

REPORT
on social responsibility and
corporate sustainability
of OJSC «BSW —
management company
of «BMC» holding»

2013

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

REPORT

ON SOCIAL RESPONSIBILITY AND
CORPORATE SUSTAINABILITY OF OJSC «BSW -
-MANAGEMENT COMPANY OF «BMC» HOLDING» FOR 2013

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General Director's Appeal



DEAR FRIENDS!

A CORPORATE SOCIAL REPORT OF BYELORUSSIAN STEEL WORKS FOR 2013 IS LYING IN FRONT OF YOU. THIS DOCUMENT REFLECTS INFORMATION ABOUT ALL DIRECTIONS OF THE ENTERPRISE'S ACTIVITY AS A MIRROR. IT WAS PREPARED AND PUBLISHED FOR OUR BUSINESS PARTNERS AND OTHER PARTIES CONCERNED TO FORM A COMPLETE AND COMPREHENSIVE OPINION ABOUT BSW WORK, ITS PLANS AND PROSPECTS.

2013 BECAME A SIGNIFICANT YEAR FOR OUR PLANT. IT WILL GET IN THE HISTORY OF THE PLANT AS A YEAR OF THE MOST LARGE-SCALE RECONSTRUCTIONS AND MODERNIZATIONS. PRACTICALLY DURING ALL 12 MONTHS BSW TERRITORY RESEMBLED ONE BIG CONSTRUCTION SITE. LARGE-SCALE WORKS WERE CARRIED OUT IN ELECTRIC MELT SHOPS RESULTED IN MODERNIZATION OF ELECTRIC-ARC FURNACE No. 1, CONTINUOUS CASTING MACHINE No. 2, DUST AND GAS COLLECTING UNIT No. 1, AND ERECTION OF A NEW LIME KILN No.3. IN JULY 2013 A CAPSULE WITH A MESSAGE TO OUR DESCENDANTS WAS LAID DOWN IN

THE FOUNDATION OF AIR SEPARATION UNIT No.3 OF THE JOINT-VENTURE BSW-OP. PRACTICALLY IN OUR SIGHT A BUILDING OF OUR MAIN PROJECT — A NEW SMALL SECTION MILL — GREW AND INSTALLATION OF EQUIPMENT IS BEING CARRIED ACTIVELY. TOTAL AMOUNT OF INVESTMENT IN THE FIXED CAPITAL IN THE REPORTING PERIOD EQUALED TO Br 2 920,9 BLN.

IMPLEMENTATION OF THE MODERNIZATION PROGRAM WILL ALLOW BYELORUSSIAN STEEL WORKS OCCUPY A NEW LEVEL IN TERMS OF QUALITY BOTH FROM THE POINT OF VIEW OF PRODUCTION OUTPUT GROWTH AND IMPROVEMENT OF THE EMPLOYEES' LABOR CONDITIONS AND REDUCTION OF A NEGATIVE INFLUENCE ON THE ECOLOGICAL SITUATION IN THE REGION OF BSW PRESENCE. THESE VERY PRINCIPLES SERVE THE BASIS FOR OUR ENTERPRISE'S POLICY. ONE MAY COUNT ON SUCCESS AND RECOGNITION ONLY IF HE/SHE TAKES CARE OF THE LAND WHERE HE/SHE LIVES AND THE PEOPLE WHOSE WORK PROVIDES FOR TROUBLE-FREE OPERATION OF THE PRODUCTION.

THANKS TO PROFESSIONALISM OF THE EMPLOYEES, BSW BECAME A LAUREATE OF THE FIRST PRIZE OF THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS IN THE AREA OF SCIENCE AND TECHNOLOGY IN 2013. CONFIRMING THE COURSE TOWARDS INNOVATIVE DEVELOPMENT BYELORUSSIAN STEEL WORKS WAS AWARDED A 1ST - DEGREE DIPLOMA FOR THE PROJECT «DEVELOPMENT AND INTRODUCTION OF ENERGOTECHNOLOGICAL MODES OF OPERATION OF EAF-3 AIMED AT INCREASE OF ITS OUTPUT AND REDUCTION OF ENERGY CONSUMPTION FOR STEEL MELTING» AT BELARUSIAN INDUSTRIAL FORUM 2013.

OF NO LESS IMPORTANCE ARE ACHIEVEMENTS OF THE PLANT IN PROMOTION OF THE PRODUCTS MANUFACTURED, IN PARTICULAR, DUE TO THEIR HIGH QUALITY OUR PIPES WERE ACCORDED WIDE RECOGNITION OF REPRESENTATIVES OF THE OIL AND GAS INDUSTRY OF THE RF AND THE USA. HOMOLOGATION OF HOT-ROLLED ROUNDS PRODUCED IN THE SECTION ROLLING MILL TOOK PLACE AT SUCH COMPANIES AS HAY, HAMMERWERK, MAHINDRA (GERMANY) WHICH SUPPLY SPARE PARTS TO WELL-KNOWN GERMAN CAR MAKERS.



AS MENTIONED ABOVE, THE PLANT'S SUCCESS IS ENSURED BY ITS EMPLOYEES THAT IS WHY BSW PAYS SPECIAL ATTENTION TO ITS WORK WITH THE STAFF. BEING A TOWN-FORMING ENTERPRISE WITH MORE THAN 11 THOUSAND EMPLOYEES, THE PLANT LEADS AN ACTIVE WORK TO IMPROVE LABOUR CONDITIONS ALONG WITH PROVISION OF THE EMPLOYEES WITH GENERAL SOCIAL GUARANTEES. IN 2013 ALONE, OVER Br 21 BILLION 295 MILLION WERE INVESTED IN IMPLEMENTATION OF LABOUR PROTECTION MEASURES. EVERY YEAR INVESTMENT IN THIS AREA GROWS IN PROPORTION TO DECREASE OF THE LEVEL OF INDUSTRIAL INJURY AT BSW.

2013 WAS THE 29TH YEAR IN THE HISTORY OF BYELORUSSIAN STEEL WORKS. THIS AGE IS A PERIOD WHEN A HUMAN BEING GROWS UP AND ACHIEVES A CONSIDERABLE SUCCESS. DURING THIS PERIOD BSW ALSO PASSED A WAY OF FORMATION FROM A MINI-MILL TO A PROFOUND AND COMPETENT PLAYER ON THE GLOBAL STEEL MARKET. I HOPE THAT THE INFORMATION GIVEN IN THIS REPORT WILL BE A WEIGHTY EVIDENCE OF THIS FACT.

BEST REGARDS,
A.N. SAVIANOK,
GENERAL DIRECTOR.

Preface to the sixth report (PD 3.1-3.13)

MAINTAINING THE TRADITION OF SUSTAINABILITY REPORTING, OPEN JOINT-STOCK COMPANY «BYELORUSSIAN STEEL WORKS – MANAGEMENT COMPANY OF «BELORUSSIAN METALLURGICAL COMPANY» HOLDING, CONFIRMS ITS READINESS FOR AN 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.

TASKS SET FOR BSW PERSONNEL IN 2013 WERE FULFILLED. FOR COMPLETION OF THE PRACTICAL PART OF THE FIRST STAGE OF RECONSTRUCTION OF STEELMAKING PRODUCTION, WE HAD TO APPLY MAXIMUM FORCE, ENERGY, RESOURCES, BUT WE MANAGED TO DO EVERYTHING. ON DECEMBER 20, AFTER A LARGE-SCALE RECONSTRUCTION EAF-1 WAS COMMISSIONED, AND ADJUSTMENT OF CCM-2 AND LIME KILN No.3 STARTED. CONSTRUCTION OF A NEW MILL IS CARRIED OUT ACCORDING TO THE SCHEDULE. ITS COMMISSIONING WILL ALLOW US TO BALANCE THE PRODUCTION.

ONE MORE IMPORTANT EVENT TOOK PLACE: THE ENTERPRISE RECEIVED GUARANTEES FOR CREDITING OF THIS MILL AND THE GOVERNMENT TOOK A DECISION TO COMPENSATE PART OF INTEREST RATES BECAUSE BSW IS AMONG THE BELARUSIAN ENTERPRISES IMPLEMENTING HIGHLY EFFICIENT INVESTMENT PROJECTS. DURING 12 MONTHS THE PLANT SOLD STEEL FOR USD 1 BILLION 140 MILLION TO 60 COUNTRIES OF THE WORLD.

THE FRAMEWORK OF THE ANNUAL REPORT INCLUDES ALL ASPECTS OF THE ENTERPRISE'S ACTIVITY IN THE AREA OF SOCIAL RESPONSIBILITY.

OPEN JOINT-STOCK COMPANY «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING PRESENTS ITS SIXTH CORPORATE SOCIAL REPORT EXECUTED IN G3 FORMAT OF THE GRI REPORTING MANUAL IN THE AREA OF SOCIAL RESPONSIBILITY AND IN COMPLIANCE WITH THE BASIC PRINCIPLES OF THE UN GLOBAL COMPACT. THE REPORT INCLUDES DATA ON THE PLANT'S ACTIVITY IN 2013 AND PLANS, TASKS AND COMMITMENTS FOR FUTURE.

STRATEGIC TASKS SET FORTH FOR THE PLANT IN 2013 REMAIN IMPORTANT FOR 2014 MAINTAINING CONTINUITY

AND SUSTAINABILITY OF BSW DEVELOPMENT: INCREASE OF PRODUCTION, PRODUCT SALE, SMALL-SECTION MILL CONSTRUCTION, AND THE SECOND STAGE OF STEELMAKING PRODUCTION RECONSTRUCTION INCLUDING EXPANSION OF SECONDARY METALLURGY AND MODERNIZATION OF DUST AND GAS COLLECTING UNIT No3.

ASSESSMENT OF 2013 ACTIVITY RESULTS IS PRESENTED AS COMPARED TO THE PERFORMANCE OF THE 2012 REPORTING PERIOD OR THE DEGREE OF ACHIEVEMENT OF THE TARGET PERFORMANCE. (PD 4.9)

THIS REPORT WAS PREPARED WITH THE USE OF THE STAKEHOLDERS' FEEDBACK REGARDING OUR REPORT FOR 2012.

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 MANAGEMENT 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 AS 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 2013, EQUALED TO Br 8875,83.



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

AN ELECTRONIC VERSION OF THE REPORT FOR 2013 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 A 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:

OPEN JOINT-STOCK COMPANY «BYELORUSSIAN STEEL WORKS – MANAGEMENT COMPANY OF «BELORUSSIAN METALLURGICAL COMPANY» HOLDING (OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING), 37 PROMYSHLENNAYA STR., ZHLOBIN, GOMEL REGION, 247210, REPUBLIC OF BELARUS.

(PD 2.4)

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Participation of the republican scientific potential in the development of the metallurgical complex (SO 5)(PD 4.10) – (PD 4.17)

OJSC «BYELORUSSIAN STEEL WORKS – MANAGEMENT COMPANY OF «BYELORUSSIAN METALLURGICAL COMPANY» HOLDING (OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING) – IS ONE OF THE LARGEST SUPPLIER OF SCIENCE-INTENSIVE COMPETITIVE HIGH QUALITY STEEL PRODUCTS IN THE REPUBLIC OF BELARUS (HOT-ROLLED ROUNDS OF QUALITY CARBON AND LOW-ALLOY STEEL GRADES, HOT-ROLLED AND COLD-DEFORMED REINFORCING BARS, HOT-ROLLED SEAMLESS PIPES, BRONZE-PLATED BEAD WIRE, TIRE CORD, ETC.) PRODUCED ON THE BASIS OF RESOURCE-SAVING, ADVANCED AND INNOVATIVE TECHNOLOGICAL PROCESSES MEETING WORLD CRITERIA OF NOVELTY.

PRODUCTION ACTIVITY OF OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING IS DIRECTED TOWARDS IMPROVEMENT OF PRODUCT COMPETITIVENESS AND ACHIEVEMENT OF EFFECTIVE RESULTS OF INNOVATIVE ACTIVITY DUE TO NEW TYPES OF PRODUCTS, PROMISING TECHNOLOGIES AND DEVELOPMENTS, AND PRODUCTION PROCESSES.

FOR COORDINATION OF SCIENTIFIC RESEARCH ACTIVITY, OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING AND NAS OF BELARUS ESTABLISHED A SCIENTIFIC & PRODUCTION CENTER (SPC) IN 2013. REPRESENTATIVES OF THE MINISTRY OF INDUSTRY OF THE RB, GOMEL REGIONAL EXECUTIVE COMMITTEE, OJSC «BSW – MANAGEMENT COMPANY OF «BMC», OJSC «RMZ», OJSC «MMZ», OJSC «LEGMAŠH» PLANT», OJSC «MPZ», OJSC «POLESIE ELECTROMASH», NATIONAL ACADEMY OF SCIENCE OF THE REPUBLIC OF BELARUS ARE MEMBERS OF THE BOARD OF THE SPC; CO-CHAIRMAN OF THE BOARD ARE: ACADEMICIAN P.A. VITYAZ – HEAD OF THE OFFICE OF THE NAS OF THE RB AND A.N. SAVIANOK, GENERAL DIRECTOR OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING.

MAIN GOALS OF THE SPC ARE:

- COORDINATION OF JOINT INVESTIGATIONS AND DEVELOPMENTS OF SCIENTIFIC ESTABLISHMENTS, UNIVERSITIES OF THE COUNTRY AND ENTERPRISES OF «BMC» HOLDING;
- TRAINING OF ENGINEERS AND HIGHLY- QUALIFIED SPECIALISTS (CANDIDATES AND DOCTORS OF SCIENCE) IN THE AREA OF FOUNDRY ENGINEERING AND STEELMAKING AND ENGINEERING;

ACCELERATION OF DEVELOPMENT OF THE MATERIAL AND TECHNICAL BASE FOR SCIENTIFIC RESEARCH WORK, TESTING OF NEW MATERIALS, UNITS AND PARTS OF EQUIPMENT, JOINT USE OF UNIQUE EQUIPMENT, INSTRUMENTS, TESTING DEVICES, AND INDUSTRIAL EQUIPMENT;

- ARRANGEMENT OF SUBJECT TECHNICAL CONFERENCES AND SEMINARS, EXHIBITIONS AND OTHER ACTIONS; EXPERTISE OF EQUIPMENT PURCHASING AND NEW TECHNICAL SOLUTIONS; CONSIDERATION OF PUBLICATIONS AND THESES.

THUS, THE BOARD OF THE SCIENTIFIC AND PRODUCTION CENTER «OJSC «BYELORUSSIAN STEEL WORKS – MANAGEMENT COMPANY OF «BMC» HOLDING - NATIONAL ACADEMY OF SCIENCE OF BELARUS» DISCUSSED THE PROGRAM OF DEVELOPMENT OF OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING FOR 2016-2020 WHICH WAS DEVELOPED BY SPECIALISTS OF OUR ENTERPRISE DURING 2013 IN COOPERATION WITH LEADING SCIENTISTS OF THE NAS OF BELARUS, BNTU AND GSTU NAMED AFTER P.O. SUKHOI. A PRIORITY DIRECTION OF DEVELOPMENT OF OJSC «BSW- MANAGEMENT COMPANY OF «BMC» HOLDING AND NATIONAL METALLURGY IN GENERAL WILL BE CONSTRUCTION OF A FACILITY FOR SPECIAL STEELS PRODUCTION WITH THE CAPACITY OF UP TO 300 000 TONS PER YEAR. MEMBERS OF THE BOARD SCORED THIS PROJECT VERY HIGH AND SUPPORTED THE NECESSITY OF ITS IMPLEMENTATION.

SCIENTIFIC ACTIVITY OF THE PLANT IS CONCENTRATED MAINLY AROUND THE RESEARCH CENTER. THERE ARE 3 CANDIDATES OF TECHNICAL SCIENCES AND 10 MASTERS OF TECHNICAL SCIENCES AMONG THE RC MEMBERS, A NUMBER OF SPECIALISTS CONTINUE THEIR EDUCATION AT POST-GRADUATE COURSES OF DIFFERENT HEE AND WORK ON THEIR CANDIDATE THESES. THE CENTER INCLUDES A STEELMAKING LAB, A ROLLING LAB, A STEEL CORD AND STEEL WIRE LAB, A MECHANICAL LAB AND A RESEARCH LAB. THE RESEARCH CENTER ACTIVITY MAY BE DIVIDED IN 4 MAIN DIRECTIONS: ALLOWANCE FOR PRODUCTION AND APPROVAL OF NEW MATERIALS AND ITEMS USED IN THE PRODUCTION AND MAY INFLUENCE THE QUALITY OF FINISHED PRODUCTS; MASTERING AND INTRODUCTION INTO PRODUCTION OF NEW TYPES OF PRODUCTS; WORK WITH SCIENTIFIC AND EDUCATIONAL ESTABLISHMENTS; IMPROVEMENT OF THE EXISTING PRODUCTION METHODS.



THUS, DURING LAST TWO YEARS RC SPECIALISTS DEVELOPED THE TECHNOLOGY OF PRODUCTION OF HIGH-CARBON WIRE ROD OF 96K+Cr STEEL GRADE WITH 0,92-0,96 % CARBON CONTENT ALLOYED WITH CHROMIUM USED TO PRODUCE ULTRA-HIGH-TENSILE STEEL CORD STRUCTURES. PREVIOUSLY, WIRE ROD MADE OF 96K+Cr STEEL GRADE WAS IMPORTED FROM WEST EUROPE. AT PRESENT, TOTAL AMOUNT OF ULTRA-HIGH-TENSILE TIRE CORD USED BY LEADING TIRE PRODUCERS OF THE WORLD IS PRODUCED OF OWN WIRE ROD. FOR THAT OUR SPECIALISTS WORKED OUT A MODE AND OPTIMIZED THE TECHNOLOGY OF SECONDARY METALLURGY FOR STEEL PROCESSING, CASTING, COOLING OF ROLLED STOCK IN MILL 150, ETC.

PRESENTLY, THEY ARE ACTIVELY MASTERING AND SUPPLY HOT-ROLLED ROUNDS DIAMETER 90-160 MM OF VARIOUS STEEL GRADES FOR AUTOMOTIVE COMPONENT PRODUCTION AND DELIVERY TO WEST EUROPEAN MARKETS. THESE PRODUCTS ARE USED BY EUROPEAN SMITHIES FURTHER SUPPLYING THEIR FINISHED PRODUCTS TO ASSEMBLY SHOPS OF LEADING CAR PRODUCERS. COMPANIES PURCHASING ROUNDS FOR CARS HAVE STRICTER AND SPECIFIC REQUIREMENTS IN TERMS OF CHEMICAL COMPOSITION, GEOMETRICAL DIMENSIONS, CONTAMINATION WITH NON-METALLIC INCLUSIONS, HARDENABILITY BAND, PERMITTED INTERNAL AND EXTERNAL DEFECTS, ETC. NEW PRODUCTION METHODS AND TECHNIQUES ARE TO BE INTRODUCED TO MEET THE REQUIREMENTS OF CUSTOMERS. THUS, RC SPECIALISTS WORK ON INTRODUCTION OF STEEL GRADES WITH A RESTRICTED NITROGEN CONTENT WHICH ARE IN DEMAND WITH EUROPEAN CAR MAKERS. WORK IN THIS DIRECTION IS REQUIRED FOR HOMOLOGATION OF OUR ENTERPRISE AS A SUPPLIER OF SUCH PRODUCTS SO AS TO OPERATIVELY ARRANGE SUPPLIES OF ROLLED STOCK FOR A NEW SMALL-SECTION MILL UNDER CONSTRUCTION WHICH PRODUCT RANGE, AMONG OTHERS, IS ORIENTED TOWARDS AUTOMOBILE PRODUCTION.

THE PIPE MILL MASTERED PRODUCTION AND ARRANGED SUPPLIES OF HOT-ROLLED SEAMLESS PIPES FOR SAF – A LEADING EUROPEAN PRODUCER OF AXLES AND SEMI-AXLES FOR TRAILERS – A PRINCIPALLY NEW DIRECTION OF OUR PIPES APPLICATION.

IN 2013 BSW AND BNTU COMPLETED A JOINT WORK SUPERVISED

BY THE HEAD OF THE DEPARTMENT «MATERIAL TECHNOLOGY IN ENGINEERING» V.M. KONSTANTINOV. RESULTS OF THE WORK ALLOWED DEVELOPMENT OF A PRODUCTION TECHNOLOGY OF PIPES APPLICABLE FOR OPERATION IN THE EXTREME NORTH (OIL AND GAS PRODUCTION). BNTU RENDERED METHODICAL ASSISTANCE WITHIN THE FRAMEWORK OF CONTRACTUAL WORK.

NEW SUPER-HIGH-TENSILE AND ULTRA-HIGH-TENSILE STEEL CORD CONSTRUCTIONS FOR LEADING TIRE PRODUCERS GOODYEAR, NOKIAN, CONTINENTAL, MICHELIN, ETC. ARE MASTERED IN STEEL CORD AND STEEL WIRE PRODUCTION AS WELL AS BRONZE-PLATED BEAD WIRE FOR MANUFACTURING OF LARGE AND SUPER LARGE TIRES FOR OJSC «BELSHINA». MUCH WORK HAS BEEN CARRIED OUT TO MASTER PRODUCTION OF BEAD WIRE WITH A HIGH TIN-BASED BRONZE COATING. THIS TYPE OF BEAD WIRE IS USED BY SUCH COMPANIES AS YOKAHAMA AND HANKOOK; REQUIREMENTS OF THESE TIRE PRODUCERS DIFFER CONSIDERABLY FROM THE REQUIREMENTS OF OTHER BSW CUSTOMERS.

THE TASK OF IMPROVEMENT OF THE EAF LINING LIFETIME IS SUCCESSFULLY SOLVED. IN 2012 LINING LIFE DID NOT EXCEED 450 HEATS AND EQUALED TO AVERAGE 400 HEATS. DUE TO INTRODUCTION OF MELTING WITH HIGH-MAGNESIAN FLUXES, TRIALS OF NEW PERICLASE-CARBON PRODUCTS FOR LINING AND OTHER MEASURES, DURABILITY OF MORE THAN 550 HEATS WAS ACHIEVED AT THE END OF 2013. PRESENTLY, FURTHER DEVELOPMENTS ARE CARRIED OUT TO SOLVE THE TASK OF ACHIEVING THE DURATION OF LINING EQUAL TO 1000 HEATS SET FORTH BY THE MANAGEMENT OF THE ENTERPRISE.

IN 2013 GSTU NAMED AFTER P.O. SUKHOI ORGANIZED TRAINING OF 10 SPECIALISTS OF THE PIPE MILL AND MELT SHOP AT MA COURSE, WITHIN THE FRAMEWORK OF WHICH DEEP SPECIALIZATION OF BSW SPECIALISTS IN PRACTICAL AND THEORETICAL FOUNDATION OF SEAMLESS PIPE PRODUCTION WAS ORGANIZED. MIS&A TAKE PART IN TRAINING OF OUR SPECIALISTS. PRACTICAL TRAINING IS ORGANIZED AT THE DEPARTMENT OF METAL DEFORMATION PROCESS OF MIS&A IN MOSCOW. IN THE RESULT, 10 SPECIALISTS SHALL IMPROVE THEIR QUALIFICATION AND DEFEND THEIR THESES IN 2014.

Metallurgy of Belarus (PD 4.10) – (PD 4.17)

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. (PD 2.2)

OJSC «BSW-Management Company of «BMC»

«BYELORUSSIAN STEEL WORKS IS A STABLE, ACTIVELY DEVELOPING ENTERPRISE AND IN SPITE OF DIFFICULTIES IT LOOKS INTO THE FUTURE WITH CONFIDENCE».

FIRST DEPUTY MINISTER OF INDUSTRY OF THE REPUBLIC OF BELARUS I.I. DEMIDOVICH



Holding is the largest enterprise not only in the Republic of Belarus, but also in Europe, and is a basic enterprise of the national steelmaking. It has been among competent steel makers for almost three decades 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. At present, 20% of the total amount of production of the Ministry of Industry of the Republic of Belarus belongs to BSW.

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 two 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 the level of its development shall conform to the strategic tasks of providing Belarusian economy with quality products and sustainable position on external markets.

Main tasks to be solved by any steel making plant are:

- market-appropriate growth of production;
- strengthening of its positions 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 steelmaking 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.

Development strategy

Till recent time, strategy of metallurgical enterprises development was aimed at steel output increase. But a 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.

