNAMICS OF THE PLANT'S DEVELOPMENT. THE ENTERPRISE IS ENGAGED IN A LARGE-SCALE EQUIPMENT AND PROCESS MODERNIZATION, PAYING PARTICULAR ATTENTION TO THE ENHANCED ECOLOGICAL REQUIREMENTS, WHICH ENABLES THE PLANT TO REDUCE POLLUTANT AIR EMISSIONS AND WASTE QUANTITIES GENERATED.

BYELORUSSIAN STEEL WORKS IS A STATE-OWNED ENTERPRISE, WHICH RELIES ON ONE OF THE PRIORITY STATE POLICY STRANDS IN ITS ACTIVITIES – THAT OF ECOLOGICAL SAFETY. IMPLEMENTATION OF THE STATE POLICY IS ENSURED BY AN EFFICIENT ENVIRONMENTAL MANAGEMENT SYSTEM (THE EMS). EMS IS A PART OF THE UNIFIED ENTERPRISE MANAGEMENT SYSTEM, WHICH IS RESPONSIBLE FOR WORKING OUT A SYSTEMATIC APPROACH TO ENVIRONMENTAL PROTECTION WITHIN ENTIRE PRODUCTION ACTIVITIES OF THE PLANT AND IS INTEGRATED INTO QUALITY MANAGEMENT, LABOUR SAFETY AND SOCIAL RESPONSIBILITY PROCESSES. THE EMS IS A TOOL, ENABLING THE ENTERPRISE TO ENSURE REGULAR MONITORING AND MINIMIZE ECOLOGICAL IMPACTS ASSOCIATED WITH PRODUCTION ACTIVITIES IN THE REGION OF ITS LOCATION.

WITHIN THE FRAMES OF THE CURRENT ENVIRONMENTAL MANAGEMENT SYSTEM, THE ENTERPRISE IDENTIFIED A NUMBER OF ECOLOGICAL FACTORS OF ENVIRONMENTAL INFLUENCE AND EVALUATED THEM BY THEIR SIGNIFICANCE. TO MINIMIZE ENVIRONMENTAL IMPACTS CONNECTED WITH THE PRODUCTION ACTIVITIES OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING, THE ENTERPRISE ANNUALLY INTRODUCES NEW ENVIRONMENTAL PROTECTION MEASURES AIMED AT REDUCING DEVELOPMENT PRESSURES ON THE ENVIRONMENT.

EFFICIENCY OF THE ECOLOGICAL MANAGEMENT SYSTEM ADOPTED BY OJSC "BSW – MANAGEMENT COMPANY OF "BMC" IS ENSURED WITH THE ASSISTANCE AND UNDER GUIDANCE OF THE TOP MANAGEMENT. OFFICIAL MANAGERIAL VIEWS ON ECOLOGICAL AND ENVIRONMENTAL ISSUES ARE PRESENTED IN THE ENTERPRISE'S CORPORATE POLICY AND OTHER REGULATORY DOCUMENTATION OF THE CORPORATE MANAGEMENT SYSTEM.

BSW INTENDS TO INCREASE THE SHARE OF PRODUCTS COMPLYING WITH THE QUALITY MANAGEMENT SYSTEM STANDARDS, PROVIDE ITS PRODUCTION WITH ECOLOGICAL QUALITY AND SAFETY DATA AND APPROPRIATE MARKING.

KEY PRINCIPLES AND APPROACHES

LONG-TERM STRATEGIC OBJECTIVES DETERMINED BY THE PLANT FOR ECOLOGICAL AND ENVIRONMENTAL ACTIVITIES INCLUDE:

- MINIMIZING THE PLANT'S IMPACT ON THE REGION'S VITAL ACTIVITIES;
- MINIMIZING THE PLANT'S IMPACT ON FLORA AND FAUNA;
- EFFICIENT USE OF NATURAL RESOURCES;
- EFFICIENT USE OF ENERGY RESOURCES;
- AIR BASIN PROTECTION;
- WATER BASIN PROTECTION;
- INDUSTRIAL WASTE UTILIZATION;
- TRAINING;
- IMPROVEMENT OF THE PERSONNEL'S ECOLOGICAL CULTURE AND DEVELOPMENT OF ECOLOGICAL CONSCIOUSNESS;
- DEVELOPMENT AND IMPLEMENTATION OF RESOURCE-SAVING, LOW-WASTE AND ENVIRONMENTALLY SAFE TECHNOLOGIES;
- MONITORING OF EMISSIONS, HAZARDOUS WASTES AND QUALIFICATION TESTING OF WORK PLACES;



- COMPLIANCE WITH ECOLOGICAL STANDARDS AND REQUIREMENTS IN DESIGN AND PRODUCTION, CONSTRUCTION, RECONSTRUCTION AND PROCESS FACILITIES EXPANSION;
- INCIDENT ALERTNESS.

IN ITS ECOLOGICAL ACTIVITIES, THE PLANT RELIES ON THE FOLLOWING:

- COMPLIANCE WITH THE LEGISLATION AND STATUTORY NORMS OF THE REPUBLIC OF BELARUS;
- INVOLVEMENT OF ALL BUSINESS PROCESS SEGMENTS AND PARTICIPANTS;
- EMS UPGRADING;
- MINIMIZING IMPACTS IN CONNECTION WITH EXPANDING PRODUCTION ACTIVITIES;
- COMPLETE AND RELIABLE DISCLOSURES OF THE PLANT'S PERFORMANCE INFORMATION;
- RESPONSIBILITY ENHANCEMENT;
- PROVIDING FOR OPTIMAL EXPENDITURE/PERFORMANCE RATIOS;
- MAINTAINING REASONABLE BALANCE BETWEEN THE PLANT'S INTERESTS AND THOSE OF THE COMMUNITY.

THE EMS SYSTEM ADOPTED BY THE ENTERPRISE WAS CERTIFIED FOR COMPLIANCE WITH THE REQUIREMENTS OF ISO 14001:2004, STB ISO 14001-2005 STANDARDS AND COVERS ACTIVITIES, SUCH AS PRODUCTION OF ROLLED SECTIONS AND STRUCTURAL SHAPES, WIRE ROD, SEAMLESS PIPES, STEEL CORD, WIRE AND STEEL FIBER, WHICH IS THE EVIDENCE OF THE SYSTEMATIC APPROACH IMPLEMENTED TO REDUCE ECOLOGICAL RISK PROBABILITY, MINIMIZE ECOLOGICAL PAYMENTS, REPRESENT OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING AS AN ECOLOGICALLY RESPONSIBLE ENTERPRISE AND IMPROVE INTERACTION WITH THE INTERESTED PARTIES ON ISSUES OF ENSURING COMPLIANCE WITH ECOLOGICAL NORMS AND REQUIREMENTS.

EXCEPT THE CURRENTLY EFFECTIVE APPROVED MEDIUM-TERM ECOLOGICAL PROGRAMMES, BSW PROVIDES FOR ANNUAL DEVELOPMENT AND APPROVAL BY RESPECTIVE SUPERVISION AUTHORITIES OF ECOLOGICAL CONTROL PROGRAMMES AND ENVIRONMENTAL PROTECTION PLANS, WHICH, AMONG OTHER THINGS, ENVISAGE REGULAR ECOLOGICAL MONITORING AND CONTROL ACTIVITIES IN ACCORDANCE WITH THE INSTRUCTION ON ENVIRONMENTAL CONTROL OF PRODUCTION.

USE OF NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION AT THE ENTERPRISE ARE MANAGED BY ADMINISTRATIVE CONTROL ACTIONS AND ECONOMIC METHODS.

IMPLEMENTATION OF ECOLOGICAL STRATEGY

MINIMIZING THE PLANT'S IMPACT ON THE REGION'S VITAL ACTIVITIES

IN ITS PRODUCTION ACTIVITIES, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ACCOUNTS FOR ITS ENVIRONMENTAL IMPACT AND STRIVES FOR MINIMIZATION OF ITS CONSEQUENCES AS STIPULATED BY INTERNATIONAL LEGAL PROVISIONS ON ECOLOGY AND THE ENVIRONMENTAL LEGISLATION OF THE REPUBLIC OF BELARUS. FOR THE PURPOSES OF MINIMIZING ITS IMPACT ON THE REGION'S POPULATION, THE PLANT WAS LOCATED IN THE SOUTH-EASTERN PART OF THE CITY WITH DUE ACCOUNT FOR WIND ROSE DIAGRAM. THE ESTABLISHED SANITARY ZONE HAS THE RADIUS OF 1000 M AND ITS AREA TOGETHER WITH THE ADJACENT INDUSTRIAL SITE MAKES UP 674.1 HA. AT THAT, 55% OF THE AREA BETWEEN THE ENTERPRISE'S TERRITORIAL BORDERS AND THOSE OF THE SANITARY ZONE ARE TAKEN UP BY CULTIVATED CONIFEROUS AND HARDWOOD FORESTS AND SCRUB VEGETATION. THE NEAREST SETTLEMENT (THE VILLAGE OF SOLONOYE) IS 1.075 KM AWAY FROM THE ENTERPRISE'S TERRITORIAL BORDERS. INDUSTRIAL SITE IS LOCATED ON PLAIN SURFACE LANDS, NEUTRAL IN TERMS OF SMOKE CONTENTS AND SPREAD OF SMOKE JETS TOWARDS RESIDENTIAL AREAS. EVERY YEAR, THE PLANT CARRIES OUT CERTAIN ACTIONS TO ENSURE AIR AND WATER BASIN PROTECTION AND REDUCTION OF LAND-BURIED INDUSTRIAL WASTES.

Environmental activity

►► MINIMIZING THE PLANT'S IMPACT ON FLORA AND FAUNA

IN THE STRUCTURE OF THE LIGNOSE OF THE LANDS OF THE FOREST RESOURCES OF THE REGION CONIFERS OCCUPY AROUND 70%, SOFTWOOD – 27%, HARDWOOD – 3%. DOMINATING POSITION BELONGS TO THE PLANTATIONS OF NATURAL ORIGIN – 56,3 %. MAIN FOREST-FORMING BREED IN THE REGION IS A PINE-TREE (68,5% FOREST-COVERED LANDS). AS FOR THE AGE STRUCTURE, MEDIUM-AGED TIMBER-STAND PREVAIL (49,2%). YOUNG GROWTH MAKES UP 34,4%.

RESOURCES OF GRASSLAND PLANTATIONS ARE RATHER BIG THE REGION BELONGS TO POLESKO-BEREZINSKY REGION RICH OF MEADOWS, AND A PART OF WHICH IS REPRESENTED BY A LOW WAVY PLAIN FORMED BY A SYSTEM OF FLAT TERRACES LOCATED ABOVE THE FLOOD PLAIN OF THE BEREZINA RIVER AND THE DNIEPER RIVER. CENOSIS IS FORMED BY SHARP SEDGE WHICH IS OFTEN COMBINED WITH MANNA GRASS (9,8%), MORE SELDOM WITH MIRE BLOBS (4,8 %). SOMETIMES IT FORMS CLEAR TANGLE OF A MONODOMINANT TYPE.

MIRE VEGETATION CAN BE MET IN LOW PARTS OF THE RELIEF, ON THE LANDS WITH A CONSTANT EXCESSIVE HUMIDIFICATION. MISCELLANEOUS HERBS MAINLY OF THE MESOHYDROPHYTIC ROW (TYPES: CALLIERGONGIGANTEUM, DREPANOCLADUSINTERMEDIUS, DREPANOCLADUSVERNICOSUS, DREPANOCLADUSADUNCUS, AULACOMNIUMPALUSTRE PREDOMINATE IN THE GRASS STAND).

THE FOLLOWING TYPES OF VEGETATION DOMINATE IN THE RADIUS OF APPROXIMATELY 2KM FROM THE PLANT'S SITE:

– SILVA OF THE TERRITORY CONCERNED: LIGNOSE OF BOTH NATURAL AND CULTURAL ORIGIN INCLUDING FORESTS OF THE LANDS BELONGING TO THE STATE FOREST RESOURCES, PROTECTION WOOD PLANTATIONS ALONG THE RAILROAD BED AND MOTOR ROADS.

WOODLANDS BELONG TO THE SUBZONE OF CONIFER LICHEN LOW BUSH FORESTS. ON THE FOREST-COVERED TERRITORY LOCATED TO THE NORTH-EAST OF THE PLANT, SUCH TREE BREEDS AS A SCOTCH PINE (PINUS SYLVESTRIS), A COMMON BIRCH (BETULA VERRUCOSA) GROW. THE SCOTCH PINES (PINUS SYLVESTRIS) AND THE BLACK ALDERS (ALNUS GLUTINOSA)

GROW IN THE NORTH-WEST AREA AND THE SCOTCH PINES (PINUS SYLVESTRIS) – IN THE SOUTH-WEST.);

– SEGETAL VEGETATION IS DEVELOPED ON THE AGRICULTURAL LANDS, SOWED HAYFIELDS TO THE SOUTH-EAST AND TO THE EAST OF THE PLANT, IN SOLONOE AREA, AND TO THE SOUTH-WEST OF THE PLANT BETWEEN THE WOODLAND AND THE DOBYSNA RIVER.

– RESIDENTIAL VEGETATION IS DEVELOPED IN HUMAN SETTLEMENTS, AND IN THE AREAS WITH THE APARTMENT BLOCKS AND UTILITY CONSTRUCTIONS;

– MEADOW VEGETATION OF THE TERRACES ABOVE THE FLOOD PLAIN;

– RUDERAL VEGETATION NEAR THE AREA OF ASH AND SLAG STORAGE, CONCRETE SCRAP STORAGE, OPEN PIT, AND OTHER AFFECTED HABITATS FORMED IN THE RESULT OF THE HUMAN ACTIVITY. IT IS NECESSARY TO POINT OUT SAGEBRUSH (ARTEMISIAVULGARIS), WHITE CLOVER (TRIFOLIUMREPENS), AND COUCH-GRASS (ELYTRIGIAREPENS) AMONG THE RUDERAL TYPES.

FAUNA

DESCRIPTION OF THE FAUNA OF THE TERRITORY CONCERNED IS GIVEN BASED ON LITERARY DATA.

ACCORDING TO THE LITERARY DATA INSECTS ARE REPRESENTED BY A TYPICAL FAUNISTIC COMPOSITION.

AMPHIBIA ON THE TERRITORY UNDER STUDY ARE MET EVERYWHERE IN PLENTIFUL AND ARE REPRESENTED BY THREE TYPES: A BROWN FROG (RANATEMPORARIA), A GREEN TOAD (BUFOVIRIDIS) AND A COMMON TOAD (BUFOBUIO).

SAND LIZARDS (LACERTAAGILIS) PREDOMINATE AMONG THE REPTILES.

SPECIES COMPOSITION OF THE THERIOFAUNA IS REPRESENTED BY A FOUR-TOED HEDGEHOG (ERINACEUSCONCOLOR), A PIGMY SHREW (SOREXMINUTUS), COMMON SHREW (SOREXARANEUS),



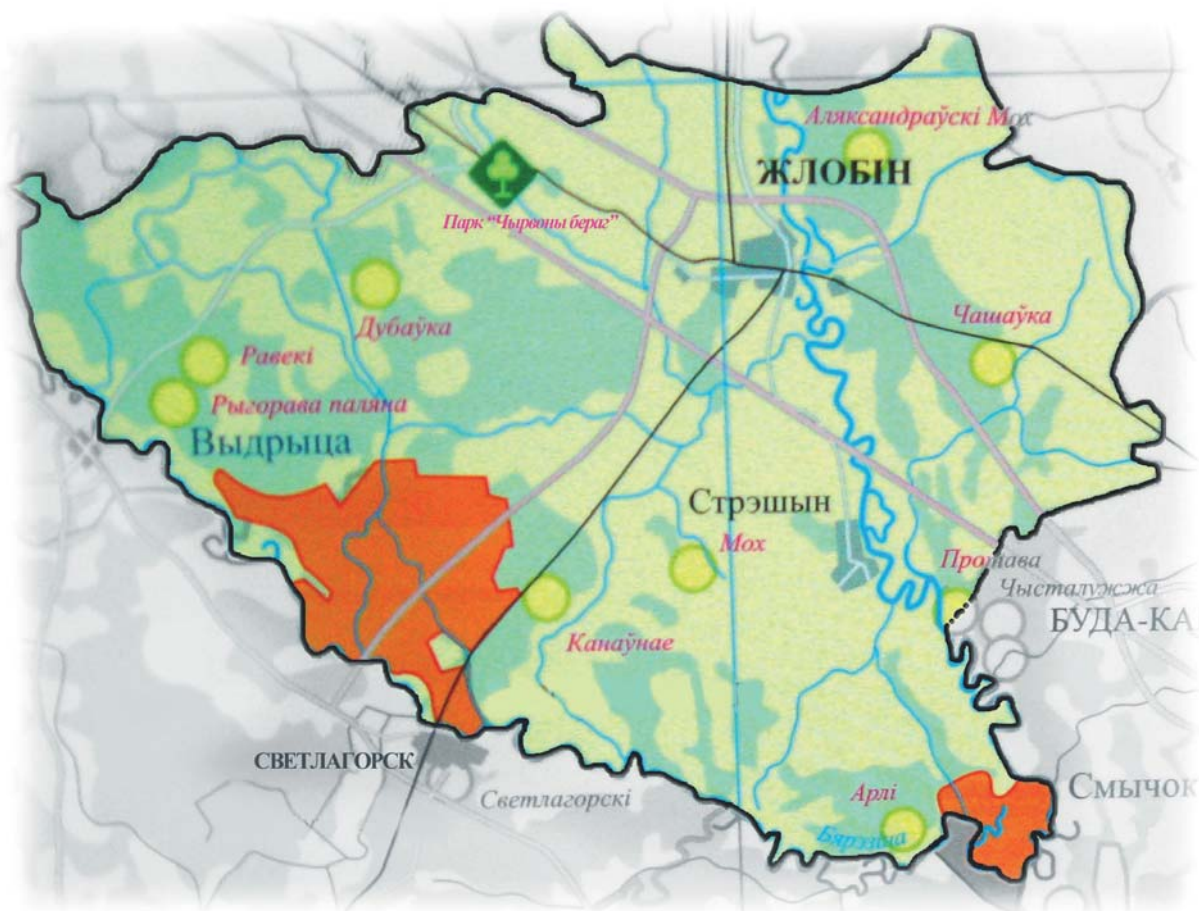
A ROOT VOLE (*MICROTUSOECONOMUS*), A COMMON VOLE (*MICROTUSARVALIS*), AND A CAMPAGNOL (*APODEMUSAGRARIUS*).

AVIFAUNA OF THE SURROUNDINGS OF THE TERRITORY UNDER STUDY IS CHARACTERIZED BY A SMALL VARIETY OF SPECIES DIVERSITY. MAIN BIOTYPES USED BY BIRDS ARE OPEN AGRICULTURAL LANDS. BACKGROUND TYPES ON AGRICULTURAL LANDS ARE: A FIELD LARK (*ALAUDA ARVENSIS*), A WHINCHAT (*SAXICOLA RUBETRA*), A WHITETHROAT (*SYLVIA COMMUNIS*), A YELLOWHAMMER (*EMBERIZA CITRINELLA*). ON SWAMPY TERRITORIES ONE CAN RUN ACROSS A A COMMON HERON (*ARDEA CINEREA*). DURING SPRING MIGRATION FEW MIGRATING TYPES OF BIRDS CROSS THE TERRITORY IN TRANSIT. AUTUMN MIGRATION IS LESS PRONOUNCED; BIRDS DO NOT FORM LARGE CLUSTERS.

VARIETY OF MAMMALS ON THIS TERRITORY IS NOT LARGE AND IS NOT CHARACTERIZED BY HABITATION OF REAR AND PROTECTED SPECIES. A BROWN HARE (*LEPUSEUROPAEUS*), A COMMON FOX (*VULPESVULPES*), AND A WILD HOG (*SUSSCROFA*) ARE MET HERE.

SPECIAL PROTECTED NATURAL TERRITORIES OF ZHLOBIN DISTRICT ARE REPRESENTED BY A HYDROLOGICAL AND LANDSCAPE PRESERVES OF LOCAL SIGNIFICANCE (TABLE 4), AND BY NATURAL MONUMENTS OF LOCAL AND REPUBLICAN SIGNIFICANCE.

THERE ARE NO SPECIAL PROTECTED NATURAL TERRITORIES WITHIN THE SANITARY ZONE OF THE PLANT. THE EXISTING ONES ARE LOCATED APPROXIMATELY AT THE DISTANCE OF 12 KM AND MORE FROM THE RUE "BMZ" SITE (SEE THE FIGURE).



The hunting grounds in Zhlobin region

Environmental activity

NAME	TOTAL AREA, (HA)	LOCATION	ORGANIZATION CARRYING OPERATIVE ADMINISTRATION	DISTANCE FROM BSW", KM
LANDSCAPE RESERVE OF REPUBLICAN SIGNIFICANCE «SMYCHOK»	2635	2060 – ZHLOBIN DISTRICT 575- RECHITSA DISTRICT	ZHLOBIN AND RECHITSA DISTRICT EXECUTIVE COMMITTEES WITHIN THEIR AUTHORITY	32
LANDSCAPE RESERVE OF REPUBLICAN SIGNIFICANCE «VYDRITSA»	17560	7793 - ZHLOBIN DISTRICT 9767- SVETLOGORSK DISTRICT	ZHLOBIN AND SVETLOGORSK DISTRICT EXECUTIVE COMMITTEES WITHIN THEIR AUTHORITY	20
HYDROLOGICAL RESERVE OF LOCAL SIGNIFICANCE «DUBOVKA»	55	NORTHERN PART OF RADUSHA, ZHLOBIN DISTRICT AND BORDERS WITH VOLSHEDUBSKY CANAL	KRASNOBEREZHSKY AGRICULTURAL ENTERPRISE	22
HYDROLOGICAL RESERVE OF LOCAL SIGNIFICANCE «ALEKSANDROVSKY MOKH»	33	LOCATED IN THE NORTH-EAST PART OF LUVIRNYANSKY FORESTRY ZHLOBIN FORESTRY ENTERPRISE ALONG THE MOTOR ROAD GOMEL-ZHLOBIN, 0,5 KILOMETERS FROM ALEKSANDROVKA SETTLEMENT	MFE «ZHLOBIN FORESTRY»	12
HYDROLOGICAL RESERVE OF LOCAL SIGNIFICANCE «MOKH»	31	NORTH-WEST PART OF KOSAKOVSKY AGRICULTURAL COOPERATIVE	KOSAKOVSKY AGRICULTURAL COOPERATIVE	17
HYDROLOGICAL RESERVE OF LOCAL SIGNIFICANCE «ROVEKI»	100	NORTH-WEST PART OF DVORISHCHANSKOE FORESTRY OF THE MFE «ZHLOBIN FORESTRY»	MFE «ZHLOBIN FORESTRY»	29
HYDROLOGICAL RESERVE OF LOCAL SIGNIFICANCE «KANAVNOYE»	223	CONSISTS OF TWO SECTORS AND LOCATED IN THE NORTH-WEST PART OF PRIBEREZINSKOE FORESTRY OF THE MFE «ZHLOBIN FORESTRY» AND AEB «VPERYOD»	MFE «ZHLOBIN FORESTRY» AND DUE «YAZNACH»	22
HYDROLOGICAL RESERVE OF LOCAL SIGNIFICANCE «ORLI»	97	SOUTHERN PART OF STRESHIN FORESTRY OF THE MFE «ZHLOBIN FORESTRY»	MFE «ZHLOBIN FORESTRY»	34
HYDROLOGICAL RESERVE OF LOCAL SIGNIFICANCE «RUGOROVA POLYANA»	54	NORTH-WEST PART OF DVORISHCHANSKOE FORESTRY OF THE MFE «ZHLOBIN FORESTRY»	MFE «ZHLOBIN FORESTRY»	35

Reserves in Zhlobin district



THE PLANT'S PREMISES PROPER ARE A SORT OF A GREEN PARK. AT PRESENT, THE AREA FREE FROM BUILDINGS IS ALMOST COMPLETELY GREEN. FOR THE MOST PART, GREEN SPACES WITHIN THE INDUSTRIAL SITE ARE REPRESENTED BY CONIFERS AND HARDWOOD TREES. BESIDES, THE PLANT'S PREMISES INCLUDE SOME FLOWER BEDS. TOTAL GREEN SPACE AREA WITHIN THE INDUSTRIAL SITE AMOUNTS TO 50,04 HA.

WITHIN THE FRAMEWORK OF THE PROGRAM AIMED AT PRESERVATION OF NATURAL RESOURCES OF THE COUNTRY AND UPGRADING THE TERRITORY OF THE PLANT'S ACTIVITY FOR 2012 SPECIALISTS OF THE PLANT GREW AND PLANTED A LOT OF PLANTS AND FULFILLED A LARGE-SCALE AMOUNT OF WORKS TO IMPROVE LAND:

ITEM	WORK DESCRIPTION	UNIT	QUANTITY
1	SEEDING, GROWING OF SEEDLINGS, COMPILING OF FLOWER COMPOSITIONS AND FLOWER PLANTING TO IMPROVE THE TERRITORY:		
	- ANNUAL	PC.	102 990
	- BIENNIAL AND PERENNIAL	PC.	9 500
	- BULBOUS, RHIZOMATOUS AND TUBEROUS	PC.	3 500
2	GROWING OF PLANTING STOCK AT NURSERY GARDENS FOR IMPROVEMENT OF THE PLANT TERRITORY:		
	- TREES	PC.	150
	- BUSHES	PC.	600
3	TREE SEEDLINGS PLANTED OUT ON THE PLANT'S TERRITORY AND AT THE HEADQUARTERS:		
	- CONIFER SEEDLINGS	PC.	18
	- HARDWOOD SEEDLINGS	PC.	208
4	REPAIR OF LAWNS ON THE PLANT'S TERRITORY WITH ALL TYPES OF AUXILIARY WORK:		
	- CURRENT	HA	0,19
	- OVERHAUL	HA	—
5	ARRANGEMENT OF LANDSCAPE FLOWER COMPOSITIONS	PC.	3
6	FLOWER SEEDS HARVESTING	KG	2,94
7	PREPARATION OF SOIL COMPONENT MIXTURES FOR FLOWER SEEDLINGS GROWING	M ³	6

Amount of works to improve land in 2012

TOTAL AMOUNT SPENT FOR UPGRADING THE TERRITORY IN 2012 IS OVER USD 30 THOU. PROGRAM FULFILLMENT PROGRESS WAS REGULARLY REPORTED IN THE CORPORATE NEWSPAPER "METALLURG" AND REGIONAL MASS MEDIA..

TO ENCOURAGE AND EXPAND LAND IMPROVEMENT AND AMENITY PLANTING ACTIVITIES, TO MOTIVATE THE PLANT'S EMPLOYEES, BOTH MORALLY AND MATERIALLY, TO IMPLEMENT THE LAND IMPROVEMENT PROGRAM, TO INVOLVE THE PERSONNEL IN ACTIVITIES CONNECTED WITH AESTHETIC IMPROVEMENT OF THE PLANT'S APPEARANCE AND THAT OF THE PRE-SCHOOL ESTABLISHMENTS RUN BY THE PLANT, THE ENTERPRISE ARRANGED A LAND IMPROVEMENT COMPETITION AMONG THE PLANT'S SHOPS WITH BI-ANNUALLY CAST-UPS. THE COMPETITION INVOLVES MORE THAN 75% OF THE EMPLOYEES.



Environmental activity

MATERIAL	UNIT	QUANTITY		
		2010	2011	2012
METAL CHARGE	T	2 917 692	3 000 465	3 067 136
FERROALLOYS	T	36 374	38 072	40 269
ELECTRODES	T	5 830	5 133	5 647
SLAG-FORMING, DEOXIDIZING AND PURIFYING MIXTURES	T	161 391	171 276	171 372
CARBONIZERS	T	31 217	34 335	35 778
HEAT INSULATING MATERIALS	T	2 204	2 067	1 902
REFRACTORY MATERIALS	T	31 080	32 466	30 949

Major raw materials used for steel production in 2010-2012

EFFICIENT USE OF NATURAL RESOURCES

PRODUCTION OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS A COMPLETE METALLURGIC CYCLE WITH ANNUAL OUTPUTS AMOUNTING TO OVER 2,6 TONS OF MOLTEN STEEL.

BSW USED RAW MATERIALS WHICH WERE OBTAINED FROM RE-CYCLED OR RECLAIMED WASTES. SHARE OF RECYCLED MATERIALS IN THE TOTAL AMOUNT OF RAW MATERIALS IN 2010-2012 WAS AS FOLLOWS.

EFFICIENT USE OF ENERGY RESOURCES

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ADOPTS MANAGERIAL AND INVESTMENT DECISIONS ON THE BASIS OF MULTI-VARIANT SCENARIOS OF DEVELOPMENT TAKING INTO CONSIDERATION ENVIRONMENTAL PRIORITIES PROVIDING FOR POWER SAVING, EFFICIENT USE OF NATURAL AND POWER RESOURCES.

IN ACCORDANCE WITH THE SECTION OF THE CORPORATE MANAGEMENT SYSTEM "POWER CONSUMPTION CONTROL SYSTEM" (PCCS), DEVELOPED IN CONFORMITY WITH THE REQUIREMENTS OF THE NATIONAL (STB 1777-2010) AND EUROPEAN (EN:160001) STANDARDS, THE BASE FOR THE DEVELOPMENT OF THE SYSTEM APPROACH TO ENERGY SAVING IS ARRANGED ON A CLEAR DOCUMENTING AND CONTROL OF INTERRELATED PROCESSES SIGNIFICANTLY INFLUENCING THE EFFECTIVENESS OF POWER CONSUMPTION, IN PARTICULAR:

- MOTIVATION OF THE PERSONNEL;
- PRECISE DETERMINATION OF KEY ROLES OF THE STAFF IN THE MANAGEMENT SYSTEM;
- DISTRIBUTION OF RESPONSIBILITY AND AUTHORITY STARTING WITH THE TOP LEVEL;
- MAINTAINING OF A CORRESPONDING LEVEL AND COMPETENCE OF THE STAFF;
- PROVISION OF THE STAFF AWARENESS OF THE BENEFITS INCLUDING FINANCIAL ONES, WHICH ONE CAN GET IF HE/SHE IMPROVES EFFECTIVENESS OF POWER CONSUMPTION;

MATERIAL	UNIT	QUANTITY		
		2010	2011	2012
FERROUS SCRAP	%	95,9	95,7	96,9
REFRACTORY SCRAP	%	18,8	17,4	14,2
ELECTRODES	%	0,02	0,2	0
LIME STONE AND LIME WASTES	%	0,7	0,7	0,6

Использование переработанных отходов в 2010-2012 годах



- EFFECTIVE INFORMATION EXCHANGE;
- MAXIMUM COMPLETE INVENTORY OF FACTORS INFLUENCING POWER CONSUMPTION;
- DETERMINATION OF AREAS OF PRIORITY SIGNIFICANT FOR POWER CONSUMPTION MANAGEMENT;
- PLANNING OF ACTIVITY AIMED AT IMPROVEMENT OF POWER CONSUMPTION EFFICIENCY.

IN ACCORDANCE WITH THE NATIONAL STRATEGY OF ENERGY SAVING AND ENERGY SECURITY, THE PLANT DEVELOPED AN ENERGY SAVING ACTION PLAN, SETTING ENERGY POLICY PRIORITIES AND APPROACHES. THE PLAN COMPRISES:

- ACTIONS PROVIDING FOR A COMPREHENSIVE ENERGY SAVING SYSTEM;
- ARRANGEMENTS FOR EMPLOYEES' TRAINING, RETRAINING AND ADVANCED TRAINING ON ISSUES OF ENERGY SAVING AND EFFICIENT USE OF RESOURCES;
- UPGRADING THE SYSTEM OF EQUIPMENT AND PRODUCTION PROCESSES EVALUATION AND ANALYSIS;
- IMPLEMENTING ENERGY-SAVING PROCEDURES;
- INTRODUCTION OF MODERN ADVANCED TECHNOLOGIES;
- EFFICIENT USE OF EXISTING POWER FACILITIES;
- INTRODUCTION OF NEW SCIENTIFIC ACHIEVEMENTS TO PROVIDE FOR EFFICIENT ENERGY USE.

TRADITIONAL ENERGY-SAVING MEASURES INCLUDE:

- INITIATIVES RELATED WITH INTRODUCTION OF POWER-SAVING PRODUCTS AND METHODS, USE OF RENEWABLE POWER SOURCES, DECREASE OF REQUIREMENTS IN THE RESULT OF THE INITIATIVES FULFILLED;
- SAVING OF POWER DUE TO CONSERVATION AND INCREASE OF CONSUMPTION EFFECTIVENESS;
- USE OF THERMAL SECONDARY POWER RESOURCES;
- INITIATIVES AIMED AT DECREASE OF INDIRECT USE, SAVING, ETC.

DUE TO THE INTRODUCTION OF AN AUTOMATIC SYSTEM OF TECHNICAL RECORDING (ASTR), REAL-TIME MONITORING OF FUEL AND POWER RESOURCES (FPR) IS CARRIED OUT WITH

DAILY SUMMING-UP AND CORRECTIVE ACTIONS FULFILLMENT. THIS FORM OF CONTROL ALLOWS THE PLANT TO CONTROL POWER INTENSITY EFFECTIVELY AND CARRY OUT SYSTEM SPECIFICATION OF TECHNICAL ACTIONS. ACTUALLY, AN INNOVATIVE INTELLECTUAL SYSTEM IS CREATED. IT USES ACS OF PP, SAP R/3 AND THE PLANT'S COMPUTER NETWORK. A NUMBER OF MEASURES WERE TAKEN TO TRANSFORM INFORMATION TECHNOLOGIES FROM A TOOL TO AN ACTUAL SCIENTIFIC AND TECHNICAL RESOURCE TO DECREASE EXPENSES AND AS A RESULT TO COLLECT EXTRA GAINS. IN 2012 THE PLANT MANAGED TO PRESERVE POSITIVE DYNAMICS OF REDUCING OF FER SPECIFIC CONSUMPTION BY THE MAIN POWER-CONSUMING PRODUCTIONS.

TOTAL AMOUNT OF POWER RESOURCES SAVED IN 2012 EQUALED TO 447 748,1 GJ (696 905 GJ IN 2011).

SO AS TO INCREASE INVOLVEMENT OF THE STAFF IN THE PROCESSES OF POWER AND RESOURCE SAVING, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING DEVELOPED AND USES THE FOLLOWING:

- REGULATIONS «ABOUT STAFF COMPETITION FOR THE BEST IDEAS AIMED AT INCREASE OF POWER EFFECTIVENESS OF THE PRODUCTION «;
- REGULATIONS «ABOUT COMPETITION FOR THE BEST STRUCTURAL DIVISION OF THE PLANT FROM THE VIEWPOINT OF POWER SAVING «;
- REGULATIONS «ABOUT AWARDING OF THE EMPLOYEES FOR POWER SAVING «;
- ACTIVE ON-LINE "POWER SAVING PROPOSALS" WINDOW IN THE INFO-BMZ INFORMATION SYSTEM.»

27 PROJECTS WERE IMPLEMENTED IN 2012. THE FOLLOWING PROJECTS CAN BE ATTRIBUTED TO THE MOST IMPORTANT ONES:

1. INSTALLATION OF A FREQUENCY-CONTROLLED DRIVE (FCD) IN FINE DRAWING MACHINES;
2. INSTALLATION OF A FCD ON THE PUMPS OF THE POWER SHOP (PS);
3. RECONSTRUCTION OF THE COOLING SYSTEM OF ELECTRIC-ARC FURNACE No.3 (EAF-3);
4. USE4 OF AN EFFICIENT ENERGOTECHNOLOGICAL MODE OF EAF -3 OPERATION;

Environmental activity

5. OPTIMIZATION OF MELTING MODES AND STEEL FLOW ROUTES BETWEEN EAFs-1,2 AND LADLE-FURNACE No.1 (LF-1);

6. RECONSTRUCTION OF BEAD LINE No.1 IN STEEL WIRE SHOP No. 1 (SWS-1).

USE OF SECONDARY THERMAL RESOURCES IN 2012 AMOUNTED TO 21,4% IN THE BALANCE OF THE BOILER-FURNACE FUEL.

SAVING OF FPR NOT ONLY REDUCES FINANCIAL LOAD OF THE ENTERPRISE, BUT DECREASES NEGATIVE IMPACT OF THE ENTERPRISE'S ACTIVITY ON THE NATURAL ENVIRONMENT.

SOURCE	UNIT	QUANTITY		
		2010	2011	2012
ПРИРОДНЫЙ ГАЗ	S.C.T.	154 982	157 915	161 060

Direct use of power from the primary sources in 2010-2012

SOURCE	UNIT	QUANTITY		
		2010	2011	2012
ELECTRIC POWER	MWt*H	1 923 799	1 976 566	2 000 442
	GJ	6 925 676,4	7 115 637,6	7 201 591,2
THERMAL ENERGY	Gcal	238 247	231 443	244 555

Intermediate energy quantities obtained and consumed from non-renewable power sources in 2010-2012

ENERGY RESOURCE	UNIT	QUANTITY		
		2010	2011	2012
ELECTRIC POWER	MWt*H	27 096	136 165	107 361
	GJ	97 545,6	490 194	386 501,1
NATURAL GAS	THOU. M ³	4 949,4	6 189	1 833,7
	GJ	166 043,1	206 710,7	61 247

Energy saved due to measures on consumption rates reduction and efficiency improvement taken in 2010-2012

IN 2012 BSW PROJECT PRESENTED AT THE 9TH INTERNATIONAL COMPETITION OF ENERGY-EFFICIENT AND RESOURCE-SAVING TECHNOLOGIES AND EQUIPMENT WITHIN THE FRAMEWORK OF BELARUSIAN INDUSTRIAL FORUM WON THE SECOND PLACE IN THE NOMINATION "ENERGY-SAVING RESOURCE-SAVING TECHNOLOGIES, EQUIPMENT AND MATERIALS IN INDUSTRY AND ENERGY".

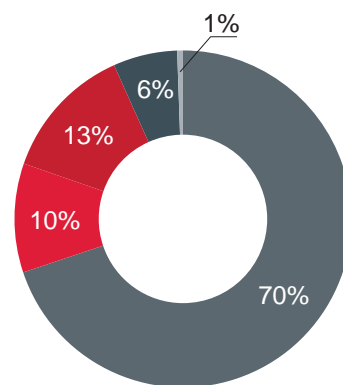
AIR BASIN PROTECTION

SOURCES OF MAJOR NEGATIVE ENVIRONMENTAL IMPACTS AT OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ARE AIR EMISSIONS OF POLLUTANTS. THE ENTERPRISE OPERATES 671 SOURCES WITH PERMITTED GROSS EMISSIONS OF 8554,345 TPY. TO MINIMIZE NEGATIVE IMPACTS, MAJOR EMISSION SOURCES WITH LARGEST CONTRIBUTIONS ARE EQUIPPED WITH GAS TREATMENT PLANTS, WITH THEIR TOTAL NUMBER AMOUNTING TO 154 UNITS.

VEHICLES OWNED BY THE ENTERPRISE INCLUDE 275 UNITS USING VARIOUS TYPES OF FUEL OUT OF WHICH 211 VEHICLES RUN ON DIESEL FUEL, 53 – ON GASOLINE AND 3 – ON LIQUEFIED GAS.

RAILROAD TRANSPORT INCLUDES 6 LOCOMOTIVES RUNNING ON DIESEL FUEL.

RAILWAY TRANSPORTATION IS ONLY WITHIN THE ENTERPRISE'S PREMISES; AUTOMOTIVE VEHICLES ARE USED FOR TRANSPORTATION WITHIN THE BORDERS OF THE ENTERPRISE'S SANITARY ZONE.



■ Carbon monoxide ■ Solids
■ Nitrogen dioxide ■ Sulfur dioxide
■ остальные

Percentage of pollutants in gross emissions for 2012



SUBSTANCE	ACTUAL EMISSIONS, [T/YEAR]			SPECIFIC POLLUTANT GENERATION RATES, [KG/T OF MELTED STEEL]		
	2010	2011	2012	2010	2011	2012
CARBON MONOXIDE	3901,726	3755,731	5875,384	1,4	1,4	2,14
NITROGEN DIOXIDE	724,298	701,962	1025,993	0,28	0,26	0,37
SULFUR DIOXIDE	343,774	349,134	444,721	0,13	0,13	0,16
SOLIDS	584,939	681,822	730,485	0,22	0,25	0,26
TOTAL POLLUTANTS	5589,168	5518,331	8094,502	2,10	2,07	2,95

Доля загрязняющих веществ в валовом выбросе

TRANSPORT VEHICLES RUN ON AI 92, AI 95, LIQUEFIED GAS AND DIESEL FUEL WITH 0,005 PER CENT SULFUR CONTENT.

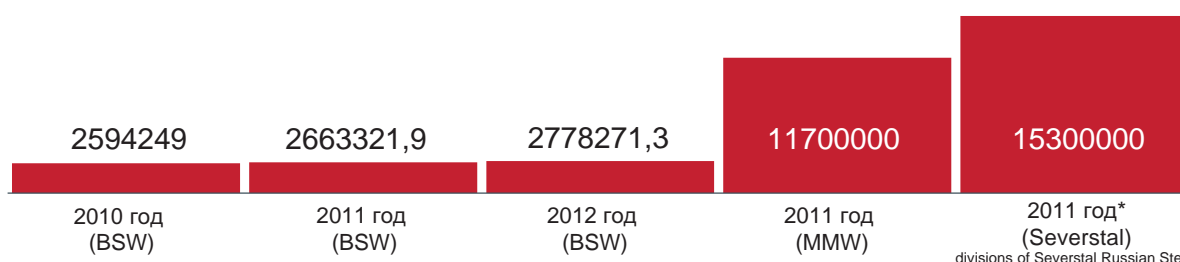
SUBSTANCE	UNIT	2010	2011	2012
CARBON MONOXIDE	T	488,848	542,833	769,829
NITROGEN DIOXIDE	T	113,388	131,195	184,968
SULFUR DIOXIDE	T	61,854	72,413	101,868
HYDROCARBONS	T	187,92	214,589	303,344
SOOT	T	46,176	54,130	76,121
BENZ(A)PYRENE	T	0,001	0,001	0,0016
TOTAL	T	898,187	1015,161	1436,132

Air emissions of pollutants from mobile sources in 2010-2011

WHEN ANALYZING AIR EMISSIONS OF POLLUTANTS, IT SHOULD BE NOTED THAT GROSS AIR EMISSION RATES OF POLLUTANTS IN 2012 INCREASED BY 2576T COMPARED TO 2011. THIS GROWTH WAS CAUSED BY INCREASE OF THE PRODUCTION EQUIPMENT WORK.

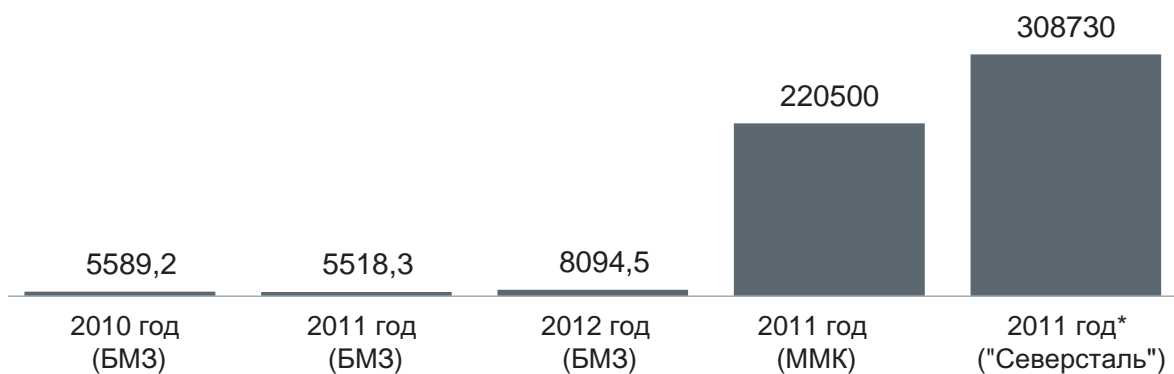
STEEL MELTING PROCESS IN ELECTRIC-ARC FURNACES WAS INTENSIFIED, AN ADVANCED OXYGEN TECHNOLOGY WITH THE USE OF WALL-MOUNTED MODULE SYSTEM MULTI-NOZZLE DEVICE WAS INTRODUCED. CONSIDERING GROWING PRODUCTION OUTPUT, INTENSIFICATION AND CAPACITY GROWTH OF THE PRODUCTION EQUIPMENT, WE DEFINED MAXIMUM AND GROSS AIR EMISSION OF POLLUTANTS MORE EXACTLY.

EMISSIONS OF POLLUTANTS FROM MOBILE SOURCES GREW BY 41% WHICH IS EXPLAINED BY THE INCREASE FREIGHT TRAFFIC WITHIN THE PLANT'S INDUSTRIAL AREA.

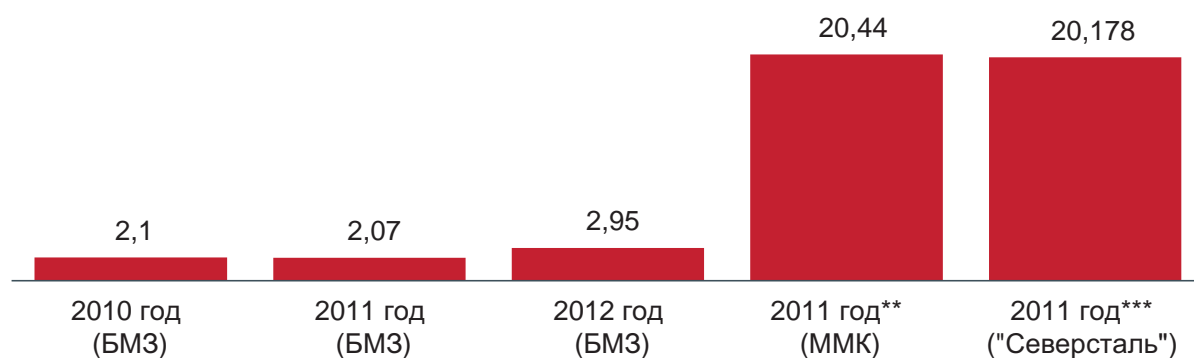


Steel production in 2010 - 2012

Environmental activity



Specific gross emission of contaminants, kg/t of molten steel



Specific gross emission of contaminants, kg/t of molten steel

BEING A MAJOR GREENHOUSE GASES EMITTER, BYELORUSSIAN STEEL WORKS IS CONSTANTLY MONITORING THEIR AIR EMISSION RATES. IN PURSUANCE OF THE MONTREAL PROTOCOL ON SUBSTANCES THAT DEplete THE OZONE LAYER, THE PLANT CONTINUES ITS WORK AIMED AT STEPWISE DECREASE OF THE USE OF SUBSTANCES LISTED IN ANNEX C OF THE PROTOCOL BY 2020. OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING PROVIDES FOR COMPLIANCE WITH THE STATE REQUIREMENTS ON REDUCTION OF CONSUMPTION RATES OF OZONE-DEPLETING SUBSTANCES (ODS). ODS QUANTITIES USED WITHIN THE ENTERPRISE ARE CONSTANTLY DECREASED.

THE OZONE-DEPLETING SUBSTANCES AT THE ENTERPRISE ARE HANDLED AS ESTABLISHED IN THE LICENSE FOR THE ACTIVITIES ASSOCIATED WITH THE USE OF NATURAL RESOURCES AND ENVIRONMENTAL IMPACTS, AND, PRECISELY, IN THE PART WHERE RULES FOR HANDLING OF OZONE-DEPLETING SUBSTANCES ARE SET OUT.

* – DIVISIONS OF SEVERSTAL RUSSIAN STEEL + SEVERSTAL NORTH AMERICA

** – SPECIFIC EMISSION, KG/T OF STEEL;

*** – SPECIFIC EMISSION OF THE DIVISIONS OF SEVERSTAL RUSSIAN STEEL + SEVERSTAL NORTH AMERICA, KG/T OF STEEL.



НАИМЕНОВАНИЕ ОРВ	ОБЪЕМ ОСТАТКОВ НА НАЧАЛО ГОДА, КГ			ПРИБРЕТЕНО, КГ			ОБЪЕМ ИСПОЛЬЗОВАНИЯ, КГ			ОБЪЕМ ОСТАТКА НА КОНЕЦ ГОДА, КГ		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
R-22	95,2	42,5	68,3	0	108,8	108,8	52,7	83,0	149,9	42,5	68,3	27,2
R-12	0	0	0	0	0	0	0	0	0	0	0	0
R-114B2	709,1	686,1	74,1	0	0	0	23,0	612	74,1	686,1	74,1	0

Data on ODS handling activities in 2010-2012

YEAR	DESCRIPTION OF ODS REDUCTION METHODS	FULFILLMENT; RESULTS, REASON FOR NON-FULFILLMENT
2010	TRANSFER OF REFRIGERATION EQUIPMENT TO ALTERNATIVE COLD CARRIERS	CONSUMPTION OF R-22 DECREASED BY 93.0% , 441.64 KG REPLACED BY OZONE-SAFE R407C, R404A. R-12 WITHDRAWN FROM USE, AVAILABLE IN A FILLED STATE IN SOME EQUIPMENT, 10.4 REPLACED BY OZONE-SAFE R134A; R-401A - 11 REPLACED BY OZONE-SAFE R134A
2011	REDUCTION OF ODS IN THE OPERATING EQUIPMENT DUE TO USAGE OF OZONE-SAFE COOLANTS, R12 -4,5 KG, R22-82 KG	OZONE-SAFE COLD CARRIERS ARE USED INSTEAD OF R22 IN EQUIPMENT WITH THE FILLING CAPACITY OF 232 KG, INSTEAD OF R12 – FILLING CAPACITY 55 KG
	DECREASE OF ODS STOCK, R124 -12 KG	R124 RESIDUES AS ON 01.01.12 EQUAL TO 0,0 KG (INCLUDED IN THE COMPOSITION OF MULTI-COMPONENT COLD CARRIER R401A), R124 STOCK REDUCED BY 18,7 KG
2012	DECREASE OF ODS CONSUMPTION DUE TO TRANSFER OF REFRIGERATION EQUIPMENT TO OZONE-SAFE COLD CARRIERS	OZONE-SAFE COLD CARRIERS ARE USED INSTEAD OF R22 IN EQUIPMENT WITH THE FILLING CAPACITY OF 231,6 KG, INSTEAD OF R12 – FILLING CAPACITY OF 6 KG

Data on introduction of measures aimed at reduction of ODS use in 2010-2012

THE REPUBLIC OF BELARUS, BEING A PARTICIPATING PARTY UNDER THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE AND THE KYOTO PROTOCOL, PROVIDES FOR FULFILLMENT OF ITS OBLIGATIONS STIPULATED BY THE ABOVE INTERNATIONAL AGREEMENTS. ACTIONS IMPLEMENTED BY THE BYELORUSSIAN STEEL WORKS TO INTRODUCE ENERGY-SAVING TECHNOLOGIES AND MATERIALS AND ENHANCE EFFICIENCY OF THE PRODUCTION PROCESSES RESULT IN REDUCED AIR EMISSIONS OF GREENHOUSE GASES.

DECREASE OF HARMFUL EMISSIONS INTO THE AIR IS ENSURED DUE TO IMPLEMENTATION OF INVESTMENT PROJECTS DIRECTED TOWARDS MODERNIZATION AND TECHNICAL REVAMPING, INTRODUCTION OF HIGHLY EFFECTIVE STATE-OF-THE-ART EQUIPMENT AND METHODS.

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING FOLLOWS THE EXISTING LAW AND NORMS OF THE INTERNATIONAL ENVIRONMENTAL LAW INCLUDING INTERNATIONAL AGREEMENTS AND CONTRACTS RATIFIED BY THE REPUBLIC OF BELARUS AND CARRIES OUT CONTINUOUS MONITORING OF THE ENVIRONMENTAL CONDITION IN THE TERRITORY OF ITS PRODUCTION ACTIVITY THE MAIN AIM OF WHICH IS PROTECTION OF THE HEALTH OF THE PEOPLE LIVING IN THIS AREA AND THE COMPANY EMPLOYEES.



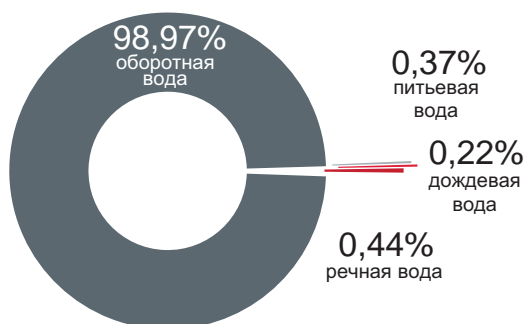
Environmental activity

►► WATER BASIN PROTECTION

ACTING IN THE AREA OF ENVIRONMENT, THE PLANT PROVIDES FOR EFFICIENT USE OF ENERGY AND WATER FOR ITS OWN NEEDS AND DOES ITS BEST TO DECREASE THEIR CONSUMPTION.

WATER DIVERSION FLOW FOR PRODUCTION NEEDS IS CARRIED OUT FROM THE DNIEPER RIVER WHICH IS ONE OF THE MAIN RIVERS IN THE REPUBLIC OF BELARUS. ITS HEAD-TO-MOUTH LENGTH IS 1182 KILOMETERS. ANNUAL FLOW OF THE DNIEPER EQUALS TO 1 261 440 000 m³. ANNUAL WATER DIVERSION OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING AMOUNTS TO 0,12% OF THE RIVER FLOW.

THE PLANT INTRODUCED A CIRCULATING WATER SYSTEM TO SUPPLY KEY USERS – PRODUCTION EQUIPMENT. WATER FROM SURFACE SOURCES (THE DNIEPER) IS USED TO COMPENSATE THE IRREVOCABLE LOSSES IN THE EQUIPMENT COOLING SYSTEMS. FOR HOUSEHOLD AND DRINKING NEEDS WATER FROM ARTESIAN WELLS IS USED. TO REDUCE CONSUMPTION OF WATER DRAWN OFF FROM THE DNIEPER, THE ENTERPRISE USES RAINWATER COLLECTED AND TREATED AT SPECIAL AREAS.