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 we produced 2 241 579t due to stoppage of the equipment for modernization). 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 the 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. (PD 4.8) – (PD 4.10)

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 and 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



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

IN ORDER TO BE AFLOAT,
WE SHOULD ALWAYS BUILD
SOMETHING, CREATE AND MASTER
NEW PRODUCTS AND SELL THEM.
THEN PEOPLE WILL FEEL THAT
THE COMPANY IS VERY PROMISING,
WHICH MEANS THEY WILL BE SURE
ABOUT THEIR FUTURE.

and energy-saving technology and equipment, optimization of the self-cost structure (decrease of the share of expenses 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 domestic market, maintain a rather 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



Metallurgy of Belarus



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 iron. (PD 4.8) – (PD 4.10)

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 provisions of a 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. . (SO 5)

In ferrous metallurgy, efforts will be re-oriented from the growth of volumes of metallurgical raw material processing to the increase of the depth of its processing and improvement of the production processability (improvement of product quality and mastering of new types of products). In the nearest two-three years 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.





Description of key impacts, risks and possibilities

HISTORY OF SUSTAINABLE DEVELOPMENT (PD 4.13) (PD 4.15) (PD 4.16)

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.

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.

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 — MANDREL BARS 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.



PRIME-MINISTER OF THE REPUBLIC OF BELARUS
M.V. MYASNIKOVICH

INTRODUCTION OF INNOVATIVE PRODUCTION OF ROLLED PRODUCTS IS VERY PERSPECTIVE AND IT WILL MAKE IT POSSIBLE TO QUIT SELLING CONCAST BILLETS, GO TO ABSOLUTELY NEW LEVEL AND BY MEANS OF THAT MAKE UP FOR THE SHORTAGE OF METAL IN MACHINE-BUILDING AND CONSTRUCTION. I AM SURE THAT WE WILL STRENGTHEN OUR INDUSTRIAL GIANTS AND MAKE THE ECONOMY STABLE BY THE END OF THE FIVE-YEAR TERM.

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



Description of key impacts, risks and possibilities



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 AGROTECHSERVICE 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.

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 «TEKHNOPRIBOR» (MOGILYOV), OJSC «POLESIE'ELECTROMASH» (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-MILLIONTH 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 BYELORUSSIAN 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 – RUSSIA: 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.



Description of key impacts, risks and possibilities



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- MANAGEMENT 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.

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

JANUARY 1, 2013 – TWO AUXILIARY SHOPS MERGED: THE POWER SHOP AND THE OXYGEN PLANT. A NEW STRUCTURAL SUBDIVISION WAS FORMED – ENERGY DEPARTMENT (END).

JANUARY 13, 2013 – «METALLURG» HOCKEY TEAM SUCCESSFULLY PLAYED IN THE SUPER-FINAL OF THE CONTINENTAL CUP AND TOOK THE SECOND PLACE IN THE PRESTIGE EUROPEAN TOURNAMENT.

JANUARY 24, 2013 – ACCORDING TO THE RESULTS OF AN EXPERT ASSESSMENT OF EcoVADIS (MICHELIN), BSW ACHIEVEMENTS IN THE SOCIAL AREA IN 2012 AND IN THE AREA OF ENVIRONMENT PROTECTION EXCEEDED THE LEVEL DETERMINED BY MICHELIN FOR SUPPLIERS IN THE PURCHASING CHAIN.

THE ACHIEVED RESULTS SHOW THE LEVEL OF A SIGNIFICANT MATURITY OF BSW IN THE AREA OF SOCIAL RESPONSIBILITY AND ENVIRONMENT AND ARE AN INTEGRAL PART OF MICHELIN CRITERIA FOR CHOOSING SUPPLIERS.

FEBRUARY 2013 – BYELORUSSIAN STEEL WORKS BECAME A LAUREATE OF THE AWARD OF THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS IN THE AREA OF SCIENCE AND ENGINEERING IN 2012. THIS PRIZE IS AWARDED EVERY YEAR FOR DEVELOPMENT AND INTRODUCTION OF NEW TYPES OF MATERIALS AND TECHNOLOGIES ENABLING THE NATIONAL SCIENCE TO REACH THE INTERNATIONAL LEVEL AND INCREASE EFFICIENCY OF THE INDUSTRIAL FACILITY.

FEBRUARY 11, 2013 – A NEW EIGHTH AMBULANCE ROOM WAS OPENED ON THE BASIS OF THE ADMINISTRATIVE BUILDING OF ELECTRIC MELT SHOP No.1 (EMS-1) OF BYELORUSSIAN STEEL WORKS. HERE PLANT'S EMPLOYEES MAY RECEIVE THE REQUIRED MEDICAL ASSISTANCE, INCLUDING FIRST AID.

MARCH 1, 2013 – BASED ON THE WORK RESULTS OF 2012 BYELORUSSIAN STEEL WORKS BECAME THE WINNER IN THE



NOMINATION «BEST INVESTOR AND EXPORTER» AMONG ENTERPRISES OF ZHLOBIN AND ZHLOBIN DISTRICT.

MARCH 28, 2013 – 10 YEARS SINCE ESTABLISHMENT OF THE UNITARY ENTERPRISE «METALLURGTORG».

APRIL 1, 2013 – 20 YEARS SINCE COMMISSIONING OF THE FOURTH STAGE OF BSW: PUMP STATION.

APRIL 1, 2013 – «METALLURG» HOCKEY TEAM BECAME THE SILVER PRIZE WINNER OF THE 21ST OPEN CHAMPIONSHIP OF THE REPUBLIC OF BELARUS.

APRIL 5, 2013 – GOMEL REGIONAL EXECUTIVE COMMITTEE EXPRESSED GRATITUDE TO THE WORK COLLECTIVE OF BSW FOR A CONSIDERABLE INVESTMENT IN SOCIAL AND ECONOMIC DEVELOPMENT OF THE REGION.

APRIL 16, 2013 – SO AS TO IMPLEMENT INVESTMENT PROJECT «ORGANIZATION OF A SECTION BAR PRODUCTION WITH CONSTRUCTION OF A SMALL-SECTION MILL» GENERAL DIRECTOR A.N. SAVIANOK ISSUED ORDER No.340 TO ESTABLISH ROLLING SHOP No.2 (BRM-2).

APRIL 18, 2013 – 10 YEARS SINCE BYELORUSSIAN STEEL WORKS RECEIVE THE FIRST ECOLOGICAL CERTIFICATE IN GOMEL REGION. THIS EVENT REQUIRED A TWO-YEAR WORK OF THE EMPLOYEES. BSW GOT TWO ENVIRONMENT MANAGEMENT CERTIFICATES AT A TIME TO EVIDENCE CORRESPONDENCE OF THE PLANT TO THE REQUIREMENTS OF THE INTERNATIONAL STANDARD ISO 14001-1996 AND NATIONAL STANDARD STB ISO 14001-2000.

APRIL 17-18, 2013 – THE FOURTH SCIENTIFIC CONFERENCE OF YOUNG EMPLOYEES WAS HELD AT BSW. THIS FORUM GATHERED OVER 170 REPRESENTATIVES OF VARIOUS STRUCTURAL SUBDIVISIONS AND STUDENTS OF LEADING HIGHER INSTITUTIONS OF THE COUNTRY.

APRIL 20, 2013 – A NATIONAL SUBBOTNIK WAS HELD AT THE PLANT.

APRIL 25-28, 2013 – THE SECOND INTERNATIONAL CHILDREN HOCKEY TOURNAMENT «STEEL CUP» FOR THE AWARDS OF GENERAL DIRECTOR OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING A. N. SAVIANOK WAS HELD IN ZHLOBIN.

MAY 18, 2013 – AT BELARUSIAN INDUSTRIAL FORUM-2013 BSW WAS AWARDED A 1ST DEGREE DIPLOMA FOR

THE PROJECT «DEVELOPMENT AND INTRODUCTION OF ENERGOTECHNOLOGICAL MODES OF ELECTRIC-ARC FURNACE OPERATION AIMED AT INCREASE OF PRODUCTIVITY OF EAF-3 AND REDUCTION OF POWER CONSUMPTION FOR STEEL MELTING».

MAY 18, 2013 – BYELORUSSIAN STEEL WORKS WAS AWARDED A DIPLOMA FOR ACTIVE PARTICIPATION IN THE XIV INTERNATIONAL EXHIBITION «SPRING IN GOMEL-2013» WITHIN THE FRAMEWORK OF THE X GOMEL ECONOMIC FORUM.

MAY 25, 2013 – BASED ON THE RESULTS OF COMPETITIONS HELD BY GOMEL REGIONAL TRADE UNION ORGANIZATION, PRIMARY TRADE UNION ORGANIZATION OF BSW WAS DECLARED THE BEST AMONG 31 INDUSTRIAL ENTERPRISES OF GOMEL REGION IN 2012.

JUNE 5, 2013 – COACH OF ZHLOBIN «METALLURG» WAS PRONOUNCED THE BEST COACH OF THE SEASON 2012-2013 OF THE OPEN HOCKEY CHAMPIONSHIP OF BELARUS.

JUNE 15, 2013 – BASED ON THE RESULTS OF 2012 PRIVATE JOINT-STOCK COMPANY «ROSAVA» – THE LARGEST TIRE PRODUCER IN THE UKRAINE – AWARDED THE «EXCELLENT SUPPLIER» RATING BYELORUSSIAN STEEL WORKS.

JUNE 21, 2013 – BASED ON THE RESULTS OF 2012 THE UNION OF VETERANS OF BYELORUSSIAN STEEL WORKS BECAME THE WINNER IN THE COMPLETION FOR THE BEST PRIMARY ORGANIZATION OF ZHLOBIN DISTRICT.

JULY 06, 2013 – THE THIRD TRADITIONAL OPEN DAY WAS HELD AT BSW.

JULY 10, 2013 – 50TH BIRTHDAY OF THE GENERAL DIRECTOR OF OJSC «BYELORUSSIAN STEEL WORKS-MANAGEMENT COMPANY OF «BMC» HOLDING A.N. SAVIANOK.

JULY 18, 2013 – BRM (MILL 850, TEAM No.1) PRODUCED 10-MILLIONTH TON OF ROLLED STEEL SINCE ITS COMMISSIONING IN 1987.

JULY 18, 2013 – AN AGREEMENT WAS REACHED AND CORRESPONDING DOCUMENTS SIGNED WITH EURASIAN BANK OF DEVELOPMENT REGARDING JOINT FINANCING OF THE CONSTRUCTION OF THE SMALL SECTION MILL AT BSW BY EBD AND OJSC OAO BELARUSBANK.

JULY 19, 2013 – A CAPSULE WITH A MESSAGE TO OUR DESCENDANTS WAS LAID DOWN IN THE FOUNDATION OF AIR-



Description of key impacts, risks and possibilities



HEATING UNIT No. 3 OF THE LIMITED LIABILITY JOINT-VENTURE «BSW-OP». COST OF THE PROJECT – OVER USD33,8 MILLION, COST OF EQUIPMENT – USD19,4 MILLION, COST OF CIVIL AND ERECTION WORK – USD7,9 MILLION.

AUGUST 2013 – BASED ON THE RESULTS OF THE ANNUAL REPUBLICAN PROFESSIONAL CONTEST «BEST CONSTRUCTION PRODUCT (ARTICLE) OF THE YEAR» WELDING REINFORCING BAR CLASS B500C FOR CONCRETE REINFORCEMENT PRODUCED BY BSW WAS ANNOUNCED THE BEST CONSTRUCTION PRODUCT OF 2013.

AUGUST 29, 2013 – FIRST AUDIT OF CORRESPONDENCE WITH THE CODE OF ETHICS OF PIRELLI'S SUPPLIER WAS HELD AT THE PLANT. REQUIREMENTS OF THE INTERNATIONAL STANDARD OF SOCIAL RESPONSIBILITY SA8000 WERE MET.

SEPTEMBER 6, 2013 – BSW PRIMARY ORGANIZATION WITH THE RIGHTS OF A DISTRICT COMMITTEE OF THE PUBLIC ASSOCIATION «BELARUSIAN REPUBLICAN YOUTH UNION» BECAME THE WINNER OF THE REPUBLICAN CONTEST FOR THE BEST PRIMARY ORGANIZATION OF THE PA «BRYU».

SEPTEMBER 20, 2013 – 30 YEARS SINCE ESTABLISHMENT OF THE REPAIR-MECHANICAL SHOP (RMS).

DECEMBER 12, 2013 – A PARKING FOR OUR 410 EMPLOYEE'S PRIVATE CARS WAS PUT INTO OPERATION AT BSW.

STRATEGY AND MISSION (PD 1.2) (PD 4.8)

SINCE COMMISSIONING OF THE PLANT IN 1984, IT HAS SUCCESSFULLY FULFILLED ITS INFRASTRUCTURAL FUNCTION BEING AN INTEGRAL PART OF A COMPLICATED SYSTEM OF SOCIAL AND ECONOMIC RELATIONS IN THE REGION OF ITS 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.

(EC 9) (EC 8) BSW MAKES A CONSIDERABLE CONTRIBUTION INTO THE DEVELOPMENT OF THE ECONOMY OF THE REPUBLIC OF BELARUS. IN 2013, 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. THE 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 2013 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 ABOUT 3%. (PD 4.11) - (PD 4.17)

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 2013 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.

(PD 4.9) 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.

(EC 2) 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 (INCLUDING THOSE FOR AUTOMOTIVE INDUSTRY) 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 (INCLUDING THOSE FOR AUTOMOTIVE INDUSTRY) 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 (PD 4.9) (PD 4.10)

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 EPY 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;



Description of key impacts, risks and possibilities



- 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 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 2013 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-PLAN 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 DEVELOPMENT (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.4 «ABOUT MEASURES OF PROVISION OF OF FIRE SAFETY OF THE PLANT FACILITIES»;
- 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

1. PRODUCTION, FINANCES AND ECONOMY:		
- EFFICIENCY OF SALES, NOT LESS THAN, %		9,7
- STEEL EXPORT COMPARED TO THE LEVEL OF 2013, NOT LESS THAN, %		116
- PRODUCT, WORK AND SERVICES SALE EARNINGS CALCULATED PER ONE AVERAGE PAYROLL EMPLOYEE, NOT LESS THAN, USD THOU.		177,2
- RELATION OF STEEL EXPORT AND PRODUCTION OUTPUT		77,3
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 Br1000. OF MARKETABLE PRODUCTS, MAX., %		3,49
- RATING OF CUSTOMER'S SATISFACTION, MIN., %		
	STEELMAKING PRODUCTION	93,6
	ROLLING PRODUCTION	94,0
	PIPE PRODUCTION	91,1
	TIRE CORD AND STEEL WIRE PRODUCTION	93,8
- TOTAL PLANT AMOUNT OF CLAIMED PRODUCTS, MAX, PPM		160
3. ENVIRONMENT:		
- SPECIFIC EMISSION OF CONTAMINANTS IN THE AIR BY EAF -1 EMS-1 AS COMPARED TO THE LEVEL OF 2013, %		REDUCE BY 5%
4. LABOUR PROTECTION AND INDUSTRIAL SAFETY:		
- NOT TO ALLOW ON-THE -JOB INJURY GROWTH AS COMPARED TO 2013.		
- IMPROVEMENT OF CONDITIONS AND ENSURING OF LABOUR SAFETY FOR THE SHOP WORKERS, PERSONS		115
- IMPROVEMENT OF PRODUCTION ENVIRONMENT OF HOP EMPLOYEES, PERS.		520
- DECREASE OF PHYSICAL LOAD OF SHOP EMPLOYEES, PERS.		43
- IMPROVEMENT OF DRINKING CONDITION FOR SHOP EMPLOYEES, PERS.		490
5. SOCIAL RESPONSIBILITY:		
- TRAINING OF MANAGERS AND SPECIALISTS, PERS.		1363
- PROFESSIONAL TRAINING OF WORKERS, PERS.		2917
- GENERAL SATISFACTION OF THE PERSONNEL, MIN. %		72,0
- WAGES AND SALARIES GROWTH RATE, MIN., %		118,1
- EMPLOYEE TURNOVER, MAX., %		5,0



Description of key impacts, risks and possibilities



HISTORY OF MASTERING OF MAIN TYPES OF PRODUCTS (PD 4.10)

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 TIMES. (PD 2.8)

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:

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 Ø10-40MM, GRADE B500B;
- TIRE CORD (3+9) x0,22RT AS50491;
- MICROFIBER OF STEEL WIRE SIZE 0,30/6MM; 0,35/13MM;
- ANCHOR FIBER OF STEEL WIRE SIZE 0,5/30MM;
- 3-SIDED SECTION STEEL WIRE CLASS B500K; BS500KR (A); B500NA; BS500M Ø 6,0; 8,0; 10,0; 12,0MM;
- 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 IN COILS, GRADE K500C-T ACCORDING TO THE REQUIREMENTS OF SWEDISH STANDARD SS 212540:2011 (E);
- CARBON AND ALLOY STEEL PIPES;
- QUALITY CARBON STEEL BARE PIPE;
- ALLOY BARE PIPE;
- NICKEL-MOLYBDENUM STEEL PIPE;
- ROUND COILS Ø 22,0 MM OF LOW-CARBON AND LOW-ALLOY STEEL GRADES;
- ROUND COILS Ø 22,0 MM OF LOW-CARBON AND LOW-ALLOY STEEL GRADES, 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 08Г2C WITH ONE-LAYER WINDING ON STEEL CARTRIDGE K300;
- BRONZED BEAD WIRE 1,26 MM FOR BRIDGESTONE;
- TIRE CORD CONSTRUCTION 3+8x0,35 HT;
- TIRE CORD CONSTRUCTION 3x0,22+9x0,20 HT;
- ROUND Ø 90 MM OF 16 MnCrS5 HAY5 ACCORDING TO CONTRACT REQUIREMENTS (STANDARD SPECIFICATION 1139-0/CC-2011);
- TIRE CORD CONSTRUCTION 3x7x0,175 HE;
- ROUND Ø 90-140 MM, STEEL GRADE 42CrMo4X1.

2013:

- BORON-ALLOY STEEL (B=0,0009÷0,0020 %), GRADE B500-B ACC. TO DIN 488:2009 CONCRETE STRUCTURE REINFORCEMENT, DIE-ROLLED BARS Nos. 10÷32;
- HOT-ROLLED REINFORCEMENT BARS, RING TYPE, CLASS A400, NOMINAL Ø 10÷40 MM, IN COILS ACC. TO THE



REQUIREMENTS OF GOST 5781-82 SILICON-MANGANESE STEEL 25Г2С FOR CONCRETE STRUCTURE REINFORCEMENT;

- TIRE CORD CONSTRUCTION 3+2x0,35 UT AS PER SPEC. № 1106-0/00-2012 AND TK 840-СП2-24-2012;
- TIRE CORD CONSTRUCTION 1+5x0,40 HT ACC. TO VTK 840-SP1-119-2013;
- SAW WIRE Ø 0,14 MM ACC. TO THE REQUIREMENTS OF OF SPECIFICATION No. 1074/CC-2010, VTK 840-SP1-121-2013;
- REINFORCING DIE-ROLLED BARS CLASS B550A Ø 5,0; 6,0; 8,0; 10,0; 12,0 MM ACC. TO ONORM B4707:2010;
- QUALITY CARBON STEEL PIPE – 125 DIMENSION-TYPES;
- ALLOY STEEL PIPE – 10 DIMENSION-TYPES;
- QUALITY CARBON BARE STEEL PIPE – 29 DIMENSION-TYPES;
- ALLOY BARE STEEL PIPE – 2 DIMENSION-TYPES;
- NICKEL-MOLYBDENUM STEEL PIPE – 12 DIMENSION-TYPES;
- BALL BEARING STEEL PIPE – 1 DIMENSION-TYPE.

STAGES OF THE PRODUCTION OUTPUT GROWTH

DURING SEVERAL LAST YEARS, GLOBAL STEEL MARKET HAS SUFFERED A CRISIS. MOST ANALYSTS THINK THAT THE REASON FOR THAT IS REASSESSMENT OF THE MARKET POTENTIALS. PRIOR TO A PRE-CRISIS 2008, STEEL CONSUMPTION GREW VERY DYNAMICALLY AND IT INDUCED STEELMAKERS TO HASTILY GROW PRODUCTION POTENTIAL. THUS, DURING LAST 10 YEARS GLOBAL CAPACITY GREW BY 1 BILLION TONS, 76% OF WHICH BELONG TO CHINA. AS A RESULT, BASED ON EXPERTS' ASSESSMENT, IT LEAD TO OVERCAPACITY IN THE GLOBAL STEELMAKING WHICH AT PRESENT EQUALS TO 500 MILLION TONS OR ALMOST 20% OF THE RATED GLOBAL CAPACITY. MOST STEELMAKING COMPANIES ARE UNDERLOADED, MANY ANNOUNCE THEMSELVES BANKRUPT. COMPETITION FOR EVERY CUSTOMER GROWS BETWEEN STEEL SUPPLIERS OF DIFFERENT COUNTRIES AND NATURALLY RESULTS IN REDUCTION OF PRICES OF THE PRODUCTS SOLD. (EC 2)

MANY YEARS AGO BYELORUSSIAN STEEL WORKS BECAME A PART OF A MULTI-LEVEL GLOBAL BUSINESS SYSTEM ESTABLISHED WITHIN THE FRAMEWORK OF THE GLOBAL ECONOMY

AND IT COULD NOT STAND ASIDE FROM THE CRISIS PROCESSES FOR A LONG TIME. AND THOUGH VOLUMES OF THE PLANT'S EXPORT REMAINED ALMOST UNCHANGED IN PHYSICAL TERMS, THE AMOUNT OF A CURRENCY EARNINGS REDUCED. AT THE SAME TIME, IN SPITE OF THE CRISIS IN THE GLOBAL ECONOMY, EXPORT SHARE OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING IN TOTAL SHIPMENTS MADE UP USD 1 161,2 MILLION OR 79,4 % DURING 12 MONTHS OF 2013. AMOUNT OF BSW PRODUCT EXPORT EQUALED TO 1 759,6 TONS IN NATURAL TERMS OR 82,2 % (IN MONEY TERMS AS COMPARED TO THE SIMILAR PERIOD OF THE PREVIOUS YEAR). DURING THE YEAR THE PLANT SUPPLIED ITS PRODUCTS TO THE FOLLOWING REGIONS: EUROPE (39,7% OF THE EXPORT SHARE), MIDDLE EAST (9,5%), AFRICA (5,0%), SEA (0,2%), AMERICA (5,8%), THE RUSSIAN FEDERATION (38,9%), THE UKRAINE (0,9%). BESIDES, MAIN EXPORT REGIONS ARE EUROPE, MIDDLE EAST AND THE RUSSIAN FEDERATION, THESE REGIONS ACCOUNT FOR 88,1% OF THE TOTAL STEEL EXPORT. IN TERMS OF CURRENCY EARNING FROM ABROAD THE SHARE OF THE PLANT IS APPROXIMATELY 15%.

EXISTING PROBLEMS OF THE INDUSTRY ARE NOT RELATED TO ABSENCE OF DEMAND. GLOBAL STEEL CONSUMPTION RATE IN GENERAL IS NOT BAD AND PROSPECTS OF THE MARKET ARE RATHER GOOD. DEMAND FOR STEEL GROWS APPROXIMATELY AT THE SAME RATE AS GLOBAL GDP. THE PROBLEM IS IN AN EXCESSIVE SUPPLY WHICH IS TOO BIG EVEN FOR THE EXISTING CONSUMPTION. SO AS TO EARN PROFIT IN THE SITUATION OF A TOUGH COMPETITION AND NOT THE HIGHEST PRICES, IT IS NECESSARY TO REDUCE EXPENSES DUE TO IMPROVEMENT OF LABOR EFFECTIVENESS, DECREASE PRIME COST OF OWN PRODUCTS BY ALL POSSIBLE WAYS MAINTAINING HIGH LEVEL OF THEIR QUALITY.

THAT IS WHY THE BASIS OF BSW PLAN OF THE CURRENT FIVE-YEAR PERIOD IS A PACKAGE OF MEASURES OF TECHNICAL AND TECHNOLOGICAL CHARACTER AIMED AT INCREASE OF THE PRODUCTION OUTPUT, BRINGING OF STEELMAKING AND CASTING TO THE LEVEL UP TO 3 MILLION TONS PER YEAR, REDUCTION OF THE IMPORT SHARE OF THE PRODUCTS MANUFACTURED. SO AS TO ACHIEVE THE GOAL SET FORTH, BSW DEVELOPED AND ACTIVELY IMPLEMENTS A COMPLEX PROGRAM OF MODERNIZATION OF THE EXISTING MAIN AND AUXILIARY PRODUCTIONS AND ESTABLISHMENT OF NEW HIGHLY EFFICIENT WORKING PLACES FOR 2012-2015. THE FOLLOWING PROJECTS OF RECONSTRUCTION AND MODERNIZATION OF THE MAIN AND AUXILIARY PRODUCTIONS WERE IMPLEMENTED WITHIN THE FRAMEWORK



Description of key impacts, risks and possibilities



OF THE ABOVE PROGRAM IN 2013:

- ERECTION OF A HYDRAULIC STATION FOR LIFTING THE TURRET OF CONTINUOUS CASTING MACHINE No.1 (CCM-1);
- MODERNIZATION OF 33 kW SUBSTATION OF ELECTRIC-ARC FURNACE No1 (EAF-1);
- AUTOMATION OF EAF-1;
- RECONSTRUCTION OF THE RH AND VD DEGASSING SYSTEM;
- ARRANGEMENT OF STEEL BLOWING ON A TEEMING

«WE PROCEED FROM A WELL-KNOWN SCIENTIFIC POSTULATE THAT THE MOST ADVANTAGEOUS STRATEGY DURING A CRISIS IS THE STRATEGY OF DEVELOPMENT».