Plant water consumption system

DESCRIPTION	2010	2011	2012
PROCESS WATER, [THOU. M ³ /YEAR]	1 207,398	1 730, 405	1 564,210
DRINKING WATER CONSUMPTION, [THOU. M ³ /YEAR]	717,0	692,0	732,724
CIRCULATING WATER, [THOU. M ³ /YEAR]	272 625,884	286 041, 191	297 215,651
RAINWATER USE, [THOU. M ³ /YEAR]	607,003	711,786	1 046

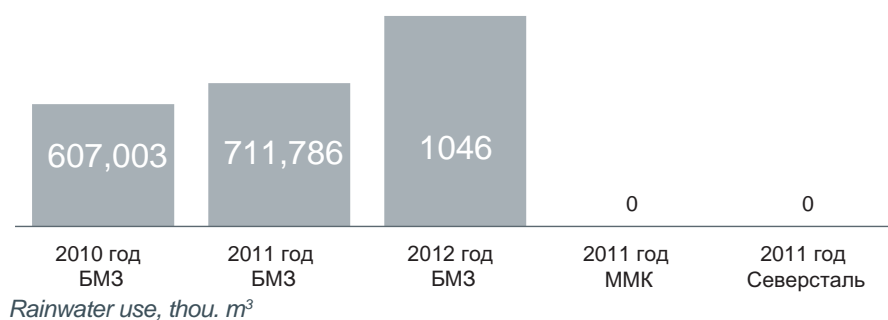
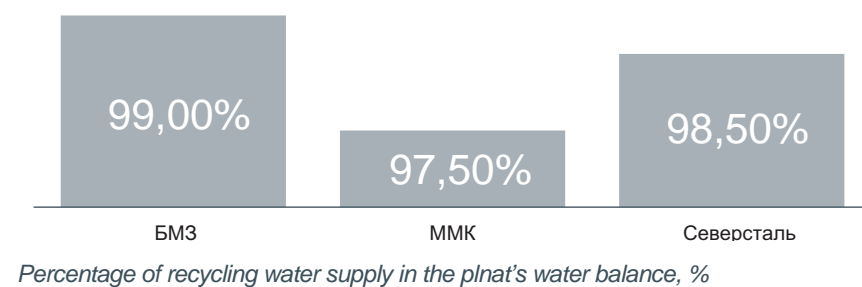
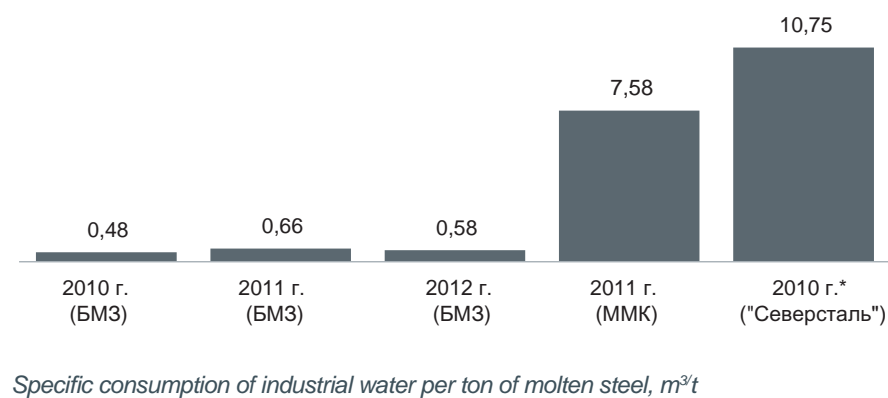
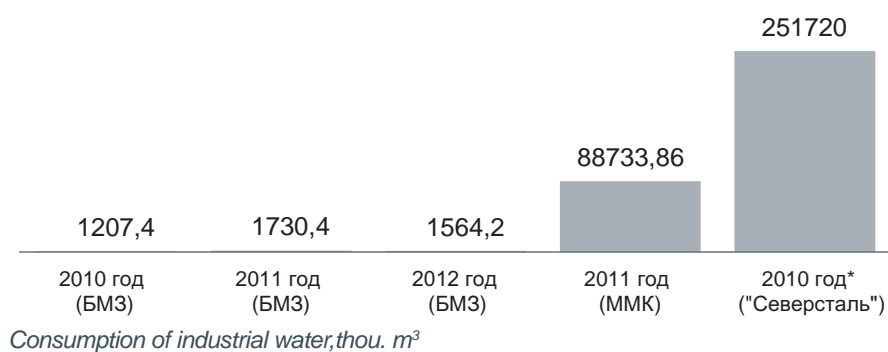
RESULTS OF THE MEASURES TAKEN TO REDUCE WATER RESOURCE CONSUMPTION IN 2012:

- INCREASE OF CIRCULATING WATER USE COMPARED TO 2011 EQUALS TO 11 174,46 THOU. M³/YEAR OR 4%;
- INCREASE OF RAINWATER USE COMPARED TO 2011 EQUALS TO 334,214 THOU. M³/YEAR OR 47%;
- DECREASE OF PRODUCTION WATER USE COMPARED TO 2011 EQUALS TO 166,195 THOU. M³/YEAR OR 10%.

PROCESS EFFLUENTS GENERATED BY THE PLANT ARE DISCHARGED INTO THE TREATMENT FACILITIES LOCATED AT THE PLANT'S TREATMENT DIVISIONS AND RETURNED INTO THE PRODUCTION FOR FURTHER RECYCLING.

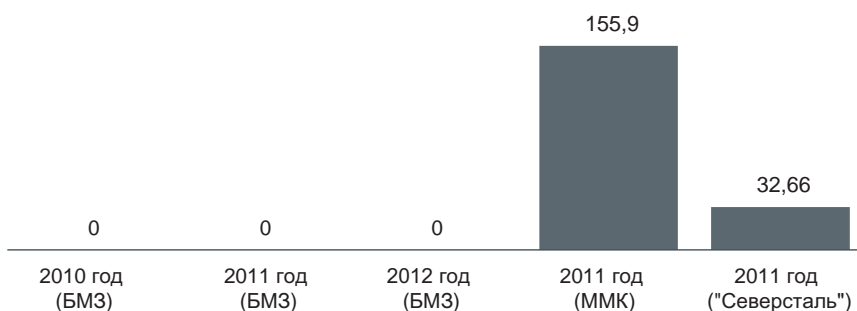
THE PLANT'S UTILITY FLUIDS ARE DRAINED OFF INTO THE TREATMENT FACILITIES MAINTAINED BY THE TOWN OF ZHLOBIN. POLLUTANT CONTENTS (HARD METALS, OIL PRODUCTS, SALT CONTENT) IN THE DISCHARGED FLUIDS WERE WITHIN THE ESTABLISHED LIMIT CONCENTRATIONS.

THERE ARE NO WATER BODIES SIGNIFICANTLY AFFECTED BY THE PRODUCTION ACTIVITIES OF THE PLANT.



* – DIVISIONS OF SEVERSTAL RUSSIAN STEEL + SEVERSTAL NORTH AMERICA

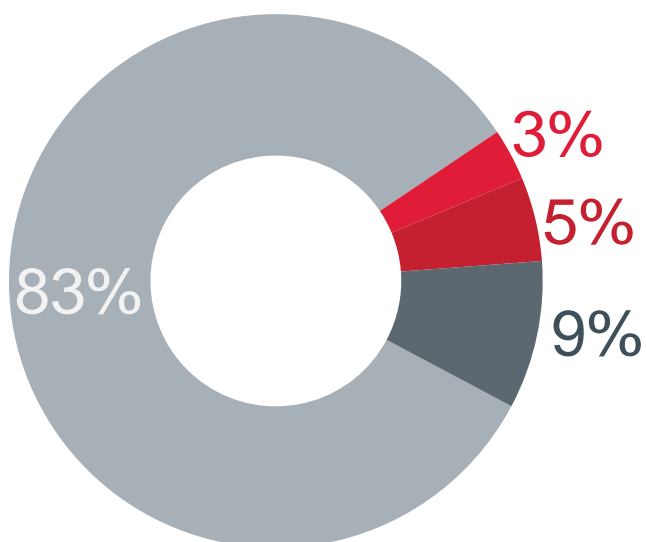
Environmental activity



Contaminants discharge in water, thou. t/year

►► UTILIZATION OF INDUSTRIAL WASTES

CURRENT TECHNOLOGIES OF METAL PRODUCTION ARE INEVITABLY ASSOCIATED WITH GENERATION OF VARIOUS WASTES WHICH BELONG TO DIFFERENT HAZARD CLASSES. THIS IS A MAJOR ASPECT CONTRIBUTING TO ENVIRONMENTAL POLLUTION. THE PLANT PROVIDES FOR STRICT COMPLIANCE WITH ALL REQUIREMENTS ASSOCIATED WITH WASTES UTILIZATION AND DISPOSAL AND SEEKS TO LIMIT POLLUTANT DISCHARGES, ENSURE RE-USE OF NATURAL RESOURCES AND WASTES RECLAMATION. DEPENDING ON THE HAZARD CLASS OF WASTES AND THEIR PHYSICAL PROPERTIES, THE ENTERPRISE DEFINED STRINGENT REQUIREMENTS AT EACH OF THE INDUSTRIAL WASTES UTILIZATION STAGES (GENERATION, COLLECTION, TRANSPORTATION, STORAGE, HANDLING AND NEUTRALIZATION), MINIMIZING POSSIBLE ENVIRONMENTAL IMPACTS.



Характер обращения с отходами производства в 2012 г.

OFF-LOADED, T	RECYCLED, T	DISPOSED, T	STORED, T
1 097 207,782	41 574,98	67 537,905	118 921,503



DURING 2012 THERE WERE REGISTERED NO SPILLAGES OF CHEMICALS, OILS AND FUELS WHICH COULD HAVE AN ADVERSE EFFECT ON THE ENVIRONMENT AND PRESENT A POTENTIAL HAZARD TO THE SOIL, WATER, AIR, BIODIVERSITY AND HUMAN HEALTH.

PRODUCTION ACTIVITIES OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ARE ASSOCIATED WITH GENERATION OF THE FOLLOWING WASTES, CORRESPONDING TO WASTES GROUPS AS SET OUT IN BASEL CONVENTION:

Y1 MEDICAL WASTES RESULTING FROM PATIENTS' CARE PROVIDED BY HOSPITALS, HEALTH CENTERS AND CLINICS;

Y8 WASTE MINERAL OILS UNSUITABLE FOR DESIGNATED USE;

Y9 WASTE OIL (WATER) AND HYDROCARBON (WATER) BASED MIXTURES EMULSIONS;

Y16 WASTES ASSOCIATED WITH THE PRODUCTION, RECOVERY AND APPLICATION OF PHOTO CHEMICALS AND CONSUMABLES USED FOR FILM DEVELOPMENT;

Y17 WASTES GENERATED FROM METAL AND PLASTIC SURFACE MACHINING;

Y31 LEAD AND LEAD COMPOUNDS;

Y34 ACID SOLUTIONS AND SOLID ACIDS;

Y36 ASBESTOS (POWDER AND FIBRE).

THE LISTED WASTES ARE UTILIZED BY THE PLANT AS STIPULATED BY THE ENVIRONMENTAL LEGISLATION OF THE REPUBLIC OF BELARUS. WASTES OF THESE GROUPS WERE NEITHER EXPORTED NOR IMPORTED.

WITHIN THE FRAMEWORK OF ITS PRODUCTION ACTIVITIES, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING OFFERS AND IMPLEMENTS INITIATIVES INTENDED FOR MITIGATION OF ITS ENVIRONMENTAL IMPACTS AND DAMAGE EFFECTS. ALSO, AS THE MAJOR RAW MATERIAL USED FOR THE PLANT'S PRODUCTION IS METAL SCRAP, THE ENTERPRISE IS CAPABLE TO DISPOSE OF ITS PRODUCTION AFTER IT IS NO LONGER IN ACTIVE USE.

TRAINING

TO PROVIDE FOR AN ENHANCED EFFICIENCY OF ITS ECOLOGICAL ACTIVITIES THE ENTERPRISE ARRANGES TRAINING COURSES

ON ISSUES OF ENVIRONMENTAL PROTECTION AT ALL ADMINISTRATIVE LEVELS. EMPLOYEES' VOCATIONAL TRAINING IS CONTINUOUS AND IS EFFECTIVELY INTEGRATED INTO THE DAILY LABOUR ACTIVITIES THROUGHOUT THEIR CAREER. IT IS AIMED AT GRADUAL BROADENING AND ENHANCING OF PROFESSIONAL KNOWLEDGE AND COMPETENCE IN ENVIRONMENTAL AND INDUSTRIAL SANITATION ISSUES. TO ENSURE EFFICIENT ENVIRONMENTAL MANAGEMENT IN CONNECTION WITH THE PRODUCTION ACTIVITIES, THE PLANT IDENTIFIED, DOCUMENTED AND FAMILIARIZED ITS EMPLOYEES WITH THEIR DUTIES, RESPONSIBILITIES AND POWERS.

TRAINING, RETRAINING AND ADVANCED TRAINING ACTIVITIES ARRANGED FOR MANAGERS, TECHNICIANS AND OPERATIONAL PERSONNEL ON ISSUES OF ECOLOGICAL SAFETY AND ENVIRONMENTAL PROTECTION ARE AS ESTABLISHED IN THE ANNUAL VOCATIONAL TRAINING PLANS AND PROGRAMS.

TRAINING, RETRAINING AND ADVANCED TRAINING ACTIVITIES ARRANGED FOR MANAGERS, TECHNICIANS AND OPERATIONAL PERSONNEL ON ISSUES OF ECOLOGICAL SAFETY AND ENVIRONMENTAL PROTECTION ARE AS ESTABLISHED IN THE ANNUAL VOCATIONAL TRAINING PLANS AND PROGRAMS.

FOR GENERAL DATA ON THE TRAINING ACTIVITIES SEE THE "SOCIAL RESPONSIBILITY" SECTION.

IMPROVEMENT OF ECOLOGICAL CULTURE OF THE PERSONNEL

BSW USES ITS EMPLOYEES' KNOWLEDGE AND EXPERIENCE IN ECOLOGICAL SAFETY AND HEALTHCARE ISSUES TO PROVIDE FOR SECURITY AND WELFARE OF PEOPLE LIVING IN THE VICINITY OF THE PLANT AND IN THE WHOLE REGION. THE COMPANY EMPLOYEES ARRANGE LECTURES FOR YOUTH AND TRAINING ACTIVITIES ON ECOLOGICAL REQUIREMENTS AND ASPECTS FOR SUBCONTRACTED PERSONNEL, CARRYING OUT WORKS ON THE ENTERPRISE'S PREMISES.

TO IMPROVE THE COMMUNICATIONS SYSTEM, EXPAND OPPORTUNITIES OF INTERACTION AMONG INTERESTED PARTIES, ENSURE EMPLOYEES' INDIVIDUAL DEVELOPMENT AND EXCHANGE OF EXPERIENCE, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ANNUALLY HOLDS INTERNATIONAL SCIENTIFIC AND TECHNICAL CONFERENCE. BESIDES, PARTICIPANTS FROM CIS COUNTRIES THE "ENERGY AND ECOLOGY" SECTION COMPRISES SPECIALISTS OF THE COM-



Environmental activity

►► PANY. DURING THE CONFERENCE, ITS PARTICIPANTS PRESENT THEIR REPORTS ON TOPICS OF CURRENT INTEREST AND EXCHANGE THEIR EXPERIENCE WITH REGARD TO IMPLEMENTATION OF STRATEGIC OBJECTIVES AND INTRODUCTION OF RECENT DEVELOPMENTS IN THE STEADILY EXPANDING PRODUCTION AREAS AND IN THE FIELD OF CORPORATE SOCIAL RESPONSIBILITY.

INFORMATION ABOUT ECOLOGICAL ACTIVITIES OF RUE "BMZ" AND THOSE CONCERNED WITH IMPROVEMENT OF THE ENVIRONMENTAL MANAGEMENT SYSTEM IS REGULARLY PUBLISHED IN THE CORPORATE AND REGIONAL MASS MEDIA AND THE REPUBLICAN "CASTING AND METALLURGY" AND "STEEL" TRADE JOURNALS.

TO EVALUATE ENVIRONMENTAL IMPACTS, THE ENTERPRISE HOLDS PUBLIC HEARINGS, INVITING REPRESENTATIVES OF SUPERVISION AUTHORITIES, GENERAL PUBLIC AND THE PLANT'S EMPLOYEES TO PARTICIPATE IN THEM.

THE PLANT TAKES PART IN ENVIRONMENTAL ACTIONS AND HAS INITIATED SUCH ACTIONS ITSELF SEVERAL TIMES.

TO PROVIDE FOR A SYSTEMIC APPROACH TO IMPROVEMENT OF EMPLOYEES' ECOLOGICAL CULTURE THE PLANT WORKED OUT AND IMPLEMENTED:

– PROVISIONS ON TEAR TAGS AND PREVENTION OF VIOLATIONS WITH REGARD TO ENVIRONMENTAL PROTECTION AND OCCUPATIONAL SANITARY, WHICH ARE INTRODUCED TO ENHANCE PREVENTIVE WORK ON PRECAUTIONARY, RECOMMENDATORY AND CONTROL FUNCTIONS FOR THE PURPOSES OF ENVIRONMENTAL PROTECTION. ACTIVITIES TO PREVENT ENVIRONMENTAL LAW INFRINGEMENTS ARE CARRIED OUT WITH THE USE OF NOTICE TEAR TAGS;

– PROVISIONS ON ENCOURAGING ENVIRONMENTAL ACTIVITIES. THIS REGULATORY DOCUMENT WAS INTRODUCED TO MOTIVATE THE PLANT'S EMPLOYEES TO ABIDE BY THE ENVIRONMENTAL REQUIREMENTS SET OUT IN THE LEGISLATION OF THE REPUBLIC OF BELARUS, THE PLANT'S ECOLOGICAL STANDARDS AND OTHER REGULATIONS AND WAS INTENDED FOR ENHANCEMENT OF VIOLATORS' RESPONSIBILITY AND ENCOURAGEMENT OF THE PLANT'S EMPLOYEES, ENGINEERS AND TECHNICIANS TO PROVIDE FOR COMPLIANCE WITH THE ABOVE DOCUMENTS.

DEVELOPMENT AND IMPLEMENTATION OF RESOURCE- SAVING, LOW-WASTE AND ENVIRONMENTALLY SAFE TECHNOLOGIES

THE PLANT TAKES ACTUAL STEPS SO AS TO PROVIDE FOR ENVIRONMENTAL PROTECTION AND IMPLEMENT ENVIRONMENTALLY SAFE TECHNOLOGIES AS WELL. TO MITIGATE ENVIRONMENTAL IMPACTS, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ANNUALLY INTRODUCES NEW ENVIRONMENTAL ACTIONS. UNDER THE ECOLOGICAL PROGRAM FOR 2012 THE PLANT PROVIDED FOR THE FOLLOWING:

- INSTALLATION OF AN AUTOMATIC CONTROL SYSTEM OF AIR EMISSIONS OF POLLUTANTS FROM EAF No.2 of EMS -1.
- IMPLEMENTATION OF A COMPLEX RECONSTRUCTION OF DUST AND GAS REMOVAL DEVICES OF ELECTRIC-ARC FURNACE No.1 in EMS-1 AND EAF No.3 in EMS-2.
- BUILDING OF A PLANT TO SEPARATE SCRAP AND GARBAGE LEFT FROM RAILWAY WAGONS CLEANING.
- PURCHASING OF THE EQUIPMENT FOR SAFETY HANDLING OF ODS AND DEVICES FOR ODS LEAKAGE, ETC.

EXPENSES FOR ENVIRONMENT PROTECTION AND MONITORING

ECOLOGICAL PAYMENTS

ANNUALLY, THE PLANT ASSIGNS CONSIDERABLE FUNDS TO NATURE PROTECTION ACTIVITIES. THE FUNDS ARE USED FOR REPAIRS, RECONSTRUCTION AND MODERNIZATION OF THE END-OF-PIPE FACILITIES.

IN ITS ACTIVITIES, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING PLACES SPECIAL EMPHASIS ON THE INTERACTION WITH THE INTERESTED PARTIES – BOTH WITH SUPERVISING AUTHORITIES AND COMMUNITIES, CONSUMERS, SUPPLIERS AND CONTRACTORS. INFORMATION EXCHANGE IS AS PER DIAGRAM INCLUDED IN THE SECTION "MANAGEMENT, RESPONSIBILITIES AND INTERACTION WITH THE INTERESTED PARTIES."



CURRENT ENVIRONMENTAL EXPENSES	TOTAL, BRB MLN (AT OWN COSTS)		
	2010	2011	2012
TOTAL INCLUDING:	58 909,1	111 995,5	196 458,6
- PROTECTION AND EFFICIENT USE OF WATER RESOURCES	20 103,3	37 630,1	76 051,1
- AIR BASIN PROTECTION, OZONE LAYER AND CLIMATE PRESERVATION	31 283,7	57 824,7	94 172,8
- PROTECTION OF THE ENVIRONMENT FROM POLLUTION WITH INDUSTRIAL WASTES	6 717,1	14 765,1	24 557,8
- ECOLOGICAL CERTIFICATION, ECOLOGICAL RATING, ECOLOGICAL AUDITS, ECOLOGICAL INSURANCE, ECOLOGICAL STANDARDIZATION	131,6	398,8	231,9

INDICATOR DESCRIPTION	TOTAL, RUBLE MLN	
	2011	2012
AMOUNT OF DISCOUNT SET FOR THE ORGANIZATION FOR ECOLOGICAL PAYMENTS SUBJECT TO DECREASE OF ENVIRONMENT POLLUTION DUE TO ENVIRONMENT PROTECTION MEASURES UNDERTAKEN	0	2 657,1
AMOUNTS PAID TO COMPENSATE THE DAMAGE CAUSED BY VIOLATION OF ENVIRONMENT LAW (PENALTIES, CLAIMS, DAMAGE, ETC.)	39,2	173,7

DESCRIPTION	2010	2011	2012
	PAYMENT, BRB MILLION		
DRINKING AND SERVICE WATER CONSUMPTION	119,949	196,962	482,449
SEWAGE DISCHARGES	0	0	0
AIR EMISSIONS FROM STATIONARY AND MOBILE SOURCES	1933,592	2 659,542	5 693,198
WASTE DISPOSAL	5438,1	7 932,914	19 173,718
WASTE STORAGE	3340,8	2 861,2	2 667,638
PACKING MATERIALS PRODUCTION AND IMPORT	124,375	0	0

Ecological payments in 2010-2012

MEDIUM-TERM TARGETS OF THE COMPANY

IN ADDITION TO PRODUCTION FACILITIES EXPANSION, THE PLANT ALSO PLANS TO MODERNIZE ITS EQUIPMENT TO IMPROVE ENVIRONMENT SAFETY AND MITIGATE NEGATIVE ENVIRONMENTAL IMPACTS. INVESTMENT PROJECTS TO BE IMPLEMENTED BY OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING INCLUDE NOT ONLY NEW PRODUCTION FACILITIES BUT ALSO INTRODUCTION OF THE WORLD'S BEST PRACTICES IN THE FIELD OF ENVIRONMENT SAFETY.

WITHIN THE FRAMEWORK OF THE INVESTMENT PROGRAM, THE PLANT ALSO IDENTIFIED A NUMBER OF ACTIONS AIMED AT IMPROVEMENT OF ECOLOGICAL SITUATION AND MITIGATION OF NEGATIVE ENVIRONMENTAL IMPACTS ASSOCIATED WITH BSW PRODUCTION ACTIVITIES.

MAJOR ACTIONS AIMED AT MITIGATION OF THE NEGATIVE ENVIRONMENTAL IMPACTS INCLUDE:

- RECONSTRUCTION OF THE DUST AND GAS TRAPPING PLANTS FOR ELECTRIC ARC FURNACES;
- INSTALLATION OF AUTOMATIC SYSTEMS TO CONTROL AIR POLLUTANT EMISSIONS;
- INTRODUCTION OF MEASURES RELATED WITH REUSE OF PRODUCTION WASTES IN PRODUCTION PROCESSES;
- MONITORING OF ENVIRONMENT ASPECTS OF THE PRODUCTION ACTIVITY IMPACT ON THE ENVIRONMENT.

FOR 2013 THERE ARE PLANS TO ACHIEVE THE NEXT LEVEL OF THE PLANT'S TARGETS OF THE SOCIAL AND ECONOMIC DEVELOPMENT (IN THE AREA OF ENVIRONMENT:

- DECREASE THE AMOUNT OF STOCK OF THE EAF DUST BY 10% COMPARED TO THE LEVEL OF 2011.

Social activity

AS FAR AS THE SOCIAL SPHERE IS CONCERNED, THE STRATEGIC TARGET OF OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING IN THE SOCIAL AREA OF ITS ACTIVITY IS THE IMPROVEMENT OF THE CORPORATE SOCIAL RESPONSIBILITY SYSTEM WITH THE BASIC PRINCIPLES OF: OBSERVING SOCIAL EQUALITY AND RESPONSIBILITY, NONDISCRIMINATION, ENSURING SAFE WORKING CONDITIONS, MAINTAINING EMPLOYEES’ HEALTH, CREATING POSITIVE SOCIAL-PSYCHOLOGICAL CLIMATE IN THE WORKING TEAM ALONGSIDE WITH KEEPING REASONABLE BALANCE OF THE PLANT’S ECONOMICAL INTERESTS AND SOCIAL INTERESTS OF THE CIVIL SOCIETY INCLUDING THAT OF THE EMPLOYEES OF BYELORUSSIAN STEEL WORKS.

BSW DEEMS SOCIAL RESPONSIBILITY AN INTEGRAL PART OF THE BUSINESS CONDUCT STRATEGY AND ITS CORPORATE ETHICS BASED ON THE PRINCIPLES OF DECENCY AND JUSTICE, HONESTY IN DEALING WITH ALL PARTNERS AND COMPETITORS.

IN ITS SOCIAL ACTIVITY OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING IS GUIDED BY THE LEGISLATION OF THE REPUBLIC OF BELARUS, PARAMETERS OF STABILITY AND PRODUCTION DEVELOPMENT, ECONOMIC EXPEDIENCY AS WELL AS ITS RESPONSIBILITY TO THE OWNER, INVESTORS, EMPLOYEES AND BUSINESS PARTNERS, LOCAL COMMUNITIES AND OTHER PARTIES CONCERNED.

CARRYING OUT ITS SOCIAL ACTIVITY THE PLANT ADHERES TO THE FOLLOWING APPROACHES:

- CONFORMITY WITH THE LEGISLATION AND LEGAL NORMS OF THE REPUBLIC OF BELARUS;
- INVOLVING ALL THE UNITS AND BUSINESS PROCESSES PARTICIPANTS;
- DISCLOSURE OF FULL AND PRECISE INFORMATION REGARDING THE RESULTS OF THE SOCIAL ACTIVITY;
- ENHANCING RESPONSIBILITY RELATED TO THE ASSUMED OBLIGATIONS AND THEIR FULFILLMENT;
- ENSURING THE OPTIMUM RATIO OF THE SOCIAL ACTIVITY EXPENSES AND THE LABOUR RESULTS ACHIEVED;
- MAINTAINING REASONABLE BALANCE OF THE PLANT’S INTERESTS AND THE COMMUNITY INCLUDING THE EMPLOYEES.

PRESERVATION OF LIFE, HEALTH AND HUMAN RIGHTS IS CON-

SIDERED BY THE COMPANY OF A HIGHER PRIORITY THAN ECONOMIC RESULTS OF PRODUCTIVE ACTIVITY.

EMPLOYEES’ LOYALTY AND SATISFACTION IS A CRUCIAL FACTOR THAT INFLUENCES THE BUSINESS STABILITY. THE PERSONNEL RELATIONS PRIORITIES ARE IMPROVING EMPLOYEES’ SOCIAL WELL-BEING, BUILDING UP CLEAR COMMUNICATION CHANNELS, IMPROVING THE DEGREE OF PERSONNEL AWARENESS AND THE MOST IMPORTANT THING – CREATING A STRONG CORPORATE CULTURE.

IT IS ESSENTIAL FOR THE PLANT’S EMPLOYEES TO FEEL THEMSELVES AS MEMBERS OF ONE FAMILY, REALIZE THEIR BELONGING TO ONE OF THE LARGEST ENTERPRISES OF THE REPUBLIC. SINCE 2009 ELEMENTS OF A SINGLE INTEGRATED CORPORATE CULTURE HAVE BEEN INTRODUCED AT THE PLANT. TWO OF THEM ARE THE CORPORATE POLICY AND CODE OF ETHICS THEIR MAJOR VALUES — RESPECT AND COLLABORATION, EFFICIENCY AND RESULT, LEADERSHIP AND DYNAMIC DEVELOPMENT, INITIATIVE AND RESPONSIBILITY — ARE FORMULATED ON THE BASIS OF THE CONCERNED PARTIES’, PRIMARILY EMPLOYEES’, OPINIONS.

LABOR RELATIONS AND ADEQUATE LABOR

PERSONNEL MANAGEMENT POLICY

ADHERING TO THE PRINCIPLES LAID IN THE FOUNDATION OF THE UN GLOBAL COMPACT, OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING CONSIDERS ITS EMPLOYEES TO BE OF THE PRIME VALUE AND BUILDS UP THE RELATIONSHIPS WITH THEM ON THE BASIS OF SOCIAL PARTNERSHIP, SOLIDARITY IN PURPOSE AND RESPECT FOR THE MUTUAL INTERESTS.

LONG-TERM STRATEGIC TARGETS OF THE COMPANY CORPORATE POLICY FOR PERSONNEL MANAGEMENT STIPULATE THE FOLLOWING:

- FORMATION OF THE LABOR RELATIONS REGULATION SYSTEM AND DEVELOPMENT OF SOCIAL PARTNERSHIP BASED ON THE BALANCE OF INTERESTS OF THE WORKS AND ITS EMPLOYEES;
- IMPROVEMENT OF EMPLOYEES MOTIVATION SYSTEMS, ENSURING THE COMPETITIVE LEVEL OF THE EMPLOYEES’ COMPENSATION PACKAGE CONNECTED WITH THE LABOR EFFICIENCY INCREASE, COLLECTIVE AND INDIVIDUAL RESULTS OF WORKING ACTIVITY;



- PERSONNEL DEVELOPMENT (SELECTION, RECRUITMENT, EVALUATION, TRAINING, PROMOTION) TO SUPPLY THE COMPANY SUBDIVISIONS WITH THE EMPLOYEES HAVING THE REQUIRED PROFESSIONAL AND QUALIFICATION CHARACTERISTICS;
- IMPROVEMENT OF THE LABOR SAFETY LEVEL, IMPROVEMENT OF SOCIAL AND LIVING CONDITIONS ON THE PRODUCTION SITE AND OFFERING SUPPLEMENTARY HEALTH IMPROVEMENT OPPORTUNITIES FOR THE EMPLOYEES AND THEIR FAMILY MEMBERS;
- DEVELOPMENT OF CORPORATE CULTURE, ENSURING OF SOCIAL STABILITY AND FAVORABLE MORAL AND PSYCHOLOGICAL CLIMATE IN THE WORKING TEAMS;
- DEVELOPMENT OF CORPORATE SOCIAL PROGRAMS.

KEY PRINCIPLES AND APPROACHES

POLICY OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" IN THE PERSONNEL MANAGEMENT SPHERE IS FORMED AND REALIZED ON THE SYSTEM BASIS ACCORDING TO THE LABOR LEGISLATION OF THE REPUBLIC OF BELARUS.

ALONGSIDE WITH DEVELOPMENT AND CONTINUOUS IMPROVEMENT, THE PLANT LINKS ITS SUCCESS TO THE WELL-CONSOLIDATED AND ACTIVE TEAM OF PROFESSIONALS. ONE OF THE MAIN TARGETS OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS CREATION OF A "PRIME CHOICE COMPANY" BASED ON HONESTY, DEDICATION, CREATIVE APPROACH, OPTIMISM AND SELF-IMPROVEMENT OF EACH EMPLOYEE. BUILDING UP OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING MANAGEMENT SYSTEM PRESUPPOSES INVOLVEMENT OF THE STAFF INTO DECISION-MAKING PROCESS, BUSINESS PROCESSES OPTIMIZATION, IMPROVEMENT OF PRODUCTION AND SOCIAL ACTIVITY OF THE COMPANY. HENCE, EACH PERSON FEELS OWN CONTRIBUTION INTO THE COMMON TARGET ACHIEVEMENT.

WORKING WITH A NUMEROUS NUMBER OF EMPLOYEES IN EVER-CHANGING PRODUCTION CONDITIONS, DEVELOPMENT OF A COMPETENT AND EFFICIENT PERSONNEL MANAGEMENT SYSTEM IS VERY IMPORTANT.

THE IMPLEMENTED PERSONNEL MANAGEMENT POLICY OF THE COMPANY BASED ON THE PRINCIPLE OF PARTNERSHIP RELATIONS OF AN INDIVIDUAL AND ORGANIZATION AIMED AT FORMING INTEGRATED CORPORATE SURROUNDINGS, PRE-



"NOT IN THE LEAST DECREASING THE ROLE OF INVESTMENT AND ADJUSTED BUSINESS PROCESSES, I THINK THAT A CENTRAL ROLE IN THE EFFICIENT OPERATION OF AN ORGANIZATION IS PLAYED BY THE HUMAN FACTOR. WITHOUT TRUST AND DEVOTION OF EMPLOYEES ON THE ONE HAND AND WISH TO HELP THEM TO DISCLOSE THEIR POTENTIAL ON THE OTHER HAND, THE COMPANY WILL BECOME A BANKRUPT SIMILAR TO THE ONE DEPRIVED OF ITS FINANCIAL CAPITAL."

A.N. SAVIANOK,
GENERAL DIRECTOR OF OJSC "BSW – MANAGEMENT
COMPANY OF "BMC" HOLDING

SERVING WORK PLACES, SUSTAINING DECENT SALARY LEVEL, OPTIMUM REDISTRIBUTION OF LABOR RECOURSES CONTRIBUTES TO ENHANCING THE INVESTMENT ATTRACTIVENESS AND DYNAMIC DEVELOPMENT OF THE ENTERPRISE. THE PLANT'S EMPLOYEES ARE THE MAIN ELEMENT OF SUCCESS IN REACHING OUR GOALS, THAT'S WHY WE PUT PARTICULAR EMPHASIS ON SOLVING STAFF ISSUES. THE PLANT USES THE MOST ADVANCED METHODS OF WORKING WITH EMPLOYEES AND DEVELOPS NEW PROJECTS. IN 2011 "BSW STRATEGIC RESERVE" PROGRAM OF TRAINING A STAFF RESERVE TO SUBSTITUTE TOP MANAGEMENT STARED UP. OF NO SMALL IMPORTANCE IS THAT THE PROJECT ALLOWS SELECTION OF TALENTED YOUNG PEOPLE AND ARRANGEMENT OF THEIR ROTATION IN KEY PRODUCTION DIRECTIONS.

HIGH EFFICIENCY OF THE PROCESS "PERSONNEL MANAGEMENT" IS EVIDENCED BY THE RESULTS OF 2012 AUDITS AIMED AT CONFIRMATION OF THE MANAGEMENT SYSTEM CONFORMITY WITH THE REQUIREMENTS OF ISO 9001:2008, STB ISO 9001-2009, ISO 14001:2004, STB ISO 14001-2005, OHSAS 18001:2007, СТБ 18001-2009, ISO/TS 16949:2009, ISO/TS 29001 STANDARDS CARRIED OUT BY AUDITORS OF GOSSTANDART OF THE RB, BUREAU VERITAS CERTIFICATION (GREAT BRITAIN), CARES (GREAT BRITAIN), TÜV INTERNATIONAL (CZECH REPUBLIC), AND API (AMERICAN PETROLEUM INSTITUTE).

DESCRIPTION OF THE PERSONNEL

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS THE LARGEST EMPLOYER IN ITS PRODUCTIVE ACTIVITY REGION AND IS AWARE OF ITS ECONOMIC AND SOCIAL OBLIGATION TO THE SOCIETY INFLUENCING IT BY CREATING HIGH LEVEL

Social activity

ONLY THIRTY PER CENT OF THE PLANT'S SUCCESS IS PROVIDED FOR BY INTRODUCTION OF THE MOST ADVANCED METHODS AND INVESTMENTS, THE REST SEVENTY PER CENT ARE BUILT IN A POSITIVE MANAGEMENT SYSTEM, CORRECT PLACING OF PERSONNEL, ABILITY TO FORECAST AND FORESEE THE MARKET. **BSW** POSSESSES A HIGHLY PROFESSIONAL TEAM CAPABLE OF CLEAR REACTION TO CHANGES IN THE GLOBAL PROCESSES."



V.V. FYODOROV,
CHAIRMAN OF *BELARUSIAN TRADE UNION*
OF INDUSTRIAL WORKERS

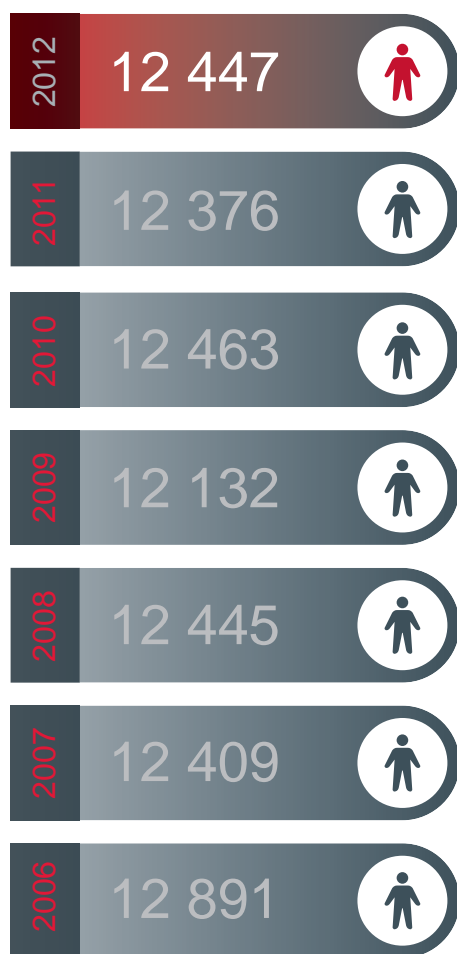
OF SOCIAL SECURITY AND FAVORABLE WORKING CONDITIONS FOR ITS EMPLOYEES, REALIZATION OF EFFICIENT SOCIAL AND ECOLOGICAL PROGRAMS, PROJECTS AND ACTIVITIES IN THE AREA OF PERSONNEL MANAGEMENT. 95% OF THE WORKERS AND 99,5% OF MANAGERS WORKING AT OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ARE FROM LOCAL POPULATION.

THE SEGMENT OF THE WORKS EMPLOYEES IN THE REGION ECONOMICALLY ACTIVE POPULATION MAKES ABOUT 30 %.

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" IS RESPONSIBLE IN ITS APPROACH TO SOLVING EMPLOYMENT ISSUES, COLLABORATES WITH STATE INSTITUTIONS, EMPLOYEES UNIONS AND OTHER ORGANIZATIONS IN THE SPHERE OF REGULATING LABOR AND RELATED RELATIONS. CONTRIBUTING TO DISCLOSURE OF PROFESSIONAL AND PERSONAL CAPABILITIES OF ITS EMPLOYEES, THE ENTERPRISE CREATES THE CONDITIONS FOR THEIR PROFESSIONAL AND CAREER PROGRESS.

TOTAL AMOUNT OF PERSONNEL AS OF 31.12.2012 EQUALS TO 12447 PEOPLE AND GREW BY 71 PEOPLE COMPARED TO THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR.

GROWTH OF THE NUMBER OF EMPLOYEES BY 74 PEOPLE WAS DUE TO RECRUITING OF YOUNG SPECIALISTS – GRADUATES FROM ZHLOBIN STATE METALLURGICAL COLLEGE AND HIGHER EDUCATIONAL ESTABLISHMENTS, STAFFING OF A NEW LOGISTICS SERVICE ARRANGED AFTER ACCOMPLISHMENT OF THE CONSTRUCTION OF THE 3RD LINE OF PIPE FINISHING AND RECONSTRUCTION OF THE THERMAL ETCHING – GALVANIZING DEPARTMENT OF SWS-1. AS A RESULT, THE PERSONNEL STRUCTURE SUFFERED SMALL CHANGES IN THE DIRECTION OF INCREASE OF ITS NUMBER PER THE CATEGORIES OF EMPLOYEES:



Численность персонала по годам, чел.



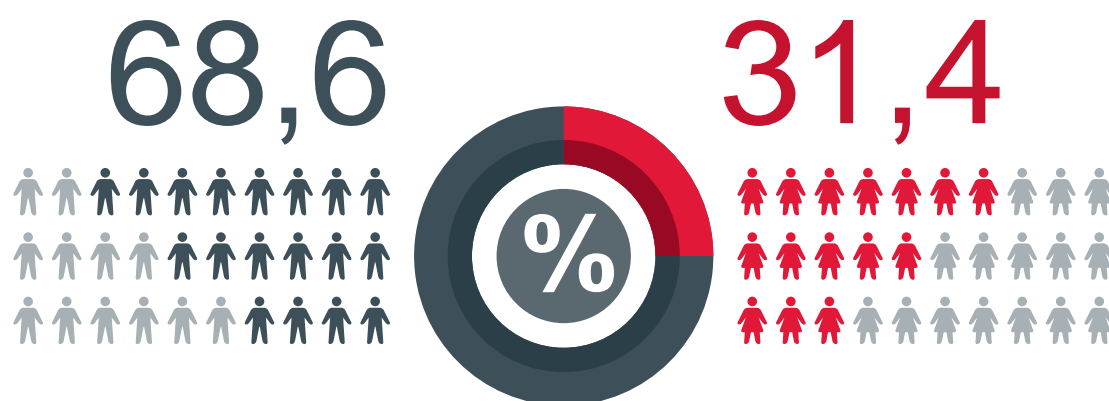
CATEGORY	2007	2008	2009	2010	2011	2012	DEVIATION
DEVIATION	12 409	12 445	12 132	12 463	12 373	12 447	+74
MANAGERS, PERS.	1 153 (9,3%)	1127 (9,1%)	1126 (9,3%)	1159 (9,3%)	1190 (9,6%)	1 216 (9,8%)	+26
SPECIALISTS, PERS.	1 784 (14,4%)	1773 (14,2%)	1717 (14,2%)	1793 (14,4%)	1790 (14,5%)	1 871 (15,0%)	+81
EXECUTIVES, PERS.	167 (1,3%)	167 (1,3%)	164 (1,4%)	167 (1,3%)	158 (1,3%)	159 (1,3%)	+1
WORKERS, PERS.	9305 (75,0%)	9378 (75,4%)	9125 (75,2%)	9 344 (75,0%)	9 235 (74,6%)	9 201 (73,9%)	-34

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING HAS A WELL-BALANCED AGE COMPOSITION OF THE EMPLOYEES. THE MAIN CONTINGENT IS COMPOSED OF WORKERS AGED 39,6 - 41,8 HAVING THE REQUIRED KNOWLEDGE AND PROFESSIONAL SKILLS.

CATEGORY	2006	2007	2008	2009	2010	2011	2012
AVERAGE AGE OF THE EMPLOYEES, YEARS	39,0	39,30	39,34	39,8	39,7	39,9	40,0

GENDER COMPOSITION OF THE WORKERS HASN'T CONSIDERABLY CHANGED AS COMPARED WITH 2011. AS OF 31.12.2012 BSW EMPLOYED: – 68,6 % MEN; – 31,4 % WOMEN.

PREVALENCE OF MALE EMPLOYEES IS DUE TO THE SERIOUS HAZARD LEVEL AT THE PRODUCTION SITES, SPECIFIC LABOR CONDITIONS IN METALLURGICAL INDUSTRY.



MANPOWER TURNOVER IN 2012 WAS 2,59%.

YEAR	2006	2007	2008	2009	2010	2011	2012
MANPOWER TURNOVER, %	1,49	1,87	1,92	1,63	2,4	2,7	2,59

Social activity

MORE THAN HALF OF THE PLANT'S EMPLOYEES HAVE HIGHER AND SPECIALIZED SECONDARY EDUCATION. IN THE REPORTING YEAR, NUMBER OF EMPLOYEES WITH A HIGHER EDUCATION GREW BY 210 PEOPLE COMPARED TO 2011. THE NUMBER OF THE EMPLOYEES WITH SPECIALIZED SECONDARY EDUCATION DECREASED BY 16 PEOPLE. THERE IS A TENDENCY TOWARDS DECREASE OF THE SHARE OF THE EMPLOYEES WITH SECONDARY EDUCATION.

CATEGORY	UNIT	2007	2008	2009	2010	2011	2012	DEV.
TOTAL NUMBER	PERS.	12 409	12 445	12 132	12 463	12 376	12 447	+71
HIGHER EDUCATION	%	23,5	24,2	25,1	25,1	25,5	27,0	
SPECIALIZED SECONDARY EDUCATION	PERS.	2905	3016	3 045	3 132	3 150	3 360	+210
SECONDARY TECHNICAL EDUCATION	%	26,4	26,1	26,0	26,0	26,3	26,0	
HIGHER EDUCATION	PERS.	3284	3243	3 156	3 243	3 255	3 239	-16
SPECIALIZED SECONDARY EDUCATION	%					17,6	17,5	
	PERS.					2 174	2 179	+5
SECONDARY	%	50,1	49,7	48,9	48,9	30,6	29,5	
	PERS.	6220	6186	5 931	6 088	3 797	3 669	-128
CANDIDATES OF SCIENCE	PERS.	9	9	9	8	9	8	-1
POSTGRADUATES	PERS.	4	5	6	6	7	5	-2
UNDERGRADUATES	PERS.	8	14	15 CLUDING 5 BEING TRAINED)	18 CLUDING 8 BEING TRAINED)	16 CLUDING 4 BEING TRAINED)	16 CLUDING 3 BEING TRAINED)	0

Образовательный свод предприятия

THE IMAGE OF A STRONG AND CONTINUOUSLY WORKING ENTERPRISE MAKES OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ATTRACTIVE FOR POTENTIAL WORKERS AND SOLVES THE ISSUE OF THE PROSPECTIVE HUMAN RESOURCE PROVISION.

IN 2012 THE PLANT SELECTED CANDIDATES AND RECRUITED 683 PEOPLE FROM THE RESIDENTS OF THE REGION TAKING INTO CONSIDERATION THE LEVEL OF COMPETENCE SO AS TO SATISFY ITS NEED IN PERSONNEL.

THE ENTERPRISE PUTS GREAT EMPHASIS ON RECRUITMENT AND ADAPTATION OF YOUNG SPECIALISTS. TAKING ACCOUNT OF THE PRODUCTION OUTPUT GROWTH RATE, THE PLANT PLACED 166 YOUNG SPECIALISTS IN JOB IN 2012. IT IS PLANNED TO INCREASE THE NUMBER OF GRADUATES FROM HIGHER EDUCATIONAL ESTABLISHMENTS APPLYING FOR WORK AND THEIR RECRUITING CONSIDERABLY IN 2013.

YEAR	2006	2007	2008	2009	2010	2011	2012
NUMBER OF YOUNG SPECIALISTS	121	107	188	85	111	113	166

Количество молодых специалистов, чел.

ORGANIZATION OF A METHODICAL WORK WITH YOUNG SPECIALISTS IS ONE OF THE PRIORITY DIRECTIONS OF THE ENTERPRISE PERSONNEL POLICY. AVAILABILITY OF CONSTANTLY DEVELOPING POTENTIAL OF THE PERSONNEL REPRESENTED BY YOUNG SPECIALISTS IS THE MOST IMPORTANT CONDITION OF THE MANAGEMENT SUCCESSION, ENHANCEMENT OF MANAGEMENT EFFICIENCY, ENSURING STABLE SOCIAL-ECONOMIC DEVELOPMENT OF THE PLANT. ONE OF THE MOST SIGNIFICANT EVENTS WITHIN THE SYSTEM OF WORK WITH YOUNG SPECIALISTS IS A SCIENTIFIC AND TECHNICAL CONFERENCE. SINCE 2010 THE CONFERENCE IS HELD ACCORDING TO THE DOUBLE-STAGE SCHEME:



– THE FIRST STAGE (CORPORATIVE) – TO DETERMINE WINNERS AMONG THE COMPANY EMPLOYEES IN ELEVEN SUBJECT SESSIONS;

– THE SECOND STAGE (INTERNATIONAL) – FOR WINNERS OF THE FIRST STAGE AND EMPLOYEES OF EDUCATIONAL ESTABLISHMENTS, REPRESENTATIVES OF THE ORGANIZATIONS AND ENTERPRISES OF THE REPUBLIC OF BELARUS AND OTHER COUNTRIES. THIS YEAR OVER 206 YOUNG SPECIALISTS BECAME PARTICIPANTS OF THE 12TH INTERNATIONAL CONFERENCE “METAL -2012” ORGANIZED ON THE BASE OF OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING.

THE PERSONNEL POLICY OF OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING IS AIMED AT DISCOVERING THE INDIVIDUAL POTENTIAL OF EACH EMPLOYEE AND ITS DEVELOPMENT IN COORDINATION WITH THE STRATEGIC GOALS. THE EXISTING EVALUATION SYSTEM ALLOWS THE PLANT TO DETERMINE COMPLIANCE OF EACH EMPLOYEE WITH THE POSITION OCCUPIED AND CREATE CONDITIONS FOR CARRYING-OUT EMPLOYMENT DUTIES MORE SUCCESSFULLY AND EFFICIENTLY. THE FOUNDING PRINCIPLES IN THE AREA OF THE PERSONNEL EFFICIENCY MANAGEMENT ARE OBJECTIVITY AND OPENNESS.

IN ORDER TO IMPROVE THE BASE REQUIRED FOR THE PERSONNEL EVALUATION, SINCE 2008 LOCAL REGULATIONS HAVE BEEN DEVELOPED AND ARE OPERATING; THEY REGULATE THE PROCEDURE OF ASSESSMENT AND CERTIFICATION OF THE COMPANY MANAGEMENT AND SPECIALISTS. THE ASSESSMENT PROCEDURE IS BASED ON THE CONSTRUCTIVE DIALOGUE BETWEEN A WORKER AND A MANAGER.

618 MANAGERS AND SPECIALISTS OF THE ENTERPRISE WERE ASSESSED AND 413 EMPLOYEES WERE CERTIFIED FOR COMPLIANCE WITH THE POSITION OCCUPIED ON THE BASIS OF THE “360 DEGREES METHOD” IN 2012.

IN ITS PRACTICAL ACTIVITY BSW RECOGNIZES INVIOABILITY OF HUMAN RIGHTS AND TAKES ALL THE REQUIRED MEASURES TO ASSURE AND PROTECT THEM. GUIDED BY THE APPROACHES OF THE UN GLOBAL COMPACT IN THE HUMAN RIGHTS SPHERE, OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING SEEKS TO PREVENT POSSIBLE CONFLICTS OF INTERESTS OF THE EMPLOYEES, MANAGERS AND THE COMPANY. PRINCIPLES OF NON-ADMISSION OF CONFLICTS OF INTERESTS AND THEIR SETTLEMENT ARE GIVEN IN THE

PLANT’S CODE OF ETHICS. PREVENTING CONFLICTS OF INTERESTS THE COMPANY SEEKS IMPROVEMENT OF THE EFFICIENCY OF ITS ACTIVITY, CREATION OF THE ATMOSPHERE OF TRUST AND OPENNESS IN THE RELATIONSHIPS WITH THE PERSONS CONCERNED, ENHANCING BUSINESS IMAGE AND REPUTATION OF THE ENTERPRISE. THE WORKING TOOLS FOR PREVENTING POSSIBLE CONFLICTS ARE: DIRECT TELEPHONE LINE WITH THE WORKS TOP MANAGEMENT AND REPRESENTATIVES OF THE STATE AUTHORITIES, “SIGNAL” HOTLINE AND OTHERS, THE WORK OF WHICH IS PERFORMED ON CONFIDENTIAL BASIS. IN ORDER TO ENSURE THE FEEDBACK, THE ENTERPRISE APPOINTED RESPONSIBLE PERSONS, WHO REVIEW THE EMPLOYEES’ APPEALS CONCERNING VARIOUS ISSUES INCLUDING THE SAFETY AND LABOUR PROTECTION ISSUES, ENVIRONMENT AND PROFESSIONAL ETHICS. TRANSPARENCY AND OPENNESS OF BMZ BECOMES ONE OF THE LEADING MANAGEMENT PRINCIPLES THAT ALLOWS THE PLANT TO CREATE CONFIDENTIAL RELATIONS WITH ALL THE PARTIES CONCERNED INCLUDING THE COMPANY EMPLOYEES.

WITHIN THE FRAMEWORK OF THE PERSONNEL MOTIVATION PROGRAM THE SOCIOLOGICAL SERVICE OF THE PLANT CARRIED OUT A STUDY OF THE SOCIAL AND PSYCHOLOGICAL CLIMATE AMONG THE EMPLOYEES WHICH WAS PARTICIPATED BY MORE THAN 10% OF THE STAFF (1381 PEOPLE). COMPLEX INDEX OF SATISFACTION IN 2012 REMAINED AT THE HIGH LEVEL OF 2011 AND EQUATED TO 0,72. THIS VALUE CHARACTERIZES POSITIVENESS AND STEADINESS OF THE SOCIAL AND PSYCHOLOGICAL CLIMATE IN THE PERSONNEL TEAM. THE STAFF IS SATISFIED WITH ITS WORK AND WITH THE PLANT IN GENERAL. SO AS TO MAINTAIN THE HIGH LEVEL OF SATISFACTION OF THE STAFF, A CORRESPONDING PROGRAM WAS WORKED OUT.

PROFESSIONAL AND CAREER DEVELOPMENT

REALIZATION OF THE PERSONNEL POLICY BASED ON THE PRINCIPLES OF EQUALITY, JUSTICE AND AWARD DEPENDING ON PERSONAL SKILLS AND IRRESPECTIVE OF ORIGIN, AGE, GENDER, RACE, NATIONALITY AND RELIGION OF AN EMPLOYEE IS PERFORMED IN CONFORMITY WITH THE REQUIREMENTS OF THE EXISTING LEGISLATION OF THE REPUBLIC OF BELARUS, UNIVERSALLY ACKNOWLEDGED NORMS AND PRINCIPLES OF THE INTERNATIONAL LAW INCLUDING THE UN GLOBAL COMPACT AND THE CONVENTION OF THE INTERNATIONAL LABOR ORGANIZATION.

Social activity

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ENSURES EQUAL POSSIBILITIES FOR ALL EMPLOYEES TO REALIZE THEIR POTENTIAL IN THE PROCESS OF THEIR WORKING ACTIVITY, FAIR AND UNBIASED ASSESSMENT OF THE WORK RESULTS, SELECTION OF THE PERSONNEL DURING RECRUITMENT AND CAREER PROMOTION ACCORDING TO THE PROFESSIONAL SKILLS AND KNOWLEDGE.

THE COMPANY SCALE ALLOWS THE EMPLOYEES TO REALIZE THEIR PROFESSIONAL AMBITIONS, GAIN NEW EXPERIENCE AND ENHANCE THEIR QUALIFICATION DEGREE. REALIZING THE APPROACHES IN SOCIAL SPHERE, THE COMPANY PLACES SPECIAL EMPHASIS ON THE INTERNAL HUMAN RECOURCES POTENTIAL DURING SELECTION AND APPOINTMENT OF MANAGERS AND SPECIALISTS.

IN ORDER TO IMPLEMENT THE LONG-TERM STRATEGY OF THE ENTERPRISE'S DEVELOPMENT, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING FORMED A MULTI-LEVEL PERSONNEL RESERVE OF THE MANAGEMENT. THE RESERVE IS MEANT FOR MEETING THE REQUIREMENT OF THE COMPANY IN MANAGEMENT EMPLOYEES HAVING A RANGE OF BASIC ADMINISTRATIVE COMPETENCE. IN ORDER TO DEVELOP THE COMPETENCE NECESSARY FOR A MANAGER AND CREATE A REAL PERSPECTIVE FOR PROFESSIONAL AND CAREER PROMOTION OF THE WORKERS, STAGED TRAINING OF HUMAN RESOURCES WAS ORGANIZED ACCORDING TO THE EXISTING SYSTEM. THE TRAINING PROGRAMS STIPULATE EDUCATION OF THE RESERVE FROM THE LEVEL OF A FOREMAN TO THE TOP-MANAGER LEVEL CONSIDERING THE SPECIFIC CHARACTER OF THE WORK FULFILLED ("YOUNG MANAGER SCHOOL" AND "MANAGEMENT SCHOOL"). THE PROGRAMS AND TRAININGS FOR DEVELOPING CORPORATE AND MANAGER COMPETENCE WERE AIMED AT THE PERSONNEL RESERVE AS A PRIORITY CATEGORY OF HUMAN RESOURCES. SPECIALISTS OF THE LEADING EDUCATIONAL ESTABLISHMENTS

OF THE REPUBLIC OF BELARUS ARE ENGAGED IN THE TRAINING PROCESS UNDER BILATERAL CONTRACTS SIGNED. FOR THE ACCOUNTING PERIOD OVER 90% OF MANAGEMENT APPOINTMENTS FROM AMONG THE EMPLOYEES INCLUDED INTO THE WORKS PERSONNEL REGISTER AND CERTIFIED AFTER PASSING SUCH TRAINING TOOK PLACE. MOREOVER, THE PROJECT OF ANNUAL TRAINING OF ONE SPECIALIST OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING AT STEMCOR UK LIMITED, ONE OF LARGEST STEEL TRADING COMPANIES HAVING OFFICES IN MANY COUNTRIES WORLDWIDE AND THE CENTRAL OFFICE LOCATED IN LONDON, WAS LOGICALLY CONTINUED. AIM OF THE PROJECT IS TRAINING IN MANAGEMENT AND BUSINESS AS WELL AS WESTERN MODEL OF BUSINESS PROCESS MANAGEMENT. THIS TYPE OF TRAINING WILL HELP THE TRAINEE TO SEE AND TO FEEL WITH HIS/HER OWN HANDS ALL ASPECTS OF ACTIVITY OF THE GLOBAL COMPANY AND TO APPLY THEM IN ACTUAL ACTIVITY OF BSW.

FULFILLING THE PERSONNEL POTENTIAL DEVELOPMENT PROGRAMS AND ENHANCING THE EFFICIENCY OF THE STRUCTURAL SUBDIVISIONS ACTIVITY, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ANNUALLY ORGANIZES ROTATION OF SPECIALISTS. THE STAFF ROTATION IS USED AS A METHOD OF DECREASING LABOR MONOTONY AND ROUTINE, AND ENRICHMENT THE WORK ACTIVITY CONTENT DUE TO A GREATER VARIETY OF FUNCTIONS AND AS ONE OF THE LABOR MOTIVATION FACTORS. BESIDES, THE ROTATION CONTRIBUTES TO ACQUIRING A MORE DIVERSE PRACTICAL EXPERIENCE REQUIRED FOR BEING PROMOTED TO ONE OR ANOTHER MANAGEMENT POSITION.

IN 2012 TEMPORARY APPOINTMENTS TOOK PLACE IN ORDER TO INCREASE SPECIALISTS' QUALIFICATION, DETERMINE THEIR POTENTIAL ABILITIES FOR PUTTING INTO THE PERSONNEL RESERVE AS WELL AS FOR THE PURPOSE OF PROMOTING CAREERS OF THE YOUNG WORKERS HAVING HIGHER EDUCATION:

FACTOR	2008	2009	2010	2011	2012
NUMBER OF THE ROTATION PROGRAM PARTICIPANTS	34	27	56	103	152
ROTATION RESULTS:					
- PROMOTION TO A SPECIALIST POSITION	17	10	20	29	71
- APPOINTMENT TO A MANAGER POSITION	3	4	2	11	15
- QUALIFICATION IMPROVEMENT	14	13	34	63	66

Показатели программы ротации кадров, чел.



SO AS TO PREVENT CORRUPTION, THE PLANT ARRANGES ROTATION OF THE SPECIALISTS OF THE COMMERCIAL SERVICES OF THE COMPANY (RMPB, MTPB, EPB). 40% OF THE EMPLOYEES OF THE ABOVE DIVISIONS PARTICIPATED IN ROTATION IN 2012.

DURING THE ANNUAL INTEGRATED STUDY OF THE SOCIAL-PSYCHOLOGICAL CLIMATE IN THE TEAMS OF STRUCTURAL SUBDIVISIONS HELD BY THE SOCIOLOGICAL SERVICE OF THE WORKS, THE RESPONDENTS GIVE AN AVERAGE ESTIMATE REGARDING THE PROMOTION AND CAREER OPPORTUNITIES (THE SATISFACTION INDEX MADE UP 0,65 AGAINST 0,67 IN 2011).

TRAINING AND EDUCATION

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING SEES ITS PERSONNEL AS ITS MAJOR ASSET AND TAKES CORRESPONDING MEASURES REGARDING ITS RETAINING AND DEVELOPMENT CREATING CONDITIONS FOR PROFESSIONAL GROWTH AND EDUCATION. BYELORUSSIAN STEEL WORKS GIVES ALL ITS EMPLOYEES THE RIGHT FOR PROFESSIONAL EDUCATION ON DIFFERENT STAGES OF LABOR ACTIVITY ORIENTATING AT LONG-TERM RELATIONS WITH THE PERSONNEL AND CONSIDERS EDUCATION TO BE AN INVESTMENT INTO THE HUMAN CAPITAL ASSETS.

IN THE PRESENT CONDITIONS OF SEVERE COMPETITION OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING AIMS AT SEARCHING FOR CURRENT SALES MARKETS, TECHNOLOGIES OF THE FUTURE, COST-SAVING RESERVES AND OTHER OPTIMIZATION POSSIBILITIES.

PERSONNEL QUALITY BECAME A DETERMINING FACTOR OF THE WORKS COMPETITIVE ABILITY. ENSURING PERSONNEL QUALITY IS ONE OF THE PRIORITY TARGETS OF THE CORPORATE SOCIAL RESPONSIBILITY POLICY. IT IS IMPOSSIBLE WITHOUT THE DEVELOPED INTERNAL TRAINING SYSTEM. GUIDED BY THE LABOR AND EDUCATION LEGISLATION, THE PROFESSIONAL EDUCATION SYSTEM IS CONTROLLED BY THE CORPORATE TRAINING CENTER.

BY CARRYING OUT AN EFFICIENT OPERATION OF THE CONTINUOUS PROFESSIONAL EDUCATION SYSTEM, THE TRAINING CENTER SOLVES THE FOLLOWING OBJECTIVES IN THE PERSONNEL MANAGEMENT SYSTEM:

– PROVIDING THE SUBDIVISIONS OF THE PLANT WITH PROFESSIONAL STAFF OF THE REQUIRED QUALIFICATION LEVEL;



НА БМЗ ХОРОШО РАЗВИТАЯ ИНФРАСТРУКТУРА И СИСТЕМА ПОДГОТОВКИ КАДРОВ. МОЕ ЛИЧНОЕ МНЕНИЕ: РАБОТА МЕТАЛЛУРГИЧЕСКОГО ПРОИЗВОДСТВА В ПЕРВУЮ ОЧЕРЕДЬ ЗАВИСИТ ОТ КВАЛИФИКАЦИИ ПЕРСОНАЛА. А У ВАС ЭТО ЕСТЬ

И.О.НАЧАЛЬНИКА ОТДЕЛЕНИЯ НА СТАНЕ 150
ОАО «СЕВЕРСТАЛЬ»
А.ТОТЛАДЗЕ

– PROVIDING THE PERSONNEL SUPPORT OF INNOVATIVE PROCESSES

– RETAINING AND DEVELOPMENT OF THE PROFESSIONAL POTENTIAL AND STAFF COMPETITIVE ABILITY;

– PROVIDING THE SUBDIVISIONS WITH THE MANAGEMENT STAFF RESERVE HAVING A DEVELOPED CORPORATE AND MANAGEMENT COMPETENCE;

– ORGANIZING TRAINING OF THE SPECIALISTS, MANAGEMENT STAFF AND THEIR RESERVE;

– CREATING THE SYSTEM OF TUTORSHIP AND SHARING OF KNOWLEDGE;

– IMPROVEMENT OF THE FORMS AND METHODS OF TRAINING, INTRODUCTION OF ADVANCED EDUCATIONAL METHODS (DEVELOPMENT OF THE REMOTER ELECTRONIC SYSTEM OF MODULE TRAINING "LEARNBMZ" WITH THE SUBSEQUENT ALLOCATION ON THE INTERNAL PLANT'S SITE);

– FORMATION OF A PERSONNEL RESERVE OF THE REQUIRED QUALIFICATION WITH REGARD TO NONPROFESSIONAL OCCUPATIONS FROM AMONG THE REGION RESIDENTS;

– ORGANIZATION OF EXPERIENCE AND KNOWLEDGE EXCHANGE IN THE COURSE OF RENDERING OF EDUCATIONAL SERVICES TO ORGANIZATIONS AND ENTERPRISES OF OUR REPUBLIC, NEIGHBOURING AND FAR FOREIGN COUNTRIES.

IN ORDER TO SOLVE THE ABOVE TASKS THE TRAINING CENTER IS EQUIPPED WITH THE NEWEST TRAINING AIDS. EVERYTHING IS ARRANGED IN SUCH A WAY THAT TRAININGS ARE MAXIMALLY EFFICIENT. AVAILABILITY OF THE TRAINING AIDS AND MULTIMEDIA AP-

Social activity

PLICATIONS DEVELOPED BY THE TEACHERS AND MASTERS OF THE TRAINING CENTER BASED ON THE TECHNOLOGIES AND EQUIPMENT IMPLEMENTED AT THE ENTERPRISE FACILITATES LEARNING THE MATERIAL. THE EDUCATION PROCESS APPLIES BOTH TRADITIONAL FORMS AND MODERN EDUCATION TECHNOLOGIES.

THE MAIN FORM OF THE EDUCATION PROCESS ORGANIZATION IS DUAL THAT MEANS A WELL-BALANCED COMBINATION OF ACQUIRING THEORETICAL KNOWLEDGE AND PRACTICAL SKILLS.

A PARTICULAR ATTENTION IS PAID TO THE MODULAR EDUCATION TECHNOLOGY THAT LAYS STRESS BOTH ON ACQUIRING PARTICULAR KNOWLEDGE AND DEVELOPING THE PERSONNEL'S ABILITY FOR SELF-EDUCATION AND SELF-IMPROVEMENT.

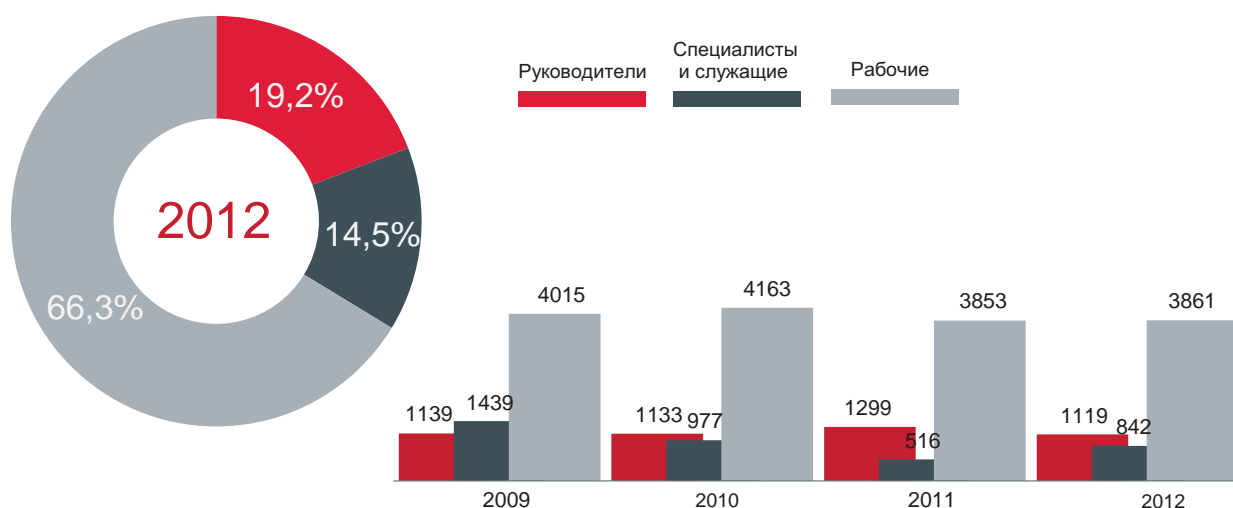
EDUCATION AND DEVELOPMENT OF THE PERSONNEL IS CARRIED-OUT IN CONFORMITY WITH THE CURRENT AND PERSPECTIVE DEMANDS OF THE COMPANY.

A DIFFERENTIAL APPROACH TO THE EDUCATION PROGRAMS FORMATION IS APPLIED DEPENDING ON A WORKER'S QUALIFICATION LEVEL. PROGRAMS OF CONTINUOUS PROFESSIONAL TRAINING STIPULATE STUDYING THE ISSUES OF SPECIAL TECHNOLOGIES, CIVIL, POLITICAL, ECONOMIC, SOCIAL AND CULTURAL HUMAN RIGHTS, REQUIREMENTS OF ENVIRONMENT PROTECTION SYSTEMS, QUALITY MANAGEMENT, LABOR AND INDUSTRIAL SAFETY, ENERGY SAVING ISSUES.

CONTINUOUS EDUCATION IS ENSURED BY RATIONAL COMBINATION OF PROFESSIONAL EDUCATION IN EDUCATIONAL ESTABLISHMENTS, SYSTEMATIC SELF-EDUCATION AS WELL AS STUDYING IN THE TRAINING CENTER AND ON WORKING PLACES.

5822 EMPLOYEES (46,8% OF THE TOTAL NUMBER OF THE STAFF) TOOK VARIED TYPES OF EDUCATION AND ACQUIRED NEW KNOWLEDGE IN 2012.

CATEGORY OF THE TRAINED EMPLOYEES	NUMBER OF PEOPLE TRAINED, PERSONS				% OF THE TOTAL NUMBER TRAINED				% OF THE TOTAL NUMBER OF THIS CATEGORY			
	2010	2011	2012	CHANGES	2010	2011	2012	CHANGES	2010	2011	2012	CHANGES
MANAGERS	1133	1299	1119	-180	18	22,9	19,2	-3,7	97,8	109,1	91,95	-17,1
SPECIALISTS	953	516	825	+309	15,2	9,1	14,2	+5,1	53	28,8	44,1	+15,3
OFFICE WORKERS	24	-	17	+17	0,4	-	0,3	+0,3	14,8	-	10,7	+10,7
WORKERS	4163	3853	3861	+6	66,4	68	66,3	-1,7	44,5	41,3	41,9	+0,6
TOTAL	6273	5668	5822	+154	100	100	100	0	50,3	45,8	46,8	+1



Показатели обучения кадров



BYELORUSSIAN STEEL WORKS IS ALWAYS READY FOR THE DIALOG WITH THE PARTIES CONCERNED REGARDING ISSUES OF IMPROVEMENT OF PROFESSIONALISM, SCHOLARSHIP AND EMPLOYEES' COMPETENCE DEVELOPMENT.

IN RECENT YEARS EACH EMPLOYEE TOOK ONE TYPE OF EDUCATION. AVERAGE EDUCATION TIME PER ONE EMPLOYEE OF THE COMPANY IN 2012 EQUALED TO 40,9 HOURS.

YEAR	2009	2010	2011	2012
AVERAGE NUMBER OF HOURS	38	40,5	40,7	40,9

Average number of training hours per one employee of the Company in 2012

YEAR	2009	2010	2011	2012
INVESTMENTS, \$ USA	283,3	145,0	105,6	158,7

Investments in the personnel training, USD thou.

GROWTH OF INVESTMENTS IN PROFESSIONAL TRAINING WAS OVER USD 53 THOU. COMPARED TO 2011.

FULFILLMENT OF TARGETS IN 2012 WAS REACHED DUE TO DECREASE OF THE VOLUME OF EXPENSIVE TRAINING ON EXTERNAL SITES AND A MORE COMPLETE USE THE COMPANY INTERNAL POTENTIAL FOR ORGANIZATION OF THE PRODUCTION TRAINING.

BUT OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING CONTINUES ACTIVE DEVELOPMENT OF INTERNATIONAL COOPERATION IN THE AREA OF PREPARATION AND ENHANCEMENT OF QUALIFICATION OF ITS EMPLOYEES. IN CONNECTION WITH ITS LARGE INVESTMENT PROGRAM THE ENTERPRISE EXPANDS TRAINING OF THE EMPLOYEES ABLE TO OPERATE MODERN WORLD-LEVEL EQUIPMENT. EDUCATION AND TRAINING IN EDUCATIONAL CENTERS AND ENTERPRISES OF ENGLAND, ITALY, GERMANY, CHINA, AND OTHER COUNTRIES TO ADOPT BEST PRACTICES WAS ORGANIZED.

IN 2012 OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING CONTINUED ITS INTERNATIONAL COOPERATION IN EXCHANGING ACCUMULATED EXPERIENCE AND KNOWLEDGE OF STEELMAKING PROCESSES WITH SPECIALISTS OF SIMILAR ENTERPRISES OF FAR AND NEARBY FOREIGN COUNTRIES:

OJSC "LIEPAJAS METALLURGS" (LATVIA), SSM PLANT (SLOVAKIA), TENARIS (MEXICO).

DURING TWO DAYS IN NOVEMBER A SCHOOL OF EXPERIENCE EXCHANGE WORKED ON THE BASIS OF BSW. REPRESENTATIVES OF RUSSIAN STEEL ENTERPRISES GATHERED TO DISCUSS ISSUES OF PRODUCTION METHODS AND ROLLED METAL QUALITY.

IN THE AREA OF PROFESSIONAL TRAINING OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING FORMS UP LONG-TERM RELATIONS WITH A NUMBER OF LEADING EDUCATIONAL ESTABLISHMENTS HAVING RECOMMENDED THEMSELVES IN RENDERING OF EDUCATIONAL SERVICES: INSTITUTE OF QUALIFICATION UPGRADING AND RETRAINING ACCORDING TO NEW DIRECTIONS OF DEVELOPMENT OF TECHNOLOGY AND ECONOMICS OF BELARUSIAN NATIONAL TECHNICAL UNIVERSITY «, "STATE INSTITUTE OF QUALIFICATION UPGRADING AND RETRAINING OF MANAGERS AND INDUSTRIAL SPECIALISTS «INDUSTRY STAFF», FEDERAL EDUCATIONAL ESTABLISHMENT OF HIGHER PROFESSIONAL TRAINING "NATIONAL RESEARCH TECHNOLOGICAL UNIVERSITY "MISiS (SRTU "MISiS") MOSCOW, ACADEMY OF POST-GRADUATE EDUCATION, MOSCOW CHEMICAL INSTITUTE NAMED AFTER D.I. MENDELEEV, CENTRE OF INNOVATION MANAGEMENT OF BELARUSIAN STATE UNIVERSITY, "REPUBLICAN HIGHER SCHOOL INSTITUTION».

SO AS TO PROVIDE PIPE PRODUCTION WITH HIGHLY QUALIFIED PERSONNEL, IN 2012 THE PLANT STARTED TO IMPLEMENT A NEW, THREE-STAGE PROJECT AIMED AT ORGANIZATION OF GETTING THE SECOND STAGE OF HIGHER EDUCATION IN MATHEMATICS TAKING INTO CONSIDERATION



"QUITE A NEW TREND APPEARED NOW: THE SITUATION IS SO THAT A CONSTRUCTIVE INTERACTION OF COMPETITORS APPEARS TO BE VERY USEFUL. MOREOVER, IT IS NEXT TO IMPOSSIBLE TO ENSURE HIGH EFFICIENCY WITHOUT IT. BYELORUSSIAN STEEL WORKS IS KNOWN HERE AS AN ENTERPRISE OF NEW TECHNOLOGIES PRODUCING HIGH-QUALITY PRODUCTS. RUSSIAN STEELMAKERS ENVY THE BELARUSIANS BECAUSE OF YOUR PLANT."

N.N. GUGIS,
PRESIDENT OF THE CORPORATION
OF FERROUS METALS PRODUCERS LTD.

Social activity

THE SPECIFIC CHARACTER OF THE PIPE PRODUCTION AT BYELORUSSIAN STEEL WORKS WITH ATTRACTION OF THE SCIENTIFIC POTENTIAL OF GTU NAMED AFTER P.O. SUKHOI AND MIS&A.

ALONGSIDE WITH SOLVING THE ISSUES REGARDING THE PERSONNEL QUALIFICATION IMPROVEMENT, THE COLLABORATION WITH HIGHER EDUCATIONAL ESTABLISHMENTS IS AIMED AT REACHING LONG-TERM STRATEGIC OBJECTIVES OF THE WORKS. THIS COOPERATION IS BENEFICIAL BOTH FOR EDUCATIONAL ESTABLISHMENTS AND OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING. THE PLANT OFFERS STUDENTS THE OPPORTUNITY TO UNDERTAKE MANUFACTURING PRACTICE AT THE ENTERPRISE. IN THE REPORTING YEAR, 815 PEOPLE HAD MANUFACTURING PRACTICE AT THE ENTERPRISE. DURING THE MANUFACTURING PRACTICE THE STUDENTS ARE GUIDED BY EXPERIENCED WORKERS AND SPECIALISTS. DETAILED ACQUAINTANCE WITH THE PRODUCTION TAKES PLACE ON A WORKING PLACE. A STUDENT CAN FEEL BEING OF THE WORKING TEAM, TRY HIS SKILLS AND ADOPT THE MENTORS' EXPERIENCE, THUS OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING OPENLY DEMONSTRATES ITS POTENTIAL EMPLOYEES THE POSSIBILITY OF ACQUIRING INTERESTING WORK AND PERSONAL REALIZATION.

SOLVING MEDIUM-TERM STRATEGIC GOALS IN THE SPHERE OF PREPARATION OF HIGHLY-PROFESSIONAL PERSONNEL IS CONNECTED WITH THE STATE EDUCATIONAL ESTABLISHMENT "ZHLOBIN METALLURGICAL COLLEGE", WHICH CONDUCTS ITS ACTIVITY AT THE EXPENSE OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING INVESTMENTS. FOR ORGANIZING THE COLLEGE ACTIVITY IN 2012 THE COMPANY SPENT USD1,03 млн. MILLION OF THE CONSUMPTION MEANS. THE COLLEGE CONDUCTS PREPARATION OF TECHNOLOGISTS FOR BASIC PRODUCTION SUBDIVISIONS FROM AMONG THE BEST REPRESENTATIVES OF THE REGION YOUNG GENERATION, WHO PASSED COMPETITIVE SELECTION ACCORDING TO THE EDUCATIONAL PROGRAMS COORDINATED WITH THE WORKS.

AT ALL TIMES CORPORATE SOCIAL DEVELOPMENT AND SOCIAL INVESTMENTS REMAIN SOURCES OF ENHANCING THE WORKS COMPETITIVE ABILITIES. POSSESSING MODERN EDUCATIONAL BASE AND HIGHLY-QUALIFIED SPECIALISTS, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING MAKES ITS CONTRIBUTION IN THE DEVELOPMENT OF COMMUNITY HELPING WITH TRAINING OF QUALIFIED WORKERS FOR THE INDUSTRIAL ENTERPRISES OF THE TOWN, THE REGION, AND THE COUNTRY.

FORMATION OF THE REPUTATION OF THE MOST APPEALING EMPLOYER IS AN ESSENTIAL CONDITION FOR INVOLVEMENT OF CREATIVE, ACTIVE AND TECHNICALLY COMPETENT PERSONNEL IN THE PLANT OPERATION. BY RENDERING ASSISTANCE TO THE YOUNGER GENERATION IN RECEIVING MODERN EDUCATION AND STRENGTHENING THE MATERIAL AND TECHNICAL FOUNDATION OF THE REGION EDUCATIONAL ESTABLISHMENTS BYELORUSSIAN STEEL WORKS CREATES OWN PROMISING PERSONNEL RESERVE. FOR THESE PURPOSES THE CORRESPONDING MEANS WERE DIRECTED TO PRE-SCHOOL EDUCATIONAL INSTITUTIONS, SCHOOLS, CREATIVITY CENTERS FOR THE KIDS.

SPECIAL EMPHASIS IS PLACED ON THE WORK REGARDING PUPILS AND STUDENTS VOCATIONAL GUIDANCE THAT IS CARRIED OUT ON A REGULAR BASIS WITH DIRECT PARTICIPATION OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING SPECIALISTS. WITHIN THIS COURSE A RANGE OF THE FOLLOWING PROGRAMS IS IMPLEMENTED:

- PUPILS PARTICIPATION IN "OPEN DAY" FEAST AT BASIC EDUCATIONAL ESTABLISHMENTS;
- EXCURSIONS TO THE WORKS' MUSEUM;
- ORGANIZING YOUTH COMPETITIONS, CULTURAL EVENTS ENGAGING STUDENTS OF SCHOOLS AND SPECIALIZED EDUCATIONAL ESTABLISHMENTS.

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ENSURES THE RIGHT OF THE EMPLOYEES TO EDUCATION AND DEEMS INTELLECTUAL POTENTIAL AND PROFESSIONALISM OF ITS EMPLOYEES AN ESSENTIAL FACTOR REQUIRED FOR OWN DEVELOPMENT. ACCORDING TO THE DATA AVAILABLE AS OF 31.12.2012, 8 EMPLOYEES OF THE COMPANY TOOK EXTRA-MURAL COURSES IN HIGHER EDUCATIONAL ESTABLISHMENTS ON A CONTRACTUAL BASIS; 16 PEOPLE WERE TRAINED AT MA COURSES, 5 PEOPLE AT POST-GRADUATE COURSES. OVER FOUR HUNDRED WORKERS WERE EDUCATED INDEPENDENTLY.

ACCORDING TO THE RESULTS OF AN INTEGRATED STUDY OF THE SOCIAL AND PSYCHOLOGICAL CLIMATE IN THE SUBDIVISIONS, SATISFACTION WITH THE PERSPECTIVE OF QUALIFICATION ENHANCEMENT, PROFESSIONAL AND EDUCATIONAL LEVEL OBTAINED WAS ASSESSED AS SATISFACTORY (THE SATISFACTION INDEX MADE UP 0,70, SIMILAR TO 2011).



MOTIVATION SYSTEM

MATERIAL STIMULATION

OJSC "BSW – MANAGEMENT COMPANY OF "БМЗ" HOLDING ACKNOWLEDGES THE RIGHT OF THE EMPLOYEES TO DECENT, ECONOMICALLY SOUND AWARD FOR THEIR WORK RESULTS, STRIVES FOR PROVIDING ITS EMPLOYEES WITH WORK AND SALARY THAT RAISE THEIR LIVING STANDARDS. ACCORDING TO THE REQUIREMENTS OF THE BELARUSIAN LABOR LEGISLATION AND PRINCIPLES OF THE UN GLOBAL COMPACT THE PLANT STANDS FOR DECENT REMUNERATION OF LABOR, ABOLISHMENT OF FORCED AND CHILD LABOR.

THE MAIN OBJECTIVE OF ONE OF THE STRATEGIC LINES OF THE COMPANY POLICY IS CONSTANT INCREASE OF PRODUCTIVENESS AND QUALITY OF THE PERSONNEL LABOR, EFFICIENT APPLICATION OF THE EXISTING NORMS AND WAGE SYSTEMS AIMED AT MANUFACTURING HIGH-QUALITY COMPETITIVE PRODUCTS BASED ON THE RATIONAL USE OF EACH WORKER'S LABOR POTENTIAL AND ENHANCING PERSONNEL WELFARE GAINS.

ALL PAYMENTS AND PRIVILEGES PROVIDED FOR THE COMPANY EMPLOYEES APPLY TO THOSE WORKING FULL DAY AND HALF-TIME PRO RATA THEIR WORKING TIME.

ONE OF THE MOST PRECISE INDICATORS OF THE PLANT'S SOCIAL POLICY EFFECTIVENESS IS THE SALARY LEVEL.

SALARY IS THE MAJOR SOURCE OF INCOME OF THE WORKERS AND THE MAIN FACTOR FOR ENSURING A CERTAIN STANDARD OF WELL-BEING. COMPANY POLICY IN THE AREA OF REMUNERATION OF THE PERSONNEL INCLUDING TOP MANAGEMENT OF THE PLANT AND ITS DIVISIONS FORESEES ASSOCIATION OF LABOUR REMUNERATION WITH JOINT AND INDIVIDUAL KEY

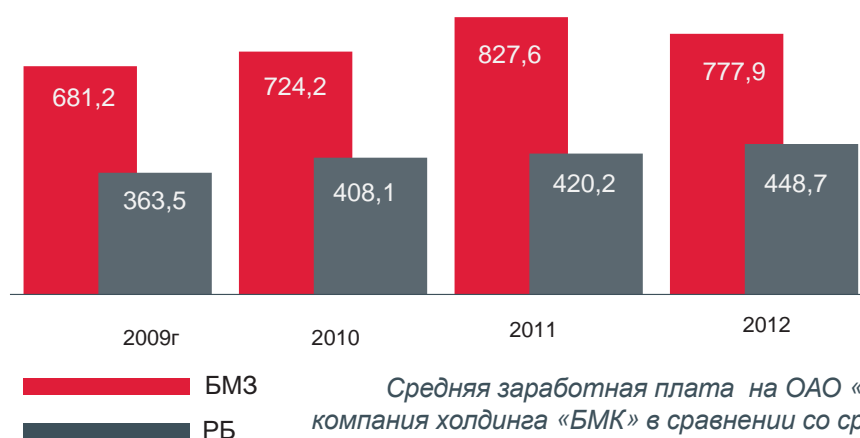
EFFICIENCY INDICES. IN ORDER TO ACHIEVE UNITY OF INTERESTS OF ALL CATEGORIES OF WORKERS IN INSURING HIGH FINAL RESULTS OF THE COMPANY PRODUCTION AND COMMERCIAL OPERATIONS IN GENERAL BASED ON ACCOUNTING AND ENCOURAGEMENT OF LABOUR CONTRIBUTION OF EVERY DIVISION AND A SINGLE WORKER, THE ENTERPRISE DEVELOPED THE BONUS SCHEME FOR LABOR STIMULATION.

IN THE EXISTING ECONOMIC SITUATION IT IS MOST TIMELY TO OBSERVE THE LOWEST LIMIT OF LABOUR PAYMENT FOR WEAKLY PROTECTED GROUPS OF WORKERS.

AVERAGE ANNUAL SALARY AT THE ENTERPRISE MADE UP USD 777,9 IN 2012. AVERAGE SALARY OF WORKERS AND OFFICE EMPLOYEES MADE UP USD 448,7 IN THE REPUBLIC OF BELARUS IN 2012, WHICH IS 1,73 LOWER THAN AT OJSC BSW.

SALARY ACCOUNTING IS MADE ACCORDING TO THE LEGISLATION EXISTING IN THE REPUBLIC OF BELARUS. THE ENTERPRISE REALIZES THE FOLLOWING PRINCIPLE: THE ACCRUED SALARY OF A WORKER, WHO FULLY COMPLETED THE LABOR HOURS AND WORKING NORMS, CANNOT BE LOWER THAN THE ESTABLISHED AMOUNT OF THE MINIMAL SALARY IN THE REPUBLIC OF BELARUS THAT MADE UP USD136,8 IN DECEMBER 2012.

OJSC "BSW – MANAGEMENT COMPANY OF "БМЗ" HOLDING IMPROVES THE NORMATIVE BASE IN THE AREA OF LABOR RELATIONSHIP AND INFORMS EVERY SINGLE EMPLOYEE OF THE LABOUR REMUNERATION CONDITIONS. ACCORDING TO THE PRINCIPLES OF THE UN GLOBAL COMPACT THE ENTERPRISE REALIZES THE PRINCIPLE OF EQUABLE AWARD FOR EQUALLY VALUABLE LABOR.



Средняя заработная плата на ОАО «БМЗ управляющая компания холдинга «БМК» в сравнении со средней заработной платой рабочих

Social activity

BYELORUSSIAN STEEL WORKS ENSURES JOB EVALUATION AND GIVES QUALIFICATION TO THE WORKERS, SPECIALISTS AND CLERKS ACCORDING TO THE EXISTING UNIFORM WAGE RATE BOOK OF WORKERS' JOBS AND PROFESSIONS AS WELL AS WAGE RATE BOOK FOR MANAGEMENT, SPECIALISTS AND CLERKS. THIS APPROACH ALLOWS THE PLANT TO AVOID A BIASED AND SUBJECTIVE ATTITUDE TO WORKERS IN THE PROCESS OF THEIR CAREER PROMOTION AND CONTRIBUTES TO INADMISSIBILITY OF THE WORKERS DISCRIMINATION OF ANY KIND.

THE TARIFF PART OF THE SALARY IS DETERMINED BASED ON THE MONTHLY TARIFF RATES ESTABLISHED BY THE UNIFIED WORKERS WAGE TARIFF SYSTEM OF THE REPUBLIC OF BELARUS AND THE COLLECTIVE AGREEMENT IN CONFORMITY WITH JOB EVALUATION IN THE ORGANIZATION ACCORDING TO THE CATEGORIES AS FOLLOWS:

– AS FAR AS WORKERS ARE CONCERNED, IT IS DETERMINED BY MULTIPLYING THE FIRST TARIFF RATE BY THE TARIFF MULTIPLIER OF THE CORRESPONDING TARIFF RATE ESTABLISHED FOR A WORKER IN COMPLIANCE WITH THE GENERAL PROVISIONS OF THE UNIFORM WAGE-RATES AND SKILLS HANDBOOK BASED ON THE TARIFF-QUALIFYING CHARACTERISTICS OF THE WORKERS PROFESSIONS;

– AS FAR AS CLERKS ARE CONCERNED, IT IS CALCULATED BY MULTIPLYING THE FIRST TARIFF RATE BY THE TARIFF MULTIPLIER OF THE CORRESPONDING TARIFF RATE OF THE UNIFIED WAGE TARIFF SYSTEM ESTABLISHED FOR A WORKER WITH REFERENCE TO ITS POSITION;

– AS FAR AS MEN AND WOMEN ARE CONCERNED, ACCORDING TO THE WORK DONE OR POSITION HELD IN CONFORMITY WITH THE UNIFIED WAGE TARIFF SYSTEM AND COLLECTIVE AGREEMENT.

AVERAGE SALARY OF THE ENTERPRISE CLERKS IS 14,6 HIGHER THAN WORKERS' SALARY. AVERAGE SALARY OF THE MANAGEMENT IS 56,7% HIGHER THAN WORKERS' SALARY. THIS CORRELATION IS EXPLAINED BY THE COMPLEXITY OF THE PERFORMED OBLIGATIONS STIPULATED BY THE JOB DESCRIPTIONS AS WELL AS THE ORGANIZATION (SEPARATE STRUCTURAL SUBDIVISIONS) ACTIVITY EFFICIENCY, QUALITY OF THE PERFORMED WORKS (SERVICES), EFFICIENCY OF THE

SET TARGETS AND OBJECTIVES FULFILLMENT.

STIMULATING PAYMENTS TO THE TOP-MANAGEMENT ARE EFFECTED DEPENDING ON THE EFFICIENCY OF THE COMPANY PERFORMANCE AND FULFILLMENT OF THE SOCIAL-ECONOMIC DEVELOPMENT INDICATORS.

WOMEN HAVE THE SAME SALARIES AND TARIFF RATES AS MEN, IF THEY OCCUPY EQUAL POSITIONS (PROFESSIONS).

WOMEN ARE GIVEN AND GUARANTEED THE SAME RIGHTS AS MEN AND HAVE ADDITIONAL BENEFITS AND GUARANTEES AIMED AT THEIR HEALTH AND MATERNITY PROTECTION.

THUS IT IS PROHIBITED TO USE WOMEN' LABOR IN:

– HEAVY OPERATIONS AND OPERATIONS WITH HARMFUL AND (OR) HAZARDOUS LABOR CONDITIONS;

- JOBS RELATED WITH LIFTING AND MANUAL HANDLING OF WEIGHTS;

- SOME PROFESSIONS AND POSITIONS (STEELMAKER, STEELMAKER'S ASSISTANT, FARRIER, BATTERY ASSEMBLER, ETC.).

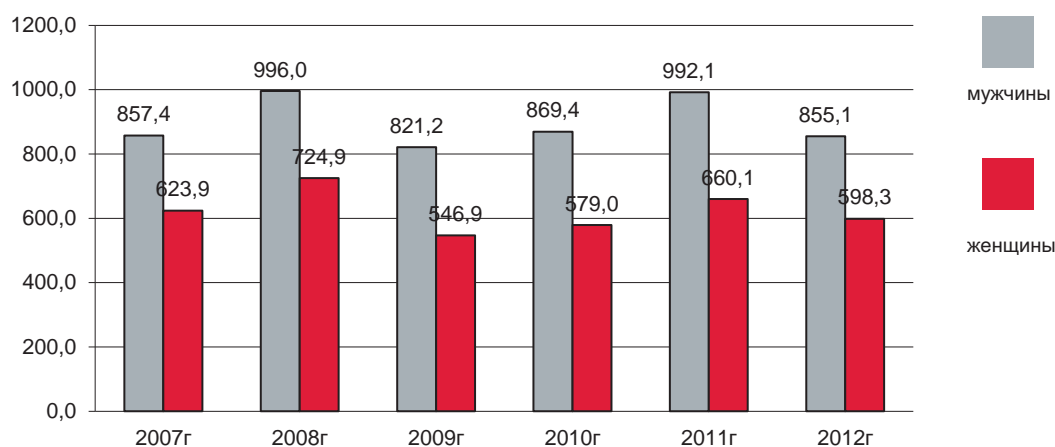
PREGNANT WOMEN ARE GIVEN EASIER JOBS EXCLUDING THE IMPACT OF HARMFUL AND (OR) HAZARDOUS LABOR FACTORS BUT THEIR SALARY REMAINS EQUAL TO THE AVERAGE AMOUNT OF THEIR PREVIOUS SALARY.

A MOTHER (FARTHER) OF TWO OR MORE CHILDREN AGED UNDER 16 (OR HAVING A DISABLED CHILD AGED UNDER 18) ARE GIVEN ONE EXTRA DAY-OFF IN A WEEK AT HER/HIS REQUEST WHICH IS PAID FOR IN THE AMOUNT OF THE AVERAGE DAILY PAYMENT.

A MOTHER BRINGING UP TWO OR MORE CHILDREN UNDER SIXTEEN IS GIVEN AN ADDITIONAL DAY-OFF A MONTH AT HER REQUEST; THIS DAY IS PAID FOR IN THE AMOUNT OF ONE BASIC PAYMENT.

A MOTHER BRINGING UP CHILDREN UNDER EIGHTEEN IS GIVEN ONE EXTRA DAY-OFF A MONTH AT HER REQUEST; THIS DAY IS NOT PAID FOR.

AVERAGE SALARY OF MEN AT THE ENTERPRISE IS 43 PER CENT HIGHER THAN THAT OF WOMEN. THE DIFFERENCE BE-

*Средняя заработная плата на ОАО «БМЗ» мужчин и женщин в дол. США*

TWEEN THE AVERAGE SALARY OF WOMEN AND THE AVERAGE SALARY OF MEN IS EXPLAINED BY THE INCREASED PAYMENT FOR THE HEAVY SERVICE WORK, WORKS WITH HARMFUL AND DANGEROUS LABOR CONDITIONS, WHERE WOMEN' LABOR IS PROHIBITED.

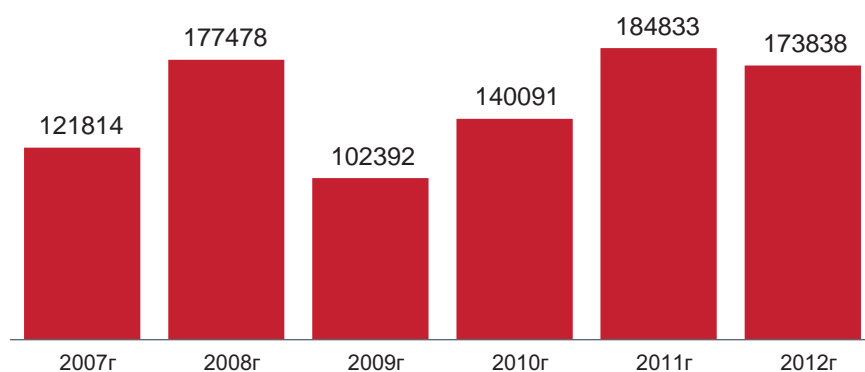
PLANNING OF LABOUR REMUNERATION EXPENSES IS BASED ON THE SALARY LEVEL REACHED AND THE OUTPUT PER ONE EMPLOYEE. ALONGSIDE WITH THE LABOR PRODUCTIVITY GROWTH, THE AVERAGE SALARY INCREASE IS PLANNED ACCORDINGLY

IT IS NECESSARY TO POINT OUT THAT WITH THE LABOUR PRODUCTIVITY GROWTH RATE IN USD EQUAL TO 94,1% IN 2012, THE SALARY GROWTH RATE WAS 94,0%.

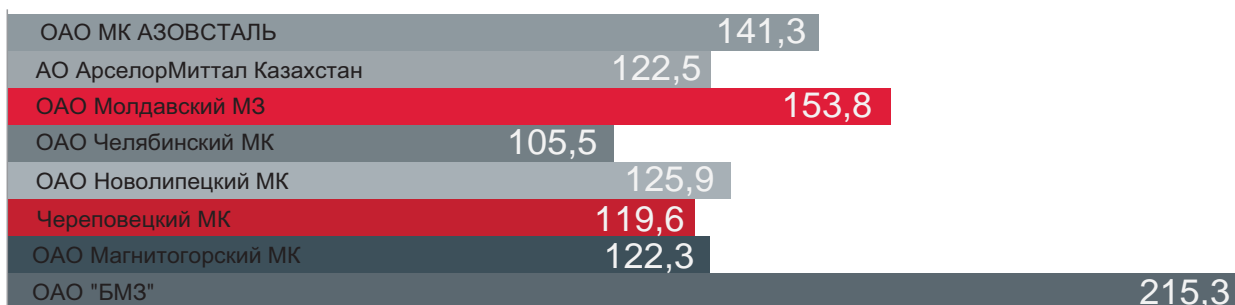
SO THE TOP MANAGEMENT OF THE ENTERPRISE ATTEMPTS TO RESTRAIN DROP OF THE WELFARE OF ITS EMPLOYEES.

IT IS IMPORTANT THAT IN THESE CHALLENGING TIMES THE ENTERPRISE WORKED FOR DECREASING THE LABOR COEFFICIENT OF THE MANUFACTURED PRODUCTS. IN 2012 IMPLEMENTATION OF THIS APPROACH LEAD TO THE DECREASE OF THE LABOR COEFFICIENT OF THE OPERATIONS FULFILLED IN BASIC AND AUXILIARY SHOPS BY 58,09 THOU. N/H. THE ECONOMIC EFFICIENCY MADE UP OVER USD 292,9 THOUSAND.

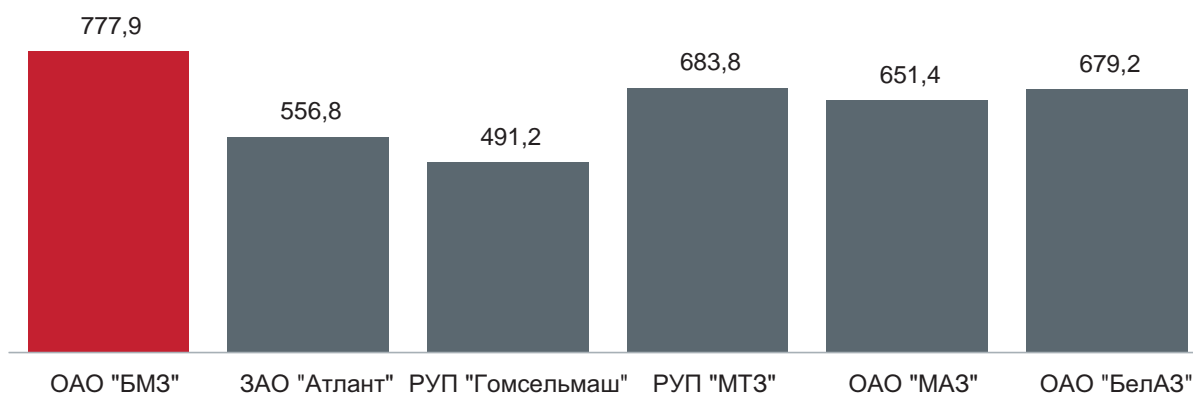
AS FAR AS THE SALARY LEVEL IS CONCERNED, THE PLANT TAKES A DECENT PLACE AMONG THE GROSS-OUTPUT-MAKING ENTERPRISES OF THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS, WHICH IS SHOWN IN THE DIAGRAM: ALL TECHNICAL-ECONOMIC DEVELOPMENT PROGRAMS OF THE ENTERPRISE ARE WORKED OUT FOR ONE YEAR AND ARE REPORTED TO THE PERSONNEL. THEIR RESULTS OF THEIR IMPLEMENTATION ARE SUMMARIZED MONTHLY DURING A YEAR AND ARE REPORTED TO THE EMPLOYEES DURING FORUMS, MEETINGS AND BY THE PLANT'S NEWSPAPER.

*Динамика производительности труда персонала ОАО «БМЗ» 2007-2012 гг. в дол. США*

Social activity



Темп роста производительности труда по предприятиям металлургического профиля стран ближнего зарубежья 2012 к 2011г. %



Среднемесячная заработная плата на ОАО «БМЗ» по сравнению с валообразующими предприятиями Министерства промышленности Республики Беларусь за 2012год, дол США

Non-financial incentives

A SIGNIFICANT ELEMENT OF THE ENTERPRISE CORPORATE CULTURE IS THE SYSTEM OF NON-FINANCIAL INCENTIVES OF THE EMPLOYEES WHICH COMPRISES SOCIAL-PSYCHOLOGICAL, STAFF AND PROFESSIONAL ASPECTS.

BYELORUSSIAN STEEL WORKS PAYS SPECIAL ATTENTION TO STIMULATION AND PERSONNEL INTEREST IN SAVING OF MATERIAL AND ENERGY RESOURCES, GROWTH OF PRODUCTION EFFICIENCY, ENHANCEMENT OF RESPONSIBILITY FOR THE QUALITY OF PRODUCTS MANUFACTURED, IMPROVEMENT OF THE PRODUCTION EFFECTIVENESS AS WELL AS DEVELOPMENT OF CREATIVE ACTIVITY WITH THE HELP OF PRODUCTION COMPETITIONS ORGANIZED AT THE PLANT. 34 TYPES OF THE PRODUCTION COMPETITIONS AND CONTESTS ARE HELD IN INDIVIDUAL AND COLLECTIVE FORMS ("BEST IN PROFESSION", "BEST SHOP", "BEST CANTEEN", "BEST IN PROFESSION AMONG AFFILIATED COMPANIES", "PROFESSIONAL OLYMPUS", "BEST INNOVATOR OF THE YEAR", "BEST

YOUNG SPECIALIST", "CONTEST OF PLANT TEAMS AND STRUCTURAL SUBDIVISIONS OF THE WORKS IN CONFORMITY WITH THE SYSTEM "BE AWARE OF A HUMAN!", ETC.

ONE OF THE MAIN CONSTITUENTS OF THE CORPORATE CULTURE AND EFFICIENT WAY OF ENHANCING THE WORKERS MOTIVATION IS CORPORATE AWARDING. FOR THE PURPOSE OF MORAL STIMULATION, STRENGTHENING GLORIOUS LABOR TRADITIONS, INCREASING THE ROLE AND STRENGTHENING OF A MAN OF LABOR, THE PLANT CONDUCTS FESTIVE EVENTS DEDICATED TO INITIATION INTO YOUNG METALLURGIST, CELEBRATION IN HONOR OF WORK DYNASTIES, ENTERING THE NAMES OF BEST EMPLOYEES IN THE COMPANY BOOK OF FAME OR PLACING THEIR PHOTOS IN THE HALL OF FAME, HONORING THE WINNERS OF THE PRODUCTIVE COMPETITIONS AT THE ANNUAL LABOR FESTIVAL "PROFESSIONAL OLYMPUS". ALL CATEGORIES OF THE PLANT'S EMPLOYEES WHO ATTAINED BETTER RESULTS IN THEIR PRODUCTION ACTIVITY, ACTIVELY PARTICIPATE IN THE ENTERPRISE SOCIAL LIFE, GAINED AUTHORITY AND



ARE RESPECTED BY THEIR WORKING TEAM MEMBERS, ARE GRANTED THE HONOR TO HAVE THEIR PICTURES POSTED IN THE HALL OF FAME OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING. ALL STRUCTURAL SUBDIVISIONS OF THE WORKS HAVE "ALLEYS OF GLORY", "FOREMOST WORKERS" STANDS WITH THE PICTURES OF THE BEST WORKERS.

459 EMPLOYEES OF OUR ENTERPRISE WERE AWARDED IN 2012.

IT GREW INTO A TRADITION TO CONGRATULATE THE EMPLOYEES WITH ANNIVERSARIES, BIRTH OF A CHILD, WEDDING, AND TO ORGANIZE PARTIES DEDICATED TO RECRUITMENT FOR THE ARMED FORCES OR RETIREMENT.

SINCE 2008 THE PLANT ORGANIZES CELEBRATION IN HONOR OF LABOUR DYNASTIES OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING. ASSIGNMENT OF AN HONORABLE TITLE OF "A LABOUR DYNASTY OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS BASED ON THE PRINCIPLES OF SUCCESSION, CONTINUITY OF GENERATIONS FROM OLDER TO YOUNGER ONE, AND CONTINUITY OF LABOUR ACTIVITY (AT LEAST THREE GENERATIONS OF THE RELATIVES OF THE FIRST-DEGREE KINSHIP SHOULD WORK AT THE PLANT AT THE SAME TIME).

IN 2010 A NEW TRADITION WAS BORN AT BSW: PRESENTATION OF A CORPORATE CALENDAR TAKES PLACE AT THE PALACE OF CULTURE OF METALLURGISTS IN THE FORM OF A BRILLIANT AND COLOURFUL CELEBRATION. PAGES OF THE PLANT'S CALENDAR FOR 2012 CONTAIN THE BEST PICTURES DRAWN BY THE FUTURE METALLURGISTS CHOSEN ACCORDING TO THE RESULTS OF THE REGIONAL CONTEST AND PHOTOS OF THE WOMEN WORKING AT THE PLANT. ARTICLES AND COMMENTARIES IN THE CALENDAR FOR 2013 WERE WIDELY REPRESENTED IN INTERNATIONAL MASS MEDIA, TV CHANNELS AND THE INTERNET.

THE POSSIBILITY OF PROFESSIONAL EDUCATION AND INCREASING THE WORKERS QUALIFICATION IS OF A PARTICULAR IMPORTANCE FOR MOTIVATION OF THE STAFF. PROFESSIONAL TRAINING ORGANIZED AND CARRIED OUT AT THE ENTERPRISE BY THE TRAINING CENTER ENSURES EXECUTION OF THE THREE MOTIVATING FUNCTIONS:

– PRODUCTION-ECONOMIC (COMPANY COMPETITIVE ABILITY GROWTH, ENHANCEMENT OF THE QUALITY OF DUTY PERFORMANCE AND MANUFACTURED PRODUCTS);

– ADMINISTRATIVE (PROVIDING WITH QUALIFIED PERSONNEL, ITS FORMATION, REPRODUCTION, ADAPTATION AND PERSONNEL DEVELOPMENT);

- SOCIAL-CULTURAL (PERSONALITY SOCIALIZATION, PROVISION OF OCCUPATION, SOCIAL CONFIDENCE, OFFERING EQUAL OPPORTUNITIES FOR PROFESSIONAL AND CAREER DEVELOPMENT).

BYELORUSSIAN STEEL WORKS PUTS PARTICULAR EMPHASIS ON SUSTAINING FAVORABLE SOCIAL-PSYCHOLOGICAL CLIMATE IN THE WORKING TEAM, ORGANIZATION OF PROFESSIONAL CELEBRATIONS, SPORT AND CULTURAL EVENTS FOR THE EMPLOYEES, THEIR FAMILY MEMBERS AND THE POPULATION OF THE REGION (SEE SECTION "SOCIAL PACKAGE OF BENEFITS AND GUARANTEES FOR THE STAFF").

THE APPROACHES IN PLANNING OF THE CORPORATE EVENTS ARE DETERMINED BASED ON THE ANALYSIS OF THE RESULTS OF ANNUAL INTEGRATED STUDY OF SOCIAL-PSYCHOLOGICAL CLIMATE OF THE WORKING TEAMS OF THE COMPANY.