GENERAL DIRECTOR OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING A. N. SAVIANOK

LADLE CAR OF EAF -3 WITH TWO PLUGS;

- RECONSTRUCTION OF R/10 TWISTING MACHINES FOR PRODUCTION OF TIRE CORD 3+9;
- MODERNIZATION OF 4 TWISTING MACHINE R/10 TYPE IN R/10BM TYPE WITH A 3-SPOOL GONDOLA;
- RECONSTRUCTION OF THE WATER COOLING SYSTEM OF COOLING CIRCUIT No.2 «COOLING OF EAF-1,2»;
- MODERNIZATION OF THE COOLING CIRCUIT OF THE REHEATING FURNACE OF MILL 320 (REPLACEMENT OF THE PIPE BUNCH OF THE COOLANT);
- PURCHASING OF 2 SECTIONS OF AWC WITH SHUTTERS FOR COOLING CIRCUIT 7 (COOLING OF THE ELECTRIC MOTORS AND STANDS OF MILL 320);
- PURCHASING OF STEEL TEEMING LADLES;
- PURCHASING OF A WITHDRAWAL-STRAIGHTENING MACHINE FOR CCM-3;

- PURCHASING OF A SCRAP CARRIER «BELAZ»;
- PURCHASING OF A SLAG CARRIER «BELAZ»;
- INSTALLATION OF FIXED COVERS TO KEEP TEMPERATURE ON STEEL CARRIERS FOR THE LADLE-FURNACE;
- INSTALLATION OF AN INTERMEDIATE COLLECTING SILO ON EAF-1;
- INTRODUCTION OF FREQUENCY-REGULATED DRIVES ON THE FINE DRAWING MACHINES.

THE ABOVE MEASURES HELPED US TO MAINTAIN THE PRODUCTION PROCESS AT A HIGH LEVEL AND ENSURE FULFILLMENT OF THE PRODUCTION PERFORMANCE INDICATORS.

FOR ALL ATTRACTIVENESS OF THE IDEAS OF PRODUCTION MODERNIZATION DURING THE CRISIS OF OVERPRODUCTION, THIS PROCESS HAS A CERTAIN PORTION OF A RISK. IN SPECIALISTS' OPINION IT IS NOT REASONABLE TO RESTRICT TO COSMETIC CHANGES IN THE TECHNOLOGY OR TO A SIMPLE REPLACEMENT OF THE EQUIPMENT IN SPITE OF A NATURAL LIMITED NATURE OF THE PLANT'S ASSETS. EFFECT IS POSSIBLE ONLY SUBJECT TO CONCENTRATION OF FINANCIAL MEANS AND PLANT'S EFFORTS TO IMPLEMENT MEASURES WITH THE BIGGEST ECONOMIC EFFECT.

THUS, IN 2013 BYELORUSSIAN STEEL WORKS CONTINUED IMPLEMENTATION OF A NUMBER OF STRATEGIC INVESTMENT PROJECTS DIRECTED TOWARDS GROWTH OF STEEL OUTPUT SO AS TO INCREASE OR KEEP THE MARKET SHARE DUE TO COMMISSIONING OF NEW CAPACITIES, EXPANSION OF PRODUCT MIX, AND IMPROVEMENT OF THE PRODUCT RANGE. THE MOST SIGNIFICANT PROJECTS ARE:

- CONSTRUCTION OF LIME KILN No.3;
- INTRODUCTION OF STEEL MELTING INTENSIFICATION WITH MODERNIZATION OF THE HYDRAULIC SYSTEM OF ELECTRIC-ARC FURNACE No.1 AND REPLACEMENT OF ITS COLUMNS AND CANTILEVERS;
- COMPLEX RECONSTRUCTION OF DUST AND GAS COLLECTING UNITS No. 1 AND No.3;
- ARRANGEMENT OF PRODUCTION OF ROLLED SECTIONS AND ERECTION OF A SMALL-SECTION MILL;
- RECONSTRUCTION OF CASTING MACHINE No.2 TO CAST BILLET CROSS-SECTION 140 MM x140 MM (CCM-2);
- INCREASE OF THE OUTPUT OF SECONDARY METALLURGY.



INVESTMENTS INTO THE FIXED CAPITAL WERE **EUR285** MILLION INCLUDING THE MODERNIZATION PROGRAM – **EUR211** MILLION. FINANCING SOURCES, EQUIPMENT AND TECHNOLOGY SUPPLIERS WERE DEVELOPED IN DETAIL FOR EACH FACILITY INCLUDED IN THE INVESTMENT PROGRAM OF THE ENTERPRISE.

IT IS FORECASTED TO IMPROVE STEELMAKING INDUSTRY PRODUCTION STRUCTURE IN THE RESULT OF INNOVATIONS. FIRST OF ALL, DUE TO INCREASE OF THE SHARE OF COMPETITIVE CAPACITIES (AT ALL PRODUCTION STAGES) AS WELL AS DUE TO GROWTH OF THE SHARE OF CAPACITIES FOR PRODUCTION OF DOWNSTREAM PRODUCTS, SHARE OF IMPORT REPLACING AND NEW PRODUCTIONS.

CONTINUOUS RENOVATION IS A PRECONDITION OF A SUCCESS OF ANY MODERN ENTERPRISE PRETENDING TO OCCUPY THE LEADING POSITION ON FOREIGN MARKETS. OF COURSE, RECONSTRUCTION, MODERNIZATION, COMMISSIONING OF NEW CAPACITIES IS A RATHER EXPENSIVE BUSINESS, BUT IT IS THE ONLY TRUE WAY OF DEVELOPMENT.

IN GENERAL, STEELMAKING FACILITY IS A SUCCESSFUL SEGMENT OF ECONOMY IN TERMS OF INVESTMENT. BUT IN SPITE OF ABILITY OF NATIONAL ENTERPRISES TO IMPLEMENT LARGE PROJECTS, MAIN TASK OF THE STATE (SO 5) IS TO ASSIST THESE INVESTMENT PROCESSES IMPLEMENTED IN THE INDUSTRY, CREATE NEW ADDITIONAL POSSIBILITIES FOR PARTICIPANTS AND ASSUME SOLUTION OF TASKS WHICH CANNOT BE RESOLVED BY ENTERPRISES AND WHICH HAVE A CONSIDERABLE MULTIPLICATIVE EFFECT.

INVESTMENT PROJECT DEVELOPMENT APPROACHES (PD 1.2) (PD 4.11) (EC 8) (EC 9)

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 OVER 70% 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 A TOUGH COMPETITION.

MAIN PROVISIONS FOR THIS TASK SOLVING ARE 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 2012-2013. 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.

ACCORDING TO OUR SPECIALISTS' CALCULATIONS, IN FOUR YEARS IT WILL TOUCH PRACTICALLY ALL PRODUCTION STAGES OF THE PLANT THAT IS WHY BY THE BEGINNING OF 2016 THE ENTERPRISE WILL HAVE AN ADVANCED BALANCED PRODUCTION.

TOTAL PLANNED EXPENSES FOR INVESTMENT PROJECT IMPLEMENTATION AND NEW CONSTRUCTION DURING 2010 - 2015 EXCEED **USD860** MILLION. (Br 4 TRILLION). BY 2015 THE PLANT WHICH IS CONSIDERED TO BE 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-PAN «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-PAN INCLUDES: (EN 6, 7, 18, 26)

– COMPLEX BALANCED DEVELOPMENT OF THE PRODUCTION CAPACITY;



Description of key impacts, risks and possibilities



- ENSURING OF INDUSTRIAL, FIRE AND ENVIRONMENTAL SAFETY AND LABOR 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 «A 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. (PD 4.8)

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-ECONOMIC DEVELOPMENT OF THE ENTERPRISE AND A SYSTEM OF MEASURES OF PRODUCTION, ORGANIZATIONAL, ECONOMIC AND ENVIRONMENTAL CHARACTER. PROPOSALS REGARDING IMPROVEMENT 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 DURING THE COMING TWO YEARS.

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.

DURING PROGRAM IMPLEMENTATION IT IS PLANNED TO SPEND USD338,5 MILLION (Br 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 (Br 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 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 REGION OF ITS ECONOMIC ACTIVITY (PD 4.11) (PD 4.16) (PD 4.17)

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, LABOR PROTECTION AND PREVENTING PRODUCTION INJURY, 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 11 896 PEOPLE. (EC 9) (PD 2.8)

BEING THE LARGEST EMPLOYER IN THE REGION, THE PLANT EXERTS DIRECT IMPACT ON THE DEVELOPMENT OF THE LABOR 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 LABOR FORCE POTENTIAL IN THE REGION PROPOSES NOT ONLY CONTINUOUS PROFESSIONAL TRAINING OF ITS WORKERS DURING THEIR LABOR ACTIVITY, BUT ALSO: (EC 7)

- 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 EVENING DEPARTMENT OF THE CORPORATE TRAINING CENTER;
- TRAINING OF SECONDARY SCHOOL GRADUATES OF THE



Description of key impacts, risks and possibilities



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.

INVESTMENT PROJECTS TASKS AND GOALS

THE PLANT IS AT THE STAGE OF ITS TECHNICAL RENOVA-

TION. 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.

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.

1. 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 STORE AND TRANSPORTATION SYSTEMS SO AS TO PROVIDE STEELMAKING PRODUCTION WITH THE REQUIRED RAW MATERIALS;



- INCREASE OF SECONDARY METALLURGY CAPACITY. THE PROJECT SUPPOSES TO UNITE FRAMES OF THE BUILDINGS OF ELECTRIC MELT SHOP No.1 AND No.2 AND ORGANIZATION OF A SECONDARY METALLURGY AND A LADLE DEPARTMENT IN THIS BAY. 2 LADLE-FURNACES AND AN RH DEGASSER WILL BE INSTALLED THERE. AIM OF THE PROJECT IS BRINGING INTO LINE OF STEEL BALANCE (PROVISION OF PRODUCTIVITY OF THE ELECTRIC-ARC FURNACES AND THE CONTINUOUS CASTING MACHINE) AND IMPROVEMENT OF 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.

DECEMBER 20, 2013 HOT COMMISSIONING OF ELECTRIC-ARC FURNACE No. 1 (EAF-1) TOOK PLACE AFTER A COMPLEX RECONSTRUCTION, ADJUSTMENT OF CONTINUOUS CASTING MACHINE No.2 (CCM-2) STARTED.

AS A RESULT, IN ADDITION TO PRODUCTION RISE UP TO 158 THOUSAND TONS PER YEAR, RECONSTRUCTION OF EAF-1 WILL HELP TO INCREASE ITS OUTPUT TO 1 MILLION TONS. THE PROJECT ALSO ANTICIPATED REDUCTION OF SPECIFIC POWER CONSUMPTION, DECREASE OF THE MELTING TIME, IMPROVEMENT OF

ERGONOMIC PERFORMANCE OF THE STEEL MELTING PROCESS. AFTER THE MODERNIZATION, USD 5,25 PER TON OF STEEL OF ELECTRIC POWER WAS SAVED OR ALMOST USD 5 MILLION PER YEAR.

AT THE BEGINNING OF 2014, RECONSTRUCTION OF CCM-2 WILL BE ACCOMPLISHED; IT WILL ALLOW ITS PRODUCTION INCREASE BY 310 THOUSAND TONS PER YEAR. ECONOMIC EFFECT WILL BE REACHED BOTH DUE TO THE OUTPUT GROWTH AND MASTERING OF TIRE CORD STEEL GRADES PRODUCTION WHICH WAS IMPOSSIBLE BEFORE THE RECONSTRUCTION.

2. 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



Description of key impacts, risks and possibilities



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 «MOGILYOV 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 REINFORCED 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.

3. 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 (PD 4.9) (PD 4.10) (PD 4.11)

HIGH LEVEL OF IMPACT ON SUSTAINABLE DEVELOPMENT IS EX-

ERTED 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 (PD 2.1) (PD 2.4) (PD 2.6) (PD 2.5)

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 «BYELORUSSIAN 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 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.

DESCRIPTION OF THE KEY PRODUCTION DIVISIONS (PD 2.2)

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 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. (EN 1)

Legal (postal) address of the headquarters:

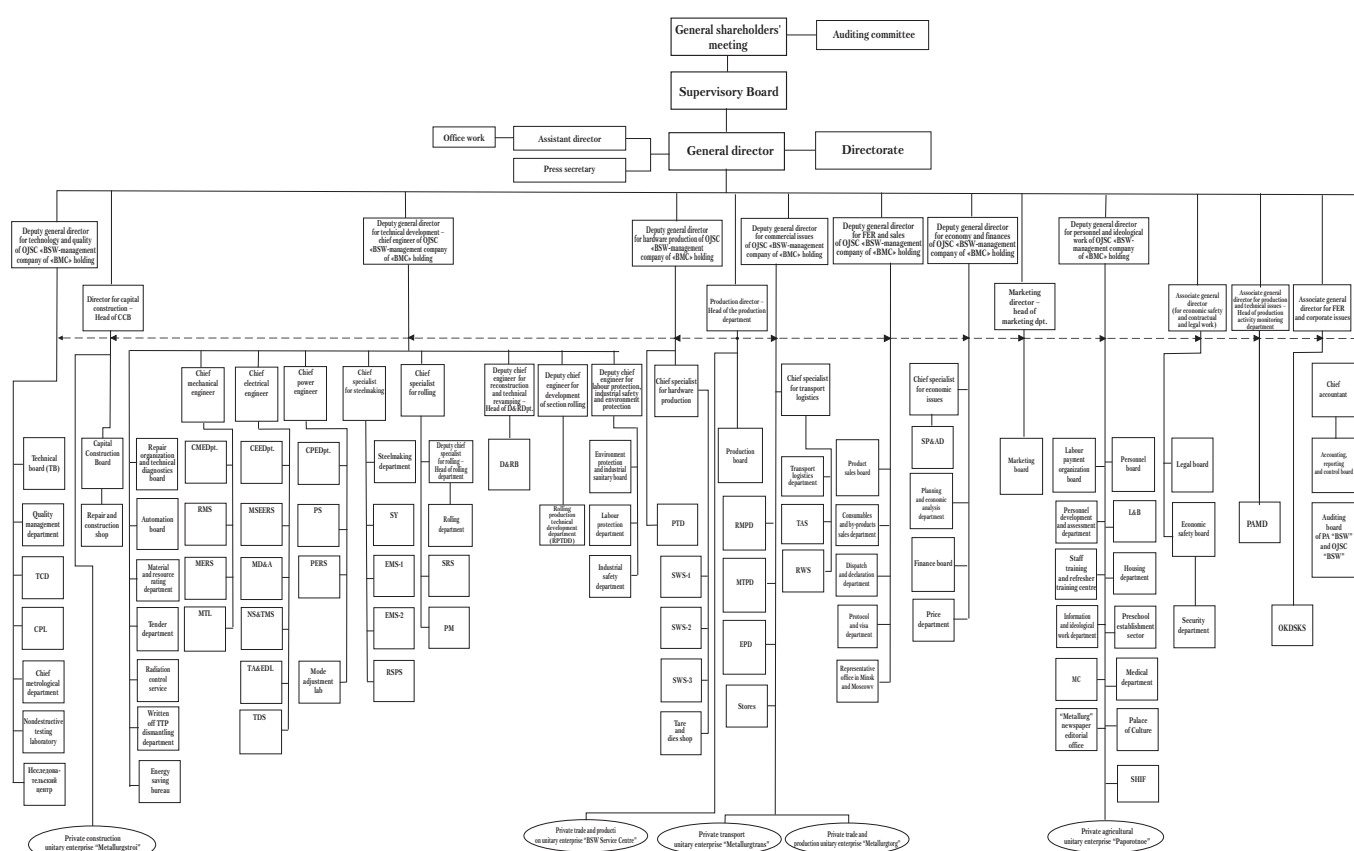
37 Promyshlennaya str., Zhlobin, Gomel region 247210, the Republic of Belarus.



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.

ORGANIZATIONAL STRUCTURE OF MANAGEMENT (PD 2.3) (PD 4.1)

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, 2013 TOTAL NUMBER OF EMPLOYEES EQUALS TO 11896 PEOPLE. (PD 2.8)



Organizational structure is arranged according to hierarchical principle

DESCRIPTION OF THE PLANT



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;

«It's NOT A SECRET THAT 2013 WAS NOT EASY FOR STEELMAKING INDUSTRY AND THE WHOLE STEEL MARKET. IN SPITE OF THE SITUATION BSW MANAGED TO SHOW UNIQUE QUALITIES DIRECTED TOWARDS MAINTAINING OF ITS MARKET POSITIONS IN TERMS OF COMPETITIVENESS, FLEXIBILITY, INTRODUCTION OF NEW TYPES OF PRODUCTS».



EXECUTIVE DIRECTOR OF BEL-KAP-STEEL (USA)
VYACHESLAV KUSHNARYOV

- 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

IN SPITE OF DIFFICULTIES RELATED TO THE GLOBAL FINANCIAL CRISIS AND A LARGE-SCALE MODERNIZATION OF PRODUCTION, TASKS SET FORTH WERE FULFILLED AND IN GENERAL, BYELORUSSIAN STEEL WORKS WORKED QUITE WELL IN 2013. FINISHED PRODUCT STOCK REDUCED CONSIDERABLY: IN MAY ABOUT 21800 TONS OF GOODS WERE STORED, BUT IN DECEMBER – 6900 TONS. ACCORDING TO THE IFD, PRODUCTIVITY WAS ABOUT USD88,9 THOUSAND PER PERSON AND IN TERMS OF GROSS ADDED VALUE PER EMPLOYEE –

USD24,4 THOUSAND. INDICATOR OF RELATION OF LABOR PRODUCTIVITY GROWTH RATE IN TERMS OF GROSS ADDED VALUE AND NOMINAL SALARY CHARGED WAS 0,593%. VOLUME OF PRODUCED GOODS AS COMPARED TO THE CORRESPONDING PERIOD OF 2012 WAS 81,1%, FOREIGN TRADE BALANCE – USD456 MILLION.

THE TASK OF ACHIEVING THE POWER SAVING TARGET «MINUS 7%» WAS SUCCESSFULLY FULFILLED. THE EFFECT REACHED IN 2013 IS 50396 R.F.T., WHICH IN MONEY TERMS MADE UP APPROXIMATELY USD13,5 MILLION.

GROWTH OF SALE VOLUME OF TIRE CORD – ONE OF THE KEY TYPES OF PRODUCTS OF THE COMPANY - WAS 112,9% AS COMPARED TO 2012. THE EXISTING GLOBAL MARKET SITUATION MADE THE PLANT TO APPLY MAXIMUM EFFORTS TO THE PROBLEM OF SELLING PROFITABLY. CONTINUOUS OUTLET MONITORING ALLOWED US TO SELL PRODUCTS OF THE COMPANY AT COMPETITIVE PRICES WITH CONSIDERATION OF REGIONS AND RECEIVING COUNTRIES, AT THE SAME TIME MAINTAINING OUR PRESENCE ON THE MOST SIGNIFICANT OUTLETS. (PD 4.11) DURING 12 MONTHS THE PLANT SOLD PRODUCTS FOR USD1 BILLION 140 MILLION TO 60 COUNTRIES OF THE WORLD. THE MOST ATTRACTIVE MARKETS FOR BSW ARE AS BEFORE EUROPEAN UNION, THE RUSSIAN FEDERATION, THE USA.

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 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.

(PD 2.7) (PD 2.9) 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.

(PR 6-7) 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: (PD 2.10)

- «BEST CONSTRUCTION PRODUCT OF 2013»;
- «BEST GOODS OF THE REPUBLIC OF BELARUS OF 2013»;
- «BEST GOODS OF THE REPUBLIC OF BELARUS ON MARKETS OF THE RUSSIAN FEDERATION IN 2013». (PD 2.10)

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 RESOURCES, PRESERVATION OF ENVIRONMENT AND PROVISION OF A HIGH LEVEL OF LIVING OF THE EMPLOYEES OF THE PLANT. RESULTS OF 2013 CLEARLY DEMONSTRATE THAT IT IS NOT JUST A DECLARATION.

PROMISING DIRECTIONS OF MARKETING

IN 2013 EXPORT OF MARKETABLE PRODUCTS OF OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING EQUALED TO 82,2%. GEOGRAPHY OF EXPORT DELIVERIES NUMBERS 60 COUNTRIES WORLDWIDE. BYELORUSSIAN STEEL WORKS SUPPLIED ITS PRODUCTS TO THE FOLLOWING REGIONS: EUROPE (EXPORT SHARE – 39,7%), MIDDLE EAST (9,5%), AFRICA (5,0%), SEA (0,2%), AMERICA (5,8%), THE RUSSIAN FEDERATION (38,9%), THE UKRAINE (0,9%). KEY PRODUCT MARKETS ARE EUROPE, MIDDLE EAST, AND THE RUSSIAN FEDERATION. THESE REGIONS ACCOUNT FOR 88,1% OF THE TOTAL STEEL EXPORT.

MARKETING STRATEGY OF THE COMPANY IS DIRECTED TOWARDS MAINTENANCE AND ACTIVE INCREASE OF ITS PRESENCE ON THE EXISTING SALES MARKETS AND SEARCH FOR NEW ECONOMICALLY PROFITABLE REGIONS ACCOMPANIED BY GROWTH OF SALES VOLUMES VIA OWN COMMODITY DISTRIBUTION NETWORK. IN 2014 GROWTH OF STEEL CONSUMPTION IS FORECASTED AS COMPARED TO 2013. THE BIGGEST GROWTH RATE IS EXPECTED IN ENGINEERING AND CONSTRUCTION. IN 2013 A LITTLE RECOVERY OF STEEL CONSUMPTION WAS SEEN. CONSUMPTION OF STEEL IN ENGINEERING AND CONSTRUCTION SEGMENTS IS MAINLY SUPPORTED BY STATE INJECTIONS AND INVESTMENTS. IN 2014 THEY FORECAST A GRADUAL STABILIZATION AND GROWTH ON THE GLOBAL STEEL MARKET, FOR EXAMPLE, STEEL DEMAND IN EUROPE IN 2014 WILL SHOW IMPROVEMENT FOR THE FIRST



DESCRIPTION OF THE PLANT



TIME DURING 3 YEARS. BESIDES, GLOBAL STEEL MARKET STILL FACES THE PROBLEM OF OVERPRODUCTION WHICH HAS NOT BEEN SOLVED AFTER DEMAND IMPROVEMENT. AT PRESENT EXCESSIVE STEEL PRODUCTION IN EUROPE EQUALS TO 30-50 MILLION TONS AND IN THE WORLD - 300-500 MILLION TONS.