SHORT-TERM TARGETS IN THE AREA OF SOCIAL RESPONSIBILITY

ACHIEVEMENT OF THE FOLLOWING LEVEL OF THE MAIN TARGET VALUES RELATED WITH THE COMPANY SOCIAL-ECONOMIC DEVELOPMENT IS SCHEDULED FOR 2013:

Training of the executive employees and specialists, pers.	1510
Employees professional training, pers.	3304
General satisfaction of the personnel, % min	72
Salary growth rate, %, min	103,1
PERSONNEL TURNOVER, %, MAX	3,5

Social activity

LABOR PROTECTION AND ENSURING OF INDUSTRIAL SAFETY

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING SEES A HUMAN LIFE AS ITS SUPREME VALUE. THE PLANT DOES NOT ACCEPT ANY COMPROMISES BETWEEN THE HEALTH OF ITS EMPLOYEES, SAFETY AND PROFIT-MAKING. LABOR SAFETY AND HEALTH ARE THE KEY PRIORITIES OF THE CORPORATE LABOR PROTECTION MANAGEMENT SYSTEM. REALIZING ITS MISSION, THE COMPANY ENSURES THE EMPLOYEES' LABOR PROTECTION, TAKES MEASURES FOR REDUCTION OF ACCIDENTS RISKS AND OCCUPATIONAL DISEASES, STRIVES FOR CREATION AND SUSTAINING OF SUCH LABOR CONDITIONS THAT DO NOT HARM HEALTH AND HUMAN DIGNITY OF THE EMPLOYEES.

USING DANGEROUS INDUSTRIAL FACILITIES IN THE PRODUCTION PROCESS, THE ENTERPRISE MANAGEMENT BEARS RESPONSIBILITY FOR CONSERVATION OF THE EMPLOYEES' LIFE AND HEALTH. THE EXISTING LABOR PROTECTION AND INDUSTRIAL SAFETY MANAGEMENT SYSTEM IS BUILT ACCORDING TO THE REQUIREMENTS OF BELARUSIAN LEGISLATION AND CONSIDERING INTERNATIONAL PRACTICES.

CREATION OF A LABOR PROTECTION MANAGEMENT SYSTEM NEVER HAS A ZERO STARTING POINT. OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING HAS ALREADY HAD A CERTAIN EXPERIENCE IN LABOR PROTECTION MANAGEMENT: IT ARRANGED THE REQUIRED ACTIVITIES, DEVELOPED AND USED CORRESPONDING DOCUMENTATION. ONE OF THE DIRECTIONS IN THE LABOR PROTECTION MANAGEMENT SYSTEM IMPROVEMENT (LPMS) OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING WAS ITS COORDINATION WITH THE REQUIREMENTS OF OHSAS 18001 INTERNATIONAL STANDARD AND STB 18001 NATIONAL STANDARD.

A SIGNIFICANT EFFORT WAS MADE IN ORDER TO COORDINATE THE EXISTING LABOR PROTECTION CONTROL SYSTEM WITH THE REQUIREMENTS OF OHSAS 18001 AND STB 18001. THE COMPANY DEVELOPED GUIDELINES, COMPANY STANDARDS, CARRIED-OUT A FULL-SCALE IDENTIFICATION OF HAZARDS AND RISKS. IN PARALLEL WITH THAT, THE ENTERPRISE SUBDIVISIONS PERFORMED THE WORK FOR COORDINATING THE WORKING DOCUMENTATION, AND WORKING PLACES IN ACCORDANCE WITH THE REQUIREMENTS OF THE RULES AND REGULATIONS FOR LABOR PROTECTION, WHICH, IN ITS TURN, INCREASED THE LEVEL OF PERSONNEL SAFETY, COMPETENCE AND AWARENESS. TRAINING OF THE MANAGEMENT AND SPECIALISTS IN IMPLEMENTATION AND CERTIFICA-

TION OF THE ENTERPRISE COMPLIANCE WITH THE OHSAS 18001 AND STB 18001 REQUIREMENTS WAS ORGANIZED. IN THE RESULT OF THE TRAINING INTERNAL LPMS AUDITORS WERE EDUCATED AND MANAGEMENT AWARENESS REGARDING THE ASPECTS OF THE IMPLEMENTATION AND ADVANTAGES OF OBSERVING OHSAS 18001 AND STB 18001 REQUIREMENTS WAS IMPROVED.

IN 2012 OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING SUCCESSFULLY PASSED A SUPERVISORY AUDIT FOR COMPLIANCE WITH THE REQUIREMENTS OF OHSAS 18001:2007 INTERNATIONAL STANDARD "PROFESSIONAL SAFETY AND HEALTH MANAGEMENT SYSTEMS" AND A RE-CERTIFICATION AUDIT FOR COMPLIANCE WITH THE REQUIREMENTS OF STB 18001-2009 NATIONAL STANDARD "LABOR PROTECTION MANAGEMENT SYSTEMS. REQUIREMENTS".

AUDITORS OF THE CERTIFICATION AGENCY "BUREAU VERITAS CERTIFICATION" AND THE STATE EDUCATIONAL ESTABLISHMENT "REPUBLICAN HIGHER SCHOOL UNIVERSITY" CONFIRMED THE COMPLIANCE OF THE MANAGEMENT SYSTEM IMPLEMENTED AT THE ENTERPRISE WITH THE INTERNATIONAL AND STATE STANDARD.

AFTER THE STANDARDS WERE IMPLEMENTED AT THE ENTERPRISE, WE ACCEPT CONTEMPORARY, UNIVERSALLY ACKNOWLEDGED INTERNATIONAL SAFETY TECHNOLOGIES. THIS ALLOWS OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING TO SPEAK THE SAME LANGUAGE WITH ITS INTERNATIONAL PARTNERS AND ORGANIZE COOPERATION MORE EFFECTIVELY. AT PRESENT, IN MANY CASES FOR SIGNING COLLECTIVE CONTRACTS THE ENTERPRISE NEEDS TO CONFIRM THE AVAILABILITY OF THE CERTIFIED LABOR PROTECTION MANAGEMENT SYSTEM. IT IS EVIDENT CONSIDERING WESTERN PARTNERS' MENTALITY. AVAILABILITY OF THE CERTIFICATE CONFIRMING THE CONFORMITY WITH THE INTERNATIONAL STANDARDS CHARACTERIZES THE ENTERPRISE AS A RELIABLE PARTNER, INCREASES ITS PRESTIGE, AND THE PRODUCTS COMPETITIVE ABILITY.

IMPLEMENTATION OF THIS SYSTEM ALLOWED OUR PLANT TO:

- DECREASE THE COSTS DUE TO A MORE EFFICIENT USE OF LABOR RECOURCES; DIMINISH THE EXPENSES RELATED WITH TRAUMATISM AND MORBIDITY;
- INCREASE LEGAL SAFETY, GUARANTEES OF CORRESPONDENCE TO THE CHANGING LEGISLATIVE LABOR SAFETY REQUIREMENTS;



ITEM No.	INDICATOR	2010	2011	2012
1	NUMBER OF RECORDED ACCIDENTS	7	7	7
2	NUMBER OF THE INJURED INCLUDING:	7	7	7
	MORTAL	1	2	1
	SEVERE	3	1	3
	GROUP	0	0	0
3	FREQUENCY COEFFICIENT, F_c	0,61	0,61	0,69
4	GRAVITY COEFFICIENT, G_c	36,14	51,7	34,5
5	WASTED DAYS OF WORKING ABILITY	253	362	276

Production traumatism indicators

- MINIMIZE THE RISK OF JUDICIAL PUNISHMENT;
- RESPECT THE INTERESTS OF THE PARTIES – THE EMPLOYER AND WORKING TEAM IN THE PROCESS OF THE ENTERPRISE PRODUCTIVE ACTIVITY;
- IMPROVE THE ENTERPRISE IMAGE ON PRODUCT AND LABOR MARKETS AS WELL AS IN THE EYES OF GOVERNMENT AUTHORITIES AS A SOCIALLY RESPONSIBLE ORGANIZATION;
- AIM THE MANAGEMENT TEAM AT DETECTING AND DECREASING THE BASIC RISK TYPES RELATED WITH THE NEGATIVE IMPACT OF THE PRODUCTION ACTIVITY AND THE RELEASED PRODUCTS ON THE HEALTH OF ITS EMPLOYEES, POPULATION AND CONSUMERS;

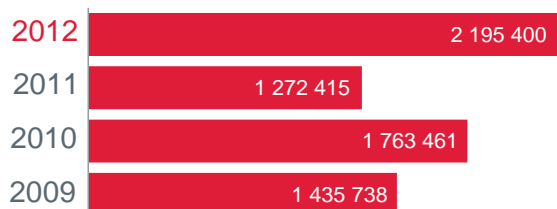
- SIMPLIFY THE SYSTEM APPROACH TO PROBLEM-SOLVING, ACHIEVE GREATER RESPONSIBILITY, MORE DISTINCT RESPONSIBILITY DISTRIBUTION;

- INCREASE LABOUR PRODUCTIVITY DUE TO IMPROVEMENT OF CONDITIONS AND REDUCTION OF UNPRODUCTIVE TIME AND LABOUR WASTE.

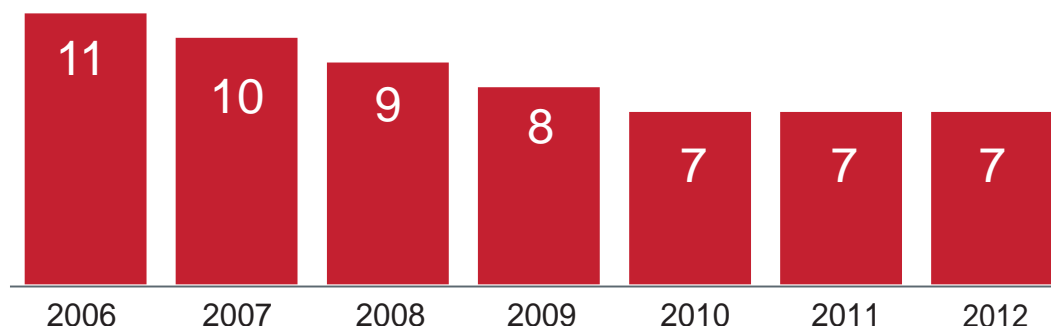
OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING CONTINUOUSLY IMPROVES THE SYSTEM OF LABOUR PROTECTION AND INDUSTRIAL SAFETY MANAGEMENT AND ADJUST IT IN ACCORDANCE WITH THE REQUIREMENTS OF INTERNATIONAL STANDARDS. THIS ALLOWS CONSIDERABLE REDUCTION OF THE PRODUCTION COSTS DUE TO LOWERING THE SPECIALISTS INCAPACITATION RELATED WITH ACCIDENTS, OCCUPATIONAL ILLNESSES, EMERGENCIES AND FIRES.

IN 2012 INVESTMENTS INTO THE LABOR PROTECTION MADE UP USD 2 195,4 MILLION AT OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING, WHICH IS BY USD 923 THOU. MORE THAN IN 2011.

THE OCCUPATIONAL TRAUMATISM LEVEL DEPENDS ON SEVERAL FACTORS; ONE OF THEM IS THE VOLUME OF INVESTMENTS INTO LABOR PROTECTION. DURING RECENT YEARS CONSIDERABLE MEANS WERE INVESTED INTO THE LABOR PROTECTION MEASURES THAT ALLOWED DECREASE OF THE TRAUMATISM LEVEL FROM 11 IN 2006 TO 7 IN 2012.

*Labour protection investment, USD*

Social activity



Occupational traumas, number

IMPROVEMENT OF LABOUR CONDITIONS

A LARGE AMOUNT OF WORK TO REMOVE OUTDATED EQUIPMENT FROM PRODUCTION AND INSTALLATION OF ADVANCED EQUIPMENT MEETING THE REQUIREMENTS OF LABOUR SAFETY IS CARRIED OUT WITHIN THE PROGRAM OF TECHNICAL RE-VAMPING.

THESE MEASURES HELPED US TO IMPROVE LABOUR CONDITIONS OF THE EMPLOYEES TO A CONSIDERABLE EXTENT AND DECREASE IMPACT OF DANGEROUS AND HAZARDOUS PRODUCTION FACTORS.

EVERY YEAR THE PLANT WORKS OUT "MEASURES TO PROVIDE FOR LABOUR SAFETY". IN 2012 LABOUR SAFETY AND WORKING CONDITIONS IMPROVEMENT AMOUNTED TO USD 710 431. DUE TO THE MEASURES TAKEN, WORKING CONDITIONS OF 706 EMPLOYEES WERE IMPROVED (2011 – 792).

THE ENTERPRISE STRIVES FOR CONTINUOUS IMPROVEMENT OF ITS PERFORMANCE IN THE AREA OF LABOUR SAFETY DUE TO IMPROVEMENT OF SAFETY OF THE PRODUCTION PROCESSES, MOTIVATION OF THE PERSONNEL AND INTEREST OF THE STAFF IN OBSERVATION OF LABOUR SAFETY REQUIREMENTS.

OBLIGATIONS OF THE EMPLOYER IN PROVIDING FOR SAFE AND HEALTHY LABOUR CONDITIONS ARE STIPULATED IN THE SECTION "LABOUR SAFETY" OF THE COLLECTIVE AGREEMENT OF THE PLANT. IN ACCORDANCE WITH THE PROVISIONS OF THE

COLLECTIVE AGREEMENT THE EMPLOYEES ARE TIMELY PROVIDED WITH FREE CERTIFIED WORKING CLOTHES AND SHOES, PERSONAL PROTECTIVE AND HYGIENIC EQUIPMENT, UNDERGO A PERIODICAL MEDICAL INSPECTION. SOME CATEGORIES OF WORKERS ARE PROVIDED WITH MILK

TRAINING AND COMPETENCE EVALUATION

AN INTEGRAL PART OF THE LABOUR PROTECTION AND INDUSTRIAL SAFETY SYSTEM OF THE ENTERPRISE IS TEACHING OF SAFE OPERATION OF HAZARDOUS PRODUCTION FACILITIES, OCCUPATIONAL SANITATION AND LABOUR HYGIENE. AN EMPLOYEE'S LABOUR SAFETY GREATLY DEPENDS ON THE THOROUGHNESS OF HIS/HER PROFESSIONAL TRAINING. SUSTAINING THE HIGH STANDARD OF KNOWLEDGE IS INSURED BY CONDUCTING AN OBLIGATORY LABOUR SAFETY INSTRUCTION, PERIODICAL KNOWLEDGE CHECK AND PERSONNEL CERTIFICATION REGARDING SAFE OPERATION.

IN ORDER TO FULFILL THE EDUCATIONAL TRAINING OF THE PERSONNEL THAT SERVICE AND OPERATES HIGH-RISK FACILITIES, THE CORPORATE TRAINING CENTER WAS AUDITED TO CHECK ITS CONFORMITY WITH THE REPUBLICAN LEGISLATION AND RECEIVED THE CONSENT OF THE DEPARTMENT FOR SUPERVISION OF SAFE OPERATION IN INDUSTRIAL AND ATOMIC POWER ENGINEERING OF THE EMERGENCY SITUATIONS MINISTRY OF THE REPUBLIC OF BELARUS FOR THE RIGHT TO TRAIN EMPLOYEES REQUIRED BY THE COMPANY AND OTHER ORGANIZATIONS.



ACTIVITY	2011			2012		
	PLAN	ACTUAL	% FULFILLED	PLAN	ACTUAL	% FULFILLED
ENHANCEMENT OF THE ADMINISTRATIVE EMPLOYEES' AND SPECIALISTS QUALIFICATION, TOTAL:	565	688	121	594	731	123
PAN RB	365	434	119	444	544	122
DESIGNATED OHSAS COURSES	200	254	127	150	187	124
PROFESSIONAL TRAINING OF THE WORKERS:	3 399	3 854	113	3091	3861	415
TRAINING OF NEW EMPLOYEES	0	19		0	27	
RETRAINING	705	896	127	494	943	191
QUALIFICATION ENHANCEMENT	608	696	114	608	694	114
DESIGNATED COURSES	2 086	2 243	107	1989	2197	110

SOCIAL CONTROL FOR OBSERVANCE OF HUMAN RIGHTS IN THE AREA OF LABOR PROTECTION

ALL INTERESTED PARTIES INCLUDING THE EMPLOYEES ARE ACTIVELY INVOLVED IN THE PROCESS OF MANAGING THE LABOR PROTECTION AND INDUSTRIAL SAFETY SYSTEM. OJSC "BSW" – MANAGEMENT COMPANY OF "BMC" HOLDING CREATED A SYSTEM OF THE TWO-STAGE PUBLIC CONTROL.

AT THE FIRST STAGE DAILY CONTROL OF OBSERVATION OF THE LEGISLATION OF THE REPUBLIC OF BELARUS IN THE SPHERE OF LABOR PROTECTION, ENSURING THE EMPLOYEES RIGHT TO SAFE LABOR AND HEALTH MAINTENANCE IS FULFILLED BY THE PUBLIC SERVICE OF HEALTH AND SAFETY EXECUTIVES. THE SERVICE OF PUBLIC EXECUTIVES CONSISTING OF 482 PERSONS INCLUDES REPUTABLE EMPLOYEES SELECTED BY THE WORKING TEAM MEMBERS BY OPEN VOTING.

THE EXECUTIVES' ACTIVITIES AND THEIR AUTHORITIES REGARDING THE CONTROL OF COMPLIANCE WITH THE LABOR PROTECTION LEGISLATION ARE REGULATED BY DECREE No.179 OF THE MINISTRY OF LABOR AND SOCIAL SECURITY OF THE REPUBLIC OF BELARUS "ON THE PROCEDURE OF PUBLIC CONTROL OF THE COMPLIANCE WITH THE LABOR PROTECTION LEGISLATION CARRIED-OUT BY THE PERSONS AUTHORIZED TO CONTROL AN ORGANIZATION EMPLOYEES' LABOR PROTECTION" DD. 28.11.2008 AND THE ARTICLES OF ASSOCIATION OF THE BELARUSIAN FEDERATION OF TRADE UNIONS. THE EXECUTIVES PROCEED TO INDIVIDUAL WORK AFTER TAKING A SPECIAL TRAINING

COURSE AT THE PRIVATE UNITARY ENTERPRISE "EDUCATIONAL-METHODIC CENTER OF GOMEL REGIONAL TRADE UNIONS".

AT THE SECOND STAGE THE CONTROL OF COMPLIANCE WITH THE LEGISLATION AND CHECKING OPERATING SAFETY ORGANIZATION



ACTUALLY PUBLIC INSPECTORS SHALL PERFORM THREE FUNCTIONS: PUBLIC CONTROL, PROTECTION OF THE RIGHTS OF TRADE UNION MEMBERS AND ACCIDENTS PREVENTION AS WELL AS PROPAGANDA OF OBSERVATION OF THE RULES AMONG COLLEAGUES AND COMRADES

A.N. LAPUT,
SENIOR TECHNICAL INSPECTOR OF GOMEL REGIONAL TRADE UNION ORGANIZATION

IN CONFORMITY WITH LOCAL REGULATIONS IS CARRIED OUT BY 37 PUBLIC COMMISSIONS INCLUDING REPRESENTATIVES OF THE STRUCTURAL SUBDIVISIONS MANAGEMENT. THEIR ACTIVITY IS SPECIFIED BY THE DECREE OF PRESIDUM OF THE BELARUSIAN TRADE UNIONS FEDERAL COUNCIL No. 59 DD. 24.04.2003.

DURING 2012 PUBLIC LABOR SAFETY FORMATIONS CARRIED-OUT 35 112 INSPECTIONS. 36 756 NON-CONFORMITIES

Social activity

WERE DETECTED AND 598 NOTATIONS WERE ISSUED TO THE MANAGEMENT.

DURING THE ANNUAL INTEGRATED RESEARCH OF SOCIAL-PSYCHOLOGICAL CLIMATE IN THE STRUCTURAL SUBDIVISIONS WORKING TEAMS THE RESPONDENTS GIVE A HIGH ESTIMATION OF THE EMPLOYEES' LABOR SAFETY LEVEL (THE SATISFACTION INDEX MADE UP 0,77 VS 0,76 IN 2011) AND AN AVERAGE ESTIMATION OF ON-SITE SANITARY-HYGIENIC CONDITIONS (THE SATISFACTION INDEX MADE UP 0,68 VS 0,71 IN 2011).

ACHIEVEMENT OF THE FOLLOWING LEVEL OF THE BASIC TARGET VALUES REGARDING THE WORKS SOCIAL-ECONOMIC DEVELOPMENT (IN THE SPHERE OF LABOR PROTECTION AND INDUSTRIAL SAFETY) IS SCHEDULED FOR 2013:

— PREVENT THE OCCUPATIONAL TRAUMATISM GROWTH AS COMPARED WITH THE LEVEL OF 2012

— IMPROVE LABOR CONDITIONS AND PROVIDE FOR LABOR SAFETY

FOR THE PLANT'S WORKERS, PERS. — 750

SOCIAL PROGRAMS

CONTRIBUTING TO THE SOCIAL DEVELOPMENT OF WORKERS AND LOCAL COMMUNITY BYELORUSSIAN STEEL WORKS FOLLOWS THE PRINCIPLES OF THE RESPONSIBLE BUSINESS PRACTICE FORMULATED IN THE UN GLOBAL COMPACT AND OTHER INTERNATIONAL ACTS.

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING UNDERSTANDS THAT IN THE EXISTING BUSINESS CONDITIONS AN ENTERPRISE STABILITY IS DETERMINED NOT ONLY BY ECONOMIC EFFECTIVENESS FACTORS, BUT BY THE PARAMETERS OF EFFICIENCY OF THE CORPORATE SOCIAL RESPONSIBILITY POLICY.

LONG-TERM BUSINESS STABILITY DEPENDS ON THE SOCIAL AND ECONOMIC STABILITY IN THE REGION. PURSUE OF THE POLICY OF THE CORPORATE SOCIAL RESPONSIBILITY AS REGARDS OWN EMPLOYEES AND LOCAL COMMUNITIES, IS A STRATEGIC DIRECTION OF THE PLANT'S ACTIVITY.

EMPLOYEES ARE A MAJOR SOCIETY RESOURCE FOR OBTAIN-

ING COMPETITIVE ADVANTAGES.

CONSIDERABLE MEANS ARE INVESTED BY THE PLANT IN THE FORMATION OF INTERESTED AND RESPONSIBLE STAFF, IMPROVEMENT OF WORKING CONDITIONS, AND PROVISION OF SOCIAL PROTECTION OF THE EMPLOYEES.

THE SOCIAL POLICY ADOPTED BY THE PLANT CONTRIBUTES TO RETENTION OF COMPETITIVE ADVANTAGES OF THE PLANT, CREATION OF A HIGHLY QUALIFIED TEAM OF EMPLOYEES ABLE TO WORK EFFICIENTLY DESPITE A STRONG COMPETITION.

IN 2012 SOCIAL PROGRAMS WERE FULFILLED ON THE BASIS OF A UNION AGREEMENT AND ACCORDING TO THE SOCIAL BUDGET FOR THE ACCOUNT OF THE PLANT'S OWN FUNDS AND MEANS GRANTED BY THE SOCIAL INSURANCE FUND OF THE REPUBLIC OF BELARUS. IN 2012 ГОДУ OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING FULFILLED ALL ITS OBLIGATIONS CONCERNING MAIN DIRECTIONS OF THE SOCIAL PROGRAMS AND IN SPITE OF THE FACT THAT 2012 WAS A DIFFICULT YEAR FROM THE ECONOMIC POINT OF VIEW THEIR FINANCING WAS INCREASED AND MADE UP USD 14,1 MILLION.

PRIORITY DIRECTIONS OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING SOCIAL POLICY ARE:

— CREATION OF FAVORABLE CONDITIONS FOR THE WORKERS AND THEIR FAMILIES FOR SOLVING ALL THE WELFARE ISSUES: TREATMENT AND MEDICAL SERVICE, SAVING OF REPRODUCTIVE HEALTH, HEALTH IMPROVEMENT AND VACATIONS, PROMOTION OF HEALTHY LIFESTYLE STANDARDS, IMPROVEMENT OF LIVING CONDITIONS AND CULTURAL SERVICE;

— RENDERING OF SOCIAL AND VOLUNTARY SUPPORT FOR PENSIONERS, THE DISABLED, CHILDREN, THE COMPANY EMPLOYEES HAVING LARGE FAMILIES;

— OFFERING OF A SPONSORSHIP AND BENEFICENT AID FOR SPORT ORGANIZATIONS AND ORGANIZATIONS REPRESENTING OTHER SPHERES OF PUBLIC LIFE;

- OFFERING OF A WIDE SCOPE OF QUALITY SERVICES FOR THE INHABITANTS OF THE TOWN AND SURROUNDING AREA BY THE SOCIAL SERVICES.



SOCIAL PACKAGE OF BENEFITS AND GUARANTEES FOR THE EMPLOYEES

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING MAKES CONSIDERABLE INVESTMENTS INTO EDUCATION AND PERSONNEL QUALIFICATION ENHANCEMENT, LABOR CONDITIONS IMPROVEMENT, ENSURING EMPLOYEES SOCIAL SECURITY. IT PARTICIPATES IN SOLVING SOCIALLY SIGNIFICANT ISSUES IN THE REGION CONSIDERING THIS ACTIVITY A CONSTITUENT PART OF ITS BUSINESS AND SOCIAL INVESTMENTS INTO THE INHERENT ELEMENT OF CORPORATE RESPONSIBILITY. IN ORDER TO STIMULATE LABOR PRODUCTIVITY IMPROVEMENT AND PERSONNEL MANAGEMENT COST OPTIMIZATION, IN ADDITION TO SALARY, BYELORUSSIAN STEEL WORKS USES A SOCIAL PACKAGE THAT MADE UP OVER USD 1134,1 PER EMPLOYEE IN 2012.

THE COMPANY SOCIAL SPHERE EXPENDITURES AT THE EXPENSE OF PROFIT EQUALED TO USD 7,42 MILLION INCLUDING:

– PRE-SCHOOL ESTABLISHMENTS	USD2,41 MILLION;
– MEDICAL SERVICE	USD1,21 MILLION;
– METALLURGICAL COLLEGE	USD1,03 MILLION;
– HOSTELS	USD1,11 MILLION;
– PALACE OF CULTURE OF METALLURGISTS	USD0,48 MILLION;
– SPORT FACILITY	0,15 млн.\$;
– HOLIDAY CAMP "DNEPROVSKIE ZORI"	USD0,06 MILLION;
– OTHERS (MUSEUM, 8 CANTEENS)	USD0,97 MILLION.

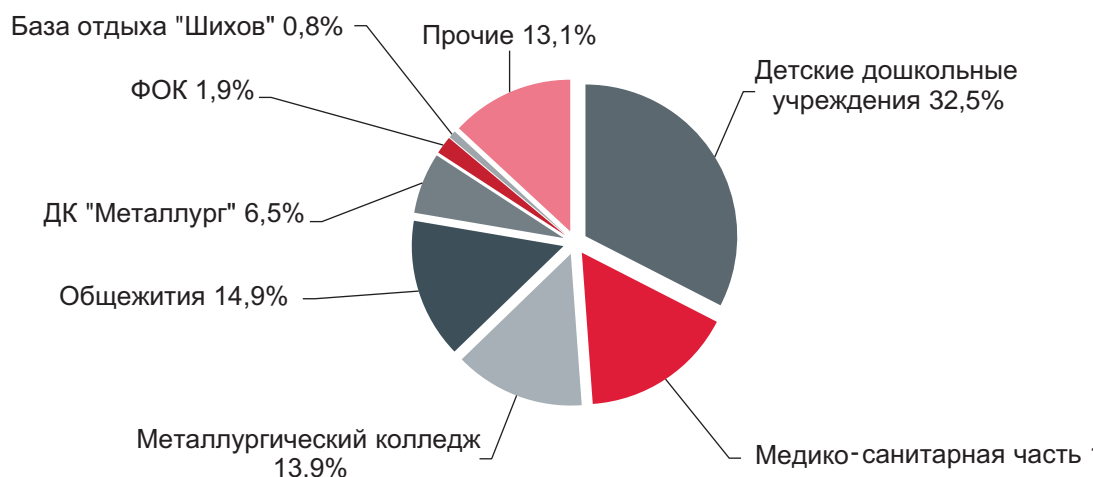


V.V. FYODOROV,
CHAIRMAN OF BELARUSIAN TRADE UNION OF INDUSTRIAL WORKERS

ATTENTION TO THE YOUNGER GENERATION, VETERANS AND EMPLOYEES IS PAID BY THE PLANT AND THIS IS AT THE HEAD OF ALL ITS ACTIVITIES. THIS IS A LARGE AND STRONG BASIS FOR THE FUTURE

BYELORUSSIAN STEEL WORKS IMPLEMENTS ITS SOCIAL POLICY IN THE FOLLOWING PRIORITY DIRECTIONS:

- LABOR SAFETY;
- REST AND HEALTH PROMOTION OF THE EMPLOYEES AND THEIR FAMILY MEMBERS;
- PHYSICAL CULTURE AND SPORT DEVELOPMENT;
- CULTURAL LIFE OF THE WORKS EMPLOYEES;
- SOLVING OF THE LIVING CONDITIONS ISSUES OF THE EMPLOYEES;
- SUPPORT OF LARGE FAMILIES;
- SOCIAL SUPPORT OF UNEMPLOYED PENSIONERS, INVALIDS AND OTHER CATEGORIES OF LOWER-INCOME CITIZENS;
- CHILD CARE.



Social activity

HEALTH PROTECTION

PROTECTION OF THE PLANT'S EMPLOYEES IS THE MOST IMPORTANT CONSTITUENT PART OF THE SOCIAL POLICY OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING.

THE COMPANY MEDICAL PROPHYLACTIC ASSISTANCE RENDERED TO THE EMPLOYEES IS ORGANIZED IN ACCORDANCE WITH THE STATE PROGRAM OF AMBULATORY ASSISTANCE TO THE POPULATION AND FULFILLS THE TASKS RELATED WITH HEALTH PROTECTION, MEDICAL AND SANITARY SUPPORT OF THE PRODUCTION PROCESS, DISEASE PREVENTION AND FOLLOW-UP CARE, AND ENSURES COOPERATION OF THE PLANT'S DIVISIONS IN SOLVING ISSUES OF LABOUR SAFETY AND PROTECTION OF THE EMPLOYEES HEALTH.

FORMATION OF STRATEGY AND TACTICS IN THE AREA OF HEALTH PROTECTION IS STATED IN THE COMPREHENSIVE PROGRAM "HEALTH-2012" WHICH COORDINATES THE INTERACTION OF THE ADMINISTRATION, MEDICAL STAFF, INDUSTRIAL SAFETY BOARD, MEMBERS OF THE COMMUNITY AND CONSUMER FACILITIES, TRADE UNION IN THE AREA OF DISEASE AND TRAUMATISM PREVENTION, PROMOTION OF A HEALTHY LIFESTYLE.

THE MAJOR ITEMS OF THE WORKS SOCIAL POLICY AND THE "HEALTH -2012" ARE:

- ENHANCEMENT OF THE PREVENTIVE MEDICAL AID LEVEL;
- ORIENTATION OF THE MEDICAL AID SYSTEM AT INCREASING THE AMBULATORY SEGMENT EFFICIENCY;
- COMPLIANCE OF THE ON-SITE WORK PLACES WITH THE TECHNOLOGICAL AND SANITARY-HYGIENIC NORMS;
- IMPROVEMENT OF ECOLOGICAL EVENTS AND ENVIRONMENTAL PROTECTION NORMS;
- DEVELOPMENT OF THE PLANT PERSONNEL'S STRONG ORIENTATION AT HEALTHY LIFESTYLE.

THE COMPANY DEVELOPS AND IMPROVES ITS OWN MEDICAL FACILITIES AIMED AT BRINGING MEDICAL ASSISTANCE CLOSE TO THE EMPLOYEES AND RENDERING MEDICAL ASSISTANCE TO THE CITIZENS OF THE TOWN AND INHABITANTS OF THE REGION.

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING SPENT USD 1,20 MILLION FOR ITS MEDICAL CENTRE FINANCING IN 2012.

THE CLINIC OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS THE LARGEST AMONG THE TOWN ENTERPRISES AND INCLUDES A POLYCLINIC FOR 250 VISITS PER SHIFT WHERE SPECIALISTS QUALIFIED IN 12 MEDICAL SPECIALTIES (THERAPY, NEUROLOGY, TRAUMATOLOGY, OPHTHALMOLOGY, OTOLARYNGOLOGY, ADDICTOLOGY, UROLOGY, DERMATOLOGY, GYNECOLOGY, PHYSIOTHERAPY, CARDIOLOGY, ENDOCRINOLOGY) RECEIVE PATIENTS. THE STRUCTURE OF THE MEDICAL CENTRE INCLUDES A CLINICAL AND BIOCHEMICAL LABORATORY, AN X-RAY ROOM, ULTRASONIC AND FUNCTIONAL DIAGNOSTICS ROOMS, PHYSIOTHERAPEUTIC DEPARTMENT, A DAY WARD, SIX MEDICAL ROOMS ONE OF WHICH OPERATES 24 HOURS A DAY, SHOP HEALTH CENTRES. AVAILABILITY OF AN UP-TO-DATE EQUIPMENT AND HIGHLY PROFESSIONAL STAFF ALLOWS LABORATORY, FUNCTIONAL AND INSTRUMENTAL DIAGNOSTICS EXAMINATION. DOCTORS OF NARROW SPECIALIZATION RENDER A WIDE RANGE OF SERVICES.

THE CLINIC IS EQUIPPED WITH STATE-OF-THE-ART EQUIPMENT AND ITS MATERIAL – TECHNICAL BASE IS CONTINUOUSLY IMPROVED. THE EQUIPMENT ALLOWS THE FOLLOWING TYPES OF STUDY TO BE CARRIED OUT: ELECTROCARDIOGRAM, RHEOVASAGRAM, VELOERGOMETRY, DAILY MONITORING (HOLTER), RHEOENCEPHALOGRAPHY, GENERAL BLOOD ANALYSIS, GENERAL URINE ANALYSIS, BIOCHEMICAL BLOOD ANALYSIS, ULTRASONIC INVESTIGATION OF THE ORGANS OF THE ABDOMINAL CAVITY, THYROID GLAND, HEART, X-RADIOLOGY. DUE TO EFFECTIVE COOPERATION OF THE HEADS OF THE MEDICAL DEPARTMENT AND THE PLANT'S ADMINISTRATION AND THE TRADE UNION COMMITTEE, SINCE 2001 TREATMENT OF EMPLOYEES WITHOUT DISCONTINUING WORK WAS INTRODUCED TO GIVE THE POSSIBILITY TO MAINTAIN THE LEVEL OF PRODUCTIVITY AND SAVE MEANS OF THE SOCIAL PROTECTION FUND. OVER 270 PEOPLE USED THIS FORM OF TREATMENT IN 2012. TREATMENT AND PHYSIOTHERAPEUTIC PROCEDURES ARE RENDERED CLOSE TO THE PRODUCTION ON THE BASIS OF REHABILITATION CENTRES LOCATED IN THE PRODUCTION SHOPS.

MEDICAL DEPARTMENT PERSONNEL CONSISTS OF 127



PEOPLE INCLUDING: 35 DOCTORS, 89 MEDICAL PERSONNEL WITH SECONDARY SPECIALIZED EDUCATION AND 3 PARAMEDICAL SPECIALISTS.

80 % OF DOCTORS HAVE THE FIRST AND THE SECOND QUALIFICATION CATEGORIES. 70 % OF THE PARAMEDICAL PERSONNEL ARE ATTESTED FOR CATEGORIES.

THE CLINIC HAS 8 SHOP THERAPEUTIC STATIONS SERVING APPROXIMATELY 1780 PEOPLE EACH.

197769 PEOPLE VISITED THE CLINIC IN 2012 WHICH IS 6636 PEOPLE MORE THAN IN 2011. 72,4 % OF THE TOTAL NUMBER OF VISITS WERE RELATED TO DISEASES. A POSITIVE THING IN SEASONAL DISEASE PREVENTION IS THE POSSIBILITY FOR EMPLOYEES TO HAVE A VOLUNTARY ANTI FLU VACCINATION FREE OF CHARGE.

CONTINUOUS ATTENTION IS PAID TO DISEASE PREVENTION, THEIR TIMELY DETECTION AND MEDICAL TREATMENT. PERIODIC MEDICAL EXAMINATIONS REMAIN THE BASIC MECHANISM OF THE EMPLOYEES' HEALTH CONTROL. EXAMINATIONS GIVE A POSSIBILITY IMMEDIATELY TO DETECT PRESENCE OF HARMFUL AND DANGEROUS PRODUCTION FACTORS AND TAKE MEASURES FOR THEIR ELIMINATION THUS ALLOWING PREVENTION OF PROFESSIONAL DISEASE DEVELOPMENT AND HELPING TO PREVENT PRODUCTION TRAUMATISM. WORKERS WHO ARE INFLUENCED BY DANGEROUS AND HARMFUL FACTORS ON THEIR WORK PLACES ARE ADDITIONALLY THOROUGHLY EXAMINED INCLUDING INSTRUMENTAL LABORATORY STUDIES AND CONSULTATIONS GIVEN BY NARROW SPECIALISTS CONSIDERING INDUSTRY PECULIARITIES AND PROFESSION OF A WORKER. WITHIN THE FRAMEWORK OF THIS PROJECT MORE THAN 8624 EMPLOYEES INCLUDING 1672 WOMEN WERE THOROUGHLY EXAMINED IN 2012. NOT A SINGLE PROFESSIONAL DISEASE WAS DETECTED IN 2012. DUE TO DISPENSARY GROUP CHANGE 382 PEOPLE WERE RECOMMENDED A MORE ADEQUATE EMPLOYMENT.

SO AS TO MAKE TREATMENT OF PATIENTS AT THE MEDICAL DEPARTMENT SIMPLER, PROVIDE OPERATION OF THE MEDICAL ROOMS AND SERVICES IN THE AUTOMATIC MODE, AN ELECTRONIC AMBULATORY CHART OF A PATIENT WAS FORMED.

DUE TO COUNTRYWIDE DISTRIBUTION OF CHRONIC DISEASES, DEMAND FOR MORE EFFECTIVE AND CONVENIENT METHODS OF TREATMENT GROWS. THIS PROBLEM CAN BE SOLVED ONLY SUBJECT TO THE PRINCIPAL EMPHASIS BEING PLACED ON PREVENTION OF DISEASES AND POPULARIZATION OF HEALTHY LIFESTYLE.

MEDICAL SERVICES ARE DEMANDED BY THE CITIZENS OF OUR REGION. IN 2012 PROCEEDS FROM MEDICAL SERVICES MADE UP 17,3 THOUSAND.

EFFECTIVENESS OF MEDICAL AND HEALTH PROMOTION PROGRAMS

THE MEANS INVESTED IN THE COMPANY EMPLOYEES' HEALTH, MEDICAL SERVICE QUALITY ENHANCEMENT AND IMPLEMENTATION OF MODERN TREATMENT METHODS TOGETHER WITH SUCCESSFUL REALIZATION OF THE EMPLOYEES' HEALTH PROMOTION PROGRAM IN SANATORIUMS AND VACATION HOUSES ALLOWS US TO SUSTAIN THE POSITIVE DYNAMICS OF LOWERING THE EMPLOYEES DISEASE.

IN THE RESULT OF PREVENTION AND EARLY DETECTION OF DISEASES, INDICATORS OF THE EMPLOYEES' HEALTH IMPROVED AT OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING AS WELL AS QUALITY OF THEIR LIFE. DISEASES WITH TEMPORARY DISABILITY MADE UP 1075 DAYS PER 100 OF EMPLOYEES IN 2012 WHICH IS 154 DAY LESS THAN IN 2011

DESCRIPTION	UNIT	2008	2009	2010	2011	2012
TEMPORARY DISABILITY (DISEASES AND INJURIES)	CASES	10 898	12 745	12 345	12 210	12 448
	DAYS	107 986	128 945	125 649	124 721	133 866

Social activity

IN 2012 THE PLANT CONTINUED MEDICAL EXAMINATION TO PREVENT AND EARLY DETECT DISEASES OF THE EMPLOYEES. 635 PEOPLE WERE REGISTERED AND 613 WERE CROSSED OFF THE REGISTER INCLUDING 191 PEOPLE DUE TO RECOVERY DURING 2012. THE GROUP OF EMPLOYEES REGULARLY FOLLOWED-UP REDUCED BY 217 PEOPLE COMPARED TO 2011.

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING TAKES PART IN IMPLEMENTATION OF THE NATIONAL PROGRAM OF DEMOGRAPHIC SAFETY AIMED AT IMPROVEMENT OF THE CONDITION OF PREGNANT WOMEN AND THOSE WHO GAVE BIRTH TO CHILDREN, PREPARATION FOR CHILDBIRTH AND UPBRINGING.

SPECIALISTS OF THE MEDICAL CENTRE DIRECTLY PARTICIPATE IN A PURPOSEFUL SANITARY EDUCATIONAL WORK RELATED TO PREVENTION OF TUBERCULOSIS AND AIDS. SPECIAL ATTENTION IS PAID TO PREVENTION OF HIV/AIDS.

SINCE 2010 BELARUSIAN RED CROSS SOCIETY (BRCS) STARTED TO IMPLEMENT AN INNOVATIVE PROJECT "PREVENTION OF HIV IN THE AREA OF LABOUR" UNDER THE MOTTO "WE ARE FOR HEALTH @ WORK".

AIM OF THIS PROJECT IS TO IMPROVE MEASURES OF PREVENTION OF HIV-INFECTION IN THE AREA OF LABOUR AND IMPROVE EFFICIENCY OF THEIR IMPLEMENTATION, SOLVING OF THE EMPLOYEES' PROBLEMS RELATED TO PRESERVATION OF REPRODUCING HEALTH, ARRANGEMENT OF EVENTS AT THE ENTERPRISE AIMED AT DISEASES PREVENTION, FORMATION OF A RESPONSIBLE BEHAVIOR AND ADEQUATE ATTITUDE TO PEOPLE HAVING HIV.

THE PROGRAM «HEALTH @ WORK» HELPS THE EMPLOYEES TO UNDERSTAND SERIOUSNESS OF THE PROBLEMS RELATED TO HIV- INFECTION AND PROTECT THEIR HEALTH IN DUE TIME.

A POLICY AIMED AT PREVENTION OF DISTRIBUTION OF HIV-INFECTION WAS ADOPTED AND APPROVED BY THE GENERAL DIRECTOR OF THE ENTERPRISE. EVERY YEAR WE DEVELOP AN ANNUAL PLAN FOR HIV-INFECTION PREVENTIVE MEASURES. A SEPARATE PLAN FOR HIV/AIDS PREVENTION IS DEVELOPED AT THE PLANT HOSTEL FOR SINGLE EMPLOYEES.

DURING 2012 BYELORUSSIAN STEEL WORKS ARRANGED

A NUMBER OF EVENTS UNDER THE PROGRAM "HEALTH @ WORK" INCLUDING INFORMATION AND CONSULTATIVE MEETINGS WITH THE COMPANY PERSONNEL, PLACING OF INFORMATION AND EDUCATIONAL MATERIALS DEDICATED TO THE PROBLEM OF HIV-INFECTION DISSEMINATION AND PREVENTIVE MEASURES ON SPECIALIZED STANDS LOCATED AT HOSTELS, THE SPORT FACILITY, PALACE OF CULTURE, STRUCTURAL DIVISIONS AND MEDICAL CENTRE, NATIONAL INFORMATION AND EDUCATION ACTION "YOUR TOPIC!" ATTRACTING YOUNG EMPLOYEES AS CONSULTANTS-VOLUNTEERS DEDICATED TO THE WORLDWIDE DAY OF AIDS PREVENTION (INTERACTIVE SITES TO ATTRACT ATTENTION OF THE COMPANY EMPLOYEES WERE ARRANGED IN THE ADMINISTRATIVE BUILDING OF THE PIPE MILL AND SWS-1), INFORMING OF THE PLANT'S EMPLOYEES WITH THE HELP OF MASS MEDIA.

WHEN HIRING NEW EMPLOYEES, THEY ARE INFORMED ABOUT THE "HEALTH @ WORK" PROGRAM. AT THE CORPORATE TRAINING CENTRE VOLUNTEERS-CONSULTANTS BEING COMPANY EMPLOYEES (24 PEOPLE) CARRY OUT SEMINARS-TRAININGS IN HIV PREVENTION IN THE FIELD OF LABOUR AMONG THE GROUPS OF THE STAFF RESERVE "LINEAR MANAGER". 47 PEOPLE WERE TRAINED IN 2012 (60 PEOPLE IN 2010 AND 72 PEOPLE IN 2011). MEDICAL CENTRE SPECIALISTS TAKE PART IN THE WORK OF THE DISTRICT INTERORGANIZATION COMMITTEE OF HIV/AIDS AND VENE-REAL DISEASE PREVENTION. WITHIN THE FRAMEWORK OF IMPLEMENTATION OF THE REGIONAL ACTION TIMED TO THE WORLDWIDE DAY OF AIDS PREVENTION REPRESENTATIVES OF BYELORUSSIAN STEEL WORKS ORGANIZED A PRESENTATION-TRAINING IN ARRANGEMENT OF PUBLIC EVENTS DEDICATED TO HIV/AIDS PREVENTION FOR EMPLOYEES OF ZHLOBIN ENTERPRISES ON THE BASIS OF ZHLOBIN DISTRICT ORGANIZATION OF BELARUSIAN RED CROSS.

FOR MONITORING OF THE QUALITY OF MEDICAL-PREVENTIVE AID AND TARGET PROGRAMS WE USE THE PRACTICE OF INTERVIEWS WITH THE SPECIALISTS OF THE MEDICAL CENTRE AND THE RECIPIENTS OF THE SERVICES. THE MANAGEMENT OF THE MEDICAL CENTRE TAKES THEIR RECOMMENDATIONS INTO ACCOUNT.

RATING OF THE MEDICAL CENTRE WORK IS A LITTLE LOWER THAN IN 2011 AND IS AT THE AVERAGE LEVEL (SATISFACTION INDEX IS 0,63 VS 0,67 IN 2011). STUDIES SHOWED



THAT THE NUMBER OF EMPLOYEES INFORMED ABOUT THE "HEALTH" PROGRAM EXISTING AT THE PLANT GREW; THIS IS THE EVIDENCE OF A GROWING INTEREST OF THE EMPLOYEES TO THEIR HEALTH AND METHODS OF ITS PRESERVATION AS WELL AS IMPROVEMENT OF THE EMPLOYEES' INFORMATION ABOUT THE WORK OF THE MEDICAL CENTRE.

HEALTH PROMOTION AND REST TIME OF THE EMPLOYEES AND THEIR FAMILIES

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING STRIVES FOR IMPROVEMENT OF THE CONDITIONS FOR HEALTH PROMOTION AND REST OF ITS EMPLOYEES AS WELL AS ALL INTERESTED PERSONS IN THE TOWN OF ZHLOBIN AND REGION. AT PRESENT THE WORKS OFFERS HIGH-QUALITY SERVICES THAT CAN SATISFY ANY CLIENT. "DNEPROVSKIYE ZORI" RECREATION CENTER IS LOCATED ON A PICTURESQUE BANK OF THE DNIEPER RIVER, IN A PINE FOREST AND IS MEANT FOR ORGANIZING SPORT AND CULTURAL EVENTS. 1 103 PEOPLE HAD REST THERE IN 2012. THE PLANT SPENT USD 59,7 THOUSAND FOR ITS MAINTENANCE.

EVERY YEAR MORE THAN 1 800 COMPANY EMPLOYEES AND MEMBERS OF THEIR FAMILIES SPEND HOLIDAYS IN SANATORIUMS AND VACATION HOUSES OF THE REPUBLIC OF BELARUS. FINANCING OF HEALTH PROMOTION PROGRAMS AND SANATORIUM-RESORT THERAPY IS FULFILLED ON THE PRINCIPLES OF A JOINT PARTICIPATION AT THE EXPENSE OF THE WORKS BUDGET, STATE SOCIAL INSURANCE AND EMPLOYEES' MEANS. IN 2012 OVER USD 0,55 MILLION WERE USED TO COMPENSATE THE VOUCHER COSTS FOR THE EMPLOYEES AND THEIR FAMILY MEMBERS.

FOR ORGANIZING THE VACATIONS OF THE EMPLOYEES' CHILDREN, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING COMPENSATES THE MAJOR PART OF THE EXPENSES. 1 408 CHILDREN SPENT THEIR VACATIONS IN THE CHILDREN'S HEALTH CENTERS OF THE REPUBLIC IN 2012, HEALTH IMPROVEMENT OF MORE THAN 1 500 IS SCHEDULED FOR 2013.

BESIDES, IN 2012 THE PLANT USED THE CHILDREN'S HEALTH IMPROVEMENT POSSIBILITIES UNDER THE PROGRAM OF CHILDREN'S VOUCHERS DISTRIBUTION BY THE SOCIAL INSURANCE FUND. THE HEALTH-IMPROVING SERVICES OF THE REPUBLICAN SANATORIUMS WERE USED BY 83 CHILDREN.

PHYSICAL CULTURE AND SPORT DEVELOPMENT

PHYSICAL CULTURE AND SPORT IS A CONSTITUENT PART OF HEALTHY LIFESTYLE, HENCE FORMING THE DEMAND IN REGULAR SPORT ACTIVITIES WITH WORKERS IS A PRIORITY DIRECTION OF THE SOCIAL POLICY OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING. THIS TYPE OF ACTIVITY IS SPECIFIED BY THE CORRESPONDING PROVISIONS AND CLAUSES OF THE COLLECTIVE AGREEMENT WITH DIRECT PARTICIPATION OF AND FINANCIAL SUPPORT BY THE TRADE UNION COMMITTEE OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING.

AT PRESENT, THE PLANT OFFERS ITS SPORT AND RECREATION CENTER FOR THE EMPLOYEES AND THE TOWN RESIDENTS TO GO IN FOR SPORTS AND CONDUCT OUTDOOR ACTIVITIES. THE REALIZATION OF THE COMPANY SOCIAL MANDATE REGARDING THE DEVELOPMENT OF THE MASS PHYSICAL CULTURE AND SPORT AND FOLLOWING HEALTHY LIFESTYLE ARE ASSIGNED TO THIS FACILITY HAVING THREE GYMS: FOR EXERCISING, PLAYING GAMES AND TENNIS. THE PRIORITY WORK DIRECTIONS OF THE SPORT AND RECREATION CENTER ARE:

- ORGANIZATION OF SPORT AND HEALTH PROMOTION AS WELL AS MASS SPORT WORK AT OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING;
- STRENGTHENING THE COMPANY EMPLOYEES' HEALTH, ENHANCING THEIR WORKING EFFICIENCY, STRESS RESISTANCE, HEALTHY LIFESTYLE PROMOTION;
- SATISFACTION OF THE COMPANY EMPLOYEES' NEEDS FOR SYSTEMATIC SPORT AND PHYSICAL CULTURE ACTIVITIES, THE EMPLOYEES' HEALTH PROMOTION, FORMATION OF PHYSICALLY DEVELOPED AND HEALTHY CITIZENS;
- ENGAGING CHILDREN AND TEENAGERS IN REGULAR SPORT ACTIVITIES.

THE PLANT SPENT USD 0,14 MILLION FOR MAINTENANCE OF THE SPORT AND RECREATION CENTER IN 2012. THE ALLOCATED FUNDS WERE DIRECTED TO:

- CONDUCTING MASS SPORT ACTIVITIES: UNDER THE ANNUAL ALL-THE-YEAR-ROUND OLYMPICS OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING. COMPETITIONS WERE HELD IN 16 KINDS OF SPORT, 53 SPORT EVENTS WERE ORGANIZED WITH PARTICIPATION OF 35 TEAMS (2055 PEOPLE). TOTAL NUMBER OF PEOPLE PARTICIPATING IN SPORT EVENTS IN 2012 EQUALED TO 3183 PEOPLE;

Social activity

– PHYSICAL TRAINING AND HEALTH PROMOTION WORK AMONG THE PLANT EMPLOYEES AND MEMBERS OF THEIR FAMILIES: 8 AMATEUR CLUBS AND 9 SPORT SECTIONS IN DIFFERENT KINDS OF SPORT ARE SUCCESSFULLY FUNCTIONING AND INVOLVE OVER 1000 PEOPLE IN PHYSICAL TRAINING AND SPORT ACTIVITIES;

MORE THAN 48,6 THOUSAND PEOPLE INCLUDING 17,5 THOUSAND CHILDREN VISITED THE SPORT FACILITY IN 2012.

A TRADITIONAL NEW YEAR CHILDREN'S TOURNAMENT IN MINI-FOOTBALL GATHERED 164 PARTICIPANTS, SPORTS CONTEST "DEFENDER OF THE FATHERLAND" IN 7 KINDS OF SPORT AMONG YOUTH TEAMS OF THE SHOPS AND SUBDIVISIONS OF THE PLANT WHERE 10 TEAMS (152 PARTICIPANTS) TOOK PART, XXIII INTERNATIONAL LIGHT ATHLETICS RACE DEDICATED TO THE METALLURGIST'S DAY WITH MORE THAN 200 SPORTSMEN INCLUDING ATHLETES FROM RUSSIA, THE UKRAINE, AND THE BALTIC STATES.

THE COMPANY EMPLOYEES SUPPORT THE HONOR OF THE ENTERPRISE AT THE COMPETITIONS OF VARIOUS LEVELS; SOME OF THEM ARE ACTING PARTICIPANTS OF THE CHAMPIONSHIP OF THE REPUBLIC OF BELARUS IN MAJOR LEAGUE IN MINI-FOOTBALL TEAM "MFK ZHLOBIN" AND PARTICIPANTS OF GOMEL REGIONAL TEAMS.

EFFICIENCY OF HEALTHY LIFESTYLE POLICY IMPLEMENTATION IN THE COMPANY IS CONFIRMED BY SPORT ACHIEVEMENTS OF THE ASSEMBLY TEAMS CONSISTING OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING:

– 2ND PLACE IN THE INTERNATIONAL WORKERS' FESTIVAL AS A MEMBER OF THE TEAM OF THE TRADE UNION FEDERATION OF BELARUS;

– 1ST PLACE IN THE CHAMPIONSHIP OF THE SOUTH-EAST AMATEUR HOCKEY LEAGUE;

– 1ST TEAM PLACE IN THE NATIONAL SPORTS CONTEST OF BELARUSIAN NATIONAL TRADE UNION OF INDUSTRIAL WORKERS;

– 2ND PLACE IN THE REGIONAL INTER-INDUSTRIAL SPORTS COMPETITION OF TRADE UNIONS;

– 1ST TEAM PLACE IN THE DISTRICT ALL-YEAR-ROUND SPORTS CONTEST.

AT THE X OPEN INTERNATIONAL WORKERS' FESTIVAL IN BULGARIA PLANT SPORTSMEN WON THE 2ND PLACE AS

MEMBERS OF THE NATIONAL TEAM OF THE BELARUSIAN TRADE UNION FEDERATION.

BASED ON THE RESULTS OF THE NATIONAL CONTEST FOR THE BEST ORGANIZATION OF MASS PHYSICAL AND HEALTH PROMOTION WORK AMONG SPORT CLUBS (PHYSICAL CULTURE TEAMS) OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING WON THE THIRD PLACE AND WAS AWARDED AN OFFICIAL LETTER OF THE MINISTRY OF SPORT AND TOURISM OF THE REPUBLIC OF BELARUS.

IN ORDER TO ORGANIZE THE WORKERS' LEISURE TIME AND PROMOTE HEALTHY LIFESTYLE, THE COMPANY IMPLEMENTED A PROGRAM OF COLLECTIVE VISITS TO THE TOWN SPORT AND RECREATION CENTER, ICE PALACE, SWIMMING POOL AND AQUA-PARK, SPORT FACILITIES OF THE REPUBLIC: SILICHI, RAUBICHI, AND OTHERS.

ENGAGING THE COMPANY EMPLOYEES INTO SPORT ACTIVITIES CONTRIBUTES TO BOTH THEIR HEALTH-IMPROVEMENT AND FORMING SPECIFIC CORPORATE SPIRIT OF THE ENTERPRISE THAT HELPS TO SOLVE THE MOST CHALLENGING PRODUCTION PROBLEMS.

THE SPORT AND RECREATION CENTER SERVICES ARE POPULAR WITH THE CITIZENS OF THE REGION. PROCEEDS FROM PHYSICAL AND SPORT SERVICES MADE UP USD 13,4 THOUSAND DURING 2012.

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING TAKES ACTIVE PARTICIPATION IN SOLVING ISSUES ON THE AREA OF ITS PRESENCE CARRYING-OUT THE FINANCIAL SUPPORT OF "METALLURG" VOLLEYBALL TEAM – BRONZE PRIZE WINNER OF THE CHAMPIONSHIP OF THE REPUBLIC OF BELARUS IN THE SEASON OF 2011–2012, "METALLURG-ZHLOBIN" HOCKEY-CLUB" – FINALIST OF THE CUP OF THE REPUBLIC OF BELARUS AND WINNER OF THE CHAMPIONSHIP OF THE REPUBLIC OF BELARUS IN 2012, WINNER OF THE 21ST OPEN CHAMPIONSHIP OF THE REPUBLIC OF BELARUS OF 2011 – 12, WINNER OF THE THIRD STAGE OF THE CONTINENTAL CUP (VOUCHER TO THE SUPER FINAL), BRONZE WINNER OF THE CHAMPIONSHIP OF THE REPUBLIC OF BELARUS OF 2009 AND 2011. WE ALSO SUPPORTED THE ASSOCIATION "HOCKEY FEDERATION OF THE REPUBLIC OF BELARUS" AND BELARUSIAN BIATHLON CLUB.

THE TOTAL AMOUNT OF USD 8,6 MILLION WAS SPENT BY THE PLANT FOR FINANCING OF THE DEVELOPMENT OF PHYSICAL CULTURE AND SPORT IN THE REPUBLIC OF BELARUS IN 2012.



By financing these teams the plant supports the development of the sport of high achievements, sport popularization in particular among young people.

In 2012 the enterprise spent USD4,7 million for financing of the erection of the sport centre and a rowing canal in Zhlobin which is being carried out by the plant since 2005.

CULTURAL LIFE OF THE PLANT EMPLOYEES

An important part of the social policy of OJSC "BSW – management company of "BMC" holding is creation of conditions for promotion and spreading of modern culture of effective corporate social practice and development of the creative potential of the employees. During 20 years a key role in organization of cultural life of the employees and the region has been played by the Palace of Culture of Metallurgists. The Palace of Culture of Metallurgists is rightly considered a centre of cultural and mass and educational work directed towards satisfaction of spiritual and cultural needs of all categories of citizens.

Various cultural events of educational, aesthetic, entertaining character for different audiences and age groups take place at the Palace of Culture. A list of events is varied: different parties, discotheques, performances and shows, concerts dedicated to holidays and jubilees, contests, amateur arts festivals. In 2012, which was announced as the year of books in the Republic of Belarus, VII annual contest of amateur arts of BSW teams took place dedicated to the theme "The first book in my life".

The Palace of Culture does not only cheers people but develops talents, gives people the possibility to be occupied with their favorite hobby, make the leisure time of steel makers and the inhabitants of the town spiritually rich, and interesting. Over 560 people are members of hobby groups and creative teams, 450 of them are children.

20 creative teams and amateur associations work at the Palace of Culture: 9 for grown-ups and 11 for children; 5 collectives were given the honorable title of «People's» and «Classic» in the Republic of Belarus.

A great emphasis of its activity is placed by the Palace of Culture on the professional level improvement. Guest performances, participation in prestigious festivals and contests support professional skills growth. The following awards received in 2012 are the result of a laborious work of the creative team of the Palace of Culture:

- model group of folk songs "Skomoroshina" and soloists of the song theatre "Aprel" took part in the regional festival of children's arts "A Russian portrait in Belarusian interior". Based on the results of the festival, "Skomoroshina" group was awarded the 3rd-class diploma, and a soloist of the group received an official letter for successful performance. "Skomoroshina" group confirmed its title of a model group as the result of a successful participation;

- folk brass band of the Palace of Culture took part in the regional contest of brass bands and was awarded a 3rd - class diploma and confirmed its title;

- folk choir "Krynitsa" was awarded a diploma "For adherence to the traditions of choral arts" in the national festival of choral singing "Pevcheskoe Pole".

Formation of the reputation of the most attractive employer in the region is a precondition for attracting creative, active and educated people to the plant. The enterprise invests funds to arrange events for aesthetic upbringing of children and younger generation at the Palace of Culture. Thematic discotheques, parties, festivals, performances, contests for people of different ages became regular: "How wonderful this world is", "Men's season", "Choose me", "Miss Zhlobin" and many oth-

Social activity

ERS. FOR THE CHILDREN OF ELEMENTARY SCHOOLS MUSIC LESSONS "JOURNEY TO THE COUNTRY OF MUSIC" WITH PARTICIPATION OF THE BRASS BAND WERE ORGANIZED. THE CEREMONY OF MARRIAGE REGISTRATION AT THE PALACE OF CULTURE BECAME POPULAR. IN 2012 THE PALACE OF CULTURE ARRANGED 290 EVENTS VISITED BY MORE THAN 40 THOUSAND PEOPLE. 4913 PEOPLE INCLUDING 3158 651 CHILDREN TOOK PART IN THE CULTURAL EVENTS

ONE OF THE IMPORTANT ACTIVITIES OF THE PALACE OF CULTURE IS THE WORK DIRECTED TOWARDS PREVENTION OF THE YOUTH ASOCIAL BEHAVIOR, STRUGGLE AGAINST DRUGS, PROMOTION OF HEALTHY LIFESTYLE AND AIDS PREVENTION. DIFFERENT FORMS OF SUCH WORK THE MAIN IDEA OF WHICH IS: "CREATIVITY AS THE ALTERNATIVE TO DRUGS AND ALCOHOL" ARE USED.

REALIZING SOCIAL PROGRAMS IN THE LOCAL COMMUNITY, THE TEAM OF THE PALACE OF CULTURE CLOSELY COOPERATES WITH ZHLOBIN REGIONAL ORGANIZATION OF "BELARUSIAN BOARD OF OFFICERS" PUBLIC ASSOCIATION, "BELARUSIAN REPUBLICAN YOUTH ASSOCIATION", ETC. VETERANS' BOARD OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING, WOMEN'S COUNCIL AND OTHER PUBLIC ORGANIZATIONS OF THE PLANT'S TEAMS HOLD THEIR ACTIVITIES UNDER THE ROOF OF THE PALACE OF CULTURE. THESE ARE JOINT EVENTS – CONCERTS, MEETINGS, GALA NIGHTS AND CELEBRATIONS.

SUCH JOINT PROJECTS OF THE BELARUSIAN REPUBLICAN YOUTH UNION AND THE PALACE OF CULTURE AS "MISS ZHLOBIN", "BSW SUPERMAN", "LADY PERFECTION", AND "BUSINESS LADY" ARE VERY POPULAR WITH THE YOUNG WORKERS OF THE PLANT. SUPPORTING THE STATE YOUTH POLICY, THE PALACE OF CULTURE ARRANGES SUCH TRADITIONAL PROJECTS AS «SPORT! HEALTH! BEAUTY!", "FAMILY GIVES START TO EVERYTHING!" YOUTH FESTIVAL "DARE WHILE YOUNG!", ETC.

THE PALACE OF CULTURE PROMOTES IMPLEMENTATION OF SOCIALLY-ORIENTED PROJECTS ON THE REGIONAL AND LOCAL LEVEL. ITS ACTIVITY IS AIMED AT IMPROVING SOCIAL CLIMATE AND HABITAT. CREATIVE TEAMS OF THE PALACE OF CULTURE CONSTANTLY PARTICIPATE IN TOWN AND REGIONAL FESTIVE EVENTS, ANNUAL REPUBLICAN FESTIVAL-FAIR

"DAZHYNKI", GALA CONCERTS DEDICATED TO THE VICTORY DAY, INDEPENDENCE DAY OF THE REPUBLIC OF BELARUS, LABOUR DAY, YOUTH DAY AND PROFESSIONAL FEASTS.

THE TEAMS OF THE PALACE OF CULTURE ALSO PARTICIPATE IN REGIONAL AND REPUBLICAN EVENTS. THE BRASS BAND OF THE PALACE OF CULTURE IS THE ADORNMENT OF KEY FESTIVALS IN THE CULTURAL LIFE OF THE TOWN. CREATIVE WORK OF THE BRASS BAND IS VALUED AND LOVED BY THE CITIZENS: AN IMPORTANT DIRECTION OF THE ACTIVITY OF THE PALACE OF CULTURE IS ORGANIZATION OF EVENTS STRENGTHENING THE RELATIONS WITH THE PRODUCTION AND CULTIVATE PRIDE FOR THE ENTERPRISE.

IN THE CENTER OF ALL ACTIVITIES IS THE MAN OF LABOR, DEMONSTRATION OF THE IMPORTANCE OF EVERY SINGLE TEAM MEMBER, ESTABLISHMENT AND SUPPORT OF THE CORPORATE SPIRIT FOR THE EFFICIENT ACTIVITY OF THE ENTIRE ENTERPRISE. ANNUAL CEREMONIAL PRESENTATION OF PROFESSIONAL PREMIUM "PROFESSIONAL OLYMPUS", "MISS BSW", "INITIATION INTO METALLURGISTS", "CORPORATE CALENDAR", "YOUTH BALL", CULTURAL-SPORT FEASTS, THE EVENTS DEDICATED TO THE METALLURGIST'S DAY, THE WORKS BIRTHDAY ARE THE FORMS USED BY THE PALACE OF CULTURE IN ITS WORK.

THE ACTIVITY OF THE PALACE OF CULTURE IS ORGANIZED IN SUCH A WAY THAT ALLOWS THE MAJORITY OF THE WORKERS TO DISCLOSE THEIR ABILITIES AND TALENTS, ENJOY THE BEAUTY AND IS HIGHLY SPIRITUAL. IT IS PROVED BY THE ANNUAL AMATEUR ARTS FESTIVAL. THIS CREATIVE WORK UNITES PEOPLE, RAISES THEIR SPIRITS, CREATES MOOD FOR SUCCESSFUL AND PRODUCTIVE WORK.

ALONG WITH THE EVENTS BASED ON MODERN GENRES, THE PALACE OF CULTURE CONTRIBUTES TO THE DEVELOPMENT OF NATIONAL FOLK ARTS, SPIRITUAL REVIVAL AND PRESERVATION OF THE BEST TRADITIONS OF BELARUSIAN NATIONAL CULTURE. ACTIVE WORK IN THIS DIRECTION IS CARRIED OUT BY KRYNITSA CHOIR, AND CREATIVE COLLECTIVE "SKOMOROSHINA". EVENTS ORGANIZED BY THESE TEAMS ARE VERY POPULAR WITH THE PEOPLE OF DIFFERENT AGES.

THE METALLURGIST'S DAY IS THE MAIN FEAST OF THE TEAM OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC"



HOLDING AND THE ENTIRE TOWN. AS FAR AS IMPORTANCE, ATTENDANCE, IMPRESSIONS BRIGHTNESS IMPRESSION ARE CONCERNED, IT IS EQUAL TO FESTIVE EVENTS OF THE NATIONAL SCALE. BELARUSIAN AND RUSSIAN ENTERTAINMENT STARS CAN BE SEEN PERFORMING DURING THE FEAST.

WORK OF THE TEAM OF THE PALACE OF CULTURE COMPLETELY JUSTIFIES ITS HIGH MISSION. BEING THE CENTRE OF THE CULTURAL LIFE OF THE PLANT, TOWN AND REGION, THE PALACE OF CULTURE IS AN IMPORTANT CONSTITUENT PART OF THE CORPORATE STRATEGY OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING. IN 2012 THE PLANT SPENT USD 0,48 MILLION FOR ORGANIZATION OF CULTURAL EVENTS.

SOLVING OF EMPLOYEES' HOUSING PROBLEMS

AN IMPORTANT PART OF THE SOCIAL POLICY OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS ENGAGING AND PROMOTING YOUNG HIGHLY-PROFESSIONAL PRODUCTION STAFF. PROVISION WITH HOUSING IS ONE OF THE KEY FACTORS OF THE WORKING TEAM STABILITY AND SOCIAL ATTRACTIVENESS OF THE ENTERPRISE.

THERE ARE SIX DORMITORIES FOR THE WORKERS' FAMILY MEMBERS, WHERE 1732 PEOPLE (592 FAMILIES LIVE) AND ONE HOSTEL PROVIDING 340 BEDS FOR SINGLE EMPLOYEES (275 PEOPLE INCLUDING STUDENTS OF ZHLOBIN STATE METALLURGICAL COLLEGE) ON THE BALANCE OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING. LIVING CONDITIONS IN THE DORMITORIES ARE CONSTANTLY IMPROVED DUE TO SCHEDULED CAPITAL REPAIRS: MODERNIZATION OF ENGINEERING NETWORK AND HEAT POINTS WHICH HELPED TO DECREASE MUNICIPAL EXPENSES.

IN 2012 THE PLANT SPENT USD1,11 MILLION FOR THESE PURPOSES, OUT OF WHICH USD700,6 THOUSAND WERE USED FOR IMPROVEMENT AND REPAIR OF THE HOUSING STOCK.

IN OCTOBER 2012 HOSTEL No.3 IN MICRODISTRICT 16 WAS COMMISSIONED AFTER MODERNIZATION AND CAPITAL REPAIRS AT THE EXPENSE OF THE ENTERPRISE. IT WAS AN EXCELLENT PRESENT FOR THE FAMILIES OF YOUNG WORKERS OF THE COMPANY. TREMENDOUS WORK WAS DONE IN THE



V.E. FLARYZIAK,
DEPUTY GENERAL DIRECTOR FOR PERSONNEL AND IDEOLOGICAL
WORK OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC"
HOLDING

PLANT MANAGEMENT AND THE TRADE UNION COMMITTEE ARE VERY ATTENTIVE TO SOCIAL ISSUES. OUR EMPLOYEES SHALL LIVE IN ADEQUATE CONDITIONS, AND THIS HOSTEL MEETS PRESENT DAY REQUIREMENTS COMPLETELY

HOSTEL: BATHROOM EQUIPMENT WAS COMPLETELY CHANGED, NEW TILES WERE LAID IN THE KITCHENS AND BATHROOMS, NEW STOVES INSTALLED. ROOMS WHERE EMPLOYEES LIVE ALSO CHANGED: NEW WALLPAPER, LINOLEUM, DOOR AND DAY-LIGHT LAMPS. MOREOVER, A SPACIOUS AND HEATED ROOM FOR BABY CARRIAGES WAS ARRANGED.

80 FAMILIES IMPROVED THEIR LIVING CONDITIONS DUE TO CONSTRUCTION IN 2012. 724 PEOPLE WERE REGISTERED AS THOSE WHO NEED THEIR LIVING CONDITIONS TO BE IMPROVED AND 80 FAMILIES WAIT FOR A ROOM IN THE HOSTEL.

SUPPORT FOR LARGE FAMILIES

IMPLEMENTATION OF THE TARGET-ORIENTED SOCIAL SUPPORT OF THE EMPLOYEES OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS CARRIED OUT BY WAY OF A FLEXIBLE SYSTEM OF BENEFITS AND COMPENSATIONS. BASED ON THE PRINCIPLES OF THE STATE POLICY DECLARING THAT CHILDREN HAVE THE RIGHT TO A SPECIAL CARE AND ASSISTANCE, THAT A FAMILY SHOULD BE PROVIDED WITH THE REQUIRED PROTECTION AND ENCOURAGEMENT AS THE MAIN SOCIAL UNIT AND NATURAL ENVIRONMENT FOR GROWTH AND WELLBEING OF ALL ITS MEMBERS, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ARRANGES EVENTS TO SUPPORT COMPLETE AND INCOMPLETE FAMILIES AND THOSE HAVING FOUR AND MORE CHILDREN UNDER 18 SO AS TO CONTINUE THE DEVELOPMENT OF THE MATERNITY AND CHILDHOOD SUPPORT. THE AIM OF THE ACTIVITIES

Social activity

IS INCREASING THE STATUS OF FAMILIES AND IMPROVING THEIR LIFE QUALITY. ACCORDING TO THE PROVISION REGARDING HEALTH-IMPROVEMENT AND SANATORIUM-RESORT THERAPY AT OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING, THE FAMILIES ARE PROVIDED PRIVILEGED AND PARTIALLY PAID VOUCHERS TO SANATO-

RIUMS AND VACATION HOUSES. ONE OF THE EVENTS FOR THE WORKERS' FAMILIES SOCIAL SUPPORT ARE ANNUAL PAYMENTS FOR PURCHASING SCHOOL UNIFORMS AND MONTHLY PROVISION OF A PAID DAY-OFF FOR MOTHERS OF MORE THAN THREE CHILDREN.

DESCRIPTION	2008	2009	2010	2011	2012
PAYMENTS FOR BIRTH OF A CHILD (LUMP SUM ALLOWANCE)	177 WOMEN 106,2 THOU.\$	160 WOMEN 84,3 THOU.\$	132 WOMEN 72,8 THOU.\$	400 WOMEN 152,5 THOU.\$	134 WOMEN 84,2 THOU.\$
PAYMENT FOR NURSING A CHILD UNDER 3	562 WOMEN 472,9 THOU.\$	546 WOMEN 411,1 THOU.\$	509 WOMEN 490,6 THOU.\$	441 WOMEN 419,2 THOU.\$	419 WOMEN 413,2 THOU.\$
PAYMENTS FOR PURCHASING SCHOOL UNIFORM	14,8 THOU.\$	10,9 THOU.\$	11,9 THOU.\$	23,2 THOU.\$	
PROVIDING ONE DAY-OFF	24,2 THOU.\$	22,6 THOU.\$	20,3 THOU.\$	5,4 THOU.\$	40,8 THOU.\$
THE MEANS FOR CHILDREN'S HEALTH IMPROVEMENT	385,9 THOU.\$	326,7 THOU.\$	341,2 THOU.\$	474,8 THOU.\$	
PAYMENTS FOR THE FAMILIES RAISING THE DISABLED CHILDREN UNDER 18	100 CHILDREN 4,7 THOU.\$	100 CHILDREN 3,6 THOU.\$	97 CHILDREN 5,1 THOU.\$	96 CHILDREN 8,6 THOU.\$	66 CHILDREN 49,8 THOU.\$

Arrangements for the workers' families support

SOCIAL SUPPORT OF UNEMPLOYED PENSIONERS, INVALIDS AND OTHER CATEGORIES OF PEOPLE NOT SUFFICIENTLY PROVIDED FOR

BUSINESS INITIATIVES HAVE GREAT IMPACT ON THE PROCESSES OF SOCIAL DEVELOPMENT IN THE COUNTRY AND THEIR RESULTS CHANGE THE PUBLIC IDEAS OF THE LIVING QUALITY NORMS. A PENSIONER, WHO RECEIVES A CORPORATE PENSION IN ADDITION TO THE STATE ONE, IS BETTER PROTECTED WHEN HE/SHE GETS OLD. WORK WITH VETERANS, INVALIDS AND OTHER CATEGORIES OF THE NEEDY IS CARRIED OUT AT OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING BASED ON "RECIPIENT-ORIENTED" SOCIAL SUPPORT BOTH IN THE FORM OF FINANCIAL PAYMENTS AND USING A WIDE RANGE OF SOCIAL FACILITIES: THE CLINIC, THE PALACE OF CULTURE OF METALLURGISTS, SPORT AND RECREATION CENTER OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING. IN 2012 THE AMOUNT OF THIS SUPPORT MADE UP OVER USD 578,3 THOUSAND.

THERE ARE MORE THAN FIVE FORMS AND DIRECTIONS OF RENDERING SOCIAL SUPPORT WHICH WERE USED BY OVER 1400 PEOPLE.

AN IMPORTANT LINE IN THE SOCIAL SUPPORT POLICY IS A MONTHLY MATERIAL AID FOR UNEMPLOYED PENSIONERS. SINCE 01.11.2012 CHANGES AND AMENDMENTS WERE IN-

TRODUCED IN THE COLLECTIVE AGREEMENT ANTICIPATING GROWTH OF ADDITIONAL PAYMENTS TO SOME CATEGORIES OF FORMER EMPLOYEES. AT PRESENT THE AMOUNT OF THE MONTHLY PENSION SUPPLEMENTS VARIES FROM USD21 TO USD162 DEPENDING ON THE RECORD OF SERVICE AND AWARDS. IN 2012 THESE SUPPLEMENTS MADE UP USD335,2 THOUSAND.

THE FINANCIAL AID IS PROVIDED IN CONNECTION WITH RETIREMENT. IN 2012 THE AMOUNT OF THIS AID WAS OVER USD19,46 THOUSAND.

BESIDES, THERE IS AN ANNUAL FINANCIAL AID DEDICATED TO THE INTERNATIONAL DAY FOR THE ELDERLY. ITS AMOUNT EQUALED TO USD159, 4 THOUSAND.

THOSE PENSIONERS WHO DO NOT WORK GET MATERIAL ASSISTANCE ON HOLIDAYS, JUBILEES, BECAUSE OF HARD ECONOMIC CONDITION, FOR MEDICAL TREATMENT AND PURCHASING OF EXPENSIVE MEDICINE; OTHER SOCIAL PAYMENTS ARE EFFECTED. THE AMOUNT OF THESE EXPENSES EQUALED TO USD49, 5 THOUSAND.

A MATERIAL AID IS RENDERED TO THOSE EMPLOYEES WHO HAVE DISABLED CHILDREN. IN 2012 THIS AID AMOUNTED TO USD14,6 THOUSAND.

A SPECIAL PLACE IN THE SOCIAL PROGRAM IS OCCUPIED BY PROVIDING THE UNEMPLOYED PENSIONERS WITH TREAT-



MENT IN THE PLANT'S CLINIC, THE SPORT AND RECREATION CENTER SERVICES, THE SERVICES RENDERED BY THE PALACE OF CULTURE AT A REDUCED CHARGE. EVERY YEAR THE VETERANS ARE SUBSCRIBED TO THE PLANT'S NEWSPAPER "METALLURG" FREE OF CHARGE.

CONCERN FOR CHILDREN

BEING A SOCIALLY-ORIENTATED ENTERPRISE, OJSC "BSW" – MANAGEMENT COMPANY OF "BMC" HOLDING RENDERS FREE PRESCHOOL SERVICES SATISFYING A SOCIAL ORDER OF THE SOCIETY AND THE STATE. IT PUTS GREAT EMPHASIS ON RETAINING AND IMPROVING HEALTH OF THE YOUNGER GENERATION OF STEELMAKERS, CREATING SAFE LIVING ENVIRONMENT AND PERSONAL DEVELOPMENT OF A CHILD. THE REALIZATION OF THIS OBJECTIVES IS ASSIGNED TO 9 PRE-SCHOOL ESTABLISHMENTS UNDER THE AUSPICES OF THE ENTERPRISE ATTENDED BY 1 828 CHILDREN (77% ARE CHILDREN OF THE PLANT'S EMPLOYEES, OTHERS ARE CHILDREN OF THE CITIZENS OF THE AREA OF THE COMPANY ACTIVITY). IN 2012 FINANCIAL INVESTMENT IN THE KINDERGARTENS AMOUNTED TO USD2,41 MILLION.

MODERN MATERIAL FACILITIES OF THE PRE-SCHOOL ESTABLISHMENTS ALLOWS PROVISION OF SANITARY AND HYGIENIC CONDITIONS FOR THE CHILDREN PROVIDING A POSITIVE EMOTIONAL STATE OF CHILDREN, SATISFYING NEED OF EVERY CHILD IN PSYCHOLOGICAL COMFORT THROUGH A FLEXIBLE SYSTEM OF THE EDUCATIONAL PROCESS.

THE FOLLOWING FACILITIES FUNCTION ON THE BASE OF PRESCHOOL ESTABLISHMENTS:

- 9 MUSIC ROOMS;
- 9 GYMS;
- 6 WATER POOLS;
- 3 VISUAL ARTS STUDIOS;
- 2 ECOLOGICAL ROOMS;
- 3 MUSEUMS;
- 9 ROOMS FOR CORRECTIVE PEDAGOGICAL AID;
- 9 PSYCHOLOGICAL ROOMS;
- 9 MEDICAL BLOCKS;
- PLAYING, ARTS, ECOLOGICAL, ADAPTATION, ETHNOGRAPHIC AND OTHER TYPES OF SITES;
- METHODICAL CENTRE PHYSICAL TRAINING OF CHILDREN;

PRESCHOOL ESTABLISHMENTS PROVIDE FOR EQUAL STARTING POSSIBILITIES FOR TRANSITION TO ANOTHER HIGHER LEVEL OF EDUCATION.

FOR MANY YEARS OF THE WORK OF THESE ESTABLISHMENTS LOVING AND TENDER CARE OF EACH CHILD, ENTHUSIASM AND CONSCIENTIOUSNESS, INITIATIVE AND SINCERE INTEREST OF THE EMPLOYEES IN THE WELL-BEING AND HEALTH OF EVERY SINGLE CHILD REMAIN THE UNCHANGING VALUES OF THEIR WORKING TEAMS.

FOR EFFICIENCY OF THE EDUCATIONAL PROCESS IN THE KINDERGARTENS, UP-TO-DATE EDUCATIONAL AND HEALTH-SAVING METHODS AND INTEGRATED CLASSES AND SCENARIO-PLAYING COMPLEXES ARE USED AND COUNSELORS AND PHYSIOLOGISTS ARE INVOLVED. A SIGNIFICANT ATTENTION IS PAID TO PROTECTION OF A CHILD'S RIGHTS. IN ADDITION TO SPORT ACTIVITIES, THEMATIC MATINEES AND ECOLOGICAL EDUCATION IS ORGANIZED FOR THE CHILDREN. IN THE KINDERGARTENS THERE ARE COLORFUL STANDS, CREATIVE PLAYGROUNDS, PETS' CORNERS, SCULPTURAL COMPOSITIONS, ECOLOGIC ROOMS; BIRDFEEDERS ARE SUSPENDED IN THE PLAYGROUND AREAS. IN A WORD, EVERYTHING IS ARRANGED FOR THE CHILDREN TO GROW IN UNITY WITH NATURE AND TRY TO ADORN THE EARTH, PRESERVE ITS BEAUTY. ECOLOGICAL EDUCATION PRESUPPOSES BOTH CARING ATTITUDE TO NATURE AND BEING RESPONSIBLE FOR OWN HEALTH, CONFORMITY WITH CERTAIN MORAL STANDARDS AND RULES OF CONDUCT IN A FOREST, IN A MEADOW, SMALL WOOD AND GARDEN. THIS ATTITUDE TO THE WORLD TO BE PROTECTED IS RAISED IN THE CHILDREN FROM EARLY AGE.

SINCE 2008 ALL KINDERGARTENS ARRANGE CREATIVE SITES FOR THE CHILDREN IN SUMMER TIME: PLAYGROUNDS, CREATIVE, ECOLOGICAL, AND ETHNOGRAPHIC SITES; 60 SECTIONS AND STUDIOS WORK WHICH ARE VISITED BY OVER 650 CHILDREN; IN SOME KINDERGARTENS ADAPTATION SITES ARE ARRANGED FOR THE NEWCOMERS. "MOTHERS' SCHOOL" IS OPENED IN ONE OF THE PRE-SCHOOL ESTABLISHMENTS TO WORK WITH THE FAMILIES BRINGING UP CHILDREN OF LESS THAN THREE YEARS OLD. IN 2012 ON THE BASIS OF ANOTHER PRESCHOOL ESTABLISHMENT THE FIRST IN THE COUNTRY CHILDREN'S MUSEUM OF STEELMAKING WAS OPENED. IT HELPS CHILDREN TO LEARN MORE ABOUT PROFESSIONS OF THEIR PARENTS WHO WORK AT BSW. EDUCATIONAL PROJECT "WORLD OF PROFESSIONS" WAS WORKED OUT AND IS ACTIVELY INTRODUCED IN PRACTICE TO AROUSE A COGNITIVE INTEREST OF CHILDREN FOR STEELMAKER'S WORK.

Social activity

LEGAL EDUCATION WORK IS CARRIED-OUT AMONG CHILDREN AND THEIR PARENTS.

THE PRE-SCHOOL ESTABLISHMENTS IMPLEMENTED A SYSTEM OF THERAPEUTIC AND EDUCATIONAL EVENTS FOR CHILDREN'S HEALTH IMPROVEMENT WHICH IS DIRECTED TOWARDS CREATING OPTIMAL ECOLOGICAL, SANITARY-HYGIENIC CONDITIONS IN ORDER TO ENSURE CREATION OF POSITIVE EMOTIONAL CONDITION OF CHILDREN, SATISFACTION OF EVERY CHILD'S NEED IN PSYCHOLOGICAL COMFORT VIA THE FLEXIBLE EDUCATIONAL PROCESS SYSTEM.

PROFESSIONAL ACHIEVEMENTS OF THE PLANT'S PRE-SCHOOL ESTABLISHMENTS ARE AWARDED IN VARIOUS CONTESTS. THUS, TEACHERS OF KINDERGARTEN No.41 WON THE FIRST PLACE IN THE DISTRICT AND SECOND PLACE IN THE REGIONAL CONTEST "SAFE CHILDHOOD".

ONE OF THE BRIGHT EVENTS IN THE LIFE OF PRE-SCHOOL ESTABLISHMENTS IS A GALA-CONCERT ORGANIZED AT THE PALACE OF CULTURE OF METALLURGISTS WITHIN THE FRAMEWORK OF THE FESTIVAL OF CHILDREN'S CREATIVE WORK "HOW WONDERFUL THIS WORLD IS". CHILDREN AND ADULTS HAVE A NICE OPPORTUNITY TO DEMONSTRATE THEIR CREATIVE ABILITIES AND TALENTS IN THE VISUAL ARTS, DRAMATIC ART, AND MUSIC. THIS EVENT IS HIGHLY APPRECIATED BY THE EDUCATIONAL BOARD OF GOMEL REGIONAL EXECUTIVE COMMITTEE AND GENERAL PUBLIC. BSW TRADE UNION AND ADMINISTRATION RENDERED ITS ASSISTANCE IN ARRANGING THIS EVENT. THEY SUPPORT PRE-SCHOOL ESTABLISHMENTS IN EVERY POSSIBLE WAY.

ITS VERY URGENT FOR THE SYSTEM OF PRE-SCHOOL EDUCATION TO IMPROVE PROFESSIONAL COMPETENCE OF THE PRE-SCHOOL TEACHERS. THE SYSTEM OF PRE-SCHOOL EDUCATION UNITES OVER 496 INCLUDING 223 TEACHERS AND ONE PEDIATRICIAN.

IMPROVEMENT OF PRE-SCHOOL EDUCATION QUALITY IS PROVIDED FOR BY ORGANIZING CONDITIONS FOR SELF-REALIZATION AND IMPROVEMENT OF PROFESSIONAL LEVEL OF THE TEACHING STAFF, ORGANIZATION OF WORK OF METHODOLOGICAL ASSOCIATIONS. SPECIALISTS SUMMARIZE AND SHARE TEACHING EXPERIENCE AT THE REPUBLICAN AND REGIONAL SEMINARS.

BSW KINDERGARTENS ARE ACTIVE PARTICIPANTS OF EVENTS DEDICATED TO DIFFERENT HOLIDAYS AND REMARKABLE

DATES: DAY OF UNITY OF RUSSIA AND BELARUS—AN EXHIBITION OF CREATIVE WORKS OF CHILDREN AND PARENTS WAS ARRANGED; BIRTHDAY OF THE PLANT AND METALLURGISTS' DAY: FOR THE SECOND TIME SCHOOLCHILDREN PARTICIPATE IN THE CONTEST OF CHILDREN'S DRAWINGS "I WANT TO BE A STEELMAKER".

EFFICIENCY OF THE EDUCATIONAL PROCESS AT PRE-SCHOOL ESTABLISHMENTS IS DETERMINED BY THE GROWTH OF THE LEVEL OF THE ALL-ROUND DEVELOPMENT OF THE PERSONALITY OF A CHILD TOGETHER WITH THE DECREASE OF THE LEVEL OF THE CHILDREN'S MORBIDITY RATE. IN 2012 THE FIGURE OF TOTAL MORBIDITY RATE PER 1000 CHILDREN DROPPED BY 50,6% COMPARED TO 2011, NUMBER OF DAYS WHEN CHILDREN STAYED AT HOME DUE TO DISEASE DECREASED BY 53%. HEALTH INDEX GREW BY 15,2% IN 2012 AND REACHED 49,5% VS 34,3% IN 2011.

MONITORING OF PUBLIC OPINION CONCERNING SOCIAL PROGRAMS EFFECTIVENESS

THE RESULTS OF THE INTEGRATED STUDY OF SOCIAL-PSYCHOLOGICAL CLIMATE IN THE STRUCTURAL SUBDIVISIONS WORK TEAMS HELD IN 2012 SPEAK OF THE POSITIVE ASSESSMENT OF BSW ACTIVITY IN THE AREA OF SOCIAL RESPONSIBILITY. OVER 11% OF THE EMPLOYEES, WHO TOOK PART IN THE STUDY, EXPRESSED THEIR OPINION OF THE QUALITY AND LEVEL OF THE WORKS CANTEENS, SOCIAL SECURITY AND PROTECTION, MEDICAL SERVICES AT THE ENTERPRISE, LEISURE-SPENDING CONDITIONS, CONDITIONS FOR DOING SPORT AND CONDUCTING. BASED ON THE ASSESSMENT CRITERIA, SATISFACTION INDEX IS 0,63 TO 0,76 VS 0,67 - 0,75 IN 2011.

TOTAL ENTERPRISE SATISFACTION INDEX EQUALED TO 0,72. THIS INDICATOR IS WITHIN THE RANGE OF A HIGH LEVEL OF SATISFACTION AND HAS BEEN STABLE DURING THREE YEARS (IN 2010 AND 2011 THIS INDEX HAD A SIMILAR VALUE). THIS IS AN EVIDENCE OF A SUSTAINABLE PSYCHOLOGICAL CLIMATE DIN THE TEAM OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING.



EMPLOYEES' RIGHTS

CARRYING-OUT ITS PRACTICAL ACTIVITY, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ACKNOWLEDGES THE IMMUNITY OF HUMAN RIGHTS AND TAKES ALL THE REQUIRED MEASURES FOR THEIR PROVISION AND PROTECTION.

BEING A SOCIALLY RESPONSIBLE ENTERPRISE, BYELORUSSIAN STEEL WORKS RESPECTS THE INTERESTS AND RIGHTS OF THE WORKERS BASED ON THE SOCIAL PARTNERSHIP PRINCIPLES. THESE PRINCIPLES ARE LAID IN THE SOCIAL PARTNERSHIP PARAMOUNT AGREEMENT – THE COLLECTIVE AGREEMENT. IN MARCH 2012 AT THE CONFERENCE OF THE TEAM OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING A COLLECTIVE AGREEMENT FOR 2012–2015 WAS ADOPTED. THE AGREEMENT EXISTING IN 2011 AND REFLECTING THE INTERESTS OF BSW EMPLOYEES WAS TAKEN AS THE BASIS.

AIMS OF THE COLLECTIVE AGREEMENT ARE:

- DEVELOPMENT OF CONTRACT RELATIONS BETWEEN THE ENTERPRISE AND ITS EMPLOYEES BEING THE SOCIAL PARTNERSHIP PARTIES;
- COORDINATION OF THE PLANT AND EMPLOYEES INTERESTS DURING ELABORATION OF COMMON PRINCIPLES OF REGULATING SOCIAL-LABOR RELATIONSHIPS;
- PROVIDING THE WORKERS WITH WORKING PLACES AND SALARIES IN CONFORMITY WITH THE SIGNED LABOR CONTRACTS, SOCIAL AND ECONOMIC RIGHTS ESTABLISHED BY THE EXISTING LEGISLATION OF THE REPUBLIC OF BELARUS;
- FOLLOWING LABOR AND TECHNOLOGICAL DISCIPLINE, LABOR PROTECTION REQUIREMENTS, INDUSTRIAL SAFETY AND PRODUCTION SANITARY;
- – STRENGTHENING SOCIAL-LEGAL SECURITY OF THE COMPANY WORKERS;
- STABILIZATION OF THE SOCIAL-ECONOMIC SITUATION IN THE WORKING TEAMS AND SUBDIVISIONS OF THE ENTERPRISE.

BEING GUIDED BY THE UN GLOBAL COMPACT PRINCIPLES THE WORKS SEES ENSURING AND PROTECTION OF HUMAN

RIGHTS AS A PRIORITY AS COMPARED TO THE ECONOMIC RESULTS OF THE PRODUCTION ACTIVITY AND GUARANTEES THEIR IMPLEMENTATION.

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING OPPOSES ALL THE FORMS OF DISCRIMINATION AND BUILDS ITS ACTIVITY ON THE BASIS OF GENERALLY RECOGNIZED PRINCIPLES AND NORMS OF THE INTERNATIONAL LAW, STANDARDS AND CONVENTIONS OF THE INTERNATIONAL LABOR ORGANIZATION, LEGISLATION OF THE REPUBLIC OF



V.V. FYODOROV,
CHAIRMAN OF BELARUSIAN TRADE UNION OF INDUSTRIAL WORKERS

THE COLLECTIVE AGREEMENT OF YOUR ENTERPRISE IS ABSOLUTELY TRANSPARENT AND IS A PUBLIC DOCUMENT. AMONG OTHER QUESTIONS MUCH ATTENTION IS PAID TO EMPLOYEES' HEALTH AND THEIR MEDICAL SERVICE
Председатель Белорусского

BELARUS. IN 2012 NOT A SINGLE CASE OF GENDER, NATIONAL, RELIGIOUS AND POLITICAL DISCRIMINATION AS WELL AS CASES OF USING FORCED AND CHILD LABOR WAS REGISTERED AT THE ENTERPRISE.

HAVING PRODUCTIONS WITH ENHANCED DANGER LEVEL IN ITS STRUCTURE BSW IS RESPONSIBLE FOR ENSURING THE PRODUCTION FACILITIES SAFETY FOR THE EMPLOYEES AND THE POPULATION. THE WORKS CREATES HEALTHY AND SAFE WORK CONDITIONS BY REPLACING OUT-DATED EQUIPMENT AND TECHNOLOGIES AND COMPLIES WITH THE LABOR PROTECTION LEGISLATION, INTERNATIONAL INDUSTRIAL SAFETY AND PROFESSIONAL ILLNESSES PREVENTION STANDARDS AS WELL AS INTERNAL REGULATIONS. THE ISSUES OF THE EMPLOYEES' HEALTH AND SAFETY ARE SET FORTH IN THE COLLECTIVE AGREEMENT.

THE PLANT RECOGNIZES THAT ITS PRODUCTION ACTIVITY IS CONNECTED WITH NEGATIVE ENVIRONMENTAL IMPACT AND TAKES ALL POSSIBLE MEASURES FOR MINIMIZATION OF SUCH

Social activity

IMPACT ON THE POPULATION'S LIFE ACTIVITY.

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING GUARANTEES THE RIGHT OF TRADE UNIONS TO CARRY OUT THEIR ACTIVITY WITHOUT ENCUMBRANCE AND ANY RESTRICTIONS AS STIPULATED BY THE LEGISLATION. THE RIGHT OF THE EMPLOYEES AND TRADE UNIONS TO PARTICIPATE IN CONTRACT REGULATION OF LABOR RELATIONS IS REALIZED IN THE PROCEDURES OF PREPARING AND SIGNING THE COLLECTIVE AGREEMENT, IN THE EMPLOYEES' RIGHT TO PARTICIPATE IN CREATION AND IMPROVEMENT OF LABOR CONDITIONS AND OCCUPATIONAL ENVIRONMENT.

LEGAL REGULATION OF LABOR RELATIONSHIPS AT OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS PERFORMED IN CONFORMITY WITH THE LABOR CODE OF THE REPUBLIC OF BELARUS AND THE COLLECTIVE AGREEMENT OF THE ENTERPRISE:

- CONCLUSION OF COLLECTIVE AGREEMENTS, WORKING CONTRACTS IS FULFILLED TAKING INTO ACCOUNT THE SUBSTANTIATIONS OF PRODUCTION, ORGANIZATIONAL AND ECONOMIC REASONS;
- AN EMPLOYEE SHOULD BE INFORMED ABOUT CHANGES IN THE LABOR CONDITIONS NOT LATER THAN ONE MONTH PRIOR TO CONTRACT EXTENSION;
- AN EMPLOYEE SHOULD BE INFORMED ABOUT THE CONTRACT EXPIRATION, OR THE INTENT TO PROLONG/TERMINATE THE CONTRACT FOR A NEW TERM NOT LATER THAN ONE MONTH PRIOR. THE NOTIFICATION PERIOD WAS INCREASED TWO TIMES SINCE 2009.

BYELORUSSIAN STEEL WORKS STRIVES FOR PREVENTION OF LABOR DISPUTES AND CONTRACTS, AND IF THERE ARE ANY, IT PARTICIPATES IN OPEN NEGOTIATIONS WITH THE EMPLOYEES RECOGNIZING MUTUAL RESPONSIBILITY OF THE SOCIAL PARTNERSHIP PARTIES. IN ORDER TO ENSURE EQUAL RIGHTS OF THE WORKS EMPLOYEES, CONFORMITY WITH THE LEGISLATION OF THE REPUBLIC OF BELARUS, AND SOLVING DISPUTES, A LABOR DISPUTES COMMISSION WAS ESTABLISHED. IT INCLUDES AN EQUAL NUMBER OF REPRESENTATIVES OF THE MANAGEMENT AND WORK TEAMS. THE COMMISSION OBJECTIVE IS COMPETENT CONSIDERATION OF INDIVIDUAL DISPUTES THAT ARISE BETWEEN ANY EMPLOYEE AND THE MANAGEMENT REGARDING THE ISSUES CONNECTED

TO LABOR RELATIONS. DURING THE YEAR THE COMMISSION PERFORMED CONTINUOUS WORK ACTING AS AN ARBITRATOR. 18 APPLICATIONS OF THE COMPANY EMPLOYEES WERE CONSIDERED IN 2012. IN THE RESULT OF CONSIDERING THE APPLICATIONS BY THE COMMISSION FIVE OF THEM WERE CANCELLED, AS FOR ANOTHER TWO, THE PARTIES DID NOT COME TO AN AGREEMENT, FOUR MORE WERE REJECTED DUE TO INCONSISTENCY OF THE SUBMITTED CLAIMS, SEVEN APPLICATIONS WERE WITHDRAWN BECAUSE THE ARISEN ISSUE WAS SOLVED BY THE MANAGEMENT.

FOR THE PURPOSE OF FOLLOWING AND ENSURING HUMAN RIGHTS AT THE ENTERPRISE IN CONFORMITY WITH THE EXISTING SYSTEM OF THE EMPLOYEES' CONTINUOUS TRAINING AND PERSONAL DEVELOPMENT A GREAT EMPHASIS IS PLACED ON INCREASING THE AWARENESS LEVEL AND LEGAL LITERACY OF ALL THE EMPLOYEES. OVER 90% OF THE EMPLOYEES, WHO UNDERTOOK PROFESSIONAL TRAINING IN 2012 STUDIED THE FUNDAMENTAL PRINCIPLES OF THE LAW REFERRING TO ECONOMIC, ECOLOGICAL OR SOCIAL RESPONSIBILITY

STRICT AND RIGOROUS OBSERVANCE OF HUMAN RIGHTS AND FREEDOMS IS THE FOUNDATION OF MODERN SOCIALLY RESPONSIBLE BUSINESS AIMED BOTH AT PROFIT-MAKING AND STABLE DEVELOPMENT OF THE PLANT AND THE ENTIRE REGION. OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING INTENDS TO COMPLY WITH THE LEGISLATION REQUIREMENTS AND INTERNATIONAL SOCIAL RESPONSIBILITY PRINCIPLES IN THE FUTURE.

SOCIAL PARTNERSHIP

IN ORDER TO IMPROVE MORAL AND PHYSIOLOGICAL CLIMATE OF THE WORK TEAM, SOLVING THE ISSUES REGARDING THE COLLABORATION COORDINATION OF THE MANAGEMENT AND ORGANIZATIONS REPRESENTING THE INTERESTS OF VARIOUS CATEGORIES OF THE EMPLOYEES, THE WORKS IMPLEMENTED «BE AWARE OF A HUMAN!» SYSTEM SINCE APRIL 2005.

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING CREATES THE SOCIAL PARTNERSHIP SYSTEM THAT IS A FOUNDATION FOR MUTUALLY BENEFICIAL COOPERATION IN COLLABORATION WITH THE TRADE UNION ORGANIZATION AND OTHER SOCIAL ORGANIZATIONS.

SUSTAINING CLOSE RELATIONSHIPS WITH THE MANAGEMENT,



THE PUBLIC ORGANIZATIONS COUNCIL CONDUCTS ITS ACTIVITY AT THE ENTERPRISE. IT ACTS IN THE INTERESTS OF THE EMPLOYEES FORMING AN ACTIVE PUBLIC POSITION OF EACH WORK TEAM MEMBER.

THE COUNCIL INCLUDES THE REPRESENTATIVES OF:

- TRADE UNION ORGANIZATION;
- PRIMARY ORGANIZATION OF "BELARUSIAN REPUBLICAN YOUTH UNION" PUBLIC ASSOCIATION;
- VETERAN'S UNION;
- PRIMARY PUBLIC ORGANIZATION "BELARUSIAN WOMEN' UNION";
- INTERNATIONAL SOLDIERS' ORGANIZATION;
- YOUNG SPECIALISTS' UNION;
- FOREMEN UNION;
- PHYSICAL CULTURE TEAM'S UNION.

IN ORDER TO ENSURE THE EFFICIENT REALIZATION OF THE EMPLOYEES' RIGHTS AND ESTABLISHING CONFIDENTIAL RELATIONS WITH ALL PARTIES CONCERNED, THE PUBLIC ORGANIZATIONS COUNCIL KEEPS AN ACTIVE COLLABORATION WITH THE REPRESENTATIVES OF THE REGIONAL SOCIAL SERVICE CENTRE; REGION AND DISTRICT LAW ENFORCEMENT AGENCIES; CENTRAL REGIONAL; HOSPITAL AND CLINIC OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING; LEGAL SERVICES OF THE COMPANY AND THE REGION.

THE TRADE UNION ORGANIZATION OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING

BYELORUSSIAN STEEL WORKS ESTABLISHES MUTUALLY BENEFICIAL RELATIONSHIPS AND DEVELOPS A COLLECTIVE AGREEMENT WITH THE TRADE UNION ORGANIZATION BASED ON THE NORMS AND PRINCIPLES OF THE TARIFF AGREEMENT CONCLUDED BETWEEN BELARUSIAN PROFESSIONAL UNION OF INDUSTRIAL WORKERS, BELARUSIAN PROFESSIONAL UNION OF METALWORKERS, THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS, REPUBLICAN ASSOCIATION OF INDUSTRIAL ENTERPRISES. THE AGREEMENT SETS THE PRINCIPLES OF REGULATING TRADE AND SOCIAL-ECONOMIC RELATIONSHIPS AS WELL AS GUARANTEES AND PRIVILEGES FOR THE EMPLOYEES, MUTUAL RESPONSIBILITIES AND LIABILITIES OF THE PARTIES. THE AIM OF THE AGREEMENT IS JOINING TOGETHER THE EFFORTS OF THE PARTIES FOR ATTAINING

SOCIAL-ECONOMIC STABILITY AND COMPETITIVE ABILITY OF THE INDUSTRY ORGANIZATIONS, INCREASING THE EMPLOYEES' LIVING STANDARD, OBSERVANCE OF THEIR LEGAL RIGHTS AND INTERESTS AND CREATING THE SYSTEM OF THE EMPLOYEES' COMPREHENSIVE SOCIAL PROTECTION.

THE PLANT RECOGNIZES THAT THE OBJECTIVE OF THE TRADE UNION IS NOT LIMITED TO PROTECTING THE EMPLOYEES' RIGHTS AND INFLUENCING LABOR RELATIONSHIPS. IT IS ALSO A CERTAIN INDICATOR OF THE PUBLIC MOOD. THE TRADE UNION EXPRESSES THE WORKING TEAMS' REACTION TO THE SOCIAL AND ECONOMIC POLICY IMPLEMENTED BY THE ENTERPRISE AND CONTRIBUTES TO ITS TIMELY ADJUSTMENT. THE DIALOGUE OF THE MANAGEMENT AND REPRESENTATIVES OF THE WORKING TEAMS IS ESPECIALLY IMPORTANT TO BE ESTABLISHED IN THE SITUATION WHEN THE WORKS, AS A PART OF THE WORLD FINANCIAL AND ECONOMIC SYSTEM, EXPERIENCES DIFFICULT TIMES AND SEEKS FOR THE OPPORTUNITIES TO ENHANCE THEIR EFFICIENCY.

IN THEIR PRACTICAL ACTIVITY THE PARTIES ARE GUIDED BY THE PRINCIPLES OF SOCIAL PARTNERSHIP, SUCH AS LEGAL EQUALITY OF THE PARTIES, COMPLIANCE WITH THE LEGISLATION NORMS, CONSIDERING REAL OPPORTUNITIES FOR PERFORMANCE OF THE ASSUMED OBLIGATIONS, OBLIGATORY FULFILLMENT OF THE ARRANGEMENTS AND RESPONSIBILITY FOR THE OBLIGATIONS ASSUMED.

THE TRADE UNION ORGANIZATION OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING UNITES 12 066 PEOPLE WHICH IS 97,3% OF THE TOTAL NUMBER OF THE EMPLOYEES. IN ORDER TO OBSERVE THE RIGHTS AND LEGAL INTERESTS OF THE WORKERS THE EMPLOYEES REPRESENT THE COMPANY IN THE REGIONAL ASSOCIATION AND IN THE REPUBLICAN TRADE UNION COMMITTEE BEING MEMBERS OF THE REGIONAL TRADE UNION ASSOCIATION COUNCIL, MEMBERS OF THE BELARUSIAN TRADE UNION FEDERATION COUNCIL.

THE SOCIAL PARTNERSHIP DOCUMENT WHICH ALLOWS STRENGTHENING OF SOCIAL-LEGAL SECURITY OF THE ENTERPRISE EMPLOYEES IS THE COLLECTIVE AGREEMENT. THE AGREEMENT REGULATES SOCIAL BENEFITS AND LUMP-SUM BENEFIT PAYMENTS, ADDITIONAL PAYMENTS AND FINANCIAL AWARDS, THE SIZE OF WHICH DIRECTLY DEPENDS ON THE RESULTS OF PRODUCTION-FINANCIAL ACTIVITY OF THE ENTIRE ENTERPRISE WORK TEAM. THIS DOCUMENT ESTABLISHES SUPPLEMENTARY, AS COMPARED TO THE ACTIVE LEGISLATION,

Social activity

PROVISIONS REGARDING LABOR CONDITIONS AND PAYMENT, SOCIAL AND RESIDENTIAL PROVISION OF THE WORKERS, COMPENSATIONS AND OTHER PRIVILEGES. THE COLLECTIVE AGREEMENT STIPULATES VARIOUS FORMS OF FINANCIAL PAYMENTS, BONUSES, AWARDS FOLLOWING THE RESULTS OF THE WORK DURING THE YEAR, FOR THE SERVICE RECORD, SUMS OF THE BONUSES FOR HIGH QUALIFICATION, PROFESSIONAL SKILL AND OTHERS, SETS GUARANTEES AND PRIVILEGES FOR THE FAMILIES WITH CHILDREN. BESIDES, A PERSON IS NOT LEFT ALONE IN A CHALLENGING LIFE SITUATION; THIS AID IS ALSO STIPULATED BY THE MAIN DOCUMENT.

IN ORDER TO COMPLY WITH THE COLLECTIVE AGREEMENT, IN 2012 THE TRADE UNION COMMITTEE FINANCED THE FOLLOWING:

ALLOWANCES TO PARENTS FOR THE BIRTH OF A CHILD	18,35 THOU.\$;
NEW YEAR'S PRESENTS FOR CHILDREN AND EMPLOYEES	218,1 THOU.\$
CULTURAL EVENTS	90,45 THOU.\$;
SPORT EVENTS	89,85 THOU.\$;
PRESENTS FOR THE EMPLOYEES' JUBILEES	21,59 THOU.\$;
PRESENTS FOR THE RETIRING EMPLOYEES	15,95 THOU.\$;
SUPPORTING VETERANS	14,27 THOU.\$
MATERIAL SUPPORT	185,22 THOU.\$.

A CONTINUOUSLY OPERATING BODY OF SOCIAL PARTNERSHIP IS THE COLLECTIVE AGREEMENT COMMISSION THAT CONTROLS FULFILLMENT OF THE OBLIGATIONS ASSUMED. IT CONSISTS OF REPRESENTATIVES OF THE MANAGEMENT AND THE TRADE UNION COMMITTEE. THE CONSTANT DIALOGUE RESULTS IN REACHING THE AGREEMENTS REGARDING SALARY ISSUES, OPTIMIZATION OF THE MANAGEMENT STRUCTURE, ENSURING HEALTHY AND SAFE LABOR CONDITIONS, IMPLEMENTING PRIVILEGES FOR THE EMPLOYEES THAT HAVE A DETERMINED SOCIAL TARGETING. MAINLY ALL SECTIONS OF THE COLLECTIVE AGREEMENT WERE FULFILLED IN 2012.