FORECAST OF EXPORT OF PRODUCTS OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING IN 2014 IS SHOWN IN THE TABLE BELOW:

IN PARTICULAR, IN 2013 634 635 TONS OF GOODS IN THE AMOUNT OF USD 462 937 THOUSAND WERE DELIVERED TO EUROPE (EXPORT SHARE EQUALED TO 39,7%), MIDDLE EAST – 206 278 TONS IN THE AMOUNT OF USD110 605 THOUSAND (EXPORT SHARE – 9,5%), AFRICA – 113 919 TONS IN THE AMOUNT OF USD 58 714 THOUSAND (EXPORT SHARE – 5,0%), SEA – 2 765 TONS IN THE AMOUNT OF USD 2 181 THOUSAND (EXPORT SHARE – 0,2%), AMERICA – 65 272 TONS IN THE AMOUNT OF USD 68 196 THOUSAND (EXPORT SHARE – 5,8%), THE RUSSIAN FEDERATION – 725 471 TONS

PRODUCT TYPE	2014		
	VOLUME OF SALES, T	AVERAGE ANNUAL SALES PRICE, USD/t	EXPORT, USD THOU.
CAST BILLET AND BLOOM	450 530	525,1	236 588
ROLLED METAL, MILLS 150, 320, 850	1 078 545	584,0	629 879
SEAMLESS PIPES	148 295	1059,4	157 108
TIRE CORD	750 005	190,7	142 998
BEAD WIRE	33 333	1067,3	35 575
HOSE WIRE	37 906	1289,0	48 862
OTHER STEEL WIRE	147 005	633,9	93 191
TOTAL	2 645 619	508,1	1 344 201

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 2013: MACEDONIA, SUDAN, CHAD, GAMBIA, AND DELIVERIES TO AUSTRIA, BELGIUM, GREAT BRITAIN, HUNGARY, DENMARK, SLOVAKIA, SLOVENIA, FINLAND, FRANCE, CZECHIA, SWITZERLAND, IRAQ, TURKEY, TUNISIA, MOROCCO, BRAZIL AND CHINA WERE DIVERSIFIED. WE MANAGED TO DO THIS MAINLY DUE TO AVAILABILITY OF OUR OWN COMMODITY DISTRIBUTION NETWORK (CDN). 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 THE AMOUNT OF USD 454 178 THOUSAND (EXPORT SHARE – 38,9%), THE UKRAINE – 10 530 TONS IN THE AMOUNT OF USD 10 610 THOUSAND (EXPORT SHARE 0,9%).

TOTAL SALES VIA THE CDN WERE 935 853 THOUSAND TONS OF STEEL IN THE AMOUNT OF USD 983 560 THOUSAND. TO A GREAT EXTENT, BSW IMAGE AS AN ENTERPRISE SELLING ONLY HIGH QUALITY PRODUCTS HELPED TO SUCCESSFULLY PROMOTE OUR PRODUCTS ON NEW OUTLETS.

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

IN ADDITION TO JOINT-VENTURES AND TRADE FIRMS, STEEL SUPPLIES WERE CARRIED OUT UNDER AGREEMENTS WITH END USERS VIA COMPANIES HAVING OWN MULTIBRANCH NETWORK OF STEEL DEPOTS IN DIFFERENT COUNTRIES OF THE WORLD: DUFERCO, ARKAS TRADING LIMITED, DISMAS TRADING S.R.L, RMZ VERTRIEBSGESELLSCHAFT M.B.H., PISEC GROUP GMBH.



TABLE: DIRECTIONS AND STRUCTURE OF SALES OF OJSC «BSW-MANAGEMENT COMPANY» OF «BMC» HOLDING PRODUCTS IN 2013 (PD 2.8)

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

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 01.01.2013 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.

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

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, DELIVERS HOSE WIRE AND HOT-DEFORMED SEAMLESS PIPES TO SOUTH-EAST REGION.

5. TOGOVYI DOM BMZ-BALTIJA, SHAULYAI, LITHUANIA, ESTABLISHED IN 2008, SELLS REINFORCING BARS, STEEL WIRE, HOT-DEFORMED SEAMLESS PIPE TO BALTIC COUNTRIES.

6. TOGOVYI 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. TOGOVYI DOM BMZ, MOSCOW, RUSSIAN FEDERATION, WAS ESTABLISHED IN 2007 SO AS TO ARRANGE SALES OF



DESCRIPTION OF THE PLANT



FINISHED PRODUCTS (REINFORCING BARS, STEEL WIRE AND HOT-DEFORMED SEAMLESS PIPES) OF OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING IN THE 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 IMPROVEMENT 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 CARDINALLY BY 2015 AND GRADUALLY STOP WORKING WITH INDEPENDENT TRADERS (PD 2.5)

TASKS SET FOR THE JOINT-VENTURES REGARDING PROMOTION OF HIGH-TECH PRODUCTS OF BYELORUSSIAN STEEL WORKS AND EXPANSION OF PRODUCT MARKETS HAVE BEEN SUCCESSFULLY FULFILLED. AMONG PRIORITY TASKS FOR 2014, IS PROVISION OF EXPORT SHIPMENTS OF MARKETABLE PRODUCTS IN THE AMOUNT OF 114-116%. OPTIMIZATION OF MONEY FLOWS BY JOINT-VENTURES HELPS TO IMPROVE RELIABILITY OF PROCEEDS FROM CUSTOMERS AND CONSIDERABLE REDUCTION OF SETTLEMENT TERM.

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

GLOBAL MARKETS TENDENCIES

STEEL PRICE GROWTH FORECAST FOR THE BEGINNING OF 2014 IS POSSIBLE AND FEASIBLE AND IS SUPPORTED NOT ONLY BY TRADITIONAL SEASONAL FACTORS BUT ALSO BY ANTICIPATED INDUSTRIAL RISE OF THE DEVELOPED ECONOMIES. FIXING OF PRICES IN THE GROWTH CYCLE (UP TO SUMMER 2014) MAY BE PREVENTED BY MARKET OVERSATURATION THE MAIN SOURCE OF WHICH REMAINS CHINA CONTINUING TO EXPAND CHEAP EXPORT. MEPS IS SURE OF STEEL PRICE INCREASE BY APPROXIMATELY 6% DURING FIVE NEAREST MONTHS. GROWTH WILL OBVIOUSLY BE UNEVEN IN THE WORLD – FROM A SLIGHT INCREASE IN PRC BEING DOMINATED BY AN EXCESSIVE SUPPLY TO A CONSIDERABLE RISE IN EUROPE.

IN NORTH AMERICA PRICE INCREASE STARTED IN THE SECOND HALF 2013, IS EXPECTED TO CONTINUE TILL THE FIRST MONTHS OF 2014. MOST SIGNIFICANT RISE WILL PROBABLY

TAKE PLACE IN THE EUROPEAN UNION WHICH MARKET HAS BEEN IN A VERY COMPLICATED SITUATION FOR ALMOST A YEAR. IN GENERAL, EUROPEAN AND ASIAN PRICES WILL GRADUALLY REDUCE THE GAP WITH A HIGHER LEVEL OF THE NORTH-AMERICAN MARKET IN SPITE OF A KICKBACK OF LATE AS COMPARED TO THE PERFORMANCE IN SEPTEMBER.

AT SHANGHAI FUTURES EXCHANGE, REBAR FUTURES TO BE SUPPLIED IN MAY 2014 WILL MAKE UP USD611 PER TON. LONGS QUOTATIONS GROW FOLLOWING IRON ORE PRICE RISE WHICH REMAINS AT THE LEVEL OF USD135-139 PER TON AGAINST THE BACKGROUND OF A HIGH LEVEL OF PURCHASES BY CHINESE STEEL COMPANIES.

KEY FACTORS WHICH MAY INFLUENCE INCREASE OF STEEL PRICES ARE IMPROVEMENT OF ECONOMIC PERFORMANCE AND A STEADY GROWTH OF DEMAND IN A NUMBER OF IMPORTANT CONSUMING REGIONS AS WELL AS DECREASE OF CHINESE PRODUCTION.

EXPERTS OF GOLDMAN SACHS, DEUTSCHE BANK AND MORGAN STANLEY THINK THAT GLOBAL ECONOMY GROWTH RATE IN 2014 WILL REACH ITS 4-YEAR MAXIMUM – 3,4% AS COMPARED TO LESS THAN 3% IN 2013. GLOBAL GDP GROWTH IN 2013-2014 IS GIVEN IN THE TABLE BELOW:

LEADER IN ECONOMIC PERFORMANCE IMPROVEMENT WILL BE THE USA WHERE RECOVERY OF THE NATIONAL PRODUCTION AND GROWTH OF CONSUMER EXPENSES TAKE PLACE, AND ECONOMY OF THE EUROZONE WHERE FOR THE FIRST TIME DURING THREE YEARS GDP GROWTH IS AWAITED THOUGH NOT AS CONSIDERABLE AS IN THE USA AND PRC. OUTSIDE THE EUROZONE, THEY EXPECT ACCELERATION OF THE ECONOMY OF GREAT BRITAIN AND STABILIZATION (CESSATION OF RECESSION) OF THE LARGEST ECONOMIES OF CIS.

IN ASIA SOME DECELERATION OF CHINESE ECONOMY IS EXPECTED DUE TO ITS REFUSAL FROM GDP RUSH, AND GROWTH WEAKENING IN JAPAN AFTER INTRODUCTION OF THE CONSUMPTION TAX PLANNED FOR APRIL. A POSITIVE FORECAST OF INVESTMENT BANKS IS BASED ON RATHER OPTIMISTIC MOOD THAN ON ACTUAL ECONOMIC PRECONDITIONS. ORGANIZATION OF ECONOMIC COOPERATION AND DEVELOPMENT (OECD) LESSENED ITS FORECAST OF THE GLOBAL ECONOMY GROWTH BASED ON DECELERATION OF THE CHINESE ECONOMY AND A NUMBER OF OTHER FACTORS. IN ANY CASE, ANTICIPATED GROWTH



COUNTRY	2013 (ASSESSMENT)	2014 (FORECAST)
WHOLE WORLD	2,9%	3,4%
USA	1,9%	2,5-3%
CANADA	1,7%	2,5%
EUROZONE	-0,4%	1-1,5%
GREAT BRITAIN	1,4%	2,3%
CHINA	7,6%	7,2%
JAPAN	1,8%	1,5%
KOREA	2%	2,8%

OF THE GLOBAL ECONOMY IS YET VERY UNSTABLE AND WEAK. TO A LARGE EXTENT IT DEPENDS ON THE FINANCIAL POLICY AND INCENTIVES CHOSEN BY THE GOVERNMENTS OF LARGE COUNTRIES. THUS, THE USA PLAN TO REDUCE AMOUNT OF ECONOMY STIMULATION, AND BANK OF ENGLAND TERMINATES VALIDITY OF SUBSIDIES IN THE AREA OF MORTGAGE CREDITING WHILE BANK OF JAPAN AND EUROPEAN CENTRAL BANK MAY INCREASE THEIR INCENTIVES.

NEVERTHELESS, MANY LARGE STEEL COMPANIES MAKE A RATHER POSITIVE ASSESSMENT OF FUTURE PROSPECTS OF THE STEEL MARKET. A MORE OR LESS CLEAR TENDENCY TO STEEL CONSUMPTION GROWTH HAS AFTER ALL FORMED IN THE EUROPEAN UNION. IN NOVEMBER 2013, ILVA RESTARTED ITS BLAST FURNACE No. 2 (1,5 MILLION TONS) IN TARANTO (ITALY). BEFORE THAT, GERMAN GROUP SALZGITTER RESUMED OPERATION OF THE BLAST FURNACE «A» (2,2 MILLION TONS) IN OCTOBER, AND THYSSENKRUPP – BLAST FURNACE No. 9 IN DUISBURG (1,7 MILLION TONS). RESTART OF BLAST FURNACES IS A CLEAR INDICATION OF CONFIDENCE OF EUROPEAN STEELMAKERS IN RECOVERY OF DOMESTIC CONSUMPTION.

IN DECEMBER EC PRICES BECAME STABLE: REBAR – USD672 PER TON, IMPORTED PRODUCTS – USD10-15 PER TON LESS.

ON THE OTHER HAND, DEMAND IS STILL WEAK, BUYERS ARE READY TO PURCHASE ONLY SMALL SHIPMENTS. THE CONSTRUCTION SEGMENT WHICH IS TRADITIONALLY THE KEY DRIVER OF THE PRICE GROWTH, HAS NOT SHOWN CONVINCING SIGNS OF RECOVERY YET. MOODY'S FORECASTS GROWTH OF EUROZONE GDP BY UP TO 1,5% IN 2014, GROWTH OF APPARENT STEEL CONSUMPTION BY 1-2%.

NORTH AMERICA REMAINS THE STRONGEST MARKET AT LEAST IN TERMS OF PRICE LEVELS. RECOVERY OF INDUSTRIAL PRODUCTION, EXHAUSTING OF RESOURCES AND REDUCTION OF SUPPLIES FROM AK STEEL AND US STEEL ACTIVELY SUPPORTED PRICES IN THE 2ND HALF-YEAR 2013. MACROECONOMIC FACTORS ARE FAVORABLE TO THE COMING YEAR, BUT RISKS EXIST; POSSIBLE INCREASE OF DOMESTIC SUPPLIES AND PROSPECTIVE GROWTH OF IMPORT MAY DELIVER A BLOW ON PRICES.

IN ASIA QUOTATIONS ARE TO A LARGE EXTENT DETERMINED BY CHINESE PRICES THAT IS WHY RISE IN CHINESE PRICES WILL PLAY A POSITIVE ROLE IN THE REGION IN GENERAL. AT PRESENT, ASIAN MARKETS DEMONSTRATE A MIXED SITUATION: GRADUAL MARKET PRICE RISE SUPPORTED NOT ONLY BY RISE OF SCRAP PRICE BUT ALSO BY ANTICIPATED GROWTH OF DOMESTIC DEMAND, CONTINUES IN JAPAN AND SOUTH KOREA. AS FOR CHINA ITSELF, BY THE END OF THE YEAR DEMAND GROWTH WAS NOTED (APPARENT STEEL CONSUMPTION GREW BY 10% IN Q1, BY 8% IN Q2 AND BY 14% IN Q3 2013). BUT TODAY CONSUMPTION GROWTH IN PRC MAY EASILY PROVOKE EXCESSIVE SUPPLIES AND ANOTHER PRICE DROP.

IN THE MIDDLE EAST A POSITIVE IMPULSE TO STABLE CONSUMPTION AND PRICE RISE IS GIVEN BY REDUCTION OF TENSION IN SYRIA, START OF A PEACEFUL DIALOG BETWEEN IRAN AND THE WEST AND REFUSAL OF EGYPT FROM INTRODUCTION OF REBAR IMPORT DUTIES. BESIDES, STEEL PRICES IN IRAN REDUCED A LITTLE (BILLET – USD 641 PER TON, REBAR – USD685 PER TON) DUE TO WARMING UP OF RELATIONS WITH THE EU AND THE USA, BUT IN EGYPT REBAR PRICE JUMPED UP TO USD610-615 PER TON CFR. (PD 2.7) (PD 2.9)



DESCRIPTION OF THE PLANT



DATES AND EVENTS OF 2013

JANUARY 1, 2013 – TWO AUXILIARY SHOPS MERGED: THE POWER SHOP AND THE OXYGEN PLANT. A NEW STRUCTURAL SUBDIVISION WAS FORMED – ENERGY DEPARTMENT (END).

JANUARY 13, 2013 – «METALLURG» HOCKEY TEAM SUCCESSFULLY PLAYED IN THE SUPER-FINAL OF THE CONTINENTAL CUP AND TOOK THE SECOND PLACE IN THE PRESTIGE EUROPEAN TOURNAMENT.

JANUARY 24, 2013 – ACCORDING TO THE RESULTS OF AN EXPERT ASSESSMENT OF EcoVadis (MICHELIN), BSW ACHIEVEMENTS IN THE SOCIAL AREA IN 2012 AND IN THE AREA OF ENVIRONMENT PROTECTION EXCEEDED THE LEVEL DETERMINED BY MICHELIN FOR SUPPLIERS IN THE PURCHASING CHAIN.

THE ACHIEVED RESULTS SHOW THE LEVEL OF A SIGNIFICANT MATURITY OF BSW IN THE AREA OF SOCIAL RESPONSIBILITY AND ENVIRONMENT AND ARE AN INTEGRAL PART OF MICHELIN CRITERIA FOR CHOOSING SUPPLIERS.

FEBRUARY 2013 – BYELORUSSIAN STEEL WORKS BECAME A LAUREATE OF THE AWARD OF THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS IN THE AREA OF SCIENCE AND ENGINEERING IN 2012. THIS PRIZE IS AWARDED EVERY YEAR FOR DEVELOPMENT AND INTRODUCTION OF NEW TYPES OF MATERIALS AND TECHNOLOGIES ENABLING THE NATIONAL SCIENCE TO REACH THE INTERNATIONAL LEVEL AND INCREASE EFFICIENCY OF THE INDUSTRIAL FACILITY.

FEBRUARY 11, 2013 – A NEW EIGHTH AMBULANCE ROOM WAS OPENED ON THE BASIS OF THE ADMINISTRATIVE BUILDING OF ELECTRIC MELT SHOP No.1 (EMS-1) OF BYELORUSSIAN STEEL WORKS. HERE PLANT'S EMPLOYEES MAY RECEIVE THE REQUIRED MEDICAL ASSISTANCE, INCLUDING FIRST AID.

MARCH 1, 2013 – BASED ON THE WORK RESULTS OF 2012 BYELORUSSIAN STEEL WORKS BECAME THE WINNER IN THE NOMINATION «BEST INVESTOR AND EXPORTER» AMONG ENTERPRISES OF ZHLOBIN AND ZHLOBIN DISTRICT.

MARCH 28, 2013 – 10 YEARS SINCE ESTABLISHMENT OF THE UNITARY ENTERPRISE «METALLURGTORG».

APRIL 1, 2013 – 20 YEARS SINCE COMMISSIONING OF THE FOURTH STAGE OF BSW: PUMP STATION.

APRIL 1, 2013 – «METALLURG» HOCKEY TEAM BECAME THE SILVER PRIZE WINNER OF THE 21ST OPEN CHAMPIONSHIP OF THE REPUBLIC OF BELARUS.

APRIL 5, 2013 – GOMEL REGIONAL EXECUTIVE COMMITTEE EXPRESSED GRATITUDE TO THE WORK COLLECTIVE OF BSW FOR A CONSIDERABLE INVESTMENT IN SOCIAL AND ECONOMIC DEVELOPMENT OF THE REGION.

APRIL 16, 2013 – SO AS TO IMPLEMENT INVESTMENT PROJECT «ORGANIZATION OF A SECTION BAR PRODUCTION WITH CONSTRUCTION OF A SMALL-SECTION MILL» GENERAL DIRECTOR A.N. SAVIANOK ISSUED ORDER No.340 TO ESTABLISH ROLLING SHOP No.2 (BRM-2).

APRIL 18, 2013 – 10 YEARS SINCE BYELORUSSIAN STEEL WORKS RECEIVE THE FIRST ECOLOGICAL CERTIFICATE IN GOMEL REGION. THIS EVENT REQUIRED A TWO-YEAR WORK OF THE EMPLOYEES. BSW GOT TWO ENVIRONMENT MANAGEMENT CERTIFICATES AT A TIME TO EVIDENCE CORRESPONDENCE OF THE PLANT TO THE REQUIREMENTS OF THE INTERNATIONAL STANDARD ISO 14001-1996 AND NATIONAL STANDARD STB ISO 14001-2000.

APRIL 17-18, 2013 – THE FOURTH SCIENTIFIC CONFERENCE OF YOUNG EMPLOYEES WAS HELD AT BSW. THIS FORUM GATHERED OVER 170 REPRESENTATIVES OF VARIOUS STRUCTURAL SUBDIVISIONS AND STUDENTS OF LEADING HIGHER INSTITUTIONS OF THE COUNTRY.

APRIL 20, 2013 – A NATIONAL SUBBOTNIK WAS HELD AT THE PLANT.

APRIL 25-28, 2013 – THE SECOND INTERNATIONAL CHILDREN HOCKEY TOURNAMENT «STEEL CUP» FOR THE AWARDS OF GENERAL DIRECTOR OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING A. N. SAVIANOK WAS HELD IN ZHLOBIN. «METALLURG» WAS AWARDED BRONZE MEDALS.

MAY 18, 2013 – AT BELARUSIAN INDUSTRIAL FORUM-2013 BSW WAS AWARDED A 1ST DEGREE DIPLOMA FOR THE PROJECT «DEVELOPMENT AND INTRODUCTION OF ENERGOTECHNOLOGICAL MODES OF ELECTRIC-ARC FURNACE OPERATION AIMED AT INCREASE OF PRODUCTIVITY OF EAF-3 AND REDUCTION OF POWER CONSUMPTION FOR STEEL MELTING».



MAY 18, 2013 – BYELORUSSIAN STEEL WORKS WAS AWARDED A DIPLOMA FOR ACTIVE PARTICIPATION IN THE XIV INTERNATIONAL EXHIBITION «SPRING IN GOMEL-2013» WITHIN THE FRAMEWORK OF THE X GOMEL ECONOMIC FORUM.

MAY 25, 2013 – BASED ON THE RESULTS OF COMPETITIONS HELD BY GOMEL REGIONAL TRADE UNION ORGANIZATION, PRIMARY TRADE UNION ORGANIZATION OF BSW WAS DECLARED THE BEST AMONG 31 INDUSTRIAL ENTERPRISES OF GOMEL REGION IN 2012.

JUNE 5, 2013 – COACH OF ZHLOBIN «METALLURG» WAS PRONOUNCED THE BEST COACH OF THE SEASON 2012-2013 OF THE OPEN HOCKEY CHAMPIONSHIP OF BELARUS.

JUNE 15, 2013 – BASED ON THE RESULTS OF 2012 PRIVATE JOINT-STOCK COMPANY «ROSAVA» – THE LARGEST TIRE PRODUCER IN THE UKRAINE – AWARDED THE «EXCELLENT SUPPLIER» RATING BYELORUSSIAN STEEL WORKS.

JUNE 21, 2013 – BASED ON THE RESULTS OF 2012 THE UNION OF VETERANS OF BYELORUSSIAN STEEL WORKS BECAME THE WINNER IN THE COMPLETION FOR THE BEST PRIMARY ORGANIZATION OF ZHLOBIN DISTRICT.

JULY 06, 2013 – THE THIRD TRADITIONAL OPEN DAY WAS HELD AT BSW.

JULY 10, 2013 – 50TH BIRTHDAY OF THE GENERAL DIRECTOR OF OJSC «BYELORUSSIAN STEEL WORKS-MANAGEMENT COMPANY OF «BMC» HOLDING A.N. SAVIANOK.

JULY 18, 2013 – BRM (MILL 850, TEAM No.1) PRODUCED 10-MILLIONTH TON OF ROLLED STEEL SINCE ITS COMMISSIONING IN 1987.

JULY 18, 2013 – AN AGREEMENT WAS REACHED AND CORRESPONDING DOCUMENTS SIGNED WITH EURASIAN BANK OF DEVELOPMENT REGARDING JOINT FINANCING OF THE CONSTRUCTION OF THE SMALL SECTION MILL AT BSW BY EBD AND OJSC OAO BELARUSBANK.

JULY 19, 2013 – A CAPSULE WITH A MESSAGE TO OUR DESCENDANTS WAS LAID DOWN IN THE FOUNDATION OF AIR-HEATING UNIT No. 3 OF THE LIMITED LIABILITY JOINT-VENTURE «BSW-OP». COST OF THE PROJECT – OVER USD33,8 MILLION, COST OF EQUIPMENT – USD19,4 MILLION, COST OF

CIVIL AND ERECTION WORK – USD7,9 MILLION

AUGUST 2013 – BASED ON THE RESULTS OF THE ANNUAL REPUBLICAN PROFESSIONAL CONTEST «BEST CONSTRUCTION PRODUCT (ARTICLE) OF THE YEAR» WELDING REINFORCING BAR CLASS B500C FOR CONCRETE REINFORCEMENT PRODUCED BY BSW WAS ANNOUNCED THE BEST CONSTRUCTION PRODUCT OF 2013.

AUGUST 29, 2013 – FIRST AUDIT OF CORRESPONDENCE WITH THE CODE OF ETHICS OF PIRELLI'S SUPPLIER WAS HELD AT THE PLANT. REQUIREMENTS OF THE INTERNATIONAL STANDARD OF SOCIAL RESPONSIBILITY SA8000 WERE MET.

SEPTEMBER 6, 2013 – BSW PRIMARY ORGANIZATION WITH THE RIGHTS OF A DISTRICT COMMITTEE OF THE PUBLIC ASSOCIATION «BELARUSIAN REPUBLICAN YOUTH UNION» BECAME THE WINNER OF THE REPUBLICAN CONTEST FOR THE BEST PRIMARY ORGANIZATION OF THE PA «BRYU».

SEPTEMBER 20, 2013 – 30 YEARS SINCE ESTABLISHMENT OF THE REPAIR-MECHANICAL SHOP (RMS).

DECEMBER 12, 2013 – A PARKING FOR OUR 410 EMPLOYEE'S PRIVATE CARS WAS PUT INTO OPERATION AT BSW.