CHARITY AND SPONSORSHIP IS ONE OF THE ACTIVITIES OF THE WORKS. BEING AN ACTIVE MEMBER OF THE CHARITABLE CAMPAIGN "TRADE UNIONS – TO CHILDREN" IN 2012 IT GRANTED

USD8,27 THOUSAND TO:

- SPONSORED SCHOOLS;
- ZHLOBIN REGIONAL SOCIAL SERVICE CENTRE;
- REGIONAL FESTIVAL FOR HANDICAPPED CHILDREN "Do Good";
- DISABLED PEOPLE UNION;
- KHALCHANSKY PSYCHONEUROLOGICAL HOME FOR SENIOR OR DISABLED CITIZENS;
- OTHER ORGANIZATIONS.

FOR ORGANIZATION OF CULTURAL-MASS EVENTS FOR THE COMPANY EMPLOYEES, VISITS TO THE SPORT AND HEALTH PROMOTION CENTRE, FANS' VISITS OF HOCKEY MATCHES HELD IN DIFFERENT TOWNS OF THE COUNTRY, THE TRADE UNION SPENT USD 27,83 THOUSAND.

ONE OF THE PRIORITY DIRECTIONS OF THE TRADE UNION ACTIVITY IS CREATING CONDITIONS FOR FULL-FLEDGED PHYSICAL AND MORAL DEVELOPMENT OF THE WORKS EMPLOYEES AND YOUNGER GENERATION. THE TRADE UNION COMMITTEE OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS THE FOUNDER OF A SPORT SCHOOL FOR CHILDREN AND YOUNG PEOPLE AND THE CHILDREN'S CLUB "FAKEL" WHICH SECTIONS ARE ATTENDED BY OVER 500 CHILDREN. THE CHILDREN ARE PROFESSIONALLY TRAINED BY 13 COACHES.

PUPILS OF THE SPORT SCHOOL FOR CHILDREN AND YOUNG PEOPLE BECAME WINNERS AND AWARDEES OF CHAMPIONSHIPS AND COMPETITIONS OF THE REPUBLIC OF BELARUS AND INTERNATIONAL COMPETITIONS. IN 2 PUPILS OF THE SPORT SCHOOL BECAME CANDIDATES TO MASTERS OF SPORTS OF THE REPUBLIC OF BELARUS, 38 CHILDREN FULFILLED THE NORMS OF THE 1ST GRADE. 6 CHILDREN OF THE SPORT SCHOOL JOINED THE OLYMPIC RESERVE SCHOOL, THE TOP LINK OF SPORT TRAINING. ALINA KRISHNYOVA, PUPIL OF THE SPORT SCHOOL, BECAME A BRONZE WINNER OF THE EUROPEAN CHAMPIONSHIP IN TAE KWON DO. EUGENY AKHRAMENKO WON THE 6TH PLACE AT THE EUROPEAN AND THE 7TH PLACE AT THE WORLD CHAMPIONSHIP IN CYCLE RACING ON TRACK.

THE TRADE UNION COMMITTEE SPENT USD 19,8 THOUSAND TO FINANCE THE SPORT SCHOOL FOR CHILDREN IN 2012.

IN COMPLIANCE WITH THE PROGRAM OF WORKING WITH YOUNGER GENERATION, FOR SUSTAINING AND IMPROVEMENT OF RELATIONSHIPS BETWEEN THE FAMILY, SCHOOL AND LOCAL COMMUNITY, STRENGTHENING THE FAMILY, PROTECTION OF



КНИГА — НЕИССЯКАЕМЫЙ ИСТОЧНИК ЗНАНИЙ, КОТОРЫЙ ЕЩЕ С КОЛЫБЕЛИ НАПОЛНЯЕТ КАЖДОГО ЧЕЛОВЕКА ИНФОРМАЦИЕЙ. ДЕРЖА В РУКАХ КНИГУ, ПЕРЕЛИСТЫВАЯ ЕЕ СТРАНИЦЫ, КАЖДЫЙ ИЗ НАС ВПИТЫВАЕТ ЕЕ ВНУТРЕННИЙ МИР, ПОПОЛНЯЯ И РАЗВИВАЯ ТЕМ САМЫМ СВОЙ СОБСТВЕННЫЙ



Заведующая профсоюзной библиотекой
М.В.ИВЧЕНКОВА

MATERNITY AND CHILDHOOD UNDER THE AUSPICES OF THE TRADE UNION COMMITTEE A COMMISSION FOR FAMILY AND SCHOOL ASSISTANCE HAS BEEN WORKING SINCE 2005.

UNDER THE AUSPICES OF THE TRADE UNION COMMITTEE OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING THE TRADE UNION LIBRARY OPERATES CONTAINING 35636 BOOKS. THE LIBRARY IS A UNIQUE ONE BECAUSE THE PLANT'S EMPLOYEES, THEIR CHILDREN, AND CITIZENS OF ZHLOBIN CAN ALWAYS FIND THE REQUIRED LITERATURE, OR THEIR REQUEST FOR A CERTAIN BOOK CAN BE ACCEPTED, AND THEY MAY GET A PROFESSIONAL ADVICE.

USD16,3 THOUSAND FROM THE TRADE UNION BUDGET WERE SPENT FOR PURCHASING NEW LITERATURE AND FOR SUBSCRIPTION OF OVER 1200 VETERANS TO PERIODICALS. THE LIBRARY NUMBERS OVER 3600 REGULAR READERS.. DURING PREVIOUS YEAR THE NUMBER OF VISITS TO THE LIBRARY EQUALED TO 32278 AND 112325 BOOKS WERE GIVEN OUT.

SO AS TO INCREASE THE ROLE OF BOOKS AND READING IN A MODERN SOCIETY, BRING UP THE YOUNGER GENERATION IN LOVE FOR AN ARTISTIC WORD, ATTRACT ATTENTION TO LIBRARIES ACTIVITY, PROMOTE BELLES-LETTRES LITERATURE AND REPLENISHMENT OF THE BOOK STOCK DURING 2012 WHICH WAS ANNOUNCED A YEAR OF A BOOK, THE LIBRARY PREPARED AND CARRIED OUT 42 THEMATIC INFORMATION-EDUCATIONAL EVENTS: LITERATURE AND MUSIC PARTY "FLOWER ROUND DANCE" AND "I BELONG TO ANOTHER WORLD", BOOK FESTIVAL "BOOKS ARE OUR TRUE FRIENDS", LIBRARY LESSONS "COINCIDE WITH ETIQUETTE", "JUST IMAGINE FOR A SECOND WHAT OUR LIFE WOULD BE WITHOUT BOOKS", "GROWN-UPS AND CHILDREN DREAM OF SAFETY TRAFFIC ON OUR PLANET", A WARNING TALK "TIME TO

COLLECT GARBAGE", LITERATURE QUIZ "TRIP TO THE COUNTRY OF HER MAJESTY THE BOOK" AND "BEING A GUEST OF FAIRY TALES" ACTIONS "BRING YOUR FRIEND" AND "THE BEST BOOK OF TODAY", EXCURSIONS FOR PRESCHOOL CHILDREN AND JUNIOR SCHOOLCHILDREN "WE GO TO THE LIBRARY".

35 THEMATIC BOOK EXHIBITIONS WERE ORGANIZED: «HELPING GRADUATES», "LET'S WORSHIP THOSE GREAT YEARS!", "BOOKS OF THREE GENERATIONS" AS WELL AS EXHIBITIONS OF NEW ARRIVALS, BOOKS, PERIODICALS AND ADVERTISEMENT REVIEWS. TWO CLUB ASSOCIATIONS WORK HERE: CLUB OF BOOK LOVERS "FOR ONE'S SOLE" AND FLOWER-FANCIER CLUB "FLORA".

INFORMATION LEAFLETS WERE PREPARED FOR THE CHAIRMEN OF THE SHOP COMMITTEES, THE WOMEN'S UNION AND VETERANS' UNION: "FLU IS AT THE THRESHOLD", "FAMILY PSYCHOLOGY", "BOOK IN A CHILD'S LIFE", "GREEN PHARMACY TO SERVE A MAN", "ELECTIONS 2012", "STRENGTH OF UNITY: APRIL 2 – DAY OF UNITY OF THE PEOPLE OF RUSSIA AND BELARUS", ETC.

SINCE OCTOBER THE LIBRARY STARTED TO IMPLEMENT A NEW PROJECT IN BOOK-CROSSING "FROM HANDS TO HANDS".

TRADE UNION ROLE AND INFLUENCE AT THE COMPANY IS BIG. THIS IS EVIDENCED BY A POSITIVE ASSESSMENT OF ITS ACTIVITY IN 2012 MADE BY THE PLANT'S EMPLOYEES DURING A COMPREHENSIVE STUDY OF THE SOCIAL AND PSYCHOLOGICAL CLIMATE IN THE SUBDIVISION TEAMS. INDEX OF SATISFACTION WITH THE WORK OF THE TRADE UNION ORGANIZATION IN 2012 WAS 0,65 (0,68 IN 2011)

PRIMARY ORGANIZATION OF BRYU

REALIZATION OF THE STATE YOUTH POLICY BY THE WORKS IS BUILT ON THE PRINCIPLE OF MUTUAL COOPERATION WITH THE PRIMARY ORGANIZATION OF "BELARUSIAN REPUBLICAN YOUTH UNION" YOUNG SPECIALISTS' UNION, TRADE UNION COMMITTEE AND OTHER PUBLIC ORGANIZATIONS ACTING AT OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING. THE COMPANY CORPORATE PROGRAM "YOUTH" IS CARRIED OUT BY CONDUCTING AN OPEN CONSTRUCTIVE DIALOGUE WITH THE PARTIES CONCERNED AND CONTINUOUS IMPROVEMENT OF THE METHODS OF INFORMING, FEEDBACK AND COOPERATION.

IN CONFORMITY WITH THE STATE STRATEGY IN YOUTH POLICY THE PROGRAM IMPLEMENTED AT OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING SETS THE PRIORITIES

Social activity

AND COOPERATION DIRECTIONS FOR THE PARTIES CONCERNED WITH REGARD TO CREATING FAVORABLE CONDITIONS FOR THE DEVELOPMENT AND REALIZATION OF THE YOUTH'S POTENTIAL IN VARIOUS SPHERES OF THE ACTIVITY VIA:

- INFORMATION SUPPORT OF THE STATE IN YOUTH POLICY;
- CIVIL FORMATION, SPIRITUAL AND ECOLOGICAL EDUCATION OF THE YOUTH;
- SUPPORT OF RESEARCH AND TECHNOLOGY CREATIVITY;
- YOUTH COOPERATION AND CREATIVE POTENTIAL DEVELOPMENT;
- HEALTHY LIFESTYLE AND TOURISM DEVELOPMENT;
- IMPROVEMENT OF THE YOUTH SOCIAL SECURITY PROTECTION.

TRADITIONAL MEETINGS OF YOUNG SPECIALISTS TO EXCHANGE WORK EXPERIENCE WITH THE YOUTH AND REPRESENTATIVES OF:

- STATE AUTHORITIES;
- REGIONAL, TOWN VETERANS' UNIONS OF GOMEL REGION;

– YOUNG EMPLOYEES OF THE ENTERPRISES INCLUDED IN "BYELORUSSIAN METALLURGICAL COMPANY" HOLDING;

– PRIMARY ORGANIZATIONS OF BELARUSIAN REPUBLICAN YOUTH UNION, ESTABLISHMENTS, ORGANIZATIONS AND ENTERPRISES OF THE REGION OF ACTIVITY OF BYELORUSSIAN STEEL WORKS;

– YOUTH OF THE INDUSTRIAL ENTERPRISES OF THE REPUBLIC OF BELARUS AND CIS COUNTRIES AS PART OF SCIENTIFIC AND TECHNICAL CONFERENCES.

INFORMING AND ENGAGING OF YOUNG EMPLOYEES OF THE PLANT IN REALIZATION OF THE STATE YOUTH POLICY OF THE REPUBLIC OF BELARUS IS CARRIED OUT USING ALL AVAILABLE MEANS OF MASS MEDIA: CORPORATE, REPUBLICAN, REGIONAL NEWSPAPERS AND OTHER SOURCES OF INFORMATION.

HAVING THE PRIORITY RIGHT REGARDING THE REALIZATION OF THE "YOUTH" PROGRAM, THE WORKS PRIMARY ORGANIZATION OF BELARUSIAN REPUBLICAN YOUTH UNION PREPARES THE PHOTO-REPORTS, POSTERS, INFORMATION MATERIALS REFLECTING THE ISSUES OF REALIZATION OF THE STATE YOUTH POLICY.

AT PRESENT THE ORGANIZATION HAS 1545 MEMBERS OR 52 % OF THE YOUTH AGED UNDER 31 WORKING AT THE PLANT.

NUMBER OF THE MEMBERS	2005	2006	2007	2008	2009	2010	2011	2012
PRIMARY ORGANIZATION OF THE BELARUSIAN REPUBLICAN YOUTH UNION	561	1132	1308	1336	1313	1368	1450	1545

THE MOST SIGNIFICANT ACTIVITIES CONDUCTED BY THE YOUTH ORGANIZATION OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IN 2012 WERE CHARITABLE CAMPAIGNS FOR COLLECTING OF VOLUNTARY CONTRIBUTIONS FOR:

- CHILDREN'S HOME IN STRESHIN;
- CONSTRUCTION OF A NEW BUILDING FOR BELARUSIAN STATE MUSEUM OF THE HISTORY OF THE GREAT PATRIOTIC WAR;
- DISABLED CHILDREN AND SUPPORT OF LOW-INCOME FAMILIES WITH PARTICIPATION OF THE REGIONAL CENTRE OF SOCIAL SERVICE OF THE POPULATION;
- GOMEL REGIONAL BOARD OF THE PUBLIC ASSOCIATION "BELARUSIAN REPUBLICAN PIONEER ORGANIZATION".

THE FOLLOWING ACTIONS BECAME TRADITIONAL:

– "BSW YOUTH – TO VETERANS". VETERANS AND PARTICIPANTS OF THE GREAT PATRIOTIC WAR RECEIVED CONGRATULATIONS AND PRESENTS, THEY WERE ASSISTED IN IMPROVING OF LIVING CONDITIONS.

– "WE – TO CHILDREN" – AID TO THE SOCIAL – PEDAGOGICAL CENTRE OF ASSISTANCE FOR FAMILIES AND CHILDREN IN PURCHASING STATIONERIES AND CLOTHES;

– "PURE NATURE". CLEANING OF THE TERRITORY ADJOINING THE VIRSKY ARTIFICIAL POND.

– "WE ARE FOR CLEAN TOWN!" BOULEVARD OF METALLURGISTS WAS CLEANED AND BEAUTIFIED.

EFFECTIVENESS OF THE ORGANIZATION ACTIVITY IS EVIDENCED BY ITS ACHIEVEMENTS AND AWARDS WON IN 2012:



- 1ST PLACE AT THE VTH REPUBLICAN SPORT RALLY OF THE BELARUSIAN TRADE UNION OF INDUSTRIAL WORKERS;
- 1ST PLACE AT THE IV REGIONAL INTER-INDUSTRIAL TOURIST RALLY OF TRADE UNIONS;
- 1ST PLACE IN THE DISTRICT SPORT COMPETITION OF STUDENTS AND YOUNG WORKERS WITHIN THE DISTRICT PROGRAM "YOUTH FOR PICKING UP THE HABIT OF BEING HEALTHY";
- 1ST PLACE IN THE TOURNAMENT OF CMR AMONG PRIMARY TRADE UNION ORGANIZATIONS OF THE BELARUSIAN TRADE UNION OF INDUSTRIAL WORKERS;
- 2ND TEAM PLACE AT THE VI REPUBLICAN YOUTH ARTS AND SPORT TOURIST RALLY OF TEAMS REPRESENTING TRADE UNION ORGANIZATIONS OF THE BELARUSIAN TRADE UNION OF INDUSTRIAL WORKERS;
- 2ND PLACE AT THE REGIONAL CONTEST OF PROFESSIONAL WORKMANSHIP OF YOUNG MILLING MACHINE OPERATORS. THE PLANT REPRESENTATIVE WAS ACKNOWLEDGED AS THE BEST MILLING MACHINE OPERATOR OF GOMEL REGION AMONG THE PARTICIPANTS OF THE CONTEST.
- 4TH PLACE AT THE 9TH OPEN INTERNATIONAL COMPETITION OF PROFESSIONAL WORKMANSHIP OF WELDERS IN ODESSA AMONG 21 PARTICIPATING TEAMS;
- 5TH PLACE AT THE 8TH REPUBLICAN COMPETITION OF PROFESSIONAL WORKMANSHIP OF WELDERS AMONG 22 PARTICIPATING TEAMS.

VETERANS' UNION

THE ORGANIZATION UNITES 1638 EX-EMPLOYEES AND PRESENT-TIME PENSIONERS, WHO MADE THEIR CONTRIBUTION INTO ESTABLISHMENT AND DEVELOPMENT OF THE BELARUSIAN STEEL INDUSTRY.

ALL THE ORGANIZATION ACTIVITY WAS DIRECTED TOWARDS ENHANCING THE STATUS OF THE ELDERLY, SOCIAL RECOGNITION OF THEIR DESTINIES AND LIFE EXPERIENCE, PARTICIPATION IN SOCIAL LIFE, OVERCOMING THEIR ISOLATION, CHANGING THE IDEA OF AGEING, UNDERSTANDING THE STORY OF THEIR LIFE OWING TO THE DIALOGUE OF GENERATIONS. THE VETERANS' UNION COOPERATES WITH THE YOUTH ORGANIZATIONS OF THE PLANT DURING VARIOUS EVENTS: ADMISSION TO MEMBERSHIP IN BRYU, INITIATION INTO METALLURGIST, GIVING-OUT DIPLOMAS AND



V. E. FLARYZIAK,
DEPUTY GENERAL DIRECTOR FOR PERSONNEL AND IDEOLOGICAL
WORK OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC"
HOLDING

MANY VETERANS SPENT SEVERAL DECADES AT THE PLANT. SOME OF THEM PARTICIPATED IN THE PLANT ESTABLISHMENT FROM THE VERY FIRST DAYS OF ITS HISTORY. THEIR CONTRIBUTION AS SPECIALISTS IS PRICELESS FOR OUR COMPANY. WE REMEMBER ABOUT IT. IT'S VERY IMPORTANT THAT YOU DO NOT LOOSE YOUR CONTACTS WITH THE PLANT

PREMIUMS TO THE BEST YOUNG SPECIALISTS PARTICIPATING IN SCIENTIFIC AND TECHNICAL CONFERENCES.

IT HAS BECOME A TRADITION TO RENDER MATERIAL SUPPORT TO VETERANS, VISITING THEM AT HOME, CONDUCTING THE GALA NIGHTS OF HONORING THE HEROES OF ANNIVERSARY, ORGANIZATION OF EXHIBITIONS OF GARDENING SEASON GIFTS "GOLDEN SUNFLOWER" AND WORK OF THE AMATEUR CLUBS: "NEEDLEWOMAN", "MUSIC SALOON", "CHESS AND DRAUGHTS", "VETERAN CHOIR", "SPORT CLUB".

THE ORGANIZATION MEMBERS DON'T STAND ASIDE OF MASS EVENTS, SUCH AS WORKS-WIDE OLYMPICS IN VARIOUS KIND OF SPORT; AMATEUR TALENT GROUPS COMPETITION "SONG AND WORK GO SIDE BY SIDE"; CAMPAIGNS FOR PROVIDING MATERIAL SUPPORT TO LOWER-INCOME FAMILIES, HANDICAPPED CHILDREN, VISITING EVENING PARTIES, CONCERTS, HOCKEY MATCHES OF THE FAVORITE TEAM IN THE ICE PALACE

WOMEN'S UNION

IN 2004 ON THE BASIS OF THE FREE UNION THE WORKS WOMEN ESTABLISHED A PRIMARY ORGANIZATION "BELARUSIAN WOMEN'S UNION" PUBLIC ASSOCIATION. THE ORGANIZATION UNITES 1213 PEOPLE OR 31% OF WOMEN WORKING AT THE ENTERPRISE. THE ORGANIZATION IS HEADED BY A PRESIDUM CONSISTING OF 17 WOMEN – EMPLOYEES OF DIFFERENT STRUCTURAL DIVISIONS. THE ASSOCIATION ACTS CONSIDERING THEIR WILL AND INTERESTS, COOPERATES WITH OTHER PUBLIC ORGANIZATIONS STANDING ON THE PLATFORM OF DEMOCRATIC REFORMS IN THE REPUBLIC AND CONTRIB-

Social activity

UTING TO STRENGTHENING SOCIAL JUSTICE AND PROTECTION OF THE POPULATION, DEFENDING WOMEN'S INTERESTS AND RIGHTS, INCREASING A WOMAN'S ROLE IN SOCIAL, ECONOMIC, PUBLIC AND CULTURAL LIFE.

THE UNION PRIORITY ACTIVITIES ARE:

- "WOMAN AND PRODUCTION",
- "WOMAN AND FAMILY",
- "HEALTHY LIFESTYLE",
- "ORGANIZATIONAL AND INFORMATIONAL WORK".

THE ORGANIZATION HAS A SIGNIFICANT WORK EXPERIENCE AND MANY GOOD AND USEFUL ACTIVITIES. THEY ARE: PROPOSALS TO THE COLLECTIVE AGREEMENT, SOLVING PROBLEMS TOGETHER WITH THE TOWN AUTHORITIES, MEETINGS WITH INTERESTING PEOPLE.

MEMBERS OF THE WOMEN'S UNION PARTICIPATE IN INSPECTING THE PRODUCTION CULTURE AND LABOR CONDITIONS; ACTIVITIES FOR MATERNITY AND CHILDHOOD PROTECTION, CHILDREN HEALTH IMPROVEMENT AND STRENGTHENING OF THE FAMILY, TAKE PART IN CHARITY CAMPAIGNS.

THE WOMEN' UNION WORKS IN CLOSELY COOPERATES WITH THE REGIONAL SOCIAL SERVICE CENTRE. THE WOMEN OF THE WORKS RECEIVE QUALIFIED LEGAL AND PSYCHOLOGICAL ASSISTANCE; THERE ARE A TRUST TELEPHONE LINE AND YOUNG FAMILY CLUB; TEACHER EDITIONS, BOOKLETS AND BROCHURES REGARDING THE ISSUES OF CHILD UPBRINGING AND WOMEN'S ISSUES ARE DEVELOPED AND GIVEN OUT TO THE PLANT'S WOMEN. IN COLLABORATION WITH THE CENTER CAMPAIGNS "DO GOOD", "A HELPING HAND" – TO COLLECT MONEY FOR THE ASSOCIATION OF ASSISTANCE TO INVALID CHILDREN AND YOUNG PEOPLE, "THEY SHOULD NOT CRY" AND "A SCHOOL BAG" – TO COLLECT CLOTHES AND SCHOOL ACCESSORIES FOR CHILDREN FROM LOW-INCOME FAMILIES. THE WOMEN' UNION TELL THE STORIES ABOUT THE WOMEN WITH ACTIVE LIFE STAND, WHO UNSPARINGLY DEVOTE A LOT OF TIME TO SOCIAL LIFE, ON THE PAGES OF NEWSPAPER "METALLURGIST" AND TV CHANNEL "NUANCE". THE UNION CONTINUOUSLY ENCOURAGES THE WORKS WOMEN'S INITIATIVE IN THE SOCIAL LIFE SPHERE, MAKE REGULAR PROPOSALS REGARDING THE ISSUES OF HEALTH, LABOR SECURITY AND CONDITIONS, PROMOTING HEALTH OF WOMEN AND THEIR CHILDREN, PRODUCTION AND WELFARE CULTURE; TAKES CARE

OF THE FAMILY STRENGTHENING, PROTECTION OF MATERNITY AND CHILDHOOD, LOW-INCOME FAMILIES OR FAMILIES WITH MANY CHILDREN, RAISING HANDICAPPED CHILDREN. IN ITS ACTIVITY THE WOMEN' UNION APPLIES MODERN TECHNOLOGIES. REGULAR SOCIOLOGICAL STUDIES ON DIVERSE SUBJECTS ARE HELD. THE SITE OF THE WOMEN' UNION WAS CREATED IN THE WORK-WISE COMPUTER NETWORK "INFO-BMZ".

UNION OF SOLDIERS-INTERNATIONALISTS

130 SOLDIERS-INTERNATIONALISTS WORK IN STRUCTURAL DIVISIONS OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING. ISSUES OF THEIR LABOR, WELFARE, HEALTH IMPROVEMENT ARE REVIEWED AT UNION MEETINGS INVOLVING THE PARTICIPATION OF THE MANAGEMENT AND TRADE UNION COMMITTEE REPRESENTATIVES. THE UNION WORKS IN CLOSE COLLABORATION WITH INTERNATIONAL ORGANIZATIONS GIVING ASSISTANCE IN PATRIOTIC EDUCATION. THE WORKS SOLDIERS-INTERNATIONALISTS ANNUALLY TAKE ACTIVE PARTICIPATION IN:

- IN REGIONAL FESTIVAL OF AFGHAN SONGS AND EVENTS DEDICATED TO THE DAY OF MEMORY OF SOLDIERS-INTERNATIONALISTS;
- INTERNATIONAL CONFERENCE OF LOCAL WARS PARTICIPANTS OF BALTIC STATES AND THE CITY OF KALININGRAD;
- INTERNATIONAL FESTIVAL OF MILITARY SONGS IN KALININGRAD;
- ANNUAL REGIONAL COMPETITION OF AFGHAN SONGS "TIME CHOSE US";
- INTRODUCTION OF PROPER ORDER IN THE BURIAL PLACES OF SOLDIERS-INTERNATIONALISTS;
- RENDER ASSISTANCE TO PARENTS OF SOLDIERS-INTERNATIONALISTS.

TWO YEARS IN SUCCESSION ON THE INITIATIVE AND WITH PARTICIPATION OF THE MEMBERS OF THE ORGANIZATION OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ISSUES A CALENDAR DEDICATED TO SOLDIERS-INTERNATIONALISTS.



UNION OF YOUNG SPECIALISTS

OVER 300 YOUNG SPECIALISTS WORK AT THE ENTERPRISE. THE UNION CONSIDERS ALL THE ISSUES RELATED WITH YOUNG EMPLOYEES: THEIR ADAPTATION AT THE PRODUCTION, PROFESSIONAL GROWTH, RESEARCH AND TECHNOLOGY ACTIVITY, LABOR-SAVING WORK. THE IMPORTANT PART OF THE WORK IS ENHANCING BUSINESS AND CREATIVE ACTIVITY OF THE YOUTH, ORGANIZING SCIENTIFIC AND TECHNICAL CONFERENCES, YOUNG EMPLOYEES' PARTICIPATION IN SUCH FORUMS HELD AT OTHER ENTERPRISES, EXCHANGE OF EXPERIENCE. 10 YOUNG EMPLOYEES OF THE COMPANY TOOK PART IN SCIENTIFIC AND TECHNICAL CONFERENCES OF YOUNG SPECIALISTS OF THE STEEL SECTOR OF RUSSIA AND THE UKRAINE AND WON 5 PRIZE PLACE IN 2012 AND OVER 120 BRITAIN TOOK PART IN THE 12TH INTERNATIONAL SCIENTIFIC AND TECHNICAL CONFERENCES "METAL—2012" HELD ON THE BASE OF THE COMPANY. IN ADDITION TO REPRESENTATIVES OF BYELORUSSIAN STEEL WORKS, THE CONFERENCE WAS ATTENDED BY REPRESENTATIVES OF 15 ENTERPRISES AND LEADING HIGHER EDUCATIONAL ESTABLISHMENTS OF CIS COUNTRIES, STEEL SECTOR AND BSW BUSINESS PARTNERS.

ONE OF THE WAYS OF REALIZATION OF THE LONG-TERM STRATEGY OF THE STAFF POTENTIAL DEVELOPMENT IS SELECTION AND DIRECTION OF YOUNG SPECIALISTS TO ESTABLISHMENTS TO GET POST-GRADUATE EDUCATION SO AS TO TRAIN ITS OWN HIGH-GRADE SCIENTIFIC STAFF ABLE TO SUCCESSFULLY IMPLEMENT THE PROMISING PROGRAM OF TECHNICAL REVAMPING OF BYELORUSSIAN STEEL WORKS.

UNION OF FOREMEN

THE UNION ORGANIZES ITS WORK IN CLOSE CONTACT WITH THE PERSONNEL SERVICES AND SOLVES URGENT ISSUES OF 587 FOREMEN OF THE COMPANY. THE UNION HOLDS PUBLIC DISCUSSION AND DEVELOPS RECOMMENDATIONS REGARDING THE ENHANCEMENT OF THE FOREMEN ROLE; PARTICIPATES IN THE ACTIVITIES FOR ORGANIZING PROFESSIONAL, IDEOLOGICAL AND ECONOMIC TRAINING OF FIREMEN; CONSIDERS THE ISSUES OF LABOR AND MORAL EDUCATION OF THE WORKERS, STRENGTHENING LABOR AND PERFORMANCE DISCIPLINE, PROMOTING THE YOUNG WORKERS RESERVE.

IN 2012 IMPLEMENTING THE PROGRAM OF THE DEVELOPMENT OF HUMAN RESOURCES AND TRAINING OF THE MANAGER RESERVE, THE UNION OF FOREMEN PARTICIPATED IN A

GUEST MEETING HELD AT OJSC "MOGILYOV METALLURGICAL PLANT" SO AS TO EXCHANGE EXPERIENCE AND IMPROVE QUALIFICATION OF LINEAR LEADERS OF "BYELORUSSIAN METALLURGICAL COMPANY" HOLDING AND TAKE PART IN TRAINING OF GRADUATES OF 2012, ANALYZE THE MEMBERSHIP OF THE FOREMAN AND SENIOR FOREMAN RESERVE, ANALYZE THE LABOUR PROTECTION SYSTEM FUNCTIONING AT THE ENTERPRISE, AWARD THE TITLE OF "I, II-GRADE FOREMAN» (92 EMPLOYEES OF THE ENTERPRISE HAVE THESE TITLES: 63 AND 29 PEOPLE ACCORDINGLY), SUMMARIZE AND DISSEMINATE THE EXPERIENCE OF THE BEST FOREMEN, NOMINEES AND WINNERS OF THE COMPETITION "PROFESSIONAL OLYMPUS".

SUPPORTING THE PRINCIPLES OF SOCIAL RESPONSIBILITY AND DEVELOPING CHARITY INITIATIVES OF THE PLANT FOREMEN TOOK AN ACTIVE PART IN ALL CHARITY CAMPAIGNS HELD AT THE PLANT.

UNION OF PHYSICAL TRAINING AND SPORTS

THE UNION SOLVES ISSUES OF PLANNING, ORGANIZATION AND CONDUCTING OF SPORT WORK IN THE ENTERPRISE WORK TEAM. THE UNION CONFIRMS THE SCHEDULE OF CONDUCTING SPORT CONTESTS, TOURNAMENTS, COMPETITIONS AND SPORTIVE HEALTH-IMPROVEMENT PROGRAMS; CONSIDERS THE ISSUES OF THEIR MATERIAL AND FINANCIAL PROVISION. THE UNION ORGANIZES ALL-YEAR-ROUND SPORT COMPETITION OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IN 14 KINDS OF SPORT AND OTHER SPORT EVENTS AT THE PLANT. IN 2012 THE UNION ORGANIZED AND HELD 53 SPORT EVENTS AND HEALTH PROMOTING EVENTS. NUMBER OF PARTICIPANTS EQUALED TO 3183 PEOPLE.

MONITORING OF PUBLIC OPINION ABOUT SOCIAL PARTNERS

ASSESSMENT OF THE WORK OF THE PUBLIC ORGANIZATIONS ACTING AT THE ENTERPRISE, THEIR INFLUENCE ON THE WORKING TEAM LIFE WAS GIVEN BY THE EMPLOYEES DURING THE ANNUAL STUDY OF THE SOCIAL AND PSYCHOLOGICAL CLIMATE (THE SATISFACTION INDEX ACCORDING TO THE CRITERIA IN 2012 WAS AT THE SAME LEVEL AS IN 2011 AND EQUALED TO 0,66).

Responsibility for the goods produced

BSW IS OUR STRATEGIC PARTNER PRODUCING QUALITY AND COMPETITIVES GOODS. **WE** ARE ORIENTED AT LARGE CONSTRUCTION COMPANIES AND I WANT TO POINT OUT THAT WE ARE NOT ASHAMED OF SELLING **BSW** PRODUCTS. **BSW** REINFORCING BARS ARE BEYOND COMPARISON

Y.A. DOVGAL,
GENERAL DIRECTOR OF **METALLOTORG LTD.**

OJSC "BSW – MANAGEMENT COMPAY OF "BMC" HOLDING PRESUMES THAT AN EFFICIENT BUSINESS OF STEEL AND STEEL STRUCTURES PRODUCTION SHOULD BE FORMED ON THE BASIS OF CONTINUOUS ENHANCEMENT OF QUALITY MANAGEMENT, THEREAT PROVIDING FOR PRODUCTION WITH THE QUALITY MEETING CUSTOMERS' REQUIREMENTS AND EXPECTATIONS..

SUPPORTING AND IMPLEMENTING THE PRINCIPLES OF SOCIAL RESPONSIBILITY FOR THE GOODS PRODUCED, BYELO-RUSSIAN STEEL WORKS BECAME AN ACTIVE MEMBER OF THE CENTRAL AND WEST EUROPE QUALITY LEADERS CLUB SINCE 2008. THE CLUB UNITES WINNERS, LAUREATES, AND FINALISTS OF THE INTERNATIONAL QUALITY TOURNAMENT..

IN ORDER TO MEET THE REQUIREMENTS OF ITS CUSTOMERS BOTH ON THE DOMESTIC AND INTERNATIONAL MARKETS, THE PLANT PROCESSES VARIOUS GRADES OF STEEL AND PRODUCES THE FOLLOWING MATERIAL: CONCAST BILLET, SECTIONS AND STRUCTURAL SHAPES, PIPES, STEEL CORD, WIRE AND STEEL FIBER. THE FEEDSTOCK FOR THE PRODUCTION IS SECONDARY RAW MATERIALS IS STEEL SCRAP.

THE PLANT'S PRODUCTION IS IN DEMAND WITH THE CONSUMERS, AND COMPETITIVE; AND OVER 80% OF THE PLANT'S PRODUCTION IS EXPORTED TO ALL CONTINENTS OF THE WORLD.

GENERAL PROVISIONS

THE PRODUCTS MANUFACTURING AND PACKAGING ARE SAFE FOR HUMAN HEALTH AND ENVIRONMENT.

THE PLANT'S DIRECTOR GENERAL AND ITS DEPUTIES ENSURE THAT THE LIABILITY ASPECTS, AS REGARDS THE PRODUCTION, ARE AS FOLLOWS:

- ENSURING OF SECURITY AND HEALTH OF CUSTOMERS WHEN IN CONTRACT WITH THE PRODUCTS;
- RELEVANT PRODUCTION MARKING;
- MARKETING COMMUNICATION WITH CUSTOMERS AND SUPPLIERS;
- PRIVACY OF THE CUSTOMER'S EMPLOYEES;' LIFE
- COMPLIANCE WITH THE ESTABLISHED REQUIREMENTS.

DURING PRODUCTION AND SALES, THE PLANT'S MANAGEMENT IMPLICITLY FOLLOWS PRINCIPLE 1 OF THE UN GLOBAL COMPACT. IN COMPLIANCE WITH PRINCIPLE 8 OF THE UN GLOBAL COMPACT THE PLANT'S MANAGEMENT UNDERTAKES INITIATIVES AND HOLDS ACTIVITIES AIMING AT REDUCTION OF THE PRODUCTION IMPACT ON THE ENVIRONMENT WHICH IS COVERED IN THE SECTION "ENVIRONMENTAL PROTECTION".

THE PLANT'S MANAGEMENT'S STANDPOINTS AS PER LIABILITY ASPECTS ARE OUTLINED IN:

- CORPORATE POLICY;
- DOCUMENTATION OF THE CORPORATE MANAGEMENT SYSTEM LISTED IN THIS SECTION;
- CODE OF ETHICS.

PRODUCT LIFE CYCLE

STRUCTURALLY, OJSC "BSW – MANAGEMENT COMPAY OF "BMC" HOLDING IS COMPOSED OF THREE BASIC PRODUCTION LINES (STEELMAKING, PRODUCTION OF ROLLED MATERIAL AND STEEL CORD AND WIRE MANUFACTURING), INFRASTRUCTURE SHOPS AND SUBDIVISIONS OF THE ENTERPRISE'S ACTIVITY



MANAGEMENT. THE STEELMAKING PRODUCTION INCLUDES A SCRAP YARD AND TWO ELECTRIC MELT SHOPS. ACCEPTANCE, STORAGE, CLASSIFICATION AND PROCESSING OF SCRAP ARE PERFORMED IN THE SCRAP YARD. THE SCRAP YARD IS EQUIPPED WITH OVERHEAD CRANES AND RACKS USED FOR LOADING MATERIAL INTO CHARGING BASKETS WHICH ARE DELIVERED TO THE MELT SHOPS BY SCRAP TRUCKS. THE STEELMAKING PRODUCTION IS REPRESENTED BY THREE POWERFUL ELECTRIC-ARC FURNACES WITH THE CAPACITY OF 100 TONS EACH.

THE STEELMAKING PROCESS IS INTENSIFIED BY THE APPLICATION OF GAS AND OXYGEN TECHNOLOGIES. DEOXIDIZATION AND ALLOYING OF STEEL IS PERFORMED IN A LADLE. FINISHING OF STEEL CHEMICAL COMPOSITION IS PERFORMED IN SPECIAL LADLE-FURNACES AND VACUUM DEGASSERS. STEEL IS CAST BY THREE CONTINUOUS CASTING MACHINES; TWO OF THEM BEING SIX-STRAND UNITS PRODUCING BILLET CROSS-SECTION 125x125 MM, 140x140 MM AND ONE – A FOUR-STRAND MACHINE WITH 250x300, 300x400 MM BILLET CROSS-SECTIONS AND ROUND DIAMETER 200 MM.

THE HIGH TECH ROLLING PRODUCTION IS REPRESENTED BY A MODERNIZED SMALL-SECTION ROLLING MILL 320, WIRE ROD MILL 150, DUO REVERSE ROLLING MILL 850 WITH A SET OF EQUIPMENT FOR PRODUCTION OF ROLLED SECTIONS, STRUCTURAL SHAPES, WIRE ROD FOR VARIOUS APPLICATIONS, AND REINFORCING STEEL. IN MILL 320 METHODS OF PRODUCTION OF REINFORCING STEEL AGAINST STANDARDS OF GERMANY, HOLLAND, GREAT BRITAIN, FINLAND, SWEDEN, NORWAY, AUSTRIA, POLAND AND RUSSIA HAS BEEN MASTERED AND CERTIFICATION OF THESE TYPES OF PRODUCTS BY THE NATIONAL AUTHORITIES OF THESE COUNTRIES HAS BEEN CARRIED OUT; SLITTING PROCESS HAS BEEN MASTERED WITH DIVIDING OF A BAR INTO SEVERAL STRANDS HAS BEEN DEVELOPED AND THIS IS A NEW AND PERSPECTIVE DIRECTION IN THE ROLLING TECHNIQUE..

JUNE 2007 WITNESSED COMMISSIONING OF A PIPE MILL THE EQUIPMENT FOR WHICH WAS SUPPLIED BY SMS MEER, A GERMAN COMPANY. THE PIPE MILL USES THREE TYPES OF BILLET DIAMETERS: 140, 160 AND 200 MM.

THE DESIGNED CAPACITY OF THE PIPE MILL EQUALS TO 252 THOU. TONS PER YEAR; THE FINISHED PIPE SIZE RANGE VARIES FROM 21.3 TO 168.3 MM. THE AMOUNT OF USD270 MIL-



E.A. PERATSIAHINA, DEPUTY GENERAL DIRECTOR FOR TECHNOLOGY AND QUALITY OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING

VERY HIGH REQUIREMENTS HAVE BEEN ALWAYS LAID TO THE PLANT'S PRODUCT QUALITY. THE HIGHER THE REQUIREMENTS, THE LESS RIGHT TO ERRORS WE HAVE AND ANY ERROR REMAINS WITH THE PRODUCER. THAT IS WHY ENSURING OF THE PRODUCT QUALITY GOES THROUGH ALL STAGE OF ITS LIFE CYCLE

LION. WAS SPENT FOR THIS PROJECT IMPLEMENTATION. FIRST PIERCING OF A HOT-ROLLED SEAMLESS PIPE TOOK PLACE ON JUNE 29, 2007, AND AT THE END OF 2008 THE MILL APPROACHED ITS DESIGNED CAPACITY.

SINCE COMMISSIONING OF THE PIPE MILL PRODUCTION OF MORE THAN 250 TYPES OF PIPE PRODUCTS OF VARIOUS RANGE HAS BEEN MASTERED.

PIPE QUALITY MEETS THE REQUIREMENTS OF RUSSIAN AND FOREIGN STANDARDS: GOST, DIN, ASTM, API 5L, EN. PRODUCTS MEETING COMPLEX REQUIREMENTS OF THESE STANDARDS AT THE CUSTOMER'S REQUEST..

OVER 80% OF THE PIPE PRODUCTS ARE SOLD OUTSIDE THE REPUBLIC OF BELARUS. OUR CUSTOMERS REPRESENT SUCH COUNTRIES AS AUSTRIA, CZECH REPUBLIC, ESTONIA, FRANCE, GERMANY, GREAT BRITAIN, HUNGARY, ITALY, LATVIA, LITHUANIA, NORWAY, POLAND, SLOVAKIA, SPAIN, TURKEY, THE USA, RUSSIA, CHINA, SERBIA AND THE UKRAINE..

HARDWARE PRODUCTION IS COMPOSED OF THREE STEEL WIRE SHOPS, AND A DIE TARE SHOP.

STEEL CORD PRODUCTION IS A MOST COMPLICATED SCIENCE-INTENSIVE PROCESS WHICH PRESUPPOSES PRODUCTION OF BRASS-COATED STEEL WIRE DIAMETER 0.15 MM OUT OF CAST BILLET SIZE 250x300 MM, CAPABLE OF SUSTAINING HIGH MECHANICAL LOADS. THE PLANT IS THE MAIN SUPPLIER OF SUCH WORLD-RECOGNIZED TIRE MANUFACTURES AS CONTINENTAL, MICHELIN, GOODYEAR, BRIDGESTONE, ETC.

ANOTHER IMPORTANT HARDWARE PRODUCT ENJOYING KEEN DEMAND IS THE WIRE FOR HIGH-PRESSURE HOSES (HOSE

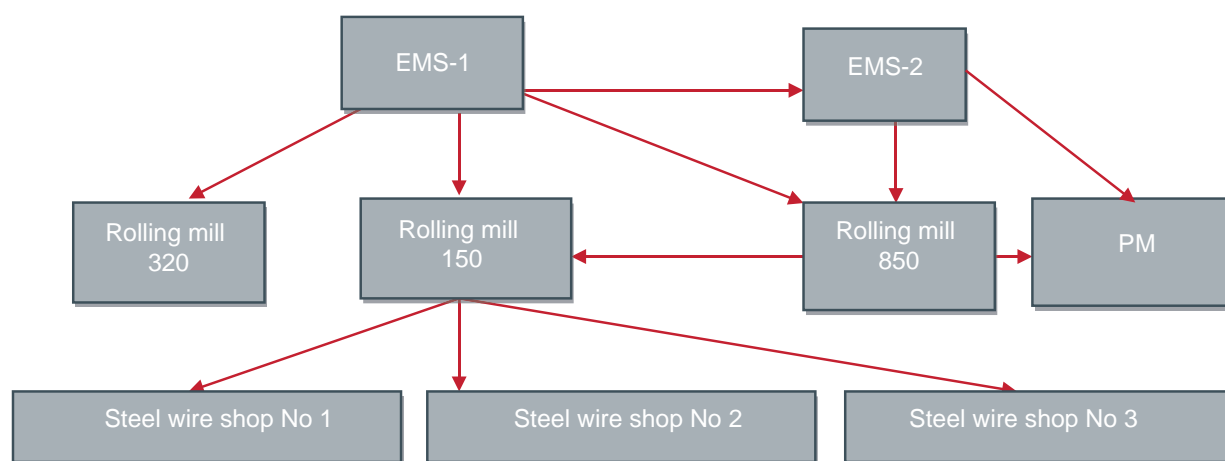
Responsibility for the goods produced

WIRE). WITH RESPECT TO AUTOMATION AND EQUIPMENT LEVEL, WIRE PRODUCTION IS ONE OF THE HIGHLY DEVELOPED IN THE WORLD. THE PLANT'S SPECIALISTS ARE SUCCESSFULLY DEVELOPING AND IMPLEMENTING NEW STEEL CORD CONSTRUCTIONS TAKING INTO CONSIDERATION GLOBAL DEVELOPMENT TENDENCIES AND TIRE REQUIREMENTS OF THE AUTOMOTIVE MARKET.

THE RANGE OF WIRE PRODUCTION OUTPUT IS NOT LIMITED BY THE ABOVEMENTIONED ASSORTMENT. THE PLANT PRODUCES BEAD WIRE, WELDING COPPER-COATED AND NON-COP-

PER-COATED WIRE, DIE-ROLLED COLD-DEFORMED REINFORCING WIRE FOR CONCRETE REINFORCEMENT, SPRING, SPOKE, NAIL, GENERAL PURPOSE WIRE AND STEEL FIBER (ANCHOR, WAVY, MICRO-FIBER)

THE PLANT'S INFRASTRUCTURE IS REPRESENTED BY REPAIR SHOPS FOR POWER, ELECTRICAL AND MECHANICAL EQUIPMENT, PRODUCTION PROVISION WITH FLUIDS AND ELECTRIC POWER, RAILWAY AND TRANSPORT SHOPS, AND SUCH OTHER AUXILIARY DEPARTMENTS.



Production structure

CUSTOMERS' HEALTH AND SAFETY

MAIN CUSTOMERS OF OJSC "BSW – MANAGEMENT COMPAY OF "BMC" HOLDING – ARE MACHINE-BUILDING AND MOTOR-CAR CONSTRUCTION ENTERPRISES, HARDWARE, TIRE, PIPE AND REINFORCED CONCRETE STRUCTURE PLANTS OF

TASKS AND AIMS IN THE AREA OF QUALITY ARE KNOWN BY EACH EMPLOYEE OF THE PLANT. OUR MUTUAL ACTIVITY IS AIMED AT THEIR FULFILLMENT. ONLY HIGH QUALITY CAN ATTRACT POTENTIAL CUSTOMERS, CONQUER THEIR TRUST WITH SUSTAINABLE HIGH QUALITY MAINTAIN THE EXISTING POSITIONS BY SUSTAINABLE QUALITY IMPROVEMENT AND OCCUPY NEW MARKET NICHES



E.A. PERATSIKHINA, DEPUTY GENERAL DIRECTOR FOR TECHNOLOGY AND QUALITY OF OJSC "BSW – MANAGEMENT COMPAY OF "BMC" HOLDING

THE NEIGHBORING AND FAR-AWAY COUNTRIES AND THOSE OF THE RB.

BYELORUSSIAN STEEL WORKS IS AIMING AT PRODUCTION OF QUALITY GOODS AND SERVICES, ADVANTAGEOUS AND SAFE FOR THE CONSUMERS' HEALTH. THE BEST QUALITY ASSESSMENT OF THE PLANT PRODUCTION IS ITS HIGH COMPETITIVE ABILITY AND CONTINUOUSLY INCREASING SALES TURNOVER.

IN ORDER TO PROVIDE THE INNER MARKET SECURITY, SAFETY OF THE CITIZENS AND ENVIRONMENTAL PROTECTION, THE REPUBLIC OF BELARUS, RUSSIA, EC COUNTRIES AND SOME OTHER STATES DO NOT ALLOW TO IMPORT PRODUCTS WHICH ARE NOT CERTIFIED FOR THE COMPLIANCE WITH THE REQUIREMENTS OF THEIR NATIONAL STANDARDS..

PRODUCTION CERTIFICATION IN COMPLIANCE WITH THE REQUIREMENTS OF NATIONAL AND INTERNATIONAL STANDARDS WAS COMMENCED AT OJSC "BSW – MANAGEMENT COMPAY OF "BMC" HOLDING IN 1991, AND HAS BEEN SUCCESSFULLY PERFORMED THEREAFTER. QUALITY AND SECURITY OF BYE-LORUSSIAN STEEL WORKS PRODUCTS COMPLYING WITH THE



REQUIREMENTS OF THE NATIONAL STANDARDS OF ITS CUSTOMERS IS CERTIFIED BY CONFORMITY CERTIFICATES ISSUED IN RUSSIA, BELARUS, USA AND MOST OF THE EU COUNTRIES. FOLLOWING THE RESULTS OF 2012 THE ENTERPRISE HOLDS 50 COMPLIANCE CERTIFICATES FOR VARIOUS TYPES OF PRODUCTS. QUALITY AND SECURITY OF THE COMPANY PRODUCTS AND THEIR COMPLIANCE WITH NORMATIVE DOCUMENTS IS SYSTEMATICALLY CHECKED IN THE COURSE OF SUPERVISORY AUDITS WITH THE FREQUENCY ESTABLISHED BY THE CERTIFICATION RULES OF EVERY CERTAIN COUNTRY (1, 2, 3 TIMES A YEAR).

CONFIDENCE IN THE STABLE QUALITY OF WIRE PRODUCTION IS ENSURED BY THE QUALITY SYSTEM EXISTING AT THE ENTERPRISE AND CERTIFIED FOR THE COMPLIANCE WITH STANDARD ISO/TS 16949:2009.

QUALITY MANAGEMENT SYSTEM IN THE HARDWARE PRODUCTION IS APPROVED BY THE REPRESENTATIVES OF WIRE CONSUMING COMPANIES: MICHELIN (FRANCE), CONTINENTAL (GERMANY), GOODYEAR (LUXEMBOURG), EATON (USA, GERMANY), MANULI (ITALY), PARKER (ITALY), DIESSE (ITALY), ALFAGOMMA (ITALY), KNPHEIDE (GERMANY) AND OTHERS, WHICH PERFORM THE COUNTERPARTY AUDITS.

THE CENTRAL PLANT LABORATORY IS ACCREDITED FOR THE COMPLIANCE WITH ISO/MEK 17025 REQUIREMENTS SINCE 2009 (BY DAR, GERMAN CERTIFICATION BODY).

IN 2011 OPEN JOINT-STOCK COMPANY "BYELORUSSIAN STEEL WORKS – MANAGEMENT COMPANY OF "BYELORUSSIAN METALLURGICAL COMPANY" HOLDING TOGETHER WITH BELMET HANDELGESELLSCHAFT M.B.H. (LINZ, AUSTRIA), ITS REPRESENTATIVE IN EC COUNTRIES AND IN ACCORDANCE WITH REACH REGULATION No. EC 1907/2006 ARRANGED REGISTRATION OF THE CHEMICALS (MANGANESE, IRON, COPPER AND SILICON) CONTAINED IN CONCAST BILLET AND BLOOM AS PRODUCTS WHICH FURTHER USE IS ACCOMPANIED WITH THE CHEMICAL COMPOSITION CHANGE.

ALL OTHER PRODUCTS OF OUR ENTERPRISE BELONG TO GOODS WHICH DO NOT SUFFER THEIR CHEMICAL COMPOSITION CHANGE AND NOT EMITTING SUBSTANCE IN THE COURSE OF FURTHER STANDARD USE AND ARE NOT SUBJECT TO REGISTRATION.

ALL BSW PRODUCTS DO NOT CONTAIN SUBSTANCES OF INCREASED HAZARD (SVHC).

THE MAIN GOAL OF THE REACH SYSTEM IS TO PROVIDE HIGH LEVEL OF HUMAN HEALTH AND ENVIRONMENT PROTECTION, INCLUDING PROMOTION OF ALTERNATIVE METHODS OF SUBSTANCE HAZARD ASSESSMENT, AND FREE TURNOVER OF SUBSTANCES WITHIN THE DOMESTIC MARKET OF THE EUROPEAN UNION, THEREAT ENHANCING THE COMPETITIVE ABILITY OF CHEMICAL INDUSTRY OF THE MEMBER STATES AND FACILITATING INNOVATIVE TECHNOLOGIES INTRODUCTION.

IN ORDER TO INFORM PRODUCT CONSUMERS ON SAFE APPLICATION DURING FURTHER PROCESSING, SAFETY DATA SHEETS FOR SERIAL PRODUCTION ARE EXECUTED IN COMPLIANCE WITH GOST 30333 AND SUCH OTHER TECHNICAL-REGULATORY LEGAL ACTS AS ESTABLISHED BY THE ORGANIZATION'S STANDARD STP 840-KSM-7.5.1.2 "MANAGEMENT FACILITIES OF PRODUCTION PROCESS. SPECIAL PROCESSES. SPECIAL CHARACTERISTICS OF THE PRODUCTION AND SPECIAL PARAMETERS OF THE PROCESS". IN COMPLIANCE WITH THE CUSTOMER REQUIREMENTS, THE PRODUCTION INSPECTION WITH RESPECT TO RADIOACTIVE SAFETY IS PERFORMED AT THE PLANT WITH THE SUBSEQUENT DELIVERY OF THE RELEVANT CERTIFICATES TO CUSTOMERS.

PACKING, STORING, HANDLING OPERATIONS AND DELIVERY OF PRODUCTS IS PERFORMED BY THE PERSONNEL IN COMPLIANCE WITH THE REQUIREMENTS OF THE ENTERPRISE'S STANDARD STP 840-KSM-7.5.5 "PRODUCTION AND MAINTENANCE. ENSURING THE PRODUCTION COMPLIANCE. PROCEDURE OF THE FINISHED PRODUCT DISPATCHING". MATERIALS ECOLOGICALLY SOUND AND HARMLESS FOR HUMAN HEALTH AND ENVIRONMENT ARE USED FOR PACKAGING.

IN THE REPORTING PERIOD WE RECEIVED SEVERAL REMARKS REGARDING PRESENCE OF CONDENSATE ON BRONZE-PLATED BEAD WIRE PACKAGE DURING TRANSPORTATION BY TRUCKS IN WINTER TIME. WE HAVE INTRODUCED A NEW TYPE OF PACKAGE AND ARRANGED DELIVERY OF BRONZE-PLATED BEAD WIRE BY REFRIGERATOR TRUCKS DURING THE LOW TEMPERATURE PERIOD.

PRODUCT MARKING WITH APPROPRIATE INFORMATION

ALL PRODUCTS SUPPLIED TO THE CUSTOMERS ARE MARKED AND ACCOMPANIED BY A QUALITY CERTIFICATE. THE PRODUCT MARKING IS PERFORMED IN COMPLIANCE WITH THE PLANT REGULATIONS ON THE MARKING REQUIREMENTS, AND

Responsibility for the goods produced

A CLEAR SYSTEM OF QUALITY MANAGEMENT OF THE ENTERPRISE IS FORMED AT BSW. WORK IN THIS DIRECTION IS CONTINUOUSLY IMPROVED AND DEVELOPED. IN THE AREA OF QUALITY WE ARE NOT LEADERS ONLY IN OUR COUNTRY, BUT ONE OF THE BEST ENTERPRISES IN CIS AND EUROPE. THIS IS MARKED BY MANY AUDITORS AND EXPERTS WHO VISIT OUR PLANT. THIS EVIDENCES THAT OUR EMPLOYEE TEAM IS UNITED AND AIMED AT ACHIEVEMENT OF A COMMON RESULT



E.A. PERATSIKHINA,
DEPUTY GENERAL DIRECTOR FOR TECHNOLOGY AND QUALITY OF
OJSC "BSW — MANAGEMENT COMPANY OF "BMC" HOLDING

INCLUDES INFORMATION ON THE MANUFACTURING COUNTRY, TRADE MARK OF THE PLANT, SUPPLY CONTRACT NUMBER, CONSIGNMENT NUMBER, COUNTRY OF DESTINATION, WEIGHT AND OTHER QUALITY INFORMATION. QUALITY CERTIFICATES CONTAIN QUALITY INFORMATION OF THE PRODUCT.

PACKING AND SHIPMENT ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE EXISTING PROCESS DOCUMENTATION WITH CONSIDERATION OF THE REQUESTS AND REQUIREMENTS OF THE CUSTOMERS STIPULATED IN THE CONTRACT

IN AUGUST 2006 A PERMIT TO USE THE "CE" MARK ON STRUCTURAL STEEL ROLLED SECTION UNDER THE REQUIREMENTS OF DIRECTIVE 89/106/CE AND BS EN 10025-2004 WAS FOR THE FIRST TIME RECEIVED FROM CARES. IN FEBRUARY 2008 TÜV NORD SYSTEMS (GERMANY) ISSUED A NEW COMPLIANCE CERTIFICATE FOR THE RIGHT TO ATTACH THE "CE" MARKING TO:

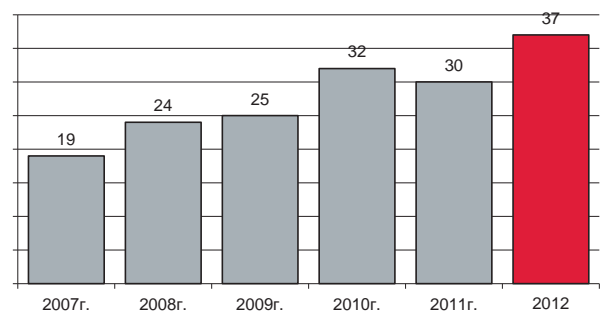
– HOT-ROLLED SEAMLESS HOLLOW PROFILES OF STRUCTURAL STEEL GRADES WITH STRENGTH GROUPS RANGING FROM S235 TO S355 IN COMPLIANCE WITH THE REQUIREMENTS OF ANNEXES A AND B OF DIN EN 10210-1:2006 AND DIRECTIVE 89/106/EEC OF THE EC COUNCIL FOR CONSTRUCTION PRODUCTION AMENDED BY DIRECTIVE 93/68/EEC OF THE EUROPEAN COUNCIL (TÜV NORD SYSTEMS (GERMANY));

– SEAMLESS PIPES, ROW H AND M, AND TYPES L, L1 AND L2 Ø 21,3-165,1 MM OF NON-ALLOY STEEL FOR WELDING AND THREADING IN ACCORDANCE WITH DIN EN

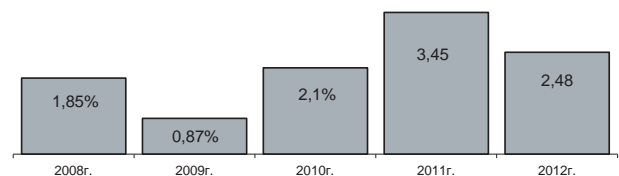
10255:2004+A1:2007(TÜV NORD SYSTEMS (GERMANY));

– HOT-ROLLED STEEL BARS OF STRUCTURAL STEEL GROUP S S235 TO S450 IN ACCORDANCE WITH THE REQUIREMENTS OF DIN EN 10025-2:2005 AND DIRECTIVE 89/106/ EEC OF THE EC COUNCIL FOR BUILDING PRODUCTS AMENDED BY DIRECTIVE 93/68/ EEC OF THE EC COUNCIL (TÜV NORD SYSTEMS (GERMANY));

– ANCHOR, WAVY AND STRAIGHT FIBER (MICROFIBER) IN ACCORDANCE WITH THE REQUIREMENTS OF DIN EN 14889-1:2006 AND DIRECTIVE 89/106/ EEC OF THE EC COUNCIL FOR BUILDING PRODUCTS AMENDED BY DIRECTIVE 93/68/ЕЭС СОВЕТА ЕВРОПЕЙСКОГО СООБЩЕСТВА (TÜV NORD SYSTEMS (GERMANY))



Number of QMS and product external audits (including Customer audits)



Percentage of products with CE mark

IN THE REPORTING PERIOD WE RECEIVED ONE MESSAGE FROM OUR CUSTOMER REGARDING INCORRECT HOSE WIRE DIAMETER MARKING ON THE LABEL. SO AS TO PREVENT REOCCURRENCE OF THIS ERROR IN FUTURE, WE CHANGED THE COLOUR OF THE LABEL (MARKING TAG) DEPENDING ON DIAMETER. THE REMARK WAS DISCUSSED WITH THE RESPONSIBLE PERSONNEL. AFTER THE NON-CONFORMITY WAS ELIMINATED, THERE WERE NO TROUBLES IN FUTURE.



MARKETING COMMUNICATIONS

MARKETING COMMUNICATIONS ARE ORIENTED TOWARDS SOLVING OF CERTAIN TASKS WHICH IN THEIR TURN SHOULD CORRESPOND TO THE MAIN GOALS OF THE COMMUNICATION PROGRAM:

- AWARENESS OF USERS OF THE TRADE MARK;
- DISSEMINATION OF INFORMATION ABOUT OJSC “BSW – MANAGEMENT COMPAY OF “BMC” HOLDING;
- FAIR BUSINESS;
- FORMATION OF A POSITIVE IMAGE OF THE PLANT AND ITS TRADE MARK..

THE FINAL GOAL OF MARKETING COMMUNICATIONS OF THE COMPANY IS A SEARCH FOR MARKETS WITH STABLE CONSUMPTION AND PRODUCT SALE AT MAXIMUM POSSIBLE PRICE..

MARKETING STRATEGY FOR 2010-2015 IS AIMED AT MAXIMUM ENHANCEMENT OF EXPORT IN ALL DIRECTIONS BY GROUPS OF PRODUCTS, RETAINING THE TRADITIONAL PRODUCT MARKETS AND DEVELOPING NEW ONES, LEADING A MAXIMUM OPEN FOREIGN TRADE POLICY, USING THE EXISTING COMMERCIAL AND TRADING RELATIONS, EXPANDING OUR PRESENCE ON THE TRADITIONAL OUTLETS WITH ABSOLUTELY NEW TYPES OF PRODUCTS.

APPROACHES USED IN MARKETING STRATEGY:

1. IMPROVEMENT OF EXPORT INFRASTRUCTURE AND DIVERSIFICATION OF EXPORT DISTRIBUTION STRUCTURE.
2. DEVELOPMENT OF NEW PRODUCTION.
3. PARTICIPATION IN EXHIBITIONS AND FAIRS.
4. INTERACTION WITH INTERNATIONAL; MARKETING NETWORKS, IMPROVEMENT OF QUALIFICATION OF SPECIALISTS INVOLVED IN FOREIGN ECONOMIC ACTIVITY OF OJSC “BSW – MANAGEMENT COMPAY OF “BMC” HOLDING.
5. DIVERSIFICATION OF THE PRICE POLICY.

MUTUALLY BENEFICIAL COOPERATION WITH CONSUMERS OF THE PLANT’S PRODUCTS

OUR CONSUMERS ARE THE MOST INTERESTED PARTIES FOR US BECAUSE SUCH COOPERATION IS PROFITABLE FOR THE PLANT. OJSC “BSW – MANAGEMENT COMPAY OF “BMC” HOLDING IS GUIDED BY NEEDS AND EXPECTATIONS OF ITS CUSTOMERS, STRIVES FOR THE FULLEST SATISFACTION OF THE PARTNERS’ REQUIREMENTS IN ITS ACTIVITY..

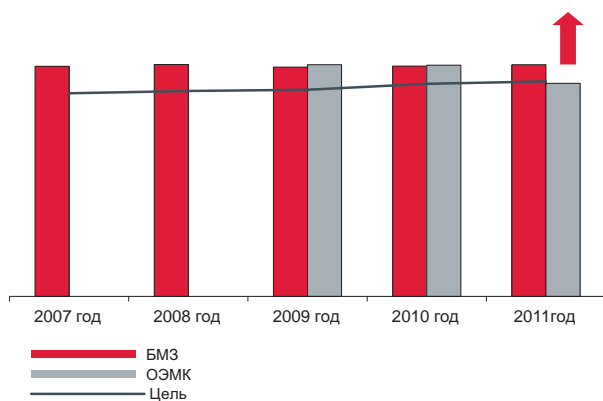
IN ORDER TO STUDY AND SPECIFY CUSTOMER REQUIREMENTS, THE PLANT CONSTANTLY ARRANGES MEETINGS WITH ITS CUSTOMERS, STUDIES DOMESTIC AND FOREIGN DEVELOPMENTS IN THE FIELD OF PRODUCTION QUALITY IMPROVEMENT AND WORK QUALITY OPTIMIZATION, PERFORMS ANALYSIS OF MARKET DEVELOPMENT TENDENCIES.

ORGANIZATION OF PERIODIC MEETINGS AND DISCUSSION OF PROBLEMS WITH ITS PARTNERS ALLOW THE ENTERPRISE TO FIND EFFICIENT SOLUTIONS OF THE EXISTING AND POTENTIAL PROBLEMS, REALIZE POSSIBLE PRODUCT DEVELOPMENT AND OPTIMIZATION DIRECTIONS.

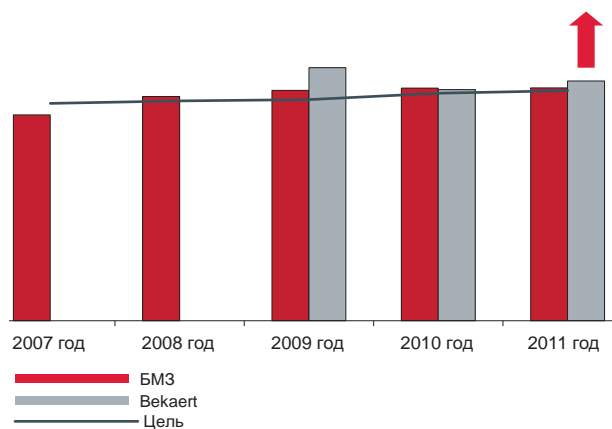
WORK WITH CUSTOMERS IS ORGANIZED IN COMPLIANCE WITH THE CODE OF BUSINESS ETHICS AND ENTERPRISE STANDARD STP 840-SMK-7.2 “PROCESSES ASSOCIATED WITH CUSTOMERS. PROCEDURE OF THE PLANT’S PRODUCT SALES”.

EVERY YEAR FOLLOWING THE ANNUAL WORK RESULTS, THE PLANT UNDERTAKES AN ASSESSMENT OF ITS CUSTOMERS’ SATISFACTION WITH THE HELP OF FEEDBACK. CUSTOMER SATISFACTION ASSESSMENT IS A PART OF BUSINESS OF OJSC “BSW – MANAGEMENT COMPAY OF “BMC” HOLDING AND IS AIMED AT BASIC PROBLEMS DETECTION CONCERNING COOPERATION WITH CUSTOMERS, DETERMINATION OF PRIORITY DIRECTIONS OF ITS ACTIVITY AND PRODUCTION OPTIMIZATION OF FURTHER DEVELOPMENT. IT IS CARRIED OUT IN ACCORDANCE WITH GOAL-ORIENTED ORDER No.2 «MEASURES OF IMPROVEMENT OF QUALITY AND COMPETITIVENESS OF THE MARKETABLE PRODUCTS» AND METHODS OF PROCESSING THE ASSESSMENT RESULTS UM 840-SMK-04-2005 DEVELOPED ON THE BASIS OF TK RB 4.2-P-07-2002. SO AS TO GET HIGH RELIABILITY OF THE RESULTS, THE ASSESSMENT IS PERFORMED WITH CONSIDERATION OF THE LEVEL OF OUR CUSTOMER SATISFACTION WITH SIMILAR GOODS PRODUCED BY OUR COMPETITORS ON THE MARKET CONCERNED.

Responsibility for the goods produced



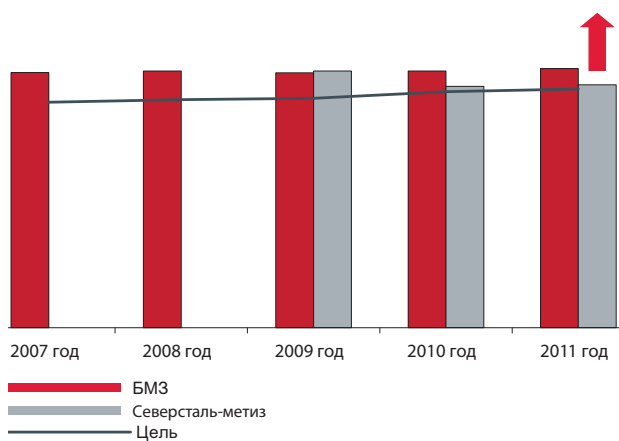
Assessment values of satisfaction of the users of rolled products



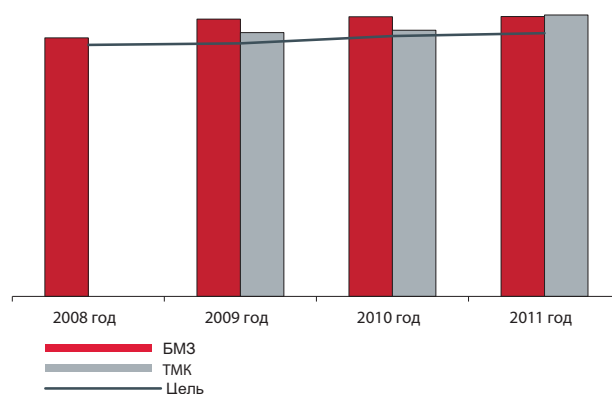
Assessment values of satisfaction of the users of the hardware products

STABLE WORK OF THE STAFF AIMED AT PRODUCTION OUTPUT INCREASE, QUALITY IMPROVEMENT, PRODUCT RANGE EXTENSION, AND NEW PIPE MARKET DEVELOPMENT IS ADEQUATELY APPRAISED BY OUR CUSTOMERS. SINCE THE TIME OUR PLANT CAME INTO THIS MARKET A POSITIVE TENDENCY IS OBSERVED IN ASSESSMENT OF THE CUSTOMER SATISFACTION WITH OUR PRODUCTS.

ПРИ СОТРУДНИЧЕСТВЕ С ПОТРЕБИТЕЛЯМИ БЕЛОРУССКИЙ МЕТАЛЛУРГИЧЕСКИЙ ЗАВОД, COOPERATING WITH ITS CUSTOMERS IN ACCORDANCE WITH THE PRINCIPLES OF THE UN GLOBAL COMPACT BYELORUSSIAN STEEL WORKS DOES NOT COLLECT ANY INFORMATION ABOUT PRIVATE LIFE AND PERSONAL DATA OF THE CUSTOMER STAFF. THERE HAVEN'T BEEN ANY CLAIMS RELATED TO PRIVACY INFRINGEMENT SINCE THE PLANT ERECTION.



Assessment values of satisfaction of the users of metallurgical products



Assessment values of satisfaction of the users of pipe products



MUTUALLY BENEFICIAL COOPERATION WITH SUPPLIERS

ANOTHER EQUALLY IMPORTANT PARTY CONCERNED IS OUR SUPPLIERS PROVIDING THE PLANT WITH STOCK AND RAW MATERIALS FOR OUR PRODUCTION.

THE PROCUREMENT PROCEDURE IS REGULATED BY THE FOLLOWING ACTS OF LAW: «PROCEDURE OF SELECTING A SUPPLIER (CONTRACTOR, EXECUTOR) TO PERFORM STATE PURCHASES IN THE RB» APPROVED BY DECREE NO. 618 OF THE PRESIDENT OF THE RB DD. 17.11.2008; BY THE DECISION OF CM OF THE RB NO. 1987 «SOME ISSUES OF THE STATE PURCHASES» DD. 20.12.2008, BY GENERAL DIRECTOR'S ORDER NO. 85 «FORMATION OF A COMMISSION FOR PURCHASES ARRANGEMENT» DD. 30.01.2009.

OJSC "BSW – MANAGEMENT COMPAY OF "BMC" HOLDING ESTABLISHES HONEST AND UNBIASED RELATIONS WITH SUPPLIERS BASED ON REASONABLE PRICING, RECOGNIZING LICENSE AND TRADE RIGHTS. COOPERATION WITH SUPPLIERS IS ORGANIZED IN COMPLIANCE WITH THE CODE OF ETHICS AND ENTERPRISE STANDARD STP 840-KSM-7.4 "PROCUREMENT. PROCEDURE OF COOPERATION WITH SUPPLIERS", AND SUPPLIER MANUAL.

SELECTION OF SUPPLIERS IS PERFORMED BASED ON:

- STUDY OF MARKET AND SUPPLIER QUESTIONING.
- RATING ON THE COMMODITY AND SERVICES MARKET.
- QUALITY OF THE ACQUIRED RESOURCES (SERVICES) WITH CONSIDERATION OF DATA ON CONSUMER'S QUALITY MANAGEMENT SYSTEM FUNCTIONING AND ITS EFFICIENCY IN THE FORM OF:

- RESULTS OF MASS REGULAR SUPPLIES WITHOUT RECLAMATIONS OR CLAIMS;

- COMPLIANCE CERTIFICATES FOR THE MANAGEMENT SYSTEM AND PRODUCTS OF THE SUPPLIER;

- SUPPLIER OBLIGATIONS TO RESPECT THE RIGHTS AND FREEDOMS OF THE CITIZENS IN COMPLIANCE WITH THE PRINCIPLES OF THE UN GLOBAL COMPACT;

- SUPPLIER CONSENT TO FOLLOW THE CONSUMER QUALITY MANUAL OF OJSC "BSW – MANAGEMENT COMPAY OF "BMC" HOLDING.

THE ACTIVITY OF CUSTOMERS IS ASSESSED ACCORDING TO

THE FOLLOWING CRITERIA:

- OBSERVATION OF THE VOLUME AND TERMS OF PRODUCT DELIVERY (LOGISTICS);

- COMPLIANCE OF THE DELIVERED PRODUCT WITH THE ESTABLISHED REQUIREMENTS AND CALCULATION OF THE DELIVERED GOODS QUALITY INDEX (IQL) CONSIDERING THE EXISTENCE OF THE SUPPLIER QUALITY SYSTEM, SHARE OF SUPPLIES WITH DEVIATIONS IN THE TOTAL NUMBER OF DELIVERIES AND CONSIDERATION OF DEVIATION SIGNIFICANCE COEFFICIENT (LOYALTY);

- DEGREE OF THE CONSUMER LOYALTY TO THE PLANT AND CORRECTIVE ACTIONS EXECUTION.

SUPPLIES QUALITY ASSESSMENT IS REVIEWED AT THE PLANT QUALITY MEETINGS.

AT THE END OF 2011 BYELORUSSIAN STEEL WORKS INTRODUCED SOME CHANGES IN THE SUPPLIER CONTRACT REQUIREMENTS. ONE OF THEM IS USE OF 8D PROCESS IN SOLVING QUALITY ISSUES.

THIS PROCESS SHOWED ITSELF TO ADVANTAGE IN THE WORLD PRACTICE AS ONE OF THE MOST EFFECTIVE TOOLS FOR SOLVING PRODUCT QUALITY PROBLEMS OF SUPPLIERS. IT GIVES THE POSSIBILITY TO ELIMINATE THE REASONS OF THE PROBLEM OCCURRENCE AND EXCLUDE THEIR REITERATION.

INTRODUCTION OF THE PROCESS OF PROBLEM SOLVING DEVELOPED ON THE BASIS OF 8D METHOD (SYSTEM EXCLUSION OF PROBLEMS) ALLOWED US TO INCREASE THE LEVEL OF CO-OPERATION OF THE PLANT WITH ITS SUPPLIERS IN THE AREA OF INFORMATION EXCHANGE AND CORRECTIVE AND PREVENTIVE ACTION MANAGEMENT.

SO AS TO DEVELOP PARTNERSHIP RELATIONS AND IMPROVE QUALITY OF THE DELIVERED PRODUCT BY DEVELOPMENT OF THE MANAGEMENT SYSTEM WITH THE ACCEPTABLE SUPPLIERS ACCORDING TO THE BULLETIN OF SUPPLIERS ASSESSMENT FOR THE PREVIOUS PERIOD SPECIALISTS OF THE COMPANY PERFORM SUPPLIER AUDITS.

FOLLOWING THE COOPERATION RESULTS AND ASSESSMENTS, A "LIST OF APPROVED SUPPLIERS" IS DRAWN UP AND AGENTS PERFORMING DELIVERIES ARE SPECIFIED.

THE ARE GIVEN IN THE TABLE BELOW.

Responsibility for the goods produced

SUPPLIER	DELIVERY QUALITY INDEX, %	LOGISTICS, %	LOYALTY TO THE PLANT %	ACTUAL DATA, %		
				2010	2011	2012
EXCELLENT	IQL=95,1-100	100	100	37,20	32,05	55,22
RELIABLE	IQL=75,1-95	100	100	50,24	57,84	36,05
ACCEPTABLE	IQL=30,1-75,0	85-100	80-100	4,45	3,14	4,58
UNSATISFACTORY	IQL ≤ 30*	<85	<80	8,11*	6,97*	4,29*

*PURCHASES FROM THIS SUPPLIER SHOULD BE CANCELLED

CRITERION	2010	2011	2012
PERCENTAGE OF CERTIFIED SUPPLIERS (TCD SUPPLIER ASSESSMENT BULLETIN DATA), %	44,2	49,4	36,48

Results of the supplier assessment

CONSTRUCTION OF AN EFFECTIVE MODEL OF SUPPLIER CO-OPERATION AND INTERACTION ALLOWS THE PLANT TO IMPLEMENT PLANS AND STRATEGIES, AND ACHIEVE THE TARGETS SET FORTH.

SO AS TO PERFUME ITS ACTIVITY SUCCESSFULLY, SPECIAL ATTENTION IS PAID TO FEEDBACK. BEING AN ESSENTIAL COMPONENT OF THE PLANT'S POLICY, ARRANGEMENT OF FEEDBACK STRENGTHENS MUTUAL TRUST, JOINS AND UNITES THE PARTIES CONCERNED FROM THE POINT OF VIEW OF UNIFIED PUBLIC AIMS, VALUES, AND INTERESTS.

OJSC "BSW – MANAGEMENT COMPAY OF "BMC" HOLDING IMPLEMENTS THE PRINCIPLES OF OPENNESS, INVOLVEMENT AND BALANCING OF INTERESTS. IT ARRANGED THE 2ND INTERNATIONAL CONFERENCE OF THE PLANT'S SUPPLIERS WHICH EVOKED A WARM RESPONSE OF THE INTERESTED PARTIES. IF IN 2011 THE CONFERENCE GATHERED ABOUT 90 BUSINESS PARTNERS OF THE ENTERPRISE, BUT IN SPRING 2012 THE NUMBER

OF PARTICIPANTS EQUALED TO 130 REPRESENTING 14 COUNTRIES OF THE WORLD. REPRESENTATIVES OF THE COMPANIES FROM BELARUS, RUSSIA, THE UKRAINE, GERMANY, CYPRUS, SLOVAKIA, LITHUANIA, LATVIA, SERBIA, ITALY, CHINA, GREAT BRITAIN, AUSTRIA AND FINLAND COOPERATING WITH THE COMPANY IN THE AREA OF DELIVERIES OF MATERIALS, RAW MATERIALS AND VARIOUS EQUIPMENT. WITHIN THE FRAMEWORK OF THE CONFERENCE COMPANY MANAGERS MADE REPORTS ON DIRECTIONS OF FURTHER INTERACTION WITH THE PARTIES CONCERNED AND DEVELOPMENT OF OJSC "BSW – MANAGEMENT COMPAY OF "BMC" HOLDING.

IT IS WORTH MENTIONING THAT ONLY THOSE COMPANIES WHICH ARE ABLE TO ENSURE HIGH LEVEL OF QUALITY OF ITS PRODUCTS AND MATERIALS ARE INCLUDED IN THE LIST OF BSW SUPPLIERS. THOSE COMPANIES WHICH DID NOT VIOLATE THE TERMS AND CONDITIONS OF THE DELIVERY CONTRACTS AND DID NOT HAVE CLAIMS ON PRODUCT QUALITY IN 2011 WERE AWARDED THE TITLE OF THE "BEST SUPPLIERS".





Interaction of the parties

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING COOPERATES WITH AN EXTENSIVE NUMBER OF THE PARTIES CONCERNED, WHICH GOES BEYOND THE FRAMEWORKS OF ITS PRODUCTION ACTIVITY. BYELORUSSIAN STEEL WORKS SETS FORTH A UNIFIED APPROACH TO THE SOCIAL ACTIVITY MANAGEMENT, INCLUDING A GREAT MAJORITY OF VARIOUS INSTRUMENTS; THERE-AT, THE PRINCIPLE OF TARGETED AND INDIVIDUAL APPROACH IS ALWAYS PRESERVED WITH RESPECT TO EVERY GROUP OF THE PARTIES CONCERNED. SUCCESSFUL BUSINESS IS IMPOSSIBLE WITHOUT FAVORABLE SOCIO-ECONOMIC ENVIRONMENT BOTH INTERNAL AND EXTERNAL. INVESTING INTO THE DEVELOPMENT OF THE REGION OF OUR PRESENCE NOW, WE ARE CURRENTLY CREATING POTENTIAL FOR ECONOMICAL, SOCIAL, MATERIAL AND SPIRITUAL GROWTH OF THOUSANDS OF PEOPLE. IT ALSO MEANS THAT WE FORM A STABLE AND FREE SOCIETY CONFIDENT IN TOMORROW.

BEING A SOCIALLY RESPONSIBLE ENTERPRISE, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING COOPERATES WITH THE PARTIES CONCERNED ADHERING TO THE FOLLOWING APPROACHES:

- OBSERVANCE OF THE LEGISLATION AND LEGAL NORMS OF THE REPUBLIC OF BELARUS AS WELL AS PRINCIPLES OF THE UN GLOBAL COMPACT;
- INVOLVEMENT OF ALL ELEMENTS AND PARTICIPANTS OF COOPERATION;
- DISCLOSURE OF A COMPLETE AND RELIABLE INFORMATION ON THE RESULTS IN THE FIELD OF ECONOMIC, ECOLOGICAL AND SOCIAL ACTIVITY;
- PROMOTION OF RESPONSIBILITY FOR THE ASSUMED OBLIGATIONS AND THEIR EXECUTION;
- OBSERVANCE OF UNIVERSAL NORMS AND VALUES;
- FORMATION OF FAVORABLE INTERNAL AND EXTERNAL ENVIRONMENT;
- MAINTAINING OF REASONABLE BALANCE OF INTERESTS OF THE PLANT AND SOCIETY.

BYELORUSSIAN STEEL WORKS IS A PART OF THE SOCIETY AND IT SUPPORTS CIVIL INITIATIVES IN THE FIELD OF ECONOMIC, SOCIAL

AND CULTURAL DEVELOPMENT OF THE REGION OF PRESENCE, PRESERVING CULTURAL HERITAGE, NATIONAL ORIGINALITY, ENVIRONMENTAL PROTECTION, HEALTHCARE AND WELFARE OF THE POPULATION AND EMPLOYEES.

INTERACTION WITH THE CIVIL SOCIETY

BYELORUSSIAN STEEL WORKS IS A TOWN-FORMING ENTERPRISE DEFINING NOT ONLY THE APPEARANCE BUT ALSO THE CHARACTER OF ZHLOBIN. THROUGHOUT ITS HISTORY THE PLANT WAS INVOLVED INTO CONSTRUCTION CREATING INDUSTRIAL AND SOCIAL INFRASTRUCTURE OF THE TOWN. THE FIRST FACILITY BUILT BY BSW WAS THE BOILER HOUSE "SEVERNAYA" COMMISSIONED IN 1983.

DUE TO BSW ZHLOBIN TAKES ADVANTAGE OF 5 EDUCATIONAL SCHOOLS, 9 NURSERY SCHOOLS, 7 STORES, A RESTAURANT, A HOTEL, CHILDREN'S DEPARTMENT FOR 120 PEOPLE AND SURGICAL BUILDING FOR 240 PATIENTS OF THE REGIONAL HOSPITAL. FOR A CONVENIENT HIGHROAD SERVICE, A VIADUCT OVER THE RAIL TRACK WAS BUILT CONNECTING TWO PARTS OF THE TOWN.

THERE WAS TIME WHEN WE HAD NO STABLE RECEPTION OF THE REPUBLICANS AND REGIONAL TV PROGRAMS. THIS PROBLEM WAS SOLVED WITH THE HELP OF A RELAY STATION INSTALLED BY THE PLANT. LIBERATORS' SQUARE BECAME A REAL ADORNMENT OF THE TOWN. A NEW BUILDING OF SCHOOL No.1 WAS BUILT BY THE PLANT AS WELL AS SPORT CENTRE WITH A SKATING RINK AND AN AQUA-PARK.

THE TOWN STREETS WERE RENEWED, CONVENIENT TRANSPORT COMMUNICATION OF THE DEVELOPING "METALLURGIC CAPITAL" IS ASSURED BY 3 VIADUCTS. TODAY ZHLOBIN IS A RAPIDLY DEVELOPING TOWN WITH MODERN DISTRICTS, VARIOUS SPORT AND CULTURAL FACILITIES.

THE PLANT'S MANAGEMENT REALIZES THAT SOCIAL AND ECONOMIC STABILITY IN THE REGION OF ITS PRESENCE AFFECTS THE LONG-TERM STABILITY OF BUSINESS. THAT IS WHY IT IS STRATEGICALLY EXPEDIENT TO ABIDE BY THE CORPORATE RESPONSIBILITY POLICY BOTH WITH RESPECT TO THE EMPLOYEES AND WITH RESPECT TO THE LOCAL COMMUNITIES. INVESTIGATING THE PECULIARITIES OF THE SOCIAL AND ECONOMIC DEVELOPMENT OF THE REGION OF ITS PRESENCE, THE PLANT DEFINES THE PRIORITY DIRECTIONS AND FORMS OF SOCIAL ACTIVITY. BESIDES FULFILLING TAX

Interaction of the parties

OBLIGATIONS, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING INITIATES COOPERATION WITH REGIONAL PARTNERS AND SUPPORTS PROGRAMS AND PROJECTS AIMED AT SOCIAL INFRASTRUCTURE DEVELOPMENT.

HELPING THE REGION, THE PLANT THEREBY ESTABLISHES EFFECTIVE RELATIONS WITH THE LOCAL AUTHORITIES AND COMMUNITY OPENING OPPORTUNITIES TO DEVELOP ITS BUSINESS OVER THE CERTAIN TERRITORY, TO IMPLEMENT NEW PROJECTS AND ENGAGE QUALIFIED PERSONNEL.

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS SEARCHING FOR OPTIMAL CORRELATION OF ITS SOCIAL OBLIGATIONS AND ACTUAL POTENTIAL, MAINTAINING BALANCE BETWEEN THE NEEDS OF THE REGION AND BUSINESS CONCERNS. WHAT FOR ITS PRACTICAL ACTIVITY, THE PLANT CREATES RELATIONSHIP WITH THE CIVIL SOCIETY WITH DUE CONSIDERATION OF THE RESULTS OF THE COMPREHENSIVE RESEARCH "EXTERNAL IMPACT OF THE ENTERPRISE ON THE COMMUNITY, THE PLANT'S IMAGE IN THE TOWN". ANNUAL MULTIDIMENSIONAL RESEARCH IS CARRIED OUT WITH THE PURPOSE TO STUDY THE OPINION OF THE TOWNSPEOPLE WITHIN THE REGION OF THE PLANT'S PRESENCE AS CONCERNS THE DEGREE OF BSW INFLUENCE ON THE VITAL ACTIVITY OF THE REGION.

STEADY DEVELOPMENT OF THE REGION OF PRESENCE IS AN IMPORTANT COMPONENT OF THE PLANT DEVELOPMENT STRATEGY AIMED AT SOLVING OF PRIORITY TASKS WITHIN THE FIELD:

- ASSISTANCE TO THE STEADY DEVELOPMENT OF THE TERRITORY OF PRESENCE;
- MAINTAINING STABLE SOCIAL AND ECONOMIC ENVIRONMENT IN THE LOCAL COMMUNITIES;
- DEVELOPMENT OF PARTNERSHIP RELATIONS WITH THE REGIONAL AUTHORITIES AND LOCAL ADMINISTRATION;
- CREATION OF COMFORTABLE LIVING CONDITIONS FOR THE PLANT EMPLOYEES AND POPULATION OF THE REGION;
- - ESTABLISHMENT AND MAINTAINING THE IMAGE OF CONSCIENTIOUS AND ATTRACTIVE EMPLOYER

IN THE HARD TIME OF TODAY IT IS VERY DIFFICULT TO FIND A MAN ABLE TO APPREHEND ANOTHER MAN'S PROBLEMS AS HIS OWN. IT IS SO NICE THAT SUCH PEOPLE STILL EXIST! ASSISTANCE RENDERED BY THE TEAM OF BSW EMPLOYEES IS AN INVALUABLE CONTRIBUTION TO THE DEVELOPMENT OF CHARITY AND NO DOUBT IT IS AN APPRECIABLE SUPPORT OF THE FAMILIES WHICH DUE TO DIFFERENT REASONS HAVE MATERIAL DIFFICULTIES

N.I. SILKEVICH,
DIRECTOR OF THE REGIONAL CENTRE OF SOCIAL SERVICE OF THE POPULATION

CHARITY AND SPONSORSHIP

BYELORUSSIAN STEEL WORKS' POLICY IN THE FIELD OF CHARITY AND SPONSORSHIP IS AIMED AT FACILITATION OF THE FORMATION OF THE SOCIALLY ACCEPTED IMAGE OF THE EFFICIENTLY OPERATING AND SOCIALLY RESPONSIBLE ENTERPRISE, TO AFFECT THE PUBLIC RECOGNITION OF THE SOCIAL IMPORTANCE OF METALLURGY, TO CONSOLIDATE ITS STANDING AND ENHANCE THE LOYALTY TO BSW ON THE PART OF ALL INTERACTIVE GROUPS AND THE CIVIL SOCIETY.

CHARITY AND SPONSORSHIP PERFORMED BY THE COMPANY NOT ONLY FACILITATE THE FORMATION OF ITS IMAGE BUT ACTUALLY HELP THOSE IN NEED TO RAISE THEIR LEVEL OF LIVING AND SOLVE MAJOR PROBLEMS.

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ACTIVELY PARTICIPATES IN THE PROCESS OF RESOLVING OF THE SOCIALLY IMPORTANT TASKS ON THE REGIONAL AND NATIONWIDE LEVEL. THE PRIORITY DIRECTIONS OF THE CORPORATE CHARITY AND SPONSORSHIP ACTIVITY ARE DEFINED AS FOLLOWS: ECOLOGY, SUPPORT OF EDUCATION, SPORTS AND SOCIAL OBJECTS ON THE TERRITORY OF THE PLANT'S PRESENCE. THE DISTRIBUTION OF FUNDS ALLOCATED BY THE PLANT FOR THIS PURPOSE IS GIVEN IN THE TABLE.



КАТЕГОРИЯ	2010	2011	2012
SPONSORSHIP, TOTAL (\$ THOU.), INCLUDING:	9 485,9	16 400,6	15 814,3
FINANCIAL AID TO THE DEVELOPMENT OF PHYSICAL CULTURE AND SPORTS IN THE RB, TOTAL:	7 168	9 589,5	8 581,8
AID TO THE "HOCKEY CLUB CJSC" "METALLURG-ZHLOBIN"	3 978,0	7 922,6	7 322,2
AID TO THE SE "GOMEL VOLLEYBALL CLUB, LTD"	839,5	1 189,6	899,7
AID TO FOOTBALL CLUB "ZHLOBIN»		165,85	
AID TO UE "BELARUSIAN BIATHLON CLUB"		311,4	239,9
AID TO THE ASSOCIATION «HOCKEY FEDERATION OF RB»			120,0
FINANCING OF ERECTION OF A SPORT FACILITY IN ZHLOBIN	2 350,5	5 049,5	4 738,6
AID TO THIRD-PARTY ORGANIZATIONS, TOTAL:	2 317,9	1761,6	2 493,9
CONSTRUCTION OF THE NATIONAL PARK "PRYPIATSKY	1 936,2		
OJSC "AVTOREMPROEKT"			239,9
OJSC "SITOMO"			250,7
TO ORGANIZATIONS OF ZHLOBIN AND ZHLOBIN DISTRICTS, INCLUDING:			
- DISTRICT EDUCATION DEPARTMENT		21,4	
- REPAIR OF ROADS IN ZHLOBIN		677	
- DISTRICT ORGANIZATION "BELARUSIAN UNION OF AFGHANISTAN WAR VETERANS"	4,7	4,5	
- DAUE "PAPOROTNOE"	377,0	1058,7	1 847,4
EDUCATIONAL ESTABLISHMENTS, INCLUDING:			
GSTU NAMED AFTER P.O. SUKHOI			89,8
ZHLOBIN STATE METALLURGICAL COLLEGE			42,0
INSTITUTE "INDUSTRIAL STAFF"			24,0

Financing projects

Interaction of the parties

A NEW DIRECTION IS DEVELOPED AT BSW: PERSONAL PARTICIPATION OF THE PERSONNEL IN CHARITY ACTIVITY. THE MAIN RESULT OF THIS WORK IS MASTERING OF THE MECHANISM OF OPERATIVE ASSISTANCE TO PEOPLE. IN 2012 PLANT'S WORKERS ACTIVELY PARTICIPATED IN THE FOLLOWING CHARITY ACTIONS: "ALL CHILDREN ARE OURS", "DO GOOD", "WE TO CHILDREN", ETC. RESULTS OF PERSONAL PARTICIPATION OF THE EMPLOYEES IN CHARITY ACTIVITY ARE GIVEN IN THE TABLE BELOW.

NAME OF THE ACTION	AMOUNT COLLECTED, (\$),		
	2010	2011	2012
BELARUSIAN PEACE FUND	3 533,8	437,8	343,7
RED CROSS SOCIETY	1 519,1	1452,6	1389,2
OSVOD	409,7	173	125,3
NATIONAL ACTION "OUR CHILDREN"			414,5
REPUBLICAN PUBLIC CULTURAL ACTION «BELARUS IS US!»	1 007,4		
«WE TO CHILDREN» (REGIONAL CENTRE OF SOCIAL SERVICE, DISTRICT CHILDREN'S HOSPITAL, SOCIAL PEDAGOGIC CENTRE, CHILDREN'S HOME IN STRESHIN, PUBLIC ASSOCIATION "CHILDHOOD TO CHILDREN")	671,6	1369,0	964
«DO GOOD»(DEDICATED TO DISABLED PEOPLE DAY)	396,9	1412,3	6535,4
BSW YOUTH TO VETERANS		115,6	119,9
"ALL CHILDREN ARE OURS" (COLLECTION OF MONEY FOR PURCHASING OF SCHOOL ACCESSORIES TOGETHER WITH THE REGIONAL CENTRE OF SOCIAL SERVICE)		674,1	
FOR MEDICAL TREATMENT AND OPERATIONS OF:			
– ALEKSANDR SILKOV		640,6	
– VLADISLAV KUPRIYANOV		1178,9	
– ALEKSANDR FURS		358	
DONATIONS TO VICTIMS OF THE ACT OF TERRORISM IN MINSK UNDERGROUND		1010	
TO MINSK RELIGIOUS SCHOOL		64,9	
TO THE PARISH OF ST. SERAFIM SAROVSKY CHURCH			159,5
TO THE RECONSTRUCTION OF THE BUILDING OF THE LOCAL HISTORY MUSEUM IN ZHLOBIN	1 800,0		
TO THE CONSTRUCTION OF THE CHURCH OF ST. JOHN SOLDIER-MARTYR IN ZHLOBIN			796,5
TOTAL:	9 338,5	8 886,8	10848,2
<i>personal participation of the employees in charity activity</i>			

REALIZATION OF THE SCHEDULED ACTIVITIES HAD A FAVORABLE IMPACT ON THE PLANT COOPERATION WITH THE MAIN GROUPS OF STAKEHOLDERS: AUTHORITIES, CIVIL SOCIETY, ECOLOGY COMMUNITY EMPLOYEES. IT HELPED TO STRENGTHEN BSW REPUTATION AS A SOCIALLY RESPONSIBLE ENTERPRISE AND ACHIEVE THE HIGHEST SOCIAL AND ECONOMIC EFFICIENCY FROM THE MONEY SPENT ON CHARITY AND SPONSORSHIP PURPOSES.

INTERACTION WITH MASS MEDIA

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING CLOSELY COOPERATES WITH THE REGIONAL MASS MEDIA INFORMING THE PUBLIC OF THE RESULTS OF ITS PRODUCTION ACTIVITY, MAJOR ACTIONS AND EVENTS PROVIDING RELEVANT AND TRUTHFUL INFORMATION. INTERVIEWS WITH THE PLANT'S MANAGEMENT ARE PUBLISHED IN NEWSPAPERS AND MAGAZINES OF THE REPUBLIC OF BELARUS. THE MOST IMPORTANT EVENTS OF THE ENTERPRISE'S ACTIVITY ARE ALL THE TIME



COVERED BY TELEVISION. OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS STRIVING FOR INFORMATIONAL OPENNESS AND TRANSPARENCY OF ITS ACTIVITY REALIZING THE EXCEPTIONAL IMPORTANCE OF THE INTERACTION WITH MASS MEDIA. ALONG WITH TRADITIONAL MASS MEDIA – NEWSPAPERS, JOURNALS AND TELEVISION – THE PLANT STRENGTHENED ITS WORK TO INCREASE ITS PORTION OF PRESENCE ON THE INFORMATION FIELD OF THE INTERNET-MEDIA: CORPORATE SITE, POPULAR NEWS PORTALS AND SOCIAL NETWORKS. THIS HELPS TO ACHIEVE A HIGH LEVEL OF THE AUDIENCE AWARENESS AND IN ITS TURN PROVES OPENNESS AND TRANSPARENCY OF THE ACTIVITY OF BYELORUSSIAN STEEL WORKS.

IN 2012 THE PLANT'S ACTIVITY COVERED IN 104 PUBLICATIONS OF PRINTED EDITIONS (IN 2011 – 95) AND IN 19 VIDEO REPORTS (IN 2011 – 36).

INFORMATION OF THE PLANT WAS GIVEN IN THE FOLLOWING NEWSPAPERS: «SOVETSKAYA BELARUSSIYA», «RESPUBLIKA», «NARODNAYA GAZETA», «EXPORT&IMPORT», «ZVEZDA», «GOMELSKAYA PRAVDA», «ZNAMYA YUNOSTI», BELORUSSKAYA NIVA», «NOVYI DEN», AND THE MAGAZINES: «STEEL ORBIT», «MANUFACTURING JOURNAL», «EKONOMIKA BELARUSI», «NAVINY TYDNYA», «METALL-COURIER», «CASTING AND METALLURGY»; AS WELL AS CHANNELS OF THE STATE TELEVISION COMPANIES: «BELARUS 1», «БЕЛАРУСЬ 2», «PUBLIC NATIONAL TELEVISION», «STOLICHNOE TELEVIDENIE», «MIR», «GOMEL RADIO». REGULARLY, NOT LESS THAN TWO TIMES A MONTH, INFORMATION REPORTS ABOUT THE PLANT'S LIFE ARE PRINTED BY INFORMATION AGENCIES: «BELTA», «BELAPAN», «PRIME-TASS» AND ARE ALLOCATED ON OFFICIAL SITES OF ZHLOBIN DISTRICT EXECUTIVE COMMITTEE, GOMEL REGIONAL EXECUTIVE COMMITTEE, MINISTRY OF INDUSTRY, AND OTHER INTERNET RESOURCES. INFORMATION ABOUT THE ENTERPRISE IS PUBLISHED 2 TIMES A MONTH ON THE NATIONAL INTERNET SITES.

4 PRESS CONFERENCES WITH REPRESENTATIVES OF MASS MEDIA WERE HELD IN 2012 DEDICATED TO:

- SECOND INTERNATIONAL CONFERENCE OF OJSC BSW SUPPLIERS;
- ERECTION OF A SMALL-SECTION WIRE ROD MILL BY DANIELI;

- "ACHIEVEMENTS AND PROSPECTS OF DEVELOPMENT OF THE STEEL SECTOR OF THE REPUBLIC OF BELARUS";
- "BELARUS-RUSSIA: COOPERATION OF METAL MARKET PARTICIPANTS";

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING STRIVES FOR INFORMATIONAL OPENNESS AND TRANSPARENCY OF ITS ACTIVITY AS IT UNDERSTANDS THE IMPORTANCE OF INTERACTION AND EXCHANGE OF EXPERIENCE WITH ALL PARTIES CONCERNED. PRESS RELEASES ARE PREPARED IN RELATION WITH ALL IMPORTANT EVENTS OF THE PLANT LIFE. ITS REGULAR DISTRIBUTION BASE INCLUDES 6 INFORMATION AGENCIES, 6 PERIODICALS, 5 TV CHANNELS, AND 4 INTERNET PORTALS.

IN 2012 THE FOLLOWING EVENTS TOOK PLACE ON THE BASIS OF THE ENTERPRISE:

- TRAINING SEMINAR "SOCIAL PACKAGE OF EMPLOYEES' PRIVILEGES AND GUARANTEES FOR STAFF STABILIZATION OF THE ENTERPRISES OF "BYELORUSSIAN METALLURGICAL COMPANY" HOLDING;
- BUSINESS CONFERENCE "BELARUS-RUSSIA: COOPERATION OF METAL MARKET PARTICIPANTS";
- "THE SECOND INTERNATIONAL CONFERENCE OF SUPPLIERS OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING;
- A ROUND TABLE WITH REPRESENTATIVES OF SACE SpA, ITALIAN EXPORT CREDIT INSURANCE AGENCY;
- MEETING TO DISCUSS THE ASSESSMENT REPORT ON ENVIRONMENT IMPACT (EIS) OF THE PLANNED FACILITY "A COMPLEX MODERNIZATION OF GAS AND DUST TRAPPING PLANTS No.1 AND No.3";
- GUEST MEETING OF THE COUNCIL OF THE REPUBLICAN COMMITTEE OF BELARUSIAN TRADE UNION OF INDUSTRIAL WORKERS;
- BSW OPEN DAY;
- ROUND TABLE WITH REPRESENTATIVES OF AUSTRIAN COMPANY RHI AG – LEADER ON THE GLOBAL MARKET OF CERAMIC REFRACTORY MATERIALS;

Interaction of the parties

- CONSULTATIVE SEMINAR FOR CHIEF ACCOUNTANTS OF THE ENTERPRISES INCLUDED IN "BYELORUSSIAN METALLURGICAL COMPANY" HOLDING;
- REGIONAL GUEST MEETING TO STUDY THE RESULTS OF GOMEL INDUSTRIAL FACILITIES DEVELOPMENT IN JANUARY-JULY 2012;
- SEMINAR "LEGAL AND ORGANIZATIONAL ASPECTS OF PREVENTION OF CORRUPTION CRIMES IN THE REPUBLIC OF BELARUS";
- SEMINAR IN LABOUR PROTECTION FOR PUBLIC INSPECTORS WITH PARTICIPATION OF SPECIALISTS OF THE REGIONAL METHODOLOGICAL TRADE UNION CENTRE;
- PUBLIC HEARING OF BSW CORPORATE SOCIAL REPORT FOR 2011;
- SCHOOL FOR EXPERIENCE EXCHANGE WITH SPECIALISTS OF RUSSIAN STEELMAKING PLANTS;
- SCIENTIFIC-PRACTICAL SEMINAR "ADVANCED DEVELOPMENTS OF SSPA OF POWDER METALLURGY - SSE "POWDER METALLURGY INSTITUTE OF THE NAS OF BELARUS TO BE USED AT BSW";
- ENLARGED SESSION WITH THE SUBJECTS OF THE COMMODITY DISTRIBUTION NETWORK OF THE PLANT "ABOUT RESULTS OF THE TEAMWORK IN Q3 OF 2012 AND FURTHER DEVELOPMENT STRATEGY";
- NATIONAL ACTION OF BELARUSIAN RED CROSS SOCIETY DEDICATED TO THE WORLD AIDS PREVENTION DAY.

IN ACCORDANCE WITH THE PRINCIPLES OF THE UN GLOBAL COMPACT OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ENSURES FREE ACCESS TO THE INFORMATION, DEVELOPS EXTERNAL COMMUNICATION, AND ACKNOWLEDGES ITS READINESS FOR OPEN DIALOGUE WITH THE PARTIES CONCERNED. IN DECEMBER 2012 AN EMPLOYEE OF THE COMPANY TOOK PART IN THE NATIONAL FORUM "UN GLOBAL COMPACT IN BELARUS: BEST PRACTICES OF A SOCIAL RESPONSIBLE BUSINESS – 2012" HELD ON THE BASIS OF THE REPRESENTATIVE OFFICE OF THE LOCAL NETWORK OF THE UN GLOBAL COMPACT IN BELARUS AND EXCHANGED HIS EXPERIENCE AND INFORMED REPRESENTATIVES OF THE

BUSINESS COMMUNITIES ABOUT THE PROCEDURE OF ESTABLISHMENT AND FUNCTIONING OF THE SYSTEM OF CORPORATE RESPONSIBILITY FUNCTIONING AT BSW.

INTERACTION WITH AUTHORITIES

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING BUILDS UP COOPERATION WITH ALL THE PARTIES CONCERNED ON THE BASIS OF THE FOLLOWING BASIC PRINCIPLES: RESPECT AND CONSIDERATION OF INTERESTS, OPINIONS AND PREFERENCES, OPENNESS AND TRANSPARENCY, TRUST AND SINCERITY, IMPLICIT ABIDANCE BY THE LEGISLATION, INTERNATIONAL AND BELARUSIAN STANDARDS, RESPONSIBLE FULFILLMENT OF THE ASSUMED OBLIGATIONS, RESPECT OF THE HISTORY, CULTURE, TRADITIONS, WAY OF LIVING AND HERITAGE OF THE PEOPLE RESIDING WITHIN THE BUSINESS TERRITORY.

ENSURING COMPLIANCE OF THE ACTIVITY AND STRATEGY OF THE PLANT DEVELOPMENT WITH THE GENERAL SOCIAL AND ECONOMIC DIRECTION AND INTERESTS OF THE COUNTRY AND REGION OF THE BUSINESS ACTIVITY IS A HIGHLY IMPORTANT TASK FACING THE PLANT EMPLOYEES. CONSTRUCTIVE INTERACTION WITH THE GOVERNMENTAL BODIES HELPS OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING TO FIND SOLUTION OF THIS RATHER COMPLICATED TASK.

DECISIONS ON BURNING ISSUES OF THE SOCIAL AND ECONOMIC DEVELOPMENT OF THE REGION, WORK WITH THE YOUTH, HOLDING JOINT EVENTS, AND OPTIMIZATION OF MEDICAL CARE FOR THE POPULATION ARE TAKEN BY THE PLANT'S MANAGEMENT AND LOCAL AUTHORITIES IN THE COURSE OF MONTHLY BUSINESS MEETINGS.

PROSPECTS OF GOMEL REGION DEVELOPMENT, PROGRESS OF THE SOCIALLY IMPORTANT PROGRAMS, EXTENSION OF THE PLANT'S EXPORT POLICY, PLANS FOR DESIGNING AND CONSTRUCTION OF A SMALL-SECTION MILL, AND RECONSTRUCTION OF THE STEELMAKING PRODUCTION WERE REGULARLY DISCUSSED BY THE GENERAL DIRECTOR AT HIS MEETINGS WITH DEPUTY PRIME MINISTER OF RB V.I. SEMASHKO, MINISTER OF INDUSTRY OF RB D.S. KATERINICH, CHAIRMAN OF THE STATE CONTROL COMMITTEE OF RB A.S. YAKOBSON DURING THEIR MULTIPLE VISITS TO BYELORUSSIAN STEEL WORKS.

THE PLANT'S MANAGEMENT BELIEVES THAT PARTICIPATION OF ITS REPRESENTATIVES IN THE WORK OF ELECTED AUTHORITIES



TIES WOULD BE IMPORTANT FOR THE FORMATION OF PARITY RELATIONSHIPS WITH THE GOVERNMENTAL BODIES AND FORMATION OF THE STATE POLICY. THE LOYALTY OF THE REGION POPULATION TO THE PLANT AND ITS EMPLOYEES IS PROVED BY THE OUTCOMES OF THE ELECTION CAMPAIGNS RESULTED IN 11 PLANT EMPLOYEES BEING ELECTED TO LOCAL, REGIONAL AND REPUBLICAN REGULATORY BODIES

– ZHLOBIN DISTRICT SOVIET OF DEPUTIES – 10 PERSONS;

– GOMEL REGIONAL SOVIET OF DEPUTIES – 1 PERSON.

ALONGSIDE WITH THAT, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING DID NOT PROVIDE DONATIONS IN FAVOR OF ANY POLITICAL PARTIES OR INDIVIDUAL POLITICIANS.

INTERACTION WITH SCIENCE

INNOVATIVE DEVELOPMENT OF INDUSTRY IS A GUARANTEE OF ECONOMIC SECURITY OF BELARUS. THE PLANT FOLLOWS THE ROUTE OF INNOVATIVE DEVELOPMENT COURAGEOUSLY IMPLEMENTING NEW PROJECTS. BY THE DECISION OF THE STATE COMMITTEE ON SCIENCE AND TECHNOLOGIES OF THE REPUBLIC OF BELARUS ADOPTED IN 2008 BSW WAS INCLUDED INTO THE REGISTER OF HIGH-TECH ENTERPRISES OF OUR COUNTRY.