GENERAL INFORMATION ABOUT ACHIEVEMENTS AND AWARDS (PD 2.10)

- 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» (2002-2011);
- 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, 2003-2013);
- WINNER OF THE BADGE OF HONOR AWARD «COMMONWEALTH STAR» IN THE NOMINATION «BEST CIS COMPANY» (2006;



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- 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» (2010-2013);
- 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 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;
- 1ST PLACE WINNER IN THE NOMINATION «LEADER OF EXPORT SALES» AMONG OJSC «PRIORBANK» CUSTOMERS;
- 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;
- EXCELLENCE AWARD OF THE EUROPEAN FUND OF QUALITY MANAGEMENT (EFQM) OF THE LEVEL «5 -STAR RECOGNITION OF EXCELLENCE»;



- WINNER OF THE COMPETITION «BEST GOODS OF BELARUS ON MARKETS OF RUSSIA – 2013»
- PRIZE-WINNER (1ST PLACE) IN THE PROGRAM OF ALL-YEAR-ROUND SPORTS AND ATHLETICS MEETING 2013 AMONG ENTERPRISES AND ORGANIZATIONS OF ZHLOBIN
- PRIZE-WINNER (2ND PLACE) IN THE VI REPUBLICANS AND ATHLETICS MEETING OF BELARUSIAN TRADE UNION OF INDUSTRIAL WORKERS;
- OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING RECEIVED A LETTER OF APPRECIATION OF THE RED CROSS FOR COOPERATION WITHIN THE FRAMEWORK OF THE PROJECT «REGIONAL INITIATIVE IN THE AREA OF HEALTH PROTECTION IN THE EURASIAN REGION» (SUPPORT AND EXPANSION OF POSSIBILITIES OF PEOPLE HAVING IDV»);
- THE LARGEST BANK OF THE COUNTRY OJSC «ASB BELARUSBANK» GAVE THE RANK OF THE LEADER OF BANK SERVICING TO OJSC «BSW-MANAGEMENT COMPANY OF BMC» HOLDING BASED IN THE RESULTS OF 2012;
- FOLK CHORUS «KRYNITSA» AND DANCING GROUP «KRISTALL» OF THE PALACE OF CULTURE OF METALLURGISTS BECAME LAUREATES OF THE AMATEUR GROUP FESTIVAL OF THE PRIMARY TRADE UNION ORGANIZATIONS OF BELARUSIAN TRADE UNION OF INDUSTRIAL WORKERS (BTUIW);
- JUNE 21, 2013 – BASED ON THE RESULTS OF 2012 THE UNION OF VETERANS OF BYELORUSSIAN STEEL WORKS BECAME THE WINNER IN THE COMPLETION FOR THE BEST PRIMARY ORGANIZATION OF ZHLOBIN DISTRICT.
- BASED ON THE RESULTS OF COMPETITIONS HELD BY GOMEL REGIONAL TRADE UNION ORGANIZATION, PRIMARY TRADE UNION ORGANIZATION OF BSW WAS DECLARED THE BEST AMONG 31 INDUSTRIAL ENTERPRISES OF GOMEL REGION IN 2012;
- BASED ON THE RESULTS OF 2012 PRIVATE JOINT-STOCK COMPANY «ROSAVA» – THE LARGEST TIRE PRODUCER IN THE UKRAINE – AWARDED THE «EXCELLENT SUPPLIER» RATING BYELORUSSIAN STEEL WORKS;
- ON THE REGIONAL STAGE OF THE CONTEST «SAFE CHILDHOOD» DIRECTED TOWARDS FORMATION OF ELEMENTS OF SAFE VITAL ACTIVITY AMONG CHILDREN THE TEAM OF KINDERGARTEN No.41 OF OJSC «BSW-MANAGEMENT COMPANY PF «BMC» HOLDING WON THE 1ST PLACE;
- BASED ON THE RESULTS OF 2012, BSW WAS AWARDED THE TITLE OF THE WINNER OF THE REGIONAL CONTEST AMONG PACE-MAKERS OF THE NATIONAL ECONOMY IN THE NOMINATION «BEST INVESTOR AND EXPORTER»;
- GOMEL REGIONAL EXECUTIVE COMMITTEE EXPRESSED GRATITUDE TO THE WORK COLLECTIVE OF BSW FOR A CONSIDERABLE INVESTMENT IN SOCIAL AND ECONOMIC DEVELOPMENT OF THE REGION;
- AUGUST 29, 2013 – FIRST AUDIT OF CORRESPONDENCE WITH THE CODE OF ETHICS OF PIRELLI'S SUPPLIER WAS HELD AT THE PLANT. REQUIREMENTS OF THE INTERNATIONAL STANDARD OF SOCIAL RESPONSIBILITY SA8000 WERE MET;
- SEPTEMBER 6, 2013 – ON THE BIRTHDAY OF BELARUSIAN REPUBLICAN YOUTH UNION, BSW PRIMARY ORGANIZATION BECAME THE WINNER OF THE 1ST REPUBLICAN CONTEST FOR THE BEST PRIMARY ORGANIZATION OF THE PA «BRYU»;
- AUGUST 2013 – BASED ON THE RESULTS OF THE ANNUAL REPUBLICAN PROFESSIONAL CONTEST «BEST CONSTRUCTION PRODUCT (ARTICLE) OF THE YEAR» WELDING REINFORCING BAR CLASS B500C FOR CONCRETE REINFORCEMENT PRODUCED BY BSW WAS ANNOUNCED THE BEST CONSTRUCTION PRODUCT OF 2013. (PD 2.10)



MANAGEMENT, OBLIGATIONS, INTERACTION WITH INTERESTED PARTIES

CORPORATE MANAGEMENT (PD 4.6) (PD 4.1) (PD 4.9)

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 ADMINISTRATION 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 OBLIGATIONS 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.

(PD 4.8) 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, 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



MANAGEMENT, OBLIGATIONS, INTERACTION WITH INTERESTED PARTIES



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.

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. (PD 4.7) (PD 4.5)

(PD 4.9) (PD 4.10) 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 ISO 26000.

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 TUV RHEINLAND (ГЕРМАНИЯ), 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 MANAGEMENT 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 2012 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 2013 AMOUNTED TO 74,64% AGAINST 74,66% 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 IN THE AREA OF A HIGH LEVEL) AND EQUALED TO 0,72 AGAINST 0,71 IN 2012.

COMMUNICATION (PD 4.4)

APPROACHES IN THE FIELD OF COMMUNICATION FORMATION (PD 3.5) (PD 4.8) (PD 4.9) (PD 4.10)

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;



MANAGEMENT, OBLIGATIONS, INTERACTION WITH INTERESTED PARTIES



- MEETINGS AND GATHERINGS OF THE GENERAL DIRECTOR, MEMBERS OF THE DIRECTORATE, HEADS OF BOARDS WITH 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:

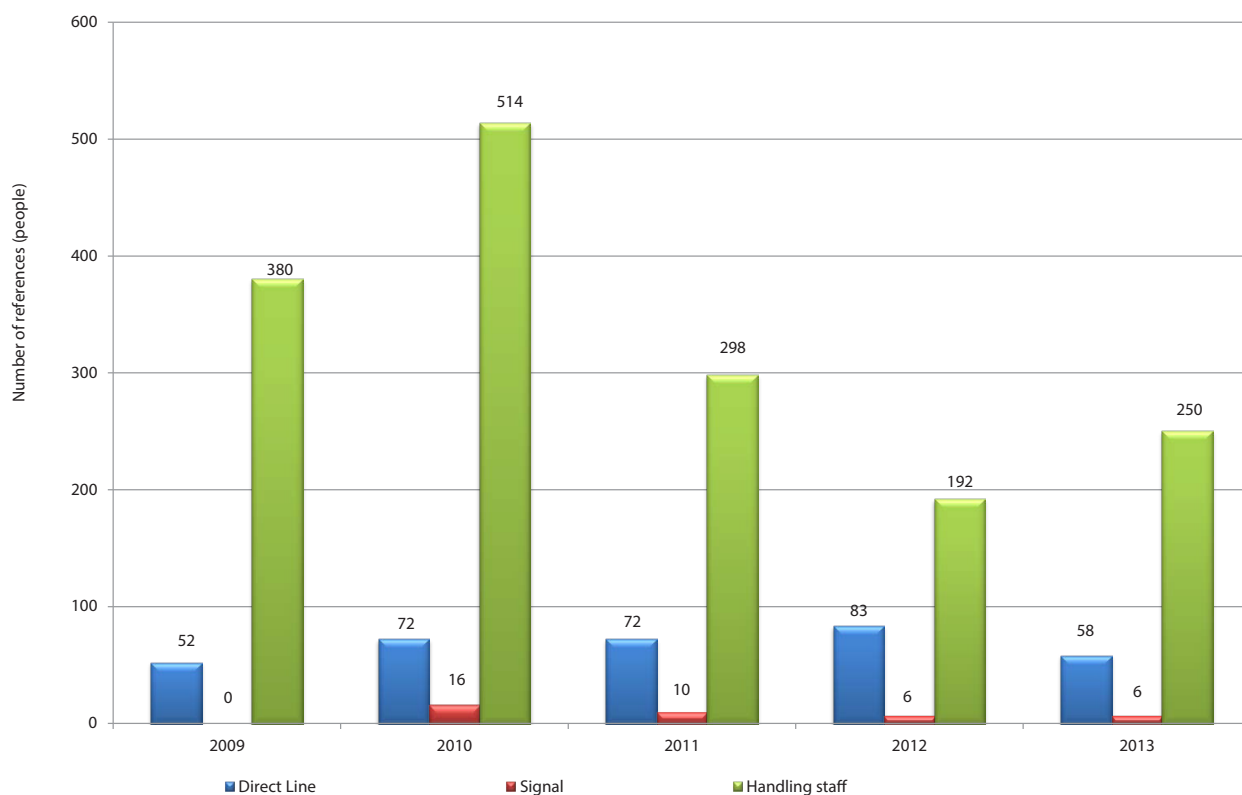
- UNDERSTANDING OF ONE'S ROLE AND RESPONSIBILITY;
- IMPROVING OF AWARENESS;
- ENGAGING IN EFFICIENCY IMPROVEMENT ACTIVITIES;
- ILLUSTRATING OF MANAGEMENT'S OBLIGATIONS;
- SAVING OF ENERGY AND MATERIAL RESOURCES;
- ENSURING OF PROPER INTERACTION OF ALL MANAGEMENT LEVELS;
- ARRANGING OF REPORTING ACTIVITIES;
- 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. PD 4.1 – 4.16 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. (PD 3.7). 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 «METALLURG».

ONE MORE TOOL OF FEEDBACK (OR IT'S BETTER TO SAY BIDIRECTIONAL 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

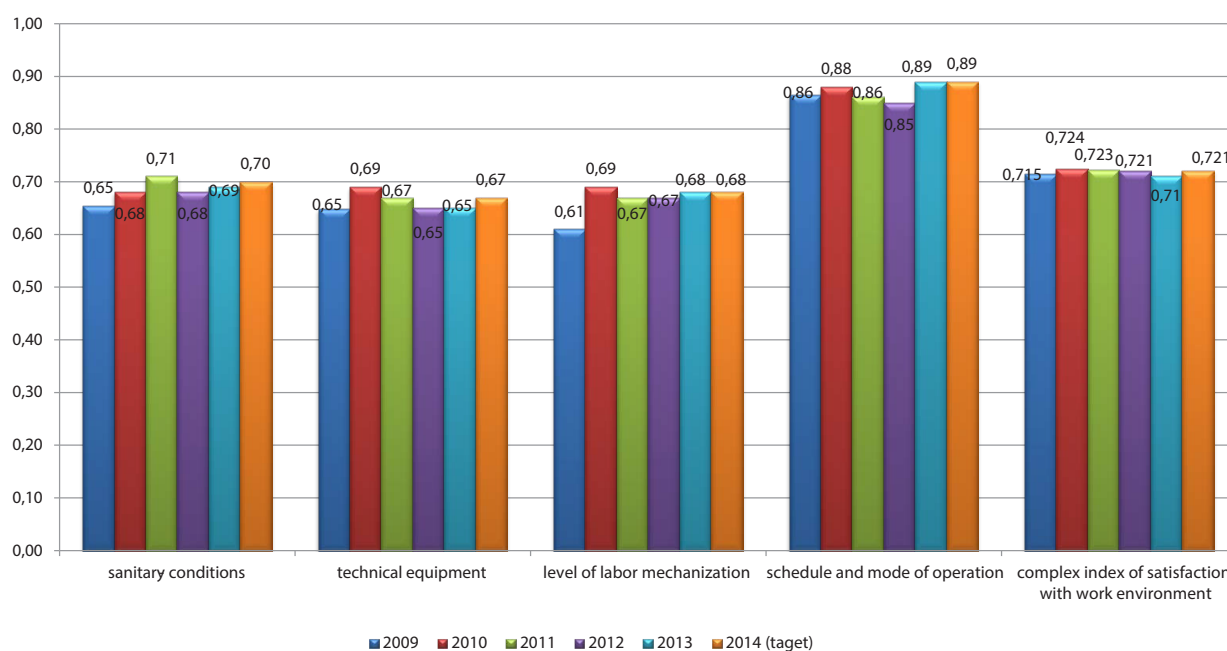


Activity staff. feedback

RELATIONS HELP TO SPREAD CORPORATE KNOWLEDGE AND 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.

Satisfaction with work environment.



MANAGEMENT, OBLIGATIONS, INTERACTION WITH INTERESTED PARTIES



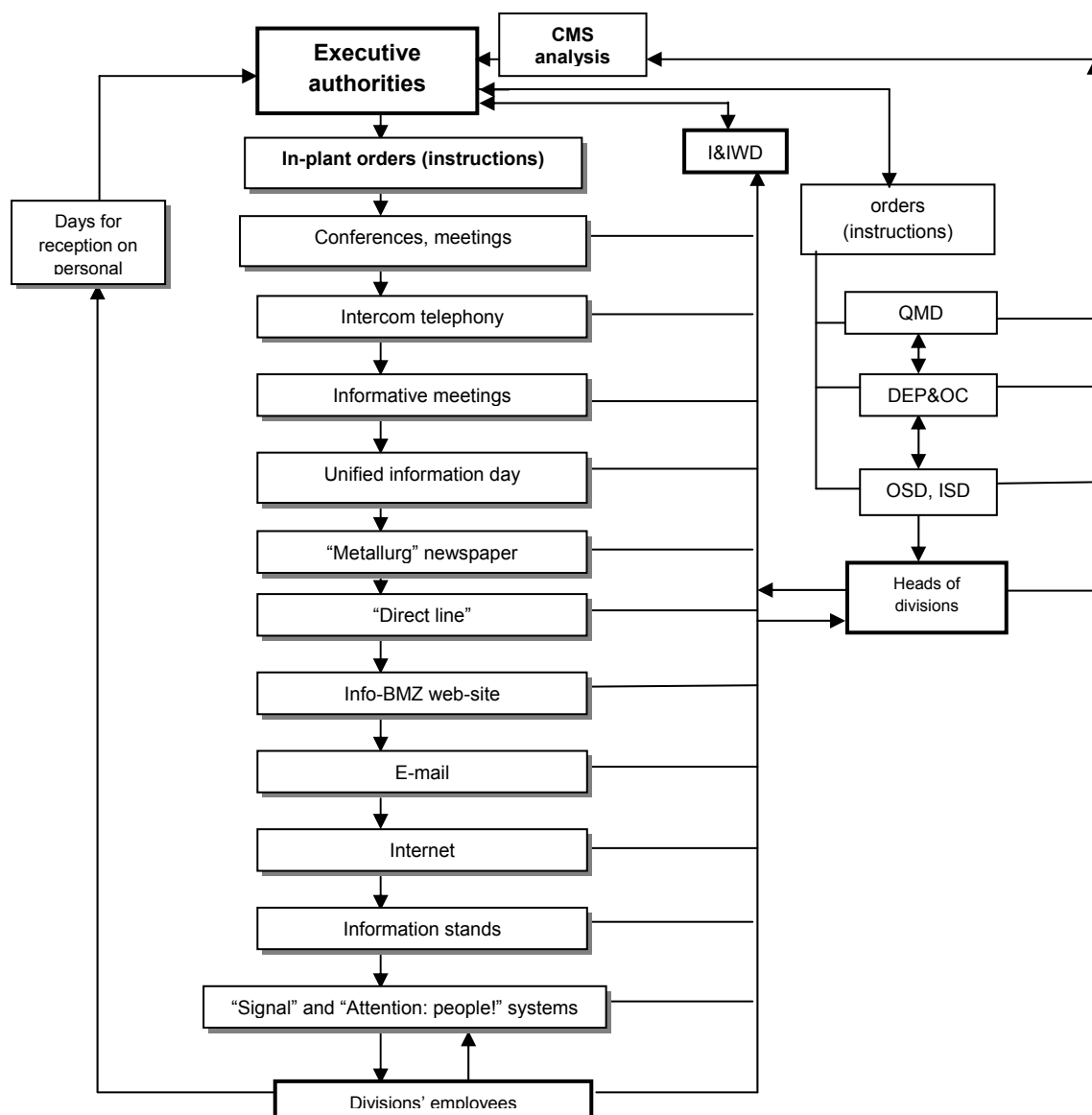
OWING TO THE ACTIVITY OF THE STAFF, THE SO CALLED INFORMATION RESOURCE (CONTENT) IS FORMED ON THE CORPORATE WEB-SITE WHICH IS THE BASIC ELEMENT OF THE CORPORATE SOCIAL NETWORK AND OF THE KNOWLEDGE MANAGEMENT SYSTEM.

THE SITE REPRESENTS OVER 24 000 MATERIALS OF TECHNICAL, NORMATIVE, AND HOUSEKEEPING INFORMATION. ON THE AVERAGE, 3 500 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. PD 4.16, 4.17

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 PROGRAMS, PROJECTS AND IDENTIFYING ACTIONS TO IMPROVE EMPLOYEES' WORKING ENVIRONMENT AND LIVING CONDITIONS AND WHEN TAKING MANAGERIAL DECISIONS CONCERNING 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 EVALUATION 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

(LA 8) 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: IN THE COUNTRY, EXPORT POTENTIAL, 2013 – A YEAR OF ECONOMY, AT IMPORTANT PROJECTS, PRODUCTION RENOVATION, PLANT'S BOARD OF HONOR, INTERNATIONAL EXHIBITIONS, FIRSTHAND, TOWARDS CUSTOMERS, FOR SUCCESSFUL BUSINESS, TOMORROW STARTS TODAY, IDEA GENERATORS, LABOR PROTECTION, DIRECT LINE, LIVE HONESTLY, FOLLOWING THE LETTER OF THE LAW, VISUAL ANGLE, UP THE CAREER LADDER, IN PUBLIC ORGANIZATIONS, ETC. EVERY QUARTER THEY PREPARE A SUBJECT PAGE «WE CHOSE LIFE» WHICH INFORMS ABOUT HARM OF DRUGS AND POPULARIZING HEALTHY WAY OF LIVING. READERS ARE VERY INTERESTED IN THE AUTHOR'S PROJECTS: COUNTRYMEN, MAN IN A MASK, REPORTER CHANGES PROFESSION. THE FIRST ISSUE OF «METALLURG» WAS PUBLISHED IN 1985 WITH CIRCULATION OF 2000 COPIES. AT PRESENT, ITS PRINTING OFFICE INCREASED THE CIRCULATION TO OVER 8 500 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. (PD 4.8)

SINCE 2011 «METALLURG» HAS BEEN 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 2013 AN INFORMATION BULLETIN «MARCH IN STEP WITH US!» DEDICATED TO IMPLEMENTATION OF THE STATE YOUTH POLICY AT BSW WAS DEVELOPED AND ISSUED.

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,



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REGIONAL AND REPUBLICAN PERIODICALS, SUCH AS «NOVYI DEN», «GOMELSKAYA PRAVDA», «ZNAMIA YUNOSTI», «RESPUBLIKA», 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 LABOR 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 LABOR GLORY OF THE PLANT. THE STORIES ARE ILLUSTRATED BY NUMEROUS DOCUMENTS AND PHOTOS SCATTERED 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 CENTER OF THE PLANT AND THE TOWN WHERE SCIENTIFIC-ENLIGHTENING WORK IS CARRIED OUT: EXCURSIONS, EXHIBITIONS AND SHOWS OF FILMS ABOUT THE PLANT. IN 2013 THE MUSEUM WAS VISITED BY 2628 PEOPLE INCLUDING REPRESENTATIVES OF THE EURASIAN BANK OF DEVELOPMENT AND BANKS OF EUROPE, TRADE UNION FEDERATION OF STEELMAKERS OF ESTONIA, REPRESENTATIVES OF BELARUSIAN, RUSSIAN AND UKRAINIAN MASS MEDIA, GOMEL REGIONAL EXECUTIVE COMMITTEE, ZHLOBIN DISTRICT EXECUTIVE COMMITTEE, PUPILS FROM SECONDARY SCHOOLS OF ZHLOBIN, STUDENTS OF HEE AND ZHLOBIN STATE METALLURGICAL COLLEGE, ETC. TOTALLY, 57 DELEGATIONS REPRESENTING OUR COUNTRY AND GERMANY, ITALY, RUSSIA, AND THE UKRAINE 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 IN-

FORMATION 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 2013 THE TOTAL LIBRARY STOCK WAS 39138 COPIES. BOOK STOCK — 22858 VOLUMES, TECHNICAL DOCUMENTATION FUND FOR OPERATION OF EQUIPMENT AFTER RECONSTRUCTION — 888 ISSUES, ELECTRONIC DOCUMENTS — 108 ISSUES.

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, LABOR PROTECTION, ENVIRONMENTAL SAFETY, ETC. AND READ COMPLETE ARTICLES THEY GET INTERESTED IN WHICH ARE LOCATED ON THE BASE OF ELBI. In 2013 THE PLANT SUBSCRIBED TO 195 TECHNICAL EDITIONS FOR ITS DIVISIONS (156 IN 2012), ABOUT 60 OF WHICH ARE COMPUTERIZED AND ARE LOCATED IN ELBI. DURING 2013 THE NUMBER OF ELECTRONIC LIBRARY USERS EXCEEDED 600 PEOPLE, AND THE NUMBER OF VISITS TO ELBI PAGES AMOUNTED TO 75160 (53900 VISITS IN 2012).

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 COOPERATES WITH THE REGIONAL AND NATIONAL TECHNICAL LIBRARIES.

(PD 4.10) 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 1200 PARTICIPANTS OF THIS STUDY ORGANIZED IN 2013 HIGHLY ESTIMATED THE LEVEL OF AWARENESS OF THE PERSONNEL (SATISFACTION INDEX EQUALED TO 0,75, SIMILAR TO 2012).

PARTICIPATION IN EXTERNAL INITIATIVES (PD 4.11) (PD 4.14) (PD 4.13)

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:

- BELARUSIAN CHAMBER OF COMMERCE;
- COUNCIL OF BUSINESS COOPERATION BELARUS EC;
- BELARUSIAN ASSOCIATION OF FOUNDERS AND STEELMAKERS;
- INTERNATIONAL UNION OF STEELMAKERS;
- INTERNATIONAL UNION OF ROLLERMAN;
- BELARUSIAN – GERMAN NON-GOVERNMENTAL COUNCIL OF BUSINESS COOPERATION
- WORLD STEEL ASSOCIATION (WSA);
- EUROPEAN FUND OF QUALITY MANAGEMENT (EFQM);
- 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 (PD 3.5) (PD 4.6) (PD 4.10)

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. (PD 4.11) (PD 4.15) (PD 4.16) (PD 4.17)

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



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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;
- INVOLVEMENT OF COMPETENCE TO ENCOURAGE INTERACTION;
- EVALUATION OF RESULTS, CORRECTIVE ACTIONS AND REPORTING;
- ENSURING OF AWARENESS OF THE INTERACTION 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

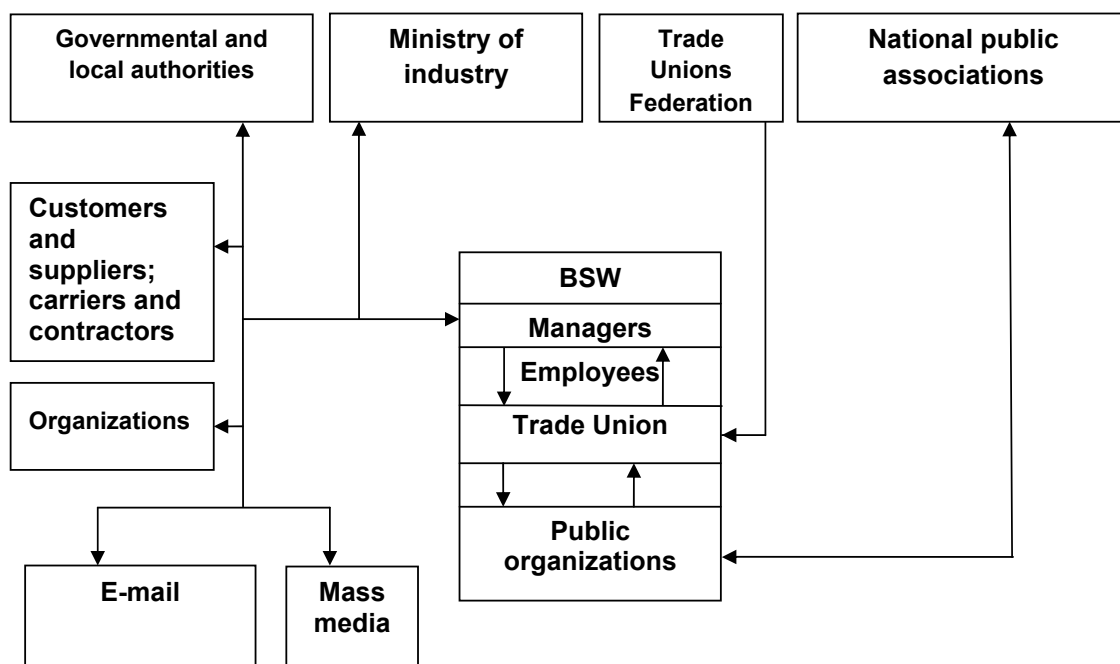
EXTENSIVE NUMBER OF STAKEHOLDERS. AMONG THOSE, THE PARTIES LISTED BELOW ARE CONSIDERED TO BE OF MAJOR SIGNIFICANCE:

- 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 RELATIONS 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.

External communication structure





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 2013 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. (SO 1)

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). (PD 3.13)

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 2013 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 2013 IN TERMS OF ESTABLISHING

INTERACTION WITH INTERESTED PARTIES WAS PREPARATION AND PUBLIC DISCUSSION OF THE CORPORATE SOCIAL REPORT FOR THE YEAR 2012 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 RUSSIAN VERSION OF THE REPORT WAS ALSO MADE AVAILABLE ON THE CORPORATE SITE (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. (PD 3.4) (PD 3.13)

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 (PD 4.9) (PD 4.17)

TO ENSURE ECONOMIC SAFETY AND PREVENT CORRUPT PRACTICES, THE PLANT CARRIES OUT ITS PRODUCTION AND ECONOMIC ACTIVITIES BASED ON PRINCIPLES OF RESPONSIBILITY AND TRANSPARENCY. (SO 2) (SO 3) (SO 4) (SO 7)

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. (PD 4.11)



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In 2013 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 raised at administrative meetings, regular conferences and head of divisions made reports in connection therewith. In 2013 the total number of such issues considered amounted to 12. In pursuance of Directive

Special Higher Education. During 2013 over 70% of the employees of the Economic Safety Department were trained in policies and procedures related to human rights. (SO 8) (PD 4.8 - 4.9)

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 5 meetings in 2013.

Due to openness, transparency, partnership and mutual taking into account of interests of all stakeholders, according to the information of the law machinery of the Republic of Belarus in 2013 no commercial crimes committed by employees of OJSC «BSW – Management Company of «BMC» Holding in the company were recorded.

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 man-

«PROVISION OF ECONOMIC SAFETY OF THE ENTERPRISE, PREVENTION OF CRIMES AND VIOLATIONS OF THE LAW IN THIS AREA AND PARTICIPATION IN AND STRUGGLE AGAINST CORRUPTION ARE KEY GOALS OF OUR BOARD».

HEAD OF THE BOARD OF
LEGAL SUPPORT AND ECONOMIC SAFETY OF OJSC
«BSW-MANAGEMENT COMPANY OF «BMC» HOLDING
E.L. APANASYUK



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 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



AGERS 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; IN 2013 56 MANAGERS AND SPECIALISTS WERE TRAINED IN LEGAL AND ORGANIZATIONAL ISSUES OF PREVENTION OF CORRUPTION CRIMES ON THE BASIS OF EDUCATIONAL ESTABLISHMENT. IN THE COURSE OF TRAINING OF FOREMEN AND THEIR RESERVE, AT THE COURSE «LINEAR MANAGER», STUDY OF LEGAL AND ORGANIZATIONAL ASPECTS OF THE STRUGGLE AGAINST CORRUPTION IS FORESEEN, IN 2013 50 PEOPLE WERE TRAINED AT SUCH COURSES.

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 ANTICORRUPTION LAW IS CARRIED OUT.

NO FINES OR SANCTIONS WERE IMPOSED ON THE PLANT IN CONNECTION WITH VIOLATION OF LAWS OR STATUTORY REQUIREMENTS IN 2013.



«CORRUPTION IS A SOCIAL DISEASE SIMILAR TO THEFT, HARD DRINKING AND ILLEGALITY. IT IS NECESSARY TO TAKE ALL POSSIBLE MEASURES DIRECTED TOWARDS EXTERMINATION OF CORRUPTION AS A SOCIAL PHENOMENON».

DEPUTY HEAD OF THE BOARD OF LEGAL SUPPORT AND ECONOMIC SAFETY OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING O.P. PROKOPOV

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.



INDICATORS OF EFFECTIVENESS IN THE AREA OF SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY (PD 4.10)

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: (PD 4.16)

- 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, ISO 26000 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 2013 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



«TODAY BSW IS ONE OF THE LEADERS IN TERMS OF AMOUNT OF INDUSTRIAL OUTPUT AMONG BELARUSIAN ENTERPRISES. PROVING ITS HIGH LEVEL, THE PLANT CONTINUES TO GROW ITS POTENTIAL: JUST DURING A FUE YEARS IT HAS IMPLEMENTED A NUMBER OF IMPORTANT INVESTMENT PROJECTS ALLOWING INCREASE OF THE PRODUCT OUTPUT, IMPROVE PRODUCT QUALITY AND STRENGTHEN ITS POSITION ON SALES MARKETS».

MINISTER OF INDUSTRY OF THE REPUBLIC OF BELARUS
D.S. KATERINICH

OF THE BUDGET OF CASH FLOW. 2013 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 AS COMPARED TO 2012. 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

ECONOMIC ACTIVITY



2013 WAS USD62,3 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 EFFICIENCY

IN 2013 STEELMAKING INDUSTRY FOUND ITSELF IN ANOTHER TURN OF PRODUCTION DECLINE. ENTERPRISES FACED TWO SERIOUS PROBLEMS – EUROPEAN DEBT CRISIS AND REDUCTION OF GROWTH RATE OF THE GLOBAL ECONOMY ON THE ONE HAND, AND THE CRISIS IN OF OVERPRODUCTION IN THE STEELMAKING SECTOR ITSELF. THIS SITUATION PRACTICALLY BROUGHT DOWN FERROUS METALS MARKET IN ALL PRODUCT SEGMENTS.

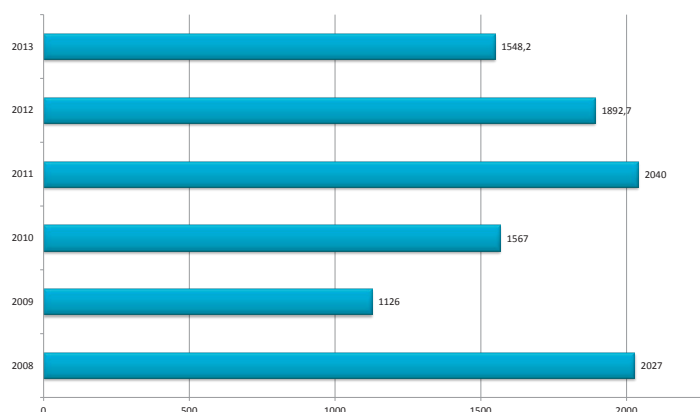
BYELORUSSIAN STEEL WORKS IS CLOSELY INTEGRATED IN THE GLOBAL STEEL MARKET (OVER 80% OF PRODUCTS IS EXPORTED), THAT IS WHY EVENTS OF CRISIS IN THE GLOBAL STEELMAK-

ING 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.

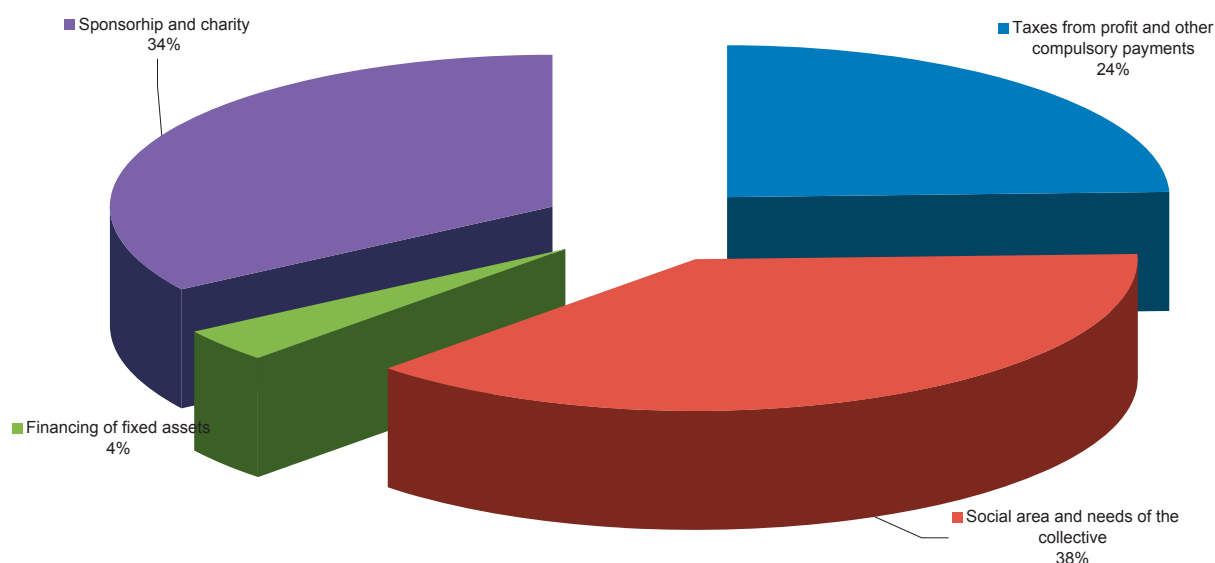
IN THE RESULT OF A LARGE-SCALE RECONSTRUCTION OF THE KEY PRODUCTION UNITS AND THE LONG STOPPAGES REQUIRED IN THIS RELATION, THE PLANT HAD TO DECREASE AMOUNT OF OUTPUT AND SALES AS COMPARED TO 2012. IN THE REPORTING PERIOD PRODUCT SALES REDUCED BY 395 903 TONS OR 84,8 %.

KEY INDICATORS

IN SPITE OF ALL DIFFICULTIES, BASED ON THE RESULTS OF 2013 THE PLANT FULFILLED MOST OF THE INDICATORS SET. PRODUCTION RATE GROWTH IN COMPARABLE PRICES BASED ON THE ANNUAL RESULTS WAS 83,5%. MARKETABLE PRODUCT SALES PROCEEDS MADE UP USD 1 548,172 MILLION. PRODUCTION OF STEEL AMOUNTED TO 2 242 THOUSAND TONS, INVESTMENTS IN THE FIXED ASSETS MADE UP MORE THAN USD344,6 THOUSAND WHICH EXCEEDS THE TARGET SET. FOREIGN TRADE BALANCE WAS USD452,5 MILLION, AND GENERAL OF THE HOLDING - USD565,9 MILLION. POWER SAVING INDICATOR WAS MINUS 7,0 % (THE TARGET MINUS 8,0).



Dynamics of proceeds of products, works and services sale, USD mln



Use of profit for 2012

SELF-COST OF THE PRODUCTS, WORKS AND SERVICES SOLD DECREASED BY 14,0%, SUBJECT TO REDUCTION OF PRODUCT SALES BY 15,2 % (IN NATURAL TERMS).

PROFIT

SALES PROCEEDS IN 2013 MADE UP USD 31,6 MILLION. COST-EFFICIENCY OF THE SOLD PRODUCTS EQUALED TO 2,2%. LOW PROFITABILITY LEVEL WAS CAUSED BY A PRICE SITUATION ON OUTLETS. IN 2013 CURRENCY PROCEEDS LOSS AND SUBSEQUENT PROFIT FROM PRICE REDUCTION WAS USD101,6 MILLION WHICH IS PRACTICALLY COMMEASURABLE WITH EARNINGS FROM MONTHLY PRODUCT SALES.

NET LOSS OF OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING IN 2013 EQUALED TO USD9,8 MILLION. THIS RESULT IS CONDITIONED ON THE MACROECONOMIC SITUATION. TO MINIMIZE AFTER-EFFECTS OF THE NEGATIVE MACROECONOMIC FACTORS ON THE FINANCIAL RESULTS, THE ENTERPRISE PURSUES THE POLICY OF STRICT ASSETS SAVING, MEASURES FOR REDUCTION OF SELF-COST ARE DEVELOPED AND STRICTLY CONTROLLED. ECONOMIC EFFECT OF THE MEASURES INTRODUCED IN 2013 AMOUNTS TO USD62,3 MILLION OR 4,3% OF THE PRODUCT SELF-COST. BUT THIS IS NOT ENOUGH FOR A COMPLETE COMPENSATION OF THE CONSEQUENCES OF EXTERNAL MARKET PRICE REDUCTION.

NET PROFIT DUE TO SALES PROFITABILITY DROPPED FROM 0,25% IN 2012 TO MINUS 0,66% IN 2013.

TAKING INTO ACCOUNT ACTUAL LOSSES FOR 2013, UNDISTRIBUTED PROFIT OF PREVIOUS YEARS AT THE DISPOSAL OF THE COMPANY WAS USED (SEE THE DIAGRAM).

IN SPITE OF A WORSE FINANCIAL SITUATION IN 2013, OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING CONTINUED TO SPONSOR ENTERPRISES OF THE HOLDING, MEDICAL ESTABLISHMENTS AND CONTINUED TO BUILD FTC IN ZHLOBIN. TOTAL AMOUNT OF SPONSOR AND CHARITABLE ASSISTANCE EQUALED TO USD1,2 MILLION.

IN 2013 THE ENTERPRISE DISBURSED PAYMENTS TO ITS EMPLOYEES IN THE AMOUNT OF USD9,1 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 USD7,9 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.



ECONOMIC ACTIVITY



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. IN 2013 THE COMPANY TRANSFERRED ONCOME TAX AMOUNTING TO USD12,1 MILLION (BR107,1 BILLION), USD33,4 MILLION (BR296,6 BILLION) TO THE POPULATION SOCIAL PROTECTION FUND, TAX ON EARNINGS IN THE AMOUNT OF USD6,2 MILLION (BR55,5 BILLION.).

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 INFLUENCE 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 METALLUR-



GY-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 DEPENDENT 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 DEPENDENT 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 PERSPEC-



ECONOMIC ACTIVITY



TIVES 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

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.

IN ACCORDANCE WITH THE RESOLUTION No.1001 DD. NOVEMBER 21, 2013 OF THE COUNCIL OF MINISTERS OF THE REPUBLIC OF BELARUS, OPEN JOINT-STOCK COMPANY «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING IS INCLUDED IN THE LIST OF LEGAL ENTITIES IMPLEMENTING INVESTMENT PROJECTS WHICH STARTING WITH JANUARY 1, 2011 RECEIVE COMPENSATION OF BANK CREDITS PURSUANT TO RESOLUTIONS OF THE COUNCIL OF MINISTERS OF THE REPUBLIC OF BELARUS; THE LIST WAS APPROVED BY RESOLUTION No. 1262 DD. SEPTEMBER 20, 2011 «ABOUT SOME MEASURES FOR REALIZATION OF DECREE OF THE PRESIDENT No.231 DD. JUNE 6, 2011. DECEMBER 30 2013 THE COMPANY RECEIVED COMPENSATION OF THE INTEREST FOR USE OF BANK CREDITS FOR IMPLEMENTATION OF THE PROJECT OF CONSTRUCTION OF A SMALL-SECTION MILL IN THE AMOUNT OF Br55,8 BILLION.

THE ABOVE AMOUNT OF STATE SUPPORT RECEIVED BY OPEN JOINT-STOCK COMPANY «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING REDUCED THE NET LOSS GENERATED DUE TO THE PLANT'S ACTIVITY IN JANUARY-DECEMBER 2013 AND ALLOWED THE COMPANY TO USE THIS SOURCE OF ASSETS FOR FINANCING OF THE COMPLEX PROGRAM OF MODERNIZATION OF THE EXISTING WORKING PLACE AND ARRANGEMENT OF NEW HIGHLY-EFFICIENT WORKING PLACE STARTED IN 2012 WITHOUT ATTRACTION OF ADDITIONAL CREDIT AMOUNTS IN 2014 AND NOT TO DISTRACT CIRCULATING ASSETS FROM THE CURRENT ACTIVITY AND TO DECREASE OWN FINANCIAL EXPENDITURES.

PURSUANT TO RESOLUTION No.583 DD. JULY 4, 2013 «ABOUT ATTRACTION OF A LOAN OF EURASIAN BANK OF DEVELOPMENT AND GRANTING A GUARANTEE OF ITS REPAYMENT

OF THE GOVERNMENT OF THE REPUBLIC OF BELARUS» AND RESOLUTION No. 584 «ABOUT GRANTING A GUARANTEE OF THE GOVERNMENT OF THE REPUBLIC OF BELARUS», IN 2013 THE GOVERNMENT OF THE REPUBLIC OF BELARUS ISSUED GUARANTEES OF REPAYMENT OF 10-YEAR LOANS GRANTED BY THE ABOVE BANKS FOR FINANCING OF THE INVESTMENT PROJECT «ARRANGEMENT OF ROLLED SECTION PRODUCTION WITH CONSTRUCTION OF A SMALL-SECTION MILL» TO EURASIAN BANK OF DEVELOPMENT AND OJSC «SAVINGS BANK «BELARUSBANK».

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.

SIMILAR TO PREVIOUS YEARS, RANGE OF PRODUCTS SOLD IN 2014 WAS REPRESENTED BY THE FOLLOWING: CAST BILLET AND BLOOM, REINFORCING BAR, WIRE ROD, STRUCTURAL ROLLED SECTION, SEAMLESS PIPE, TIRE CORD, BEAD WIRE, HOSE WIRE, OTHER STEEL WIRE AND ITS PRODUCE. KEY SEGMENTS CONSUMING BSW PRODUCTS WILL BE STEELMAKING, CONSTRUCTION, ENGINEERING, OIL AND GAS INDUSTRY, TIRE MAKING, AND INDUSTRIAL RUBBER INDUSTRY.

IN 2014 STEEL CONSUMPTION IS EXPECTED TO GROW DUE TO CHARACTERIZED BY AN INSIGNIFICANT RECOVERY. THE BIGGEST GROWTH RATE IS SUPPOSED IN ENGINEERING AND CONSTRUCTION. STEEL CONSUMPTION IN ENGINEERING AND CONSTRUCTION IS MAINTAINED MAINLY DUE TO STATE INJECTIONS AND INVESTMENTS. IF PRICE SITUATION IN 2013 IS CONSIDERED, PRICE GROWTH PHASE ENDED IN AUTUMN. FORECAST FOR 2014 SPEAK ABOUT GRADUAL STABILIZATION AND GROWTH ON THE STEEL GLOBAL MARKET. FOR THE FIRST TIME DURING LAST THREE YEARS STEEL DEMAND IN EUROPE WILL DEMONSTRATE IMPROVEMENT. SINCE SUMMER 2013, CUSTOMERS STARTED TO FILL WAREHOUSES AND IN



ECONOMIC ACTIVITY



THIS RELATION STEEL PRICE RECOVERY IS FORECASTED FOR THE BEGINNING OF 2014. BESIDES, GLOBAL STEEL MARKET STILL FACES THE PROBLEM OF OVERPRODUCTION WHICH HAS NOT BEEN RESOLVED EVEN AFTER SOME IMPROVEMENT OF DEMAND AND APPLICATION OF MEASURES AIMED AT DEMAND AND SUPPLY BALANCING. ACCORDING TO EUROPEAN STEEL FEDERATION, EXCESSIVE STEEL PRODUCTION CAPACITIES IN EUROPE EQUAL TO 20-40 MILLION TONS, IN THE WORLD – 300-500 MILLION TONS.

FOR DIVERSIFICATION AND MORE EFFECTIVE SALES LEVEL, THE PLANT MANAGEMENT PLANNED REORGANIZATION AND A NUMBER OF MEASURES TO IMPROVE EFFECTIVENESS OF OWN COMMODITY DISTRIBUTION NETWORK ACTIVITY IN 2014.

CONTRACT CAMPAIGN FOR 2014 AT BSW DIRECTED TOWARDS MAINTAINING AND ACTIVE GROWTH OF ITS PRESENCE ON THE EXISTING OUTLETS AND SEARCH FOR NEW, ECONOMICALLY EFFECTIVE MARKETS. FROM THE POINT OF VIEW OF GEOGRAPHICAL POSITION AND TAKING INTO CONSIDERATION LOGISTICS AND PRODUCT SUPPLY, NEXT YEAR THE MOST INTERESTING MARKETS WILL BE EUROPEAN COUNTRIES, MIDDLE EAST AND CIS. CONSIDERING PROSPECTS OF DEVELOPMENT OF ONE OR ANOTHER REGION, THE PLANT CARRIES OUT CONSTANT MONITORING OF PRICES, PARTICIPATES IN EXHIBITIONS SO AS TO STRENGTHEN ITS POSITIONS AND INCREASE VOLUMES OF STEEL SUPPLIES TO THESE REGIONS.

TO ACHIEVE THE PLANNED PERFORMANCE AND TAKING INTO CONSIDERATION DYNAMICS OF DEVELOPMENT AND CHANGE OF THE SITUATION IN THE KEY CONSUMING INDUSTRIES, A NUMBER OF MECHANISMS OF PRODUCT SALE WILL BE USED IN 2014. IN ACCORDANCE WITH THE DEVELOPED SALE STRATEGY, THE EXISTING ELECTRONIC SITE WILL BE USED TO SELL A SPOT GROUP OF GOODS, LONG-TERM CONTRACTS WILL BE SIGNED AND DISTRIBUTED BY REGIONS AMONG THE SUBJECTS OF THE COMMODITY DISTRIBUTION NETWORK OF BSW IN TERMS OF ROLLED PRODUCTS, PIPES, TIRE CORD AND STEEL WIRE.

BASED ON BSW LONG-TERM WORK WITH CUSTOMERS, A CLIENTS' BASE FOR THE COMING CONTRACTUAL CAMPAIGN HAS BEEN FORMED CONSIDERING RELIABILITY OF A CONSUMER COMPANY, ITS ABILITY TO PAY AND FULFILL OBLIGATIONS UNDERTAKEN, POSSIBILITY TO WORK IN CASE OF A DECLINING MARKET AND POSITIVE DYNAMICS OF DEVELOPMENT. TAKING INTO ACCOUNT EXPERIENCE ACQUIRED IN STEEL SALES, A LIST OF PERMANENT CUSTOMERS IS FORMED AND APPROVED; THE CUSTOMERS ARE ASSIGNED THE NAME OF A JOINT-VENTURE, TRADING FIRM, DISTRIBUTOR, TRADER, END USER DEPENDING ON THE TASK SET AND RESULTS ACHIEVED.

RECOVERY OF PRICE LEVELS IS ANTICIPATED IN THE SECOND HALF OF 2014. IT IS EXPECTED THAT STEEL MAKERS WILL REDUCE PRODUCTION A LITTLE IN WINTER AND DURING THE FIRST HALF OF 2014. THIS WILL BALANCE DEMAND AND SUPPLY IN THE COMING YEAR. PRICE GROWTH WILL CONTINUE DURING QII AND QIII SUPPORTED BY ANTICIPATED GROWTH OF RAW MATERIAL CONSUMPTION TRADITIONAL FOR THIS PERIOD.

OPTIMISM IS INSPIRED BY MEDIUM- AND LONG-TERM FORECASTS. ACCORDING TO FORECASTS, AVERAGE ANNUAL GLOBAL ALL PRODUCTS COMPOSITE STEEL PRICE, WILL GROW BY APPROXIMATELY 4% IN 2014 AS COMPARED TO THE SIMILAR PERFORMANCE INDICATOR OF 2013. THIS GROWTH SHALL TERMINATE REDUCTION CONTINUING DURING TWO SEQUENTIAL YEARS.

ACCORDING TO MEPS INTERNATIONAL STEEL REVIEW FORECAST, SINCE 2014 AVERAGE STEEL QUOTATIONS WILL GROW EVERY YEAR DUE TO IMPROVEMENT OF THE ECONOMIC CLIMATE AND A MORE ACTIVE REPLENISHMENT OF STOCKS. BY 2016, PRICE PER ONE TON OF AVERAGED STEEL SHALL BE \$790 AGAINST \$700 IN 2013.