SO AS TO STRENGTHEN ITS POSITIONS ON THE MARKET AND WITHSTAND TOUGH COMPETITION IT IS NOT ENOUGH FOR AN INDUSTRIAL ENTERPRISE TO SHOW GOOD PRODUCTION RESULTS. IT IS NECESSARY TO MANUFACTURE PRODUCTS CHARACTERIZED BY HIGH QUALITY AND OPTIMAL PRIME COST. BESIDES ONE SHOULD NOT FORGET ABOUT MEETING CUSTOMER REQUIREMENTS AND FILLING FREE MARKET NICHES WITH NEW TYPES OF PRODUCTS. ACHIEVEMENT OF ALL COMPONENTS OF SUCCESS IS IMPOSSIBLE WITHOUT SCIENTIFIC AND RESEARCH SUPPORT.

THE ENTERPRISE CLEARLY UNDERSTANDS THE IMPORTANCE OF INNOVATIVE ACTIVITY BEING A KEY TOOL OF THE PRODUCTION DEVELOPMENT AND PAYS MUCH ATTENTION TO IT. THERE ARE 8 CANDIDATES OF SCIENCE, 16 UNDERGRADUATES AND 25 BACHELORS WORKING AT BSW. THE COMPANY ESTABLISHED STRONG PARTNERSHIP RELATIONS WITH SUCH ESTABLISHMENTS AS BNTU, GSTU NAMED AFTER P.O. SUKHOI, FTI OF THE NAS OF BELARUS, DIVISIONS OF THE NAS OF BELARUS. THE

PLANT COOPERATES WITH INSTITUTES OF POWDER METALLURGY, HOT-ROLLED METALS, METAL TECHNOLOGIES AND MECHANICS OF POLYMER SYSTEMS. SCIENTISTS DO A LOT FOR BSW DEVELOPING SPECIAL METHODS. ECONOMIC EFFECT OF THIS COOPERATION MAKES UP USD HUNDREDS OF THOUSANDS. THE PROJECT OF CREATING OF OUR OWN PIPE SCHOOL IS BEING IMPLEMENTED NOW. IT WILL HELP US TO DEVELOP NEW BRANCH OF INDUSTRY IN OUR REPUBLIC, I.E. PRODUCTION OF HOT-DEFORMED SEAMLESS PIPES.

A GOOD EXAMPLE OF COOPERATION WITH SCIENTIFIC RESEARCH ESTABLISHMENTS OF THE REPUBLIC OF BELARUS IS THE WORK DONE BY BSW SPECIALISTS OF TOGETHER WITH THE DEPARTMENT OF MATERIALS TECHNOLOGY IN ENGINEERING OF BNTU. WITHIN THE PROGRAM OF IMPORT SUBSTITUTION OJSC "LEGMAH" PLANT DEVELOPED PRODUCTION OF PLUG BARS USED FOR PIERCING OF PIPE BILLETS. SO AS TO PRODUCE PLUG BARS WITH HIGH DURABILITY, OUR RESEARCH CENTRE AND BNTU WERE INVOLVED IN PRODUCTION METHOD IMPROVEMENT. GUIDED BY THE RESULTS OF THE RESEARCH WORK, SPECIALISTS OF THE UNIVERSITY PROPOSED A NUMBER OF TECHNICAL SOLUTIONS WHICH WILL HELP IMPROVE QUALITY AND PERFORMANCE OF THE PLUG BARS PRODUCED. PROMISING RESULTS HAVE BEEN ACHIEVED IN ONE OF THE DIRECTIONS: REQUIRED PERFORMANCE HAS BEEN ACHIEVED AND PLUG BAR PRODUCTION TIME WAS REDUCED.

ACTIVE WORK IS CARRIED OUT IN THE STEELMAKING PRODUCTION SO AS TO INCREASE DURABILITY OF REFRACTORY MATERIALS AND PRODUCTS. EVERY YEAR THE PLANT SPENDS ABOUT USD 40 MILLION FOR THEIR PURCHASING.

COOPERATION OF BYELORUSSIAN STEEL WORKS AND SCIENCE HAS A MANY-SIDED CHARACTER. THE ENTERPRISE ACTS TOGETHER WITH LEADING HIGHER EDUCATIONAL ESTABLISHMENTS OF THE COUNTRY IN TRAINING PROGRESSIVE ENGINEERS. SEMINARS AND REFRESHER TRAINING OF MANAGERS AND SPECIALISTS OF THE COMPANY IS ORGANIZED ON THE BASIS OF HIGHER EDUCATIONAL ESTABLISHMENTS OF THE COUNTRY, PRACTICAL TRAINING AT BSW IS ORGANIZED FOR STUDENTS OF INSTITUTES AND UNIVERSITIES. BEING A PARTICIPANT OF THE STATE PROGRAM OF EDUCATING AND TRAINING OF SPECIALISTS IN FOREIGN ECONOMIC ACTIVITY, BYELORUSSIAN STEEL WORKS ARRANGED PRACTICAL TRAINING FOR STUDENTS OF THE CORRESPONDING DEPARTMENTS OF BELARUSIAN STATE UNIVER-

Interaction of the parties

WHEN ANALYZING PARTICULAR EXAMPLES, YOU ONCE AGAIN COME TO A CONCLUSION THAT LEADING POSITIONS MAY BE OCCUPIED ONLY WITH THE HELP OF ADVANCED EQUIPMENT AND PRODUCTION METHODS IN COMBINATION WITH PROGRESSIVE IDEAS AND DEVELOPMENTS. WE SHALL DEVELOP BELARUSIAN STEELMAKING SCHOOL BECAUSE OUR FUTURE DEPENDS ON IT

A.N. SAVIANOK
GENERAL DIRECTOR OF OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING



SITY, BELARUSIAN STATE ECONOMIC UNIVERSITY, GOMEL STATE UNIVERSITY NAMED AFTER F. SKARYNA IN ITS FOREIGN REPRESENTATIVE OFFICES.

TOGETHER WITH BELARUSIAN NATIONAL TECHNICAL UNIVERSITY A BRANCH OF THE DEPARTMENT “MACHINES AND CASTING TECHNOLOGY” WAS ESTABLISHED. IN 2011 BRANCHES OF THE DEPARTMENTS “METAL DEFORMATION PROCESS” AND “METALLURGY AND CASTING” OF GOMEL STATE TECHNICAL UNIVERSITY

TY NAMED AFTER P.O. SUKHOI WERE ESTABLISHED ON THE BASIS OF BSW SO AS TO FURTHER DEVELOP INTERACTION WITH EDUCATIONAL INSTITUTIONS IN THE AREA OF DEVELOPMENT AND IMPLEMENTATION OF SPECIALISTS TRAINING PROGRAM. A COOPERATION AGREEMENT ON TRAINING OF SPECIALISTS OF 1ST AND 2ND STAGE OF HIGHER EDUCATION AS WELL AS ON FREE ASSISTANCE IN DEVELOPMENT OF MATERIAL AND TECHNICAL BASIS OF THE UNIVERSITY FOR 2011-2015 WAS SIGNED WITH THIS UNIVERSITY. 12 YOUNG SPECIALISTS OF THE PLANT WERE INTERVIEWED AND ALLOWED TO PASS EXAMS FOR THE MA COURSE OF THE UNIVERSITY IN THE SPECIALTY “METALLURGY” IN 2011.

PROGRAMS OF TRAINING COURSES FOR TEACHERS OF THE UNIVERSITY IN DIVISIONS OF OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING AND TEACHERS OF THE PLANT’S TRAINING CENTRE IN EE GSTU NAMED AFTER P.O. SUKHOI.



Achievement of targets and activity planned indicators

INDICATORS	2010		2011		2012	
	PLANNED	ACTUAL	PLANNED	ACTUAL	PLANNED	ACTUAL
1. PRODUCTION, FINANCES AND ECONOMY						
1.1 INDUSTRIAL PRODUCTS (IN COMPARABLE PRICES) COMPARED TO THE LEVEL OF 2011, MIN., %	–		–		103,0*	103,4
PROFITABILITY LEVEL OF PRODUCTS SOLD, WORK FULFILLED AND SERVICES RENDERED, MIN., %	5,0	6,6	10,0	21,8	N/A	
1.2 SALES PROFITABILITY, MIN., %	–		–		12,3*	9,2
1.3 SPECIFIC WEIGHT OF INNOVATION PRODUCTS IN THE TOTAL AMOUNT OF GOODS SHIPPED, MIN., %	–		–		20,5*	22,9
1.4 DECREASE OF THE LEVEL OF MATERIALS CONSUMPTION, %	–		-1,5	-10,0	-2,5*	5,8
1.5 ENERGY SAVING INDICATOR	-8,0	-8,0	-6,5	-6,5	-5,0	-5,0
1.6 PRODUCTION COST LEVEL DECREE, %	–		–		-0,1	7,7
1.7 PRODUCT EXPORT COMPARED TO THE LEVEL OF 2011, MIN. %	–		–		111,2	96,4
1.8 FOREIGN TRADE BALANCE, USD THOU.	–		605 000	528 000	667 640*	688 729,9
1.9 RELATION OF PRODUCT EXPORT AND PRODUCTION VOLUME, MIN., %	–		–		82,7	75,5
2. QUALITY						
2.1 LEVEL OF REJECTS ATTRIBUTABLE TO PRODUCTION SHOPS, %	ORDER No.2 FOR 2010	DONE	ORDER No. 2 FOR 2011	DONE	ORDER No. 2 FOR 2012	DONE
2.2 LEVEL OF NON-CONFORMING PRODUCTS						
2.3 LEVEL OF COSTS DUE TO DEFECTS BRB1000 OF MARKETABLE PRODUCTS, MAX.	3,7	1,92	3,52	1,76** (3,18***)	3,47***	3,26*** 2,11**
2.4 2.4 EXTERNAL CUSTOMER SATISFACTION, MIN.%	89,0	93,0	90,0	92,1		

ПРИЛОЖЕНИЕ / ANNEX

Показатели	2010		2011		2012	
	PLANNED	ACTUAL	PLANNED	ACTUAL	PLANNED	ACTUAL
STEELMAKING					90,4	90,5
ROLLING					91,5	94,0
PIPE MILL					92,0	90,2
HARDWARE					93,0	93,4
2.5 AMOUNT OF CLAIMED PRODUCTS COMPARED TO THE PREVIOUS PERIOD	TO BE DECREASED BY 10%	NOT DONE	TO BE DECREASED BY 10%	DONE	TO BE DECREASED BY 10%	NOT DONE

3. ENVIRONMENT

3.1 Объем хранения отходов производства к уровню 2011г. снизить на, %	NOT DETERMINED	2 (330421,7т)	21,2 (260584т)	5 (max. 247367,5т)	DONE (118921,5т)
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4. LABOUR PROTECTION AND OCCUPATIONAL SAFETY

4.1 TO PREVENT GROWTH OF PRODUCTION INJURIES COMPARED TO THE PREVIOUS PERIOD	PREVENT GROWTH	DONE	PREVENT GROWTH	выполнено	PREVENT GROWTH	DONE 7 CASES AGAINST 7 CASES IN 2011
4.2 IMPROVEMENT OF LABOUR CONDITIONS AND SAFETY OF THE PRODUCTION SHOPS PERSONNEL, PERS.	780	787	790	792	700	706

5. SOCIAL RESPONSIBILITY

5.1 TRAINING OF MANAGERS AND SPECIALISTS, PERS.	1487	2110	929	1011	1517	1961
5.2 PROFESSIONAL TRAINING OF WORKERS, PERS.	3551	4163	3399	3853	3102	3861
5.3 GENERAL SATISFACTION OF THE EMPLOYEES, MIN., %	72	72,4	72	72,3	72,0	72,1
5.4 SALARY AND WAGES GROWTH RATE, MIN, %	107,6	113,5	117,3	151,6	175,0	169,5
5.5 EMPLOYEES TURNOVER, MAX., %	2,5	2,4	2,5	2,7	3,5	2,59

* PLAN ADJUSTED ACCORDING TO ORDER No. 819 DD. 07.09.2012

** IN SHOPS,

*** AT BSW

Список используемых сокращений

API	American Petroleum Institute (Американский институт нефти) – неправительственная организация в США, занимающаяся исследованиями нефтегазового сектора.
GRI	Global Reporting Initiative (Глобальная инициатива по отчетности) – независимая не коммерческая организация, миссией которой является развитие и распространение по всему миру единых принципов отчетности в области устойчивого развития, прежде всего, с помощью Руководства по отчетности в области устойчивого развития. Организация создана в 1988 г., имеет штаб-квартиру в Амстердаме и управляется международными экспертами из различных организаций по всему миру.
EFQM	Европейский фонд управления качеством
ISO	International Organization for Standardization (Международная организация по стандартизации)
OHSAS	Системы менеджмента профессионального здоровья и безопасности труда
SA 8000	Международный стандарт «Социальная ответственность 8000»
БМЗ	Белорусский металлургический завод
БНТУ	Белорусский национальный технический университет
БРСМ	Белорусский республиканский союз молодежи
ВВП	Валовой внутренний продукт
ГОСТ	Государственный отраслевой стандарт
ГУО	Государственное учреждение образования
ДКМ	Дворец культуры «Металлург»
ДСП	Дуговая сталеплавильная печь
ДЮСШ	Детская юношеская спортивная школа
ЕС	Европейский Союз
ЕТКС	Единый тарифно-квалификационный справочник
ЖМК	Жлобинский мясокомбинат
ЖУ	Жилищное управление
Инфо-БМЗ	Информационно-справочная система завода
кг	Килограмм
КСМ	Корпоративная система менеджмента
КЦН	Курсы целевого назначения
МАЗ	Минский автомобильный завод
МИСиС	Московский институт стали и сплавов
МНЛЗ	Машина непрерывного литья заготовок
млн	Миллион
млрд	Миллиард
мм	Миллиметр
МСЧ	Медико-санитарная часть
МТЗ	Минский тракторный завод
МФО	Международная финансовая система отчетности
НАН	Национальная академия наук

НП	Национальный парк
ОИИР	Отдел информационно-идеологической работы
ООН	Организация Объединенных Наций
ООТ	Отдел охраны труда
ОПБ	Отдел промышленной безопасности
ОРВ	Озоноразрушающие вещества
ОУК	Отдел управления качеством
ПГУ	Пылегазоулавливающая установка
ПДК	Предельно допустимая норма
ПО	Производственное объединение
РБ	Республика Беларусь
РРиС	Руководящие работники и специалисты
БМК	Холдинг "Белорусская металлургическая компания"
ОАО «БМЗ»	Открытое акционерное общество «Белорусский металлургический завод»
РФ	Российская Федерация
СМ	Совет Министров
СМИ	Средства массовой информации
СМС	Совет молодых специалистов
СНГ	Содружество независимых государств
СПЦ	Сортопрокатный цех
СТП	Стандарт предприятия
СТБ	Стандарт Беларуси
СтПЦ	Сталепроволочный цех
СУОС	Система управления окружающей средой
СУОТ	Система управления охраной труда
США	Соединенные Штаты Америки
ТНПА	Типовые нормативно-правовые акты
ТУ	Технические условия
т.у.т.	Тонна условного топлива
Тыс.	Тысяча
ТЭР	Топливо-энергетические ресурсы
УООСиПС	Управление по охране окружающей среды и промышленной санитарии
ФОК	Физкультурно-оздоровительный комплекс
ЦВЕ	Центральная и Восточная Европа
ЦПОЛ	Цех переработки огнеупорного лома
ЭСПЦ	Электросталеплавильный цех

Table of standard reporting components of GRI (G3) manual

GRI index	Описание показателя	Reference in the report, page.
1	Strategy and analysis	
1.1	Declaration of the General Director, the Chairman of the Board of the directors	
1.2	Key impacts, risks and possibilities description	
2	Description of the organization	
2.1	Name of the organization	
2.2	Main brands, types of products and (or) services	
2.3	Functional structure of the organization including the main subdivisions, operational companies, daughter companies and joint-ventures	
2.4	Location of the central office	

2.5	Countries (regions) where organization is functioning and which are most significant from the point of view of the questions of sustainable development covered by the report.	
2.6	Nature of the ownership and legal and organizational form	
2.7	Markets where the organization is working (including the geographical breakdown, the sectors serviced, the categories of the consumers and the beneficiaries).	
2.8	Size of the organization including: Quantity of workers and officials; Net sales (for the private sector organizations) or net proceeds (for the state organizations); General capitalization with the breakdown by borrowed and own capital (for the private sector organization); Quality characteristics of the products or the services rendered; General value of the assets	
2.9	Considerable changes in the organization activity and (or) in the structure of the ownership during the reporting period including: opening, closing and development of the enterprises; changes in the structure of the share capital and other actions to form, support or change the capital (for the private sector organizations)	
2.10	Awards in the reporting period	
3	Report parameters	
GENERAL INFORMATION ABOUT THE REPORT		
3.1	The reporting period (for example, financial/calendar year) to which the submitted information refers to	

Table of standard reporting components of GRI (G3) manual

3.2	The date of publication of the latest previous report (if any)	
3.3	Reporting cycle (annual, two-year etc.)	
3.4	Contact information about the report and its contents	
SCOPE AND BOUNDARIES OF THE REPORT		
3.5	Process of the reports' contents determination including significance and priorities and subject determination within the framework of the report as well as revealing of the interested parties considered as potential users of the report.	
3.6	Bounds of the report (countries/regions, subdivisions/units/joint-ventures / daughter companies)	
3.7	Indicate any limits of the scope or the bounds of the report	
3.8	Grounds for inclusion in the report of the data concerning joint-ventures partly belonging to the daughter companies, production rent, transfer of a part of the functions to external contractors and other situations, which can essentially influence the comparison with the previous reports and/or other organizations	
3.9	Methods of data measurement and calculations including proposals and procedures used for indices preparation and other information of the report	
3.10	Description of the nature and meaning of any fresh wording of the information given in the previous reports, and grounds for such fresh wording (for example, merger/absorption, change of the reporting period, business nature, evaluation methods)	

ПРИЛОЖЕНИЕ / ANNEX

3.11	Important changes concerning the previous reporting as regards the scope, bounds or methods of measurement used in the report	
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GRI INDEX

3.12	Table of the arrangement of the standard components in the report	
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CONFIRMATION

3.13	The policy and practical approaches applied concerning an independent confirmation of the report. If the confirmation is not attached to the report in the area	
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4	Control, obligations and interaction with the parties concerned	
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MANAGEMENT

4.1	Structure of the management including the main committees in the top managing body, responsible for concrete tasks, for example, strategy development or general supervision over the organization's activity	
4.2	Indicate if the chairman of the highest managing body is at the same time the CEO of the company (and, in case of a positive answer, what is the role of this manager in the company management and what are the reasons for such state of affairs)	
4.3	For the organizations with a unitary board of directors, indicate the number of independent members of the highest managing body and/or the members who do not refer to the executive board of the company	
4.4	The mechanisms which are used by the shareholders or the personnel of the organization to direct the activity of the managing body or give it recommendations	

Table of standard reporting components of GRI (G3) manual

4.5	Link between payments (including the severance pays) for the members of the top managing body, representatives of the top management and the executive management and the efficiency of the organization (including social and ecological efficiency)	
4.6	The existing processes in the top managing body called upon to avoid conflicts of interests	
4.7	The existing processes in the top managing body called upon to avoid conflicts of interests	
4.8	Mission, declaration of values declaration, codes of corporative behavior and principles developed inside organization, and principles significant from the point of view of economic, ecological and social efficiency as well as the degree of its actual implementation	
4.9	Processes used by the top managing body to supervise and control assessment of the economic, social and environmental efficiency by the organization including determination of the corresponding risks and possibilities, their control and also observation and correspondence to international standards, codes of corporative behavior and principles	
4.10	Processes of evaluation of its own efficiency by the top managing body , in particular, concerning the economic, ecological and social results of the organization's activity	
PARTICIPATION IN EXTERNAL INITIATIVES		
4.11	Explain, if and how the organization uses principle of precaution	
4.12	Developed by external parties voluntary economic, ecological and social charters, systems of principles or other initiatives, to which the organization has joined and which it supports	
4.13	Membership in associations (for example, branch) and/or national and international organizations defending interests	

4.14	List of the interested parties with which the organization cooperated	
4.15	Base for determination and selection of the interested parties for further cooperation with them	
4.16	Approaches to cooperation with the interested parties including frequency of cooperation by forms and interested groups	
4.17	Key questions and interests raised or revealed during the process of cooperation with the interested parties, and how the organization took into consideration these questions and interests	

Indices of economical efficiency

ECONOMICAL EFFICIENCY		
EC1	Created and distributed economical cost including gains, operational costs, compensation of employees, donations and other investments in the community, undistributed profit, payments to suppliers of capital and to countries (basic)	
EC2	Financial aspects and other risks and possibilities for organization's activity related to change of the climate (basic)	
EC3	Security of the obligations of the society linked to the pension plans (basic)	
EC4	Financial assistance from the government (basic)	

Table of standard reporting components of GRI (G3) manual

PRESENCE ON MARKETS		
EC5	Relation of the initial salary and the fixed minimum salary in the significant regions of the organization's activity (basic)	
EC6	Practical approaches for the purchases from the local suppliers and percentage of such purchases in the important regions of organization activity (basic)	
EC7	Hire procedure of local population and portion of top management hired from local population in the significant regions of the organization's activity (basic)	
INDIRECT ECONOMICAL INFLUENCE		
EC8	Development and influence of investments on the infrastructure and services rendered by the organization in social interests by commercial, natural or beneficent participation (basic)	
EC9	Description of the significant indirect economical influences including the area of influence (additional)	
Indicators of ecological efficiency		
MATERIALS		
EN1	Used materials with the specification of weight or volume (basic)	
EN2	Percentage of the materials representing processed or recycled wastes (basic)	
ENERGY		
EN3	Direct use of energy with the indication of the primary sources (basic)	

ПРИЛОЖЕНИЕ / ANNEX

EN4	Indirect use of energy with the indication of the primary sources (basic)	
EN5	Energy saved as a result of the measures taken to decrease consumption of power and to increase efficiency of energy (additional)	
EN6	Initiatives to propose energy-effective products and services or those based on the use of the renewable energy and decrease of the need for energy as a result of these initiatives	
EN7	Initiatives to decrease indirect consumption of energy and the decrease achieved (additional)	
WATER		
EN8	General quantity of the taken-in water with the breakdown by the sources (basic)	
EN9	Water sources considerably influenced by the water diversion by the organization (additional)	
EN10	Percentage and total volume the reused and recycled water (additional)	
BIOVARIETY		
EN11	Location and area of the land owned, leased and managed by the organization and situated on the preserved territories and those with high value of biovariety outside their boundaries or adjoining such territories (basic)	
EN12	Description of important activity influences, products, services on biovariety on guarded territories with high value of biovariety outside its borders (basic)	

Table of standard reporting components of GRI (G3) manual

EN13	Preserved or restored habitats (additional)	
EN14	Strategies, actions and future control plans of impact on biovariety	
EN15	Quantity of species entered in the Red List of the IUEP and the national list of protected species inhabiting the territory affected by the organization's activity with the breakdown according to the level of threat to the existence of a species (additional)	
EMISSIONS, DISCHARGE AND WASTES		
EN16	Full direct and indirect emission of greenhouse gases with the indication of the weight (basic)	
EN17	Other significant indirect emissions of greenhouse gases with the indication of the weight (basic)	
EN18	Initiatives to decrease emissions of greenhouse gases and the decrease achieved (additional)	
EN19	Emissions of ozone-depleting substances with the indication of the weight (basic)	
EN20	Emission of NOx, SOx and other significant polluting substances to the atmosphere with the indication of the weight (basic)	
N21	Total amount of discharged wastes indicating the quality of the sewage water and the receiving unit (basic)	

ПРИЛОЖЕНИЕ / ANNEX

EN22	Total amount of the wastes with the breakdown by type and method of handling (basic)	
EN23	Total amount and quantity of considerable spills (basic)	
EN24	Amount of transported, imported, exported or processed wastes being "dangerous" according to Annexes I, II, III и VIII of Basel convention (additional)	
EN25	Characteristics, size, status of protection and value from the point of view of the biovariety of the water objects and the related habitats significantly affected by the discharge of the organization and the surface drainage from the territory of its units	
PRODUCTION AND SERVICES		
EN26	Initiatives aimed at softening (decreasing) the influence of the products and services on the environment and the size of the reached decrease of the influence (basic)	
EN27	Portion of the products sold and its packing materials returned to the producer for processing with the breakdown by categories (basic)	
CONFORMITY TO THE REQUIREMENTS		
EN28	Big penalties in money terms and total quantity of non-financial sanctions imposed due to non-conformity to the ecological law and standard requirements (basic)	
TRANSPORT		
EN29	Significant impact of the transportation of products and other goods and materials used for organization's activity and the transportation of manpower on the environment (additional)	

Table of standard reporting components of GRI (G3) manual

GENERAL		
EN30.	Total costs and investments in protection of the environment with the breakdown by types (additional)	
Indicators of the efficiency of the approaches to labor organization and worthy labor		
EMPLOYMENT		
LA1	Total quantity of manpower by the type of employment, occupation agreement and region (basic)	
LA2	Total number of the personnel and employee turnover by age group, sex and region (basic)	
LA3	Payments and advantages granted to the employees working on the basis of full employment which are not granted to people working on the basis of incomplete or temporary employment (additional)	
INTERRELATIONS BETWEEN THE EMPLOYEES AND THE MANAGING BODY		
LA4	Portion of the employees covered by the collective agreements (basic)	
LA5	Minimum period (periods) of notification concerning considerable changes in the organization's activity and its determination in the collective agreement (basic)	
HEALTH AND SECURITY AT A WORKING PLACE		
LA6	Portion of all people represented in the official joint committees for health and security with the participation of the management and the staff taking part in monitoring and forming recommendations concerning health and security programs at a working place (basic)	

LA7	Level of production traumatism, level of professional illnesses, coefficient of missed days and coefficient of absence at a working place as well as total number of fatal cases linked to job with the breakdown by regions (basic)	
LA8	The existing programs of education, training, consultation, prevention and control of risk to help the employees, members of their family and the population concerning serious illnesses (basic)	
LA9	Reflection of health and safety problems in official agreements with the trade union (additional)	

TRAINING AND EDUCATION

LA10	Average number of hours per an employee in a year by categories of the employees (basic)	
LA11	Programs for development of skills and education aimed to support employees capability to employment and support them when their career terminates	
LA12	Percentage of employees for whom periodic assessment of career effectiveness and development are carried out	

VARIETY AND EQUAL POSSIBILITIES

LA13	Structure of the organization's top management and the staff by sex and age indicating the minorities and other indices of variety (basic)	
LA14	Relation between the average salary of men and women by categories of the staff (additional)	

Efficiency indicators: human rights

PRACTICE OF INVESTMENTS AND PURCHASES

HR1	Share of important investment agreements including clauses guaranteeing human rights or being assessed from the point of view of human rights (basic)	
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Table of standard reporting components of GRI (G3) manual

HR2	Portion of important suppliers and contractors from the point of view of human rights (basic)	
HR3	Forms of training the employees in policies and procedures linked to aspects of human rights which are significant for the organization's activity and also the number of trained employees (additionally)	
BANNING OF DISCRIMINATION		
HR4	Total number of cases of discrimination and taken measures (basic)	
FREEDOM OF ASSOCIATION AND HOLDING OF COLLECTIVE NEGOTIATIONS		
HR5	Activity within the framework of which the right to freedom of association and holding of collective negotiations can be subject to significant risks and actions taken to support these rights (basic)	
CHILD LABOR		
HR6	Activity within the framework of which there is a significant risk of use child labor and measures taken to participate in the exterminate of child labor (basic)	
FORCED AND MANDATORY LABOUR		
HR7	Activity within the framework of which there is a significant risk of use of forced and mandatory labor and measures taken to exterminate forced and mandatory labor (basic)	
APPROACHES TO SECURITY		
HR8	Portion of the security staff trained in the policies and procedures related with the human rights connected with the realized activity (additional)	
RIGHTS OF NATIVE AND SMALL NATIONS		
HR9	Total number of violations of the rights of native and small nations and taken measures (additional)	

Indicators of efficiency of interaction with the community		
COMMUNITY		
SO1	Programs and actual approaches in the field of evaluation of the influence of the organization's activity on the local communities and control of this influence, covering the beginning of the activity, its implementation and completion (basic)	
CORRUPTION		
SO2	Portion and total number of business units analyzed from the point of view of risks connected with corruption	
SO3	Portion of employers trained in the anticorruption policies and procedures of the organization (basic)	
SO4	Measures taken to prevent corruption (basic)	
STATE POLICY		
SO5	Position in respect of the state policy and participation in formation of the state policy and lobbying (basic)	
SO6	Total amount (in natural and money terms) of donations to political parties, politicians and the organizations connected with them by countries (additional)	
CONFORMITY TO REQUIREMENTS		
SO7	Practical approaches to avoid monopolistic practice and the results of their application (additional)	
СООТВЕТСТВИЕ ТРЕБОВАНИЯМ		
SO8	Conformity to the law and standard requirements (basic)	

Table of standard reporting components of GRI (G3) manual

Indicators of efficiency: responsibility for production		
HEALTH AND SECURITY OF A CUSTOMER		
PR1	Stages of the life cycle on which influence on health and security of products and services is evaluated to reveal the possibilities of improvement and the portion of significant products and services subject to such procedures (basic)	
PR2	Correspondence with the standard norms and voluntary codes related to the influence of products and services on health and safety (additional)	
PRODUCTS AND SERVICES MARKING		
PR3	Types of information about the properties of products and services required by the procedures and portion of significant products and services subject to such information requirements (basic)	
PR4	Standard requirements and voluntary codes related to the information about the properties of products and services and marking (additional)	
PR5	Practices related to the satisfaction of a customer including the results of investigation of the level of a customer's satisfaction (additional)	
MARKETING COMMUNICATIONS		
PR6	Programs to ensure conformity with the legislation, standards and voluntary codes in the area of marketing communications including advertising, promotion of products and sponsorship (additional)	
PR7	Correspondence to the standard requirements and voluntary codes related to marketing communications including advertising, promotion of products and sponsorship (additional)	
INVIOABILITY OF THE PRIVATE LIFE OF A CUSTOMER		
PR8	Total number of legitimate complaints regarding the violation of the private life of a customer and loss of customer's data (additional)	
CORRESPONDENCE WITH REQUIREMENTS		
PR9	Monetary value of considerable penalties for violation of the law and the standard requirements related to the delivery and use of products and services	

Table of conformity to the GRI elements and indices is prepared with the help of the Manual of accounting in the area of stable development of the Global Reporting Initiative (revision 3)

For comments

DEAR READERS,



YOU HAVE JUST GOT ACQUAINTED WITH THE SOCIAL REPORT OF OPEN JOINT-STOCK COMPANY "BYELORUSSIAN STEEL WORKS – MANAGEMENT COMPANY OF "BYELORUSSIAN METALLURGICAL COMPANY" HOLDING. YOUR OPINION ON THIS DOCUMENT WILL BE HIGHLY APPRECIATED AND YOUR COMMENTS AND PROPOSALS WILL BE TAKEN INTO CONSIDERATION IN FUTURE REPORTS AS MUCH AS POSSIBLE.

PLEASE, FILL THE FORM AND FAX IT TO: + 375-2334-5-54-26; + 375-2334-2-42-61;

+ 375-2334-3-16-35

OR MAIL TO: 37 PROMYSHLENNAYA STR., 247210 ZHLOBIN, GOMEL REGION WITH THE MARK "SOCIAL REPORT 2012".

YOU MAY ALSO E-MAIL THE FILLED FORM TO: (SECR.DPIR@BMZ.GOMEL.BY)

TO WHICH GROUP OF STAKEHOLDERS DO YOU BELONG TO?

- REPRESENTATIVE OF AUTHORITIES
- REPRESENTATIVE OF COMMUNITY
- INVESTOR
- PARTNER
- CUSTOMER
- СОТРУДНИК
- EMPLOYEE
- ANOTHER GROUP OF STAKEHOLDERS

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WHAT IS YOUR APPRECIATION OF THE SOCIAL REPORT IN TERMS OF COMPLETENESS OF THE INFORMATION PRESENTED?

HIGH ☐ AVERAGE ☐ LOW ☐

WHAT IS YOUR APPRECIATION OF THE SOCIAL REPORT IN TERMS OF AND CREDIBILITY OF THE INFORMATION PRESENTED ?

HIGH ☐ AVERAGE ☐ LOW ☐

WHAT IS YOUR APPRECIATION OF THE SOCIAL REPORT IN TERMS OF SEARCH OF THE INFORMATION REQUIRED?

HIGH ☐ AVERAGE ☐ LOW ☐

КАК ВЫ ОЦЕНИВАЕТЕ ДИЗАЙН СОЦИАЛЬНОГО ОТЧЕТА?

HIGH ☐ AVERAGE ☐ LOW ☐

HAS THE SOCIAL REPORT HELPED YOU TO UNDERSTAND THE ACTIVITY OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IN THE AREA OF SUSTAINABLE DEVELOPMENT?

YES, FULLY ☐ Yes, partially ☐ No, NOT QUITE ☐ No, NOT UNDERSTANDABLE AT ALL ☐

PLEASE, EVALUATE THE FOLLOWING SECTIONS OF THE SOCIAL REPORT OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING FROM THE POINT OF VIEW OF INTEREST, RELEVANCE AND COMPLETENESS OF DISCLOSURE (FROM 1 (LOW) TO 5 (VERY HIGH))

STEELMAKING. REACHING A NEW LEVEL	<input type="checkbox"/>	DESCRIPTION OF THE PLANT	<input type="checkbox"/>
PARTICIPATION OF THE REPUBLICAN SCIENTIFIC POTENTIAL			
IN THE DEVELOPMENT OF THE METALLURGICAL COMPLEX	<input type="checkbox"/>	ECONOMIC ACTIVITY	<input type="checkbox"/>
DESCRIPTION OF KEY IMPACTS, RISKS AND POSSIBILITIES	<input type="checkbox"/>	ENVIRONMENT ACTIVITY	<input type="checkbox"/>
MANAGEMENT, OBLIGATIONS, INTERACTION WITH		SOCIAL ACTIVITY	<input type="checkbox"/>
INTERESTED PARTIES	<input type="checkbox"/>	INTERACTION OF PARTIES	<input type="checkbox"/>
RESPONSIBILITY FOR THE PRODUCT MANUFACTURED	<input type="checkbox"/>		

HAS THE SOCIAL REPORT INFLUENCED YOUR ATTITUDE TO THE ACTIVITY OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING?

YES, MY ATTITUDE IMPROVED ☐ No ☐
MY ATTITUDE BECAME WORSE ☐

WHAT INFORMATION IN THE SOCIAL REPORT WAS THE MOST INTERESTING FOR YOU?

WHAT DIRECTIONS OF THE ACTIVITY OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IN YOUR OPINION REQUIRE IMPROVEMENT SO AS TO RAISE SOCIAL RESPONSIBILITY?

WHAT INFORMATION WOULD YOU LIKE TO SEE IN FUTURE SOCIAL REPORTS OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING?

СПАСИБО ЗА СОТРУДНИЧЕСТВО!
ОАО «БМЗ»

Public hearing of the Report

DECEMBER 18, 2013 PUBLIC HEARING OF THE CORPORATE SOCIAL REPORT FOR 2012 WAS HELD AT BYELORUSSIAN STEEL WORKS. IT IS THE FIFTH TIME WHEN THE COMPANY PREPARED AND MADE PUBLIC ITS CORPORATE SOCIAL REPORT. FOR THE FIRST TIME THE COMPANY REPORTED IN A NEW STATUS: AS THE MANAGEMENT COMPANY OF "BYELORUSSIAN METALLURGICAL COMPANY" HOLDING.

DURING THE TIME PERIOD AFTER JOINING THE UN GLOBAL COMPACT, THE PLANT'S WORK IN THIS DIRECTION ACQUIRED A PURPOSEFUL CHARACTER. NOT ONLY PARTNERS BUT ALL INVITED PARTICIPANTS RECEIVED EVIDENCE OF ITS SIGNIFICANCE. THE FORMER, AS IS KNOWN, USE PRINCIPLES OF SOCIAL RESPONSIBILITY IN THEIR ACTIVITY AND SHOW PREFERENCE OF COOPERATION WITH SOCIALLY RESPONSIBLE ENTERPRISES.

REPRESENTATIVES OF THE MINISTRY OF INDUSTRY, NATIONAL ACADEMY OF SCIENCE, COORDINATION BOARD OF THE LOCAL NETWORK OF THE UN GLOBAL COMPACT, BELARUSIAN TRADE UNION OF INDUSTRIAL WORKERS, ZHLOBIN DISTRICT EXECUTIVE COMMITTEE AND DISTRICT SOVIET OF DEPUTIES, ENTERPRISES INCLUDED IN "BMC" HOLDING, SUPPLIERS AND BSW CUSTOMERS AS WELL AS OTHER STAKEHOLDERS TOOK PART IN THE EVENT. COPIES OF THE REPORT WERE DISTRIBUTED AMONG THE PARTICIPANTS. THE DATE AND PLACE OF THE PUBLIC HEARING WAS ANNOUNCED IN REGIONAL AND NATIONAL MASS MEDIA ONE MONTH PRIOR TO THE EVENT.

THE PUBLIC HEARING OF THE CORPORATE SOCIAL REPORT WAS OPENED BY THE ACTING DEPUTY GENERAL DIRECTOR FOR TECHNOLOGY AND QUALITY ANDREI VIKTOROVICH VENGURA.

GENERAL DIRECTOR OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ANATOLY SAVIANOK ADDRESSED THE AUDIENCE:



"AS FOR PRODUCTION RESULTS, 2012 MAY BE CALLED A YEAR OF RECORDS. FIRST OF ALL I HAVE TO POINT OUT THE WORK OF THE ELECTRIC MELT SHOPS WHICH SET AND RENEWED RECORDS IN STEELMAKING DURING THE LAST 12 MONTHS. THUS, IN OCTOBER THE MONTHLY LARGEST OUTPUT — 236 THOU. 729 TONS OF STEEL - WAS REACHED. IN 2012 EMPLOYEES OF BYELORUSSIAN STEEL WORKS ONCE AGAIN SHOWED THAT JOINT EFFORTS DIRECTED TOWARDS ACHIEVEMENT OF A MUTUAL GOAL ALWAYS GIVE AN ADEQUATE RESULT. THIS COMMITMENT ALLOWED THE ENTERPRISE TO BECOME A WINNER OF IMPORTANT AWARDS OF THE NATIONAL AND INTERNATIONAL LEVEL IN THE REPORTING PERIOD. I WOULD LIKE TO MENTION TWO OF THEM: DIPLOMA OF THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS FOR QUALITY ACHIEVEMENTS AND THE TITLE OF A LAUREATE OF THE CONTEST FOR THE 2011 AWARD OF THE COMMONWEALTH OF INDEPENDENT STATES," POINTED OUT THE GENERAL DIRECTOR. "THE PLANT SUCCESS IS PROVIDED FOR BY ITS EMPLOYEES THAT IS WHY BSW PAYS SPECIAL ATTENTION TO THE WORK WITH THE STAFF, ITS PROVIDING WITH SOCIAL GUARANTEES."

ASPECTS OF FINANCIAL-ECONOMIC ACTIVITY OF THE COMPA-



Public hearing of the Report

NY WERE CONSIDERED BY ANATOLY VOLKOV, DEPUTY GENERAL DIRECTOR FOR ECONOMY AND FINANCES: "2012 IS CHARACTERIZED BY A COMPLICATED SITUATION ON GLOBAL MARKETS, DECREASE OF BUSINESS ACTIVITY, REDUCED ENGINEERING SECTOR DEMAND AND CONSEQUENTLY DROP OF PRICES FOR STEEL PRODUCTS. ALL THESE FACTORS CAUSED SOME DECREASE OF ECONOMIC PERFORMANCE AS COMPARED TO 2012. SO AS TO OPPOSE ALL NEGATIVE PROCESSES ON GLOBAL MARKETS, THE PLANT WORKED OUT A COMPLEX PROGRAM OF MEASURES AIMED AT STABILIZATION AND DEVELOPMENT OF PRODUCTION AND DECREASE OF PRODUCT PRIME COST. STRICT CONTROL OF FULFILLMENT OF THESE MEASURES AT ALL LEVELS GAVE A POSITIVE RESULT. MEASURES OF COST REDUCTION IN 2012 EQUALED TO USD61,9 MILLION. AMOUNT OF SOLD PRODUCTS IN THE REPORTING PERIOD GREW BY 87 032 TONS OR 103,4 PER CENT.

IN SPITE OF ALL DIFFICULTIES, THE ENTERPRISE REACHED MOST OF THE TARGETS SET FOR 2012. INDUSTRIAL PRODUCTION OUTPUT RATE IN COMPARABLE PRICES BASED ON THE RESULTS OF THE YEAR WAS 103,4%, WHICH IS 1,4 PER CENT HIGHER THAN THE INITIAL TARGET. PROCEEDS FROM PRODUCT SALES AMOUNTED TO USD 1 892,7 MILLION. INVESTMENT IN THE FIXED ASSETS WAS BRB 822,1 BILLION AND EXCEEDED THE TARGET SET. FOREIGN TRADE BALANCE CONSIDERABLY EXCEEDED THE TARGET SET AND EQUALED TO USD 688,4 MILLION, AND TOTAL HOLDING PERFORMANCE WAS USD 855 MILLION. ENERGY SAVING RESULT WAS - 5,2% (SET VALUE = -5,0). COST OF SOLD PRODUCTS, SERVICES AND WORK REDUCED BY 2,5% IN DOLLAR EQUIVALENT SUBJECT TO DECREASE OF RAW MATERIAL PRICES. BUT FINISHED PRODUCT PRICE DROP IS NOT COMPENSATED BY RAW MATERIAL PRICE REDUCTION. A SPECIAL FEATURE OF THE STEEL SECTOR CRISIS IS THAT PRODUCT PRICES FALL FASTER AND TO A GREATER EXTENT THAN RAW MATERIAL PRICES. THAT IS THE REASON FOR A LOWER PROFIT COMPARED TO THE PREVIOUS YEAR."

DEPUTY GENERAL DIRECTOR FOR PERSONNEL AND IDEOLOGICAL WORK EDUARD FLARYZIAK INFORMED ABOUT SOCIAL POLICY OF THE ENTERPRISE AND KEY DIRECTIONS OF THE WORK WITH EMPLOYEE AND DEVELOPMENT OF INTERNAL AND EXTERNAL COMMUNICATION STRUCTURE: "PLANT IMAGE AS A STABLY OPERATING ENTERPRISE HELPS TO SOLVE THE QUESTION OF STAFFING. IN

2012 THE PLANT HIRED 683 PEOPLE INCLUDING 166 YOUNG SPECIALISTS WHO ARE OUR FUTURE AND THE MOST IMPORTANT CONDITION OF CONTINUITY OF MANAGEMENT, IMPROVEMENT OF THE EFFICIENCY OF MANAGEMENT AND ENSURING OF SUSTAINABLE

SOCIAL-ECONOMIC DEVELOPMENT OF THE COMPANY.



IN 2012 SOCIAL PROGRAMS WERE FULFILLED AT THE PLANT ON THE BASIS OF A COLLECTIVE AGREEMENT IN ACCORDANCE WITH THE SOCIAL AREA BUDGET AT THE EXPENSE OF OWN ASSETS OF THE PLANT AND MEANS OF THE SOCIAL INSURANCE FUND OF THE REPUBLIC OF BELARUS. IN 2012 BSW CONTINUED TO FULFILL ALL ITS OBLIGATIONS IN KEY DIRECTIONS OF THE SOCIAL PROGRAMS IN SPITE OF ECONOMICAL DIFFICULTIES OF 2012, USD 7,42 MILLION WERE SPENT FOR THEIR FINANCING. INTERACTION WITH STAKEHOLDERS IS BUILT BY THE PLANT ON SUCH PRINCIPLES AS IMPORTANCE OF THE ISSUES OF INTERACTION, COMPLETENESS OF THE INFORMATION PROVIDED, TIMELY RESPONSE AND RESPONSIBILITY. PRESENTING OUR REPORT ON SOCIAL RESPONSIBILITY AND CORPORATE SUSTAINABILITY TO YOUR ATTENTION AND DISCUSSION, WE DECLARE OPENNESS AND TRANSPARENCY OF OUR ACTIVITY, READINESS FOR A DIRECT DIALOGUE WITH ALL STAKEHOLDERS AND EFFECTIVE RESPONSE TO EXPECTATIONS AND REQUESTS OF THE CIVIL SOCIETY."

THE REPORT WAS CONTINUED BY THE DEPUTY CHIEF ENGINEER FOR LABOUR PROTECTION, OCCUPATIONAL SAFETY AND ENVIRONMENT PROTECTION VLADIMIR EFIMENKO: "MAIN CONDITION FOR SUCCESSFUL FUNCTIONING OF THE ENVIRONMENT MANAGEMENT SYSTEM OF THE ENTERPRISE IS CONTINUOUS REDUCTION OF PRODUCTION ACTIVITY IMPACT ON THE ENVIRONMENT. KEY

COMPONENTS OF SUCH NEGATIVE IMPACT ARE SUCH ECOLOGICAL ASPECTS AS: CONTAMINANTS EMISSION IN THE AIR, WASTE WATER DISCHARGE, PRODUCTION WASTES HANDLING. TOTAL EMISSION OF CONTAMINANTS BY THE ENTERPRISE INCREASED DUE TO THE PRODUCTION OUTPUT GROWTH,. TAKING THIS INTO CONSIDERATION AS WELL AS INTENSIFICATION OF THE PRODUCTION PROCESSES AND INCREASE OF THE PRODUCTION EQUIPMENT CAPACITY, WORK AIMED AT ACTUALIZATION OF QUALITATIVE AND QUANTITATIVE INDICATORS OF AIR EMISSIONS WAS CARRIED OUT IN 2012. OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING CARRIES OUT ITS ENVIRONMENTAL ACTIVITY IN SUCH A WAY THAT HELPS TO ENSURE EFFICIENT USE OF ENERGY AND WATER FOR ITS OWN NEED AND DECREASE THEIR CONSUMPTION AS FAR AS POSSIBLE. THE PLANT USES A RECYCLING WATER SUPPLY SYSTEM TO FEED THE MAIN USERS — PRODUCTION EQUIPMENT. AN IMPORTANT ACHIEVEMENT OF 2012 IS DECREASE OF THE AMOUNT OF PRODUCTION WASTES DISCHARGED IN THE ENVIRONMENT. THIS WAS ACHIEVED MAINLY DUE TO GROWTH OF PROCESSING AND SHIPMENT OF THE MOST MATERIAL-CONSUMING WASTE - MELTING SLAG — BY ALMOST 120% OF THE SLAG GENERATED). IN 2012 INVESTMENTS TO ENSURE SAFE AND HEALTHY LABOUR CONDITIONS AT BSW EQUALED TO BRB19,1 BILLION. ANNUAL INVESTMENT GROWTH IS OBSERVED.

IT IS WORTH MENTIONING THAT TODAY BYELORUSSIAN STEEL WORKS IS ONE OF THE BEST REPRESENTATIVES OF THE BUSINESS COMMUNITY OF OUR COUNTRY WORKING ACCORDING TO THE STANDARDS OF CORPORATE MANAGEMENT RECOGNIZED WORLDWIDE. SYSTEMATIC INTRODUCTION OF THE PRINCIPLES MEANS THAT THE ENTERPRISE WORKS FOR LONG-TERM PERSPECTIVE ORIENTED TOWARDS FUTURE, THUS IT DOES NOT ONLY IMPROVE ITS BUSINESS REPUTATION, BUT STRENGTHENS OUR COUNTRY'S IMAGE ON GLOBAL MARKETS.



STAKEHOLDERS' COMMENTS

VADIM FYODOROV, CHAIRMAN OF THE REPUBLICAN COMMITTEE OF BELARUSIAN TRADE UNION OF INDUSTRIAL WORKERS:

— **NOT ONLY PRODUCTS OF THE PLANT ARE A BRAND TODAY, BUT ITS SOCIAL POLICY AS WELL. LABOUR IS RESPECTED HERE. ACTUAL ATTENTION TO A PERSON ALLOWS ACHIEVEMENT OF HIGH RESULTS. IN 2012 OVER 700 EMPLOYEES IMPROVED THEIR LABOUR CONDITIONS. IT IS NOT LITTLE. I WOULD LIKE TO UNDERLINE A GOOD ORGANIZATION OF NUTRITION. IT IS VERY IMPORTANT THAT BSW MANAGEMENT FINDS TIME TO CONTACT THE EMPLOYEES DIRECTLY AND DISCUSS, FOR INSTANCE, PERSPECTIVES OF WAGES AND SALARIES OR PLANS OF THE ENTERPRISE.**

VLADISLAV IVANSKY, CHAIRMAN OF THE COORDINATION BOARD OF THE LOCAL NETWORK OF THE UN GLOBAL COMPACT IN BELARUS, GENERAL DIRECTOR OF SATIO GROUP:

— **CORPORATE SOCIAL RESPONSIBILITY IS NOT A POPULAR TREND BUT A NORM OF BUSINESS CONDUCT AND AN EFFECTIVE TOOL FOR AN ENTERPRISE MANAGEMENT, COMPANIES WHICH OPERATE ON THE EXTERNAL MARKET SHOULD USE CSR PRINCIPLES. INTERNATIONAL CORPORATIONS DO NOT WANT TO COOPERATE WITH COMPANIES WHICH DO NOT USE CSR PRINCIPLES. LARGE WORLD COMPANIES LIKE COCA-COLA REPORT ACCORDING TO THE GRI STANDARD. THE FACT THAT BSW IS AMONG THEM IS WONDERFUL.**

TAISIYA ELETSEVICH, MANAGER OF THE PROJECT "SUPPORT OF SOCIALLY RESPONSIBLE RESTRUCTURING OF ENTERPRISES IN THE REPUBLIC OF BELARUS" WITHIN THE FRAMEWORK OF THE UN DEVELOPMENT PROGRAM:

— **SINCE 2008 I HAVE ACTIVELY WORKED WITH BSW TO PROMOTE THE INITIATIVE OF THE UN GLOBAL COMPACT. I AM IMPRESSED BY ITS ACTIVE SOCIAL ORIENTATION. THE PLANT IN**

Public hearing of the Report

ZHLOBIN IS ONE OF THE BEST REPRESENTATIVES OF THE BUSINESS COMMUNITY IN OUR COUNTRY WORKING IN ACCORDANCE WITH THE STANDARDS OF CORPORATE MANAGEMENT RECOGNIZED WORLDWIDE. THIS IS THE RESULT OF A HIGHLY PROFESSIONAL MANAGEMENT AND MARKETING. **BSW** IS A PROGRESSIVE ENTERPRISE WORKING FOR A LONG-TERM PERSPECTIVE. **THUS**, THE PLANT DOES NOT ONLY IMPROVE ITS BUSINESS REPUTATION, BUT STRENGTHENS THE IMAGE OF THE COUNTRY ON GLOBAL MARKETS.

ANGELA CHRISTY, DEPUTY GENERAL DIRECTOR OF **OJSC "MOZYRSOL"**:

-- "**WHITE**" SALARY, YOUTH SUPPORT, TRAINING AND RETRAINING OF EMPLOYEES - THIS IS WHAT WE CAN LEARN FROM **BSW**. THE PLANT PAYS MUCH ATTENTION TO CREATION OF SAFE LABOUR CONDITIONS AND MAINTENANCE OF THE EMPLOYEES' HEALTH. **THIS** IS WORTH WHILE. I STUDIED ALL SOCIAL REPORTS OF **BSW**. I WAS MOST OF ALL INTERESTED IN ENVIRONMENTAL ASPECT OF THE PRESENT DOCUMENT AND SAFETY OF PEOPLE LIVING IN THE REGION. **MOZYRSOL** IS ALSO PLANNING TO JOIN THE **UN GLOBAL COMPACT** IN THE NEAREST FUTURE. **WE** SUPPLY MOST OF OUR PRODUCTS TO FOREIGN MARKETS. **AND** ADHERENCE OF THE COMPANY TO THE PRINCIPLES OF ETHIC BUSINESS CONDUCT IS A KIND OF AN ADMISSION TICKET THERE.

PYOTR VITYAZ, ACADEMICIAN, HEAD OF THE BODIES OF THE **NATIONAL ACADEMY OF SCIENCE OF THE REPUBLIC OF BELARUS**:

– I PARTICIPATE IN PUBLIC HEARING OF **BSW SOCIAL REPORT** WITH GREAT PLEASURE. IT IS VERY IMPORTANT THAT THE PLANT DOES NOT ONLY SOLVE PRODUCTION TASKS, BUT PAYS MUCH ATTENTION TO SOCIAL AND ENVIRONMENTAL ISSUES. THE MANAGEMENT OF THE **NATIONAL ACADEMY OF SCIENCE AND BYELORUSSIAN STEEL WORKS** AGREED TO DEVELOP A PROGRAM FOR A CLOSER SCIENTIFIC AND TECHNICAL COOPERATION.

MIKHAIL KOSTYUKOV, CHAIRMAN OF **ZHLOBIN DISTRICT SOVIET OF DEPUTIES**:

– **PUBLIC HEARING OF THE SOCIAL REPORT** IS NO DOUBT A VERY IMPORTANT EVENT FOR THE REGION. **AT PRESENT**, IF AN ENTERPRISE HAS NO SERIOUS PROGRAM OF SUSTAINABLE DEVELOPMENT, IT IS VERY DIFFICULT FOR IT TO PARTICIPATE IN INTERNATIONAL BUSINESS. IT IS NICE THAT **BSW** WAS ONE OF THE FIRST IN THE COUNTRY TO UNDERSTAND IT AND BEGIN A SYSTEMATIC INTRODUCTION OF THE PRINCIPLES OF CORPORATE SOCIAL RESPONSIBILITY IN ITS BUSINESS PRACTICE. **THOSE TIMES** WHEN IT WAS NECESSARY TO ADJUST TO THE OPERATION OF PLANTS, MOVE SANITARY ZONES ASIDE, AND DEMOLISH RESIDENTIAL AREAS HAVE PASSED LONG AGO. **NOW** ENTERPRISES HAVE TO MAKE THEIR SANITARY REQUIREMENTS TOUGHER, INTRODUCE ADVANCED DEVELOPMENTS TO DECREASE A NEGATIVE IMPACT ON THE ENVIRONMENT. **AND BSW** HAS DONE A LOT IN THIS DIRECTION DURING LAST YEARS. **MANY PROBLEMS** RELATED TO WATER DISCHARGE, WASTES AND INDUSTRIAL WATER CLEANING HAVE BEEN SOLVED BY THE PLANT. **LOCAL AUTHORITIES** THANK YOU FOR THAT.