MEDIUM-TERM TARGETS OF THE PLANT

IN ACCORDANCE WITH THE INVESTMENT PROGRAM FOR 2014 AND THE BUSINESS-PLAN FOR THE DEVELOPMENT OF THE PLANT FOR 2014, TOTAL AMOUNT OF CAPITAL INVESTMENT (INVESTMENTS IN THE CAPITAL ASSETS) IN 2014 WILL MAKE UP USD301 MILLION, INCLUDING:



OWN SOURCES	USD 45,4 MLN.
INNOVATION FUND MEANS	USD 6,6 MLN.
BANK LOANS	USD 249,0 MLN.

TAKING INTO CONSIDERATION THE INVESTMENTS PLANNED FOR 2014, GROWTH OF INDUSTRIAL PRODUCTS OUTPUT BASED ON THE REPRESENTATIVE PRODUCTS SET (IFO) IS PLANNED

AT THE LEVEL OF 109,7 PER CENT. RATES OF OTHER MAIN INDICATORS OF SOCIAL AND ECONOMIC DEVELOPMENT ARE PLANNED TO BE AS FOLLOWS:

SALES PROFITABILITY, MINIMUM	2,3 %
POWER SAVING PERFORMANCE	MINUS 5,9 %
EXPORT OF PRODUCTS AS COMPARED TO THE LEVEL OF 2012, MINIMUM	108,2 %
FOREIGN TRADE BALANCE, MINIMUM	USD396,1 MILLION
PRODUCT EXPORT/PRODUCTION RATIO, MINIMUM	81,5 %



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. (PD 4.11) (PD 1.2)

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. (PD 4.8)

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. (PD 4.9) (PD 4.10)

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: (PD 4.8) (SO 1)

- 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 CONCAST BILLETS 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. (SO 8)

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. (PD 4.9) (PD 1.2) (PD 4.10) (PD 4.4) (PD 4.6) (PD 4.8) (PD 4.11)

USE OF NATURAL RESOURCES AND ENVIRONMENTAL PROTEC-

TION 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



BSW EXPENDITURES ON MAINTENANCE OF ENVIRONMENTAL NORMS AND LABOR PROTECTION ARE VERY IMPRESSIVE. YOUR PLANT SERVES AN EXAMPLE FOR OTHER ORGANIZATIONS FROM THIS POINT OF VIEW».

**CHAIRMAN OF ZHLOBIN DISTRICT SOVIET OF DEPUTIES
M.V. KOSYUKOV**

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. (PD 1.2)



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. EN11, EN12, EN13, EN14, EN15

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 RADII 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).

AGILE LIZARD (LACERTAAGILIS) PREDOMINATES AMONG VERMIGRADES.

SAND LIZARDS (LACERTAAGILIS) PREDOMINATE AMONG THE REPTILES.



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

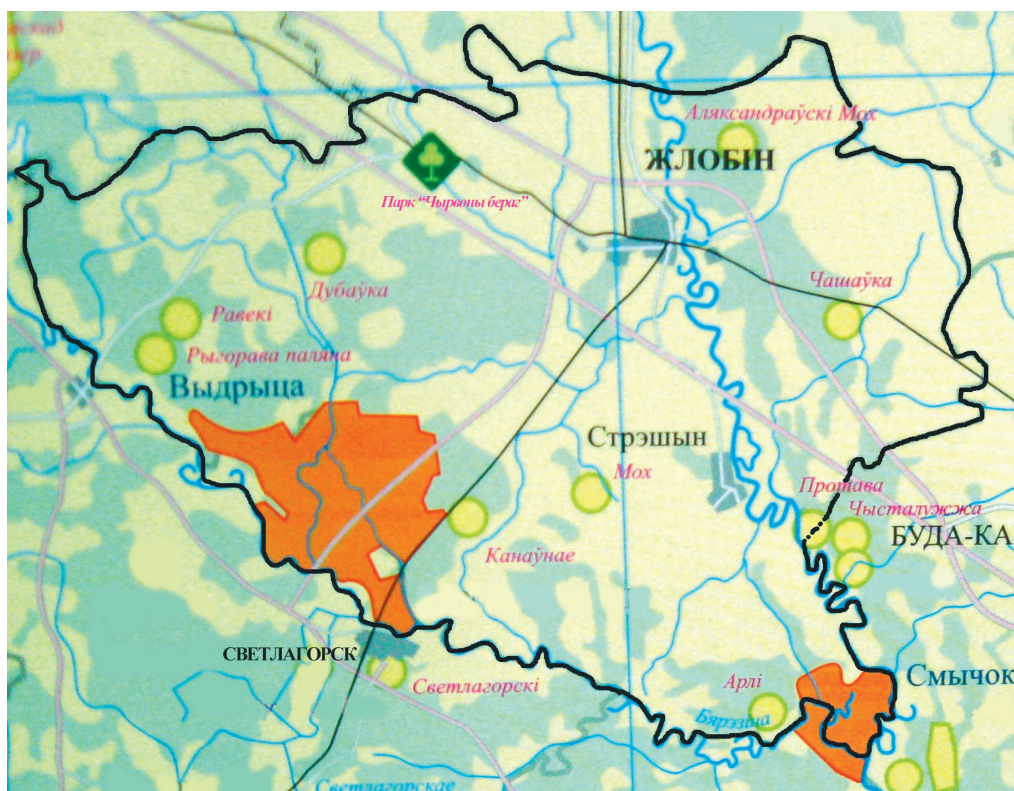
VARIETY OF MAMMALS ON THIS TERRITORY IS NOT LARGE AND IS NOT CHARACTERIZED BY HABITATION OF REAR AND PROTECTED SPECIES. A BROWN HARE (*LEPUSEUROPAEUS*), A COMMON FOX (*VULPESVULPES*), AND A WILD HOG (*SUSSCROFA*) ARE MET HERE.

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).

THERE ARE NO HUNTING GROUNDS IN ZHLOBIN FORESTRY.

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



Natural areas of preferential protection in Zhlobin district



ENVIRONMENTAL ACTIVITY



NAME	TOTAL AREA, LOCATION	ORGANIZATION CARRYING OPERATIVE ADMINISTRATION	DISTANCE FROM BSW, KM
LANDSCAPE RESERVE OF REPUBLICAN SIGNIFICANCE «SMYCHOK»	2635 HA: 2060 – ZHLOBIN DISTRICT 575- RECHITSA DISTRICT	ZHLOBIN AND RECHITSA DISTRICT EXECUTIVE COMMITTEES WITHIN THEIR AUTHORITY	32
LANDSCAPE RESERVE OF REPUBLICAN SIGNIFICANCE «VYDRITSA»	17560 HA: 7793 - ZHLOBIN DISTRICT 9767- SVETLOGORSK DISTRICT	ZHLOBIN AND SVETLOGORSK DISTRICT EXECUTIVE COMMITTEES WITHIN THEIR AUTHORITY	20
HYDROLOGICAL RESERVE OF LOCAL SIGNIFICANCE «DUBOVKA»	55 HA, NORTHERN PART OF RADUSHA, ZHLOBIN DISTRICT AND BORDERS WITH VOLSHEDUBSKY CANAL	KRASNOBEREZHSKY AGRICULTURAL ENTERPRISE	22
HYDROLOGICAL RESERVE OF LOCAL SIGNIFICANCE «ALEKSANDROVSKY MOKH»	33 HA, 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 HA, NORTH-WEST PART OF KOSAKOVSKY AGRICULTURAL COOPERATIVE	KOSAKOVSKY AGRICULTURAL COOPERATIVE	17
HYDROLOGICAL RESERVE OF LOCAL SIGNIFICANCE «ROVEKI»	100 HA, NORTH-WEST PART OF DVORISHCHANSKOE FORESTRY OF THE MFE «ZHLOBIN FORESTRY»	MFE «ZHLOBIN FORESTRY»	29
HYDROLOGICAL RESERVE OF LOCAL SIGNIFICANCE «KANAVNOYE»	223 HA, 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 HA, SOUTHERN PART OS STRESHIN FORESTRY OF THE MFE «ZHLOBIN FORESTRY»	MFE «ZHLOBIN FORESTRY»	34
HYDROLOGICAL RESERVE OF LOCAL SIGNIFICANCE «RUGOROVA POLYANA»	54 HA, NORTH-WEST PART OF DVORISHCHANSKOYE FORESTRY OF THE MFE «ZHLOBIN FORESTRY»	MFE «ZHLOBIN FORESTRY»	35

Reserves in Zhlobin district



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 2013 SPECIALISTS OF THE PLANT GREW AND PLANTED A LOT OF PLANTS AND FULFILLED A LARGE-SCALE AMOUNT OF WORKS TO IMPROVE LAND: (PD 4.9) (PD 4.10) (PD 4.8) (SO 1) (SO 8) (PD 4.11) (PD 4.12) (PD 4.15) (PD 4.16) (PD 4.17)

TOTAL AMOUNT SPENT FOR UPGRADING THE TERRITORY IN 2013 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

ITEM	WORK DESCRIPTION	UNIT	QUANTITY
1	SEEDING, GROWING OF SEEDLINGS, COMPILING OF FLOWER COMPOSITIONS AND FLOWER PLANTING TO IMPROVE THE TERRITORY:		
	- ANNUAL	PC.	101 790
	- BIENNIAL AND PERENNIAL	PC.	9 400
	- 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.	650
3	TREE SEEDLINGS PLANTED OUT ON THE PLANT'S TERRITORY AND AT THE HEADQUARTERS:		
	- CONIFER SEEDLINGS	PC.	15
	- HARDWOOD SEEDLINGS	PC.	198
4	REPAIR OF LAWNS ON THE PLANT'S TERRITORY WITH ALL TYPES OF AUXILIARY WORK:		
	- CURRENT	HA	0,15
	- OVERHAUL	HA	—
5	ARRANGEMENT OF LANDSCAPE FLOWER COMPOSITIONS	PC.	5
6	FLOWER SEEDS HARVESTING	KG	2,86
7	PREPARATION OF SOIL COMPONENT MIXTURES FOR FLOWER SEEDLINGS GROWING	M ³	6

Land improvement (scope of work) for 2013



ENVIRONMENTAL ACTIVITY



LAND IMPROVEMENT COMPETITION AMONG THE PLANT'S SHOPS WITH BI-ANNUALLY CAST-UPS. THE COMPETITION INVOLVES MORE THAN 75% OF THE EMPLOYEES.

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. EN1, EN2

MAJOR RAW MATERIALS USED FOR STEEL PRODUCTION IN 2011-2013 WERE AS FOLLOWS: EN11, EN12, EN13, EN14, EN15

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;

MATERIAL	UNIT	QUANTITY		
		2011	2012	2013
METAL CHARGE	T	3 000 465	3 067 136	2 542 902
FERROALLOYS	T	38 072	40 269	35 822
ELECTRODES	T	5 133	5 647	4 741
SLAG-FORMING, DEOXIDIZING AND PURIFYING MIXTURES	T	171 276	171 372	146 733
CARBONIZERS	T	34 335	35 778	33 986
HEAT INSULATING MATERIALS	T	2 067	1 902	1 611
REFRACTORY MATERIALS	T	32 466	30 949	25 592

BSW USED RAW MATERIALS WHICH WERE OBTAINED FROM RECYCLED OR RECLAIMED WASTES. SHARE OF RECYCLED MATERIALS IN THE TOTAL AMOUNT OF RAW MATERIALS IN 2011-2013 WAS AS FOLLOWS: EN1, EN2

- DISTRIBUTION OF RESPONSIBILITY AND AUTHORITY STARTING WITH THE TOP LEVEL;
- MAINTAINING OF A CORRESPONDING LEVEL AND COMPETENCE OF THE STAFF;

MATERIAL	UNIT	QUANTITY		
		2011	2012	2013
FERROUS SCRAP, SCALE	%	95,7	96,9	96,4
REFRACTORY SCRAP	%	17,4	14,2	17,1
ELECTRODES	%	0,2	0	0,5
LIME STONE AND LIME WASTES	%	0,7	0,6	0,4

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. EN3, EN4, EN5, EN6, EN7

- PROVISION OF THE STAFF AWARENESS OF THE BENEFITS INCLUDING FINANCIAL ONES, WHICH ONE CAN GET IF HE/SHE IMPROVES EFFECTIVENESS OF POWER CONSUMPTION;
- 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: (SO 1) (PD 4.8) (PD 4.9) (PD 4.10)

- 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 2013 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 2013 WAS 756 110,2 GJ (447 748,1 GJ – IN 2012).

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: (PD 4.8)

- 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».

28 PROJECTS WERE IMPLEMENTED IN 2013. THE FOLLOWING PROJECTS CAN BE ATTRIBUTED TO THE MOST IMPORTANT ONES: EC8 EC9

1. RECONSTRUCTION OF ELECTRIC-ARC FURNACE No.1 (EAF-1) WITH INTRODUCTION OF A NEW OXYGEN TECHNOLOGY;

2. OPTIMIZATION OF OPERATION MODES OF COMBINED MULTI-LANCES OF ELECTRIC-ARC FURNACE No. 3 (EAF-3);

3. DEVELOPMENT AND INTRODUCTION OF POWER-EFFICIENT MODES OF METAL FORMING;

4. DEVELOPMENT AND INTRODUCTION OF POWER-EFFICIENT MODES METAL HEATING IN MILLS 850,320,150;

5. INTRODUCTION OF FREQUENCY-REGULATED DRIVES (FRD) ON THE PUMPS OF THE POWER DEPARTMENT (PDpt.);



ENVIRONMENTAL ACTIVITY



6. INSTALLATION OF STATIONARY COVERS TO MAINTAIN TEMPERATURE AT STEEL-CARRIERS OF THE LADLE-FURNACE;

7. SEPARATION OF CASTING MACHINES 1 AND 2 (CCM-1,2) COOLING CIRCUITS INTO SEPARATE INDEPENDENT CIRCULATING SYSTEMS.

USE OF SECONDARY THERMAL RESOURCES IN 2013 AMOUNTED TO 21,1% 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. EC2 EN3, EN4, EN5, EN6, EN7

SOURCE	UNIT	QUANTITY		
		2011	2012	2013
NATURAL GAS	S.C.T.	157 915	161 060	160 901

Direct use of power from the primary sources in 2011-2013

SOURCE	UNIT	QUANTITY		
		2011	2012	2013
ELECTRIC POWER	MWt*H	1 976 566	2 000 442	1 736 633
	(GJ)	7 115 637,6	7 201 591,2	6 251 879
THERMAL ENERGY	Gcal	231 443	244 555	240 507

Intermediate energy quantities obtained and consumed from non-renewable power sources in 2011-2013

POWER RESOURCE	UNIT	QUANTITY		
		2011	2012	2013
ELECTRIC POWER	MWt*H	136 165	107 361	156 493
	(GJ)	490 194	386 501,1	563 374,8
NATURAL GAS	THOU. M ³	6 189	1 833,7	5 720
	(GJ)	206 710,7	61 247	192 735,4

Energy saved due to measures on consumption rates reduction and efficiency improvement taken in 2011-2013

AIR BASIN PROTECTION EN16, EN17, EN18 EN20, EN29

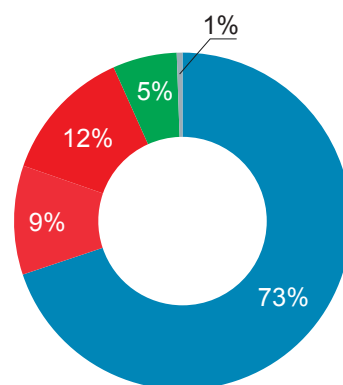
SOURCES OF MAJOR NEGATIVE ENVIRONMENTAL IMPACTS AT OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING ARE AIR EMISSIONS OF POLLUTANTS. THE ENTERPRISE OPERATES 678 SOURCES WITH PERMITTED GROSS EMISSIONS OF

8797,454 TPY. TO MINIMIZE NEGATIVE IMPACTS, MAJOR EMISSION SOURCES WITH LARGEST CONTRIBUTIONS ARE EQUIPPED WITH GAS TREATMENT PLANTS, WITH THEIR TOTAL NUMBER AMOUNTING TO 155 UNITS.

VEHICLES OWNED BY THE ENTERPRISE INCLUDE 286 UNITS USING VARIOUS TYPES OF FUEL OUT OF WHICH 234 VEHICLES RUN ON DIESEL FUEL, 51 – ON GASOLINE AND 1– ON LIQUEFIED GAS.

RAILROAD TRANSPORT INCLUDES 7 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.



Percentage of pollutants in gross emissions in 2013

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

WHEN ANALYZING AIR EMISSIONS OF POLLUTANTS, IT SHOULD BE NOTED THAT GROSS AIR EMISSION RATES OF POLLUTANTS IN 2013 DECREASED BY 1128 TONS AS COMPARED WITH PREVIOUS 2012. THIS INDICATOR IS DETERMINED BY DECREASE OF OPERATION OF THE PRODUCTION EQUIPMENT OF EAF-1 BY 3915 HOURS.



SUBSTANCE	ACTUAL EMISSIONS, [T/YEAR]			SPECIFIC POLLUTANT GENERATION RATES, [KG/T OF MELTED STEEL]		
	2011	2012	2013	2011	2012	2013
CARBON MONOXIDE	3755,731	5875,384	5049,332	1,4	2,14	2,2
NITROGEN DIOXIDE	701,962	1025,993	814,929	0,26	0,37	0,37
SULFUR DIOXIDE	349,134	444,721	384,11	0,13	0,16	0,16
SOLIDS	681,822	730,485	619,042	0,25	0,26	0,26
TOTAL POLLUTANTS	5518,331	8094,502	6966,462	2,07	2,95	3,0

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

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

SUBSTANCE	UNIT	2011	2012	2013
CARBON MONOXIDE	T	542,833	769,829	594,797
NITROGEN DIOXIDE	T	131,195	184,968	142,262
SULFUR DIOXIDE	T	72,413	101,868	78,255
HYDROCARBONS	T	214,589	303,344	233,621
SOOT	T	54,130	76,121	58,468
BENZ(A)PYRENE	T	0,001	0,0016	0,001262
TOTAL	T	1015,161	1436,132	1107,404

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 REDUCED BY 33%, WHICH IS EXPLAINED BY INCREASE OF FREIGHT TRAFFIC WITHIN THE PLANT'S INDUSTRIAL AREA.

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. EN26 (PD 4.12)

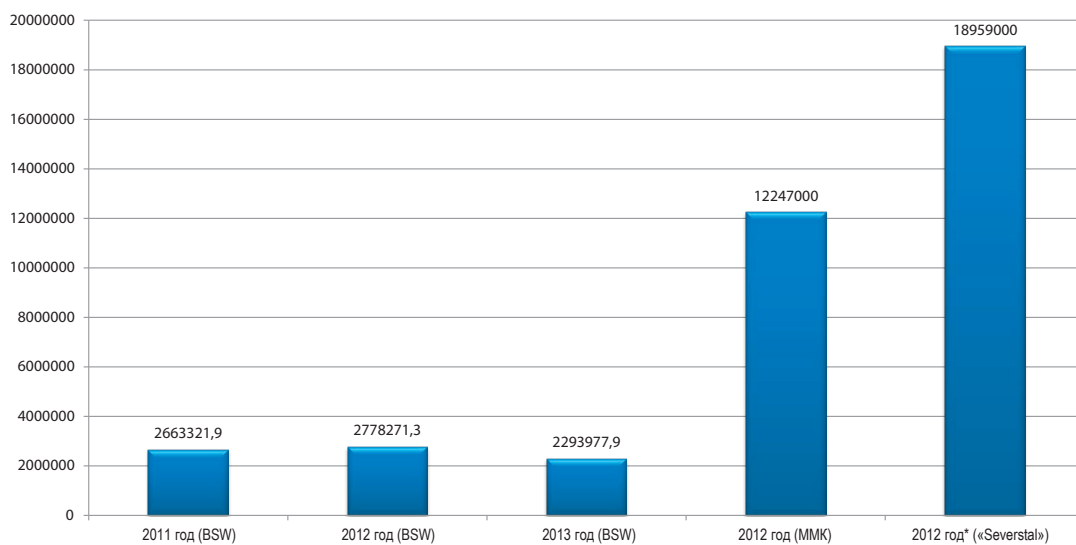
RULES FOR HANDLING OF OZONE-DEPLETING SUBSTANCES ARE SET OUT.

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. EN16, EN17, EN18 EN3, EN4, EN5, EN6, EN7 EC2

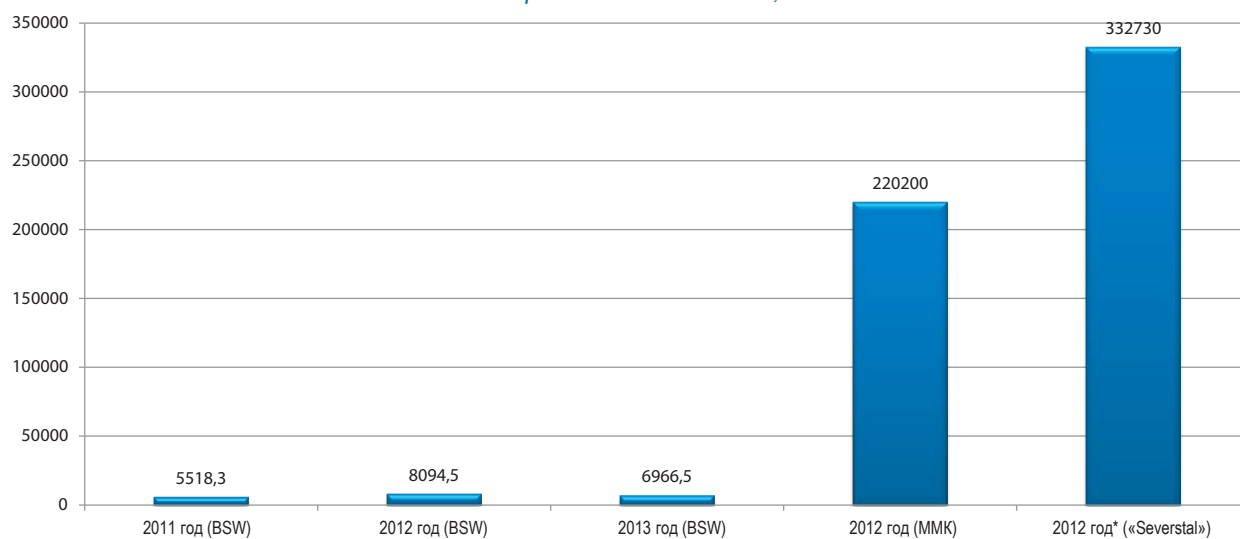
DECREASE OF HARMFUL EMISSIONS INTO THE AIR IS ENSURED DUE TO IMPLEMENTATION OF INVESTMENT PROJECTS DIRECTED TOWARDS MODERNIZATION AND TECHNICAL REVAMPING, INTRODUCTION OF HIGHLY EFFECTIVE STATE-OF-THE-ART EQUIPMENT AND METHODS.



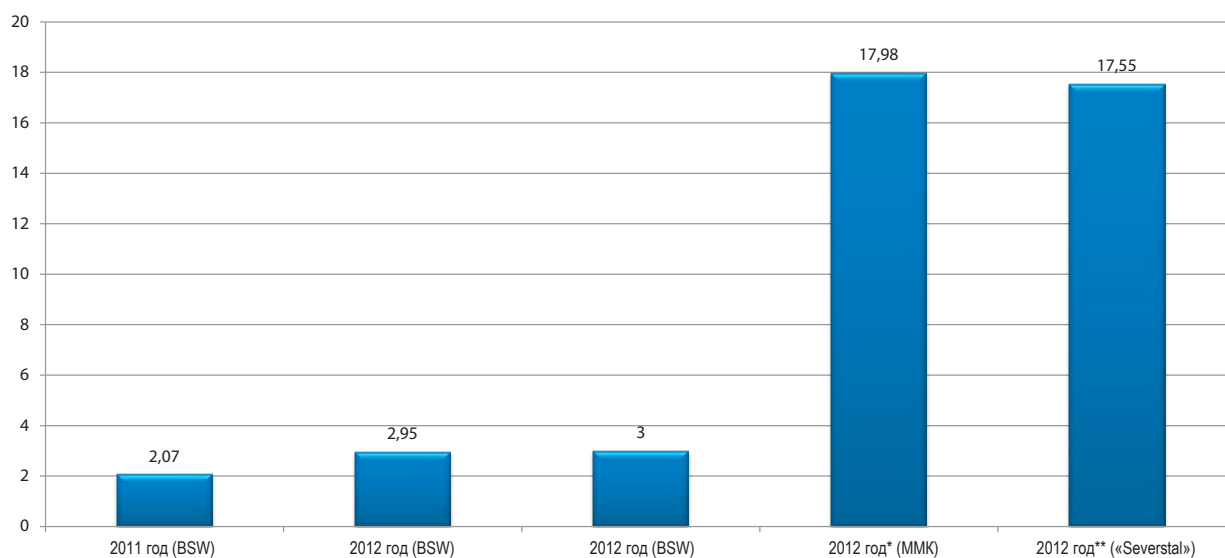
ENVIRONMENTAL ACTIVITY



Steel production in 2012-2013, t



Gross emission of contaminants, t



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



ODS	RESIDUALS IN THE BEGINNING OF THE YEAR, KG			PURCHASED, KG			VOLUME OF USAGE, KG			AMOUNT LEFT AS OF THE END OF THE YEAR, KG		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
R-22	42,5	68,3	27,2	108,8	108,8	163,2	83,0	149,9	13,6	68,3	27,2	176,8
R-12	0	0	0	0	0	0	0	0	0	0	0	0
R-114B2	686,1	74,1	0	0	0	0	612	74,1	0	74,1	0	0

Data on ODS handling activities in 2011-2013

YEAR	DESCRIPTION OF ODS REDUCTION METHODS	FULFILLMENT; RESULTS, REASON FOR NON-FULFILLMENT
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
2013	DECREASE OF ENVIRONMENTAL IMPACT. REFUSAL TO USE ODS (R 22) BY 123 PURCHASING OF ITE COOLANTS REGENERATION AND FILLING STATION	ITE BLUE-R-95 REGENERATION AND FILLING STATION PURCHASED
	TRANSFER OF REFRIGERATION EQUIPMENT WORKING ON R 22, FILLING CAPACITY 123 KG, TO OZONE-SAFE COOLANTS	TRANSFER OF REFRIGERATION EQUIPMENT WORKING ON R 22, TOTAL CAPACITY: 129,5 KG

Data on introduction of measures aimed at reduction of ODS use in 2011-2013



ENVIRONMENTAL ACTIVITY



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.

WATER BASIN PROTECTION EN8, EN9, EN10, EN21, EN25

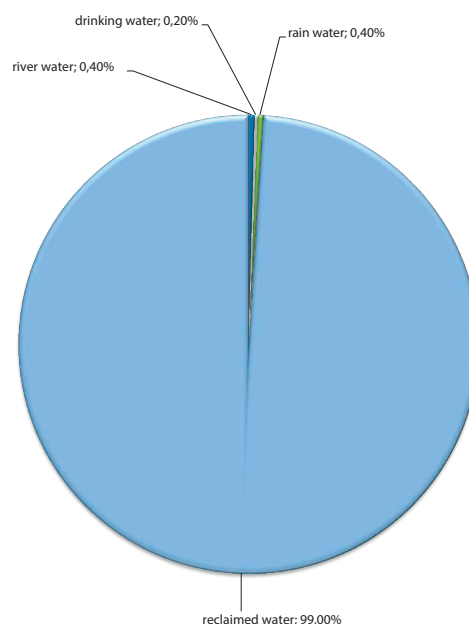
ACTING IN THE AREA OF ENVIRONMENT, THE PLANT PROVIDES FOR EFFICIENT USE OF ENERGY AND WATER FOR ITS OWN NEEDS AND DOES ITS BEST TO DECREASE THEIR CONSUMPTION.

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.

RESULTS OF THE MEASURES TAKEN TO REDUCE WATER RESOURCE CONSUMPTION IN 2013:



Plant water consumption system

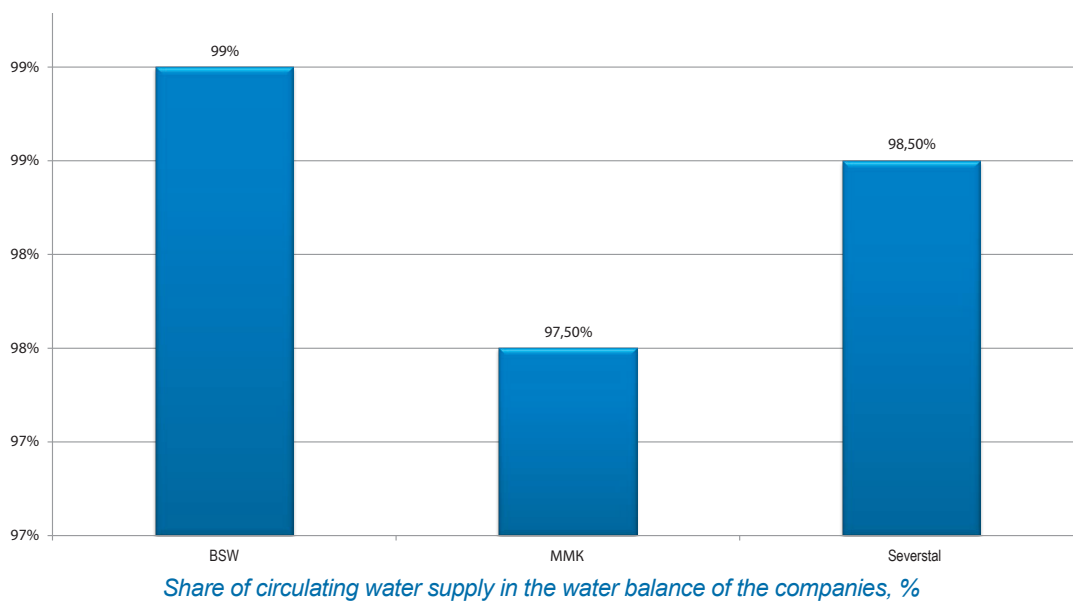
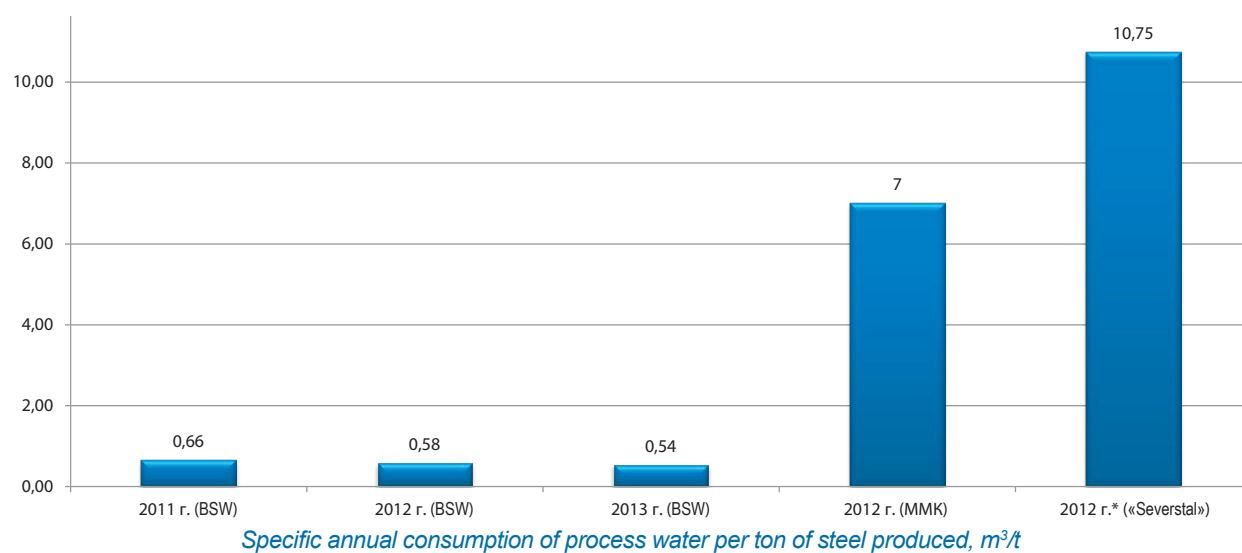
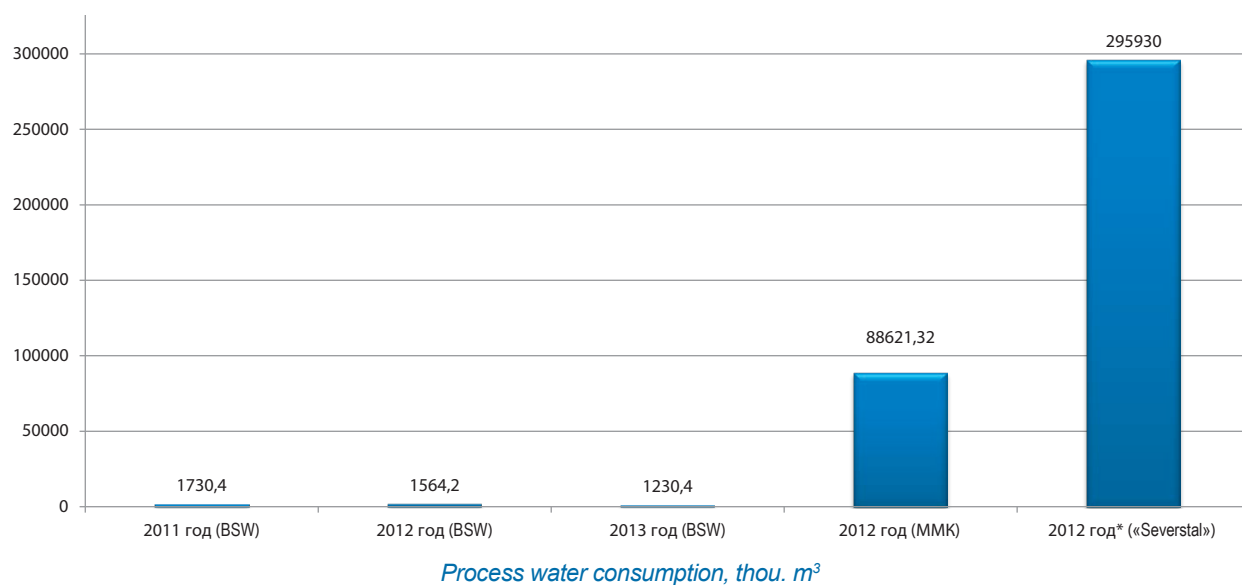
- DECREASE OF CIRCULATING WATER USE AS COMPARED TO 2012 IS 20142,35 THOU. M³/YEAR OR 7%;
- INCREASE OF RAINWATER USE AS COMPARED TO 2012 IS 213,7 THOU. M³/YEAR OR 17%;
- DECREASE OF PRODUCTION WATER USE AS COMPARED TO 2012 ГОДА СОСТАВИЛО 333,81 THOU. M³/YEAR OR APPR. 27%.

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.

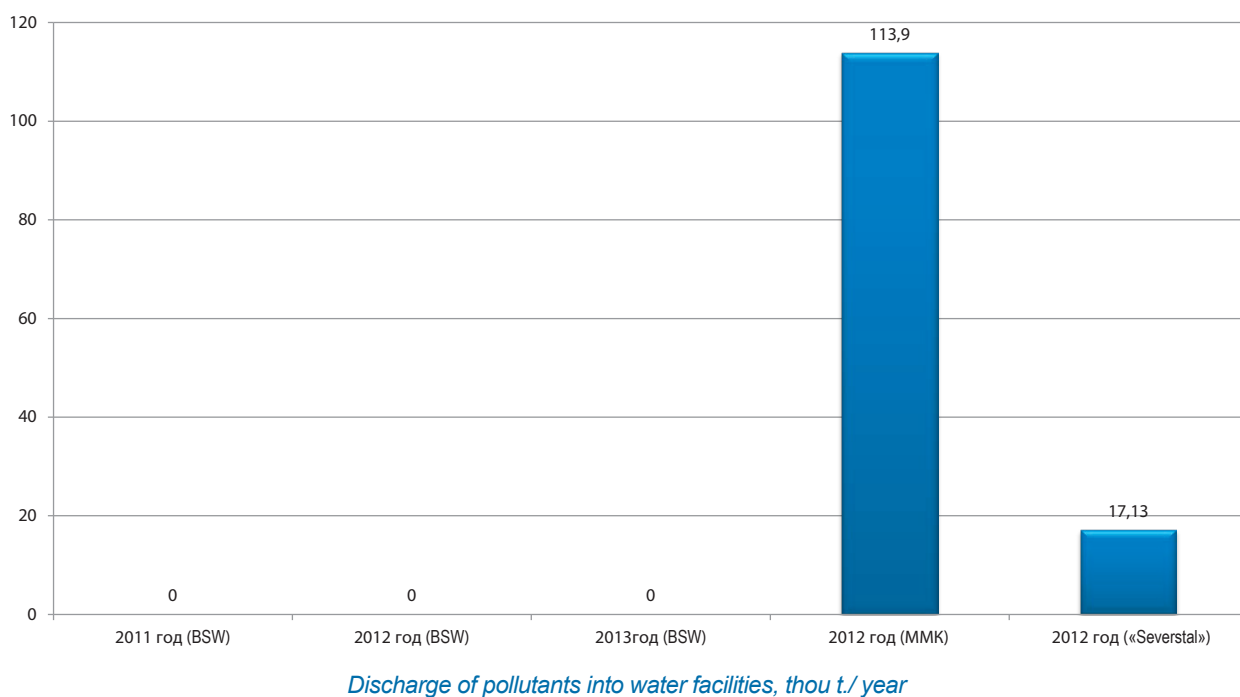
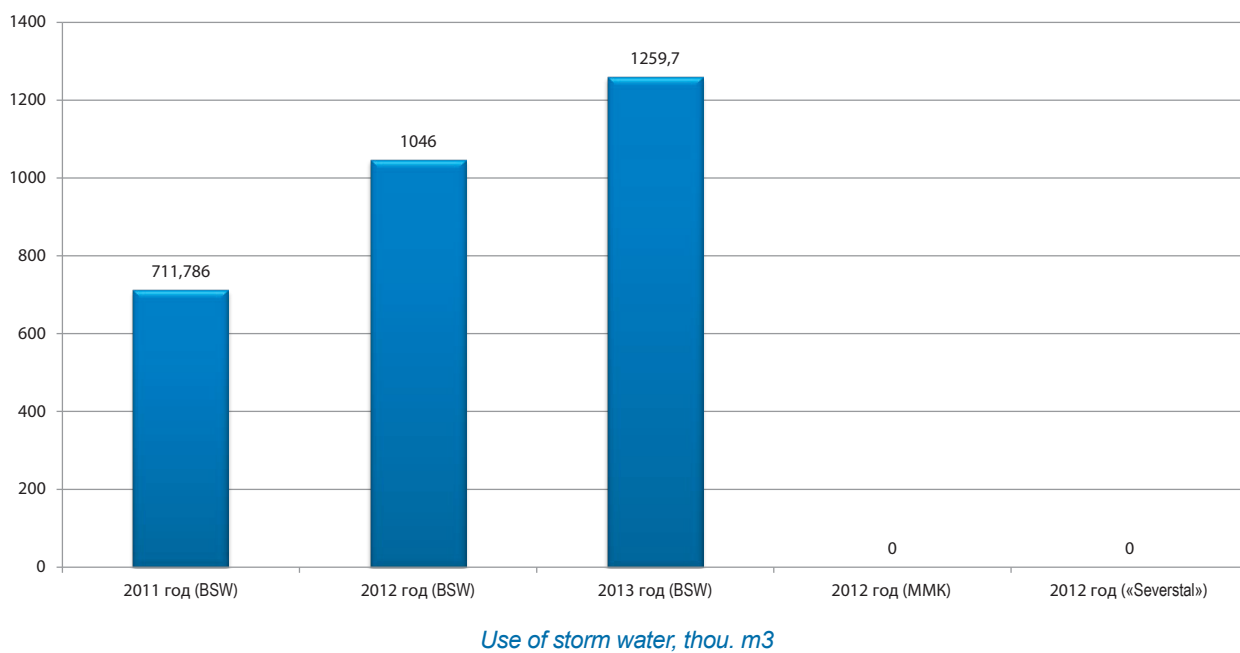
THE PLANT'S UTILITY FLUIDS ARE DRAINED OFF INTO THE TREATMENT FACILITIES MAINTAINED BY THE TOWN OF ZHLOBIN. POLLUTANT CONTENTS (HARD METALS, OIL PRODUCTS, SALT CONTENT) IN THE DISCHARGED FLUIDS WERE WITHIN THE ESTABLISHED LIMIT CONCENTRATIONS.

THERE ARE NO WATER BODIES SIGNIFICANTLY AFFECTED BY THE PRODUCTION ACTIVITIES OF THE PLANT. (EN 9)

DESCRIPTION	2011	2012	2013
PROCESS WATER, [THOU. M ³ /YEAR]	1 730, 405	1 564,210	1230,4
DRINKING WATER CONSUMPTION, [THOU. M ³ /YEAR]	692,0	732,724	648,2
CIRCULATING WATER, [THOU. M ³ /YEAR]	286 041, 191	297 215,651	277 043,3
RAINWATER USE, [THOU. M ³ /YEAR]	711,786	1 046	1259,7



ENVIRONMENTAL ACTIVITY



* – DIVISIONS 'SEVERSTAL RUSSIAN STEEL'+ 'SEVERSTAL NORTH AMERICA'

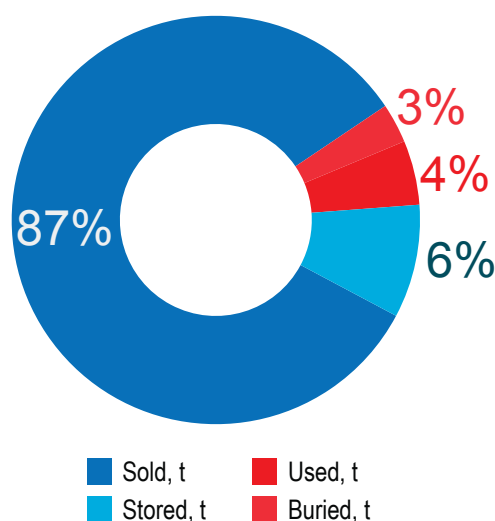
** – SPECIFIC EMISSION, KG/ T. OF METAL PRODUCTS

*** – SPECIFIC EMISSION DIVISIONS 'SEVERSTAL RUSSIAN STEEL'+ 'SEVERSTAL NORTH AMERICA'



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.



Utilization of industrial wastes in 2013

SOLD, T	USED, T	BURIED, T	STORED, T
1 118 351,394	52 595,492	36 765,039	70 536,515

DURING 2013, 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. EN23

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: PD 4.12 EN24, EN26, EN27 (SO 8)

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. (SO 8)

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 (SO 8)

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



ENVIRONMENTAL ACTIVITY



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. (HR 8) (LA 11)

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 GUARANTEED OBSERVATION OF LEGAL AND OTHER REQUIREMENTS IN THE AREA OF ENVIRONMENT, THE PLANT ENSURES ACCESS TO THE EXISTING REFERENCE LEGAL SYSTEM «CONSULTANT PLUS BELARUS NETWORK» AND INFORMATION SEARCH SYSTEMS «STROIDUKUMENT» AND «STANDARD» FOR EACH EMPLOYEE.

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

IMPROVEMENT OF ECOLOGICAL CULTURE OF THE PERSONNEL (SO 8) .(PD 1.2)

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. (SO 1)

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 «METAL». BESIDES, PARTICIPANTS FROM CIS COUNTRIES THE «ENERGY AND ECOLOGY» SECTION COMPRISES SPECIALISTS OF THE COMPANY. 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. (PD 4.4)

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. (SO 1)

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. (PD 4.4)

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: (PD 4.8)

- 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 EN30 EN6 EN7 EN18 EN13 EN14 EN26

THE PLANT TAKES ACTUAL STEPS SO AS TO PROVIDE FOR ENVIRONMENTAL PROTECTION AND IMPLEMENT ENVIRONMENTALLY SAFE TECHNOLOGIES AS WELL. TO MITIGATE ENVIRONMEN-



TAL IMPACTS, OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING ANNUALLY INTRODUCES NEW ENVIRONMENTAL ACTIONS. UNDER THE ECOLOGICAL PROGRAM FOR 2013 THE PLANT PROVIDED FOR THE FOLLOWING: (SO 1)

- 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 INSTALLATION OF A HOOD TO REDUCE UNORGANIZED EMISSIONS IN THE AIR THROUGH AERATION LANTERNS;
- CONSTRUCTION OF A DUST AND GAS COLLECTING UNIT УСТАНОВКИ AT LIME KILN No.3;
- RECONSTRUCTION OF THE STORM WATER STATION V = 16 000 м3;
- MODERNIZATION OF THE SYSTEM OR PRELIMINARY CLEANING OF THE ION-EXCHANGE PLANT IN SWS-1;
- BUILDING OF A PLANT TO SEPARATE SCRAP AND GARBAGE LEFT FROM RAILWAY WAGONS CLEANING IN THE SCRAP YARD.

EXPENSES FOR ENVIRONMENT PROTECTION AND MONITORING

ECOLOGICAL PAYMENTS EN30

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».

MEDIUM-TERM TARGETS OF THE COMPANY (PD 1,2)

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:

CURRENT ENVIRONMENTAL EXPENSES	TOTAL, BR MLN (AT OWN COSTS)		
	2011	2012	2013
TOTAL INCLUDING:	111 995,5	196 458,6	225 402,9
- PROTECTION AND EFFICIENT USE OF WATER RESOURCES	37 630,1	76 051,1	34 672,8
- AIR BASIN PROTECTION, OZONE LAYER AND CLIMATE PRESERVATION	57 824,7	94 172,8	88 626
- PROTECTION OF THE ENVIRONMENT FROM POLLUTION WITH INDUSTRIAL WASTES	14 765,1	24 557,8	10 933,7
- ECOLOGICAL CERTIFICATION, ECOLOGICAL RATING, ECOLOGICAL AUDITS, ECOLOGICAL INSURANCE, ECOLOGICAL STANDARDIZATION	398,8	231,9	94,092

Current expenses



ENVIRONMENTAL ACTIVITY



INDICATOR DESCRIPTION	TOTAL, RUBLE MLN	
	2012	2013
AMOUNT OF DISCOUNT SET FOR THE ORGANIZATION FOR ECOLOGICAL PAYMENTS SUBJECT TO DECREASE OF ENVIRONMENT POLLUTION DUE TO ENVIRONMENT PROTECTION MEASURES UNDERTAKEN	2 657,1	9 144,1
AMOUNTS PAID TO COMPENSATE THE DAMAGE CAUSED BY VIOLATION OF ENVIRONMENT LAW (PENALTIES, CLAIMS, DAMAGE, ETC.)	173,7	48,701

Current expenses

DESCRIPTION	2011 PAYMENT, BR MILLION	2012 PAYMENT, BR MILLION	2013 PAYMENT, BR MILLION
DRINKING AND SERVICE WATER CONSUMPTION	196,962	482,449	520,981
SEWAGE DISCHARGES	0	0	7,585
AIR EMISSIONS FROM STATIONARY AND MOBILE SOURCES	2 659,542	5 693,198	2 467,494
WASTE DISPOSAL	7 932,914	19 173,718	10 235,84
WASTE STORAGE	2 861,2	2 667,638	1 633,497
PACKING MATERIALS PRODUCTION AND IMPORT	0	0	0

Ecological payments in 2011-2013.

— INSTALLATION OF AN AUTOMATIC SYSTEM OF CONTROL OF HARMFUL EMISSION IN THE AIR FROM ELECTRIC-ARC FURNACE No.1 IN MELT SHOP No.1;

— COMPLEX RECONSTRUCTION OF DUST AND GAS COLLECTING UNIT OF ELECTRIC-ARC FURNACE No. 1 AND INSTALLATION OF A HOOD TO REDUCE UNORGANIZED EMISSIONS IN THE AIR THROUGH AERATION LANTERNS;

— CONSTRUCTION OF A DUST AND GAS COLLECTING UNIT AT LIME KILN No. 3 IN THE SCRAP YARD;

—RECONSTRUCTION OF THE STORM WATER STATION $V = 16\ 000\ m^3$;

— MODERNIZATION OF THE SYSTEM OF PRELIMINARY CLEANING OF THE ION-EXCHANGE PLANT IN SWS-1;

— BUILDING OF A PLANT TO SEPARATE SCRAP AND GARBAGE LEFT FROM RAILWAY WAGONS CLEANING IN THE SCRAP YARD.

FOR 2014 THERE ARE PLANS TO ACHIEVE THE NEXT LEVEL OF THE PLANT'S TARGETS (IN THE AREA OF ENVIRONMENT):

— REDUCE THE SPECIFIC EMISSION OF CONTAMINANTS IN THE SIR FROM EAF-1 IN MELT SHOP No.1 BY 5% AS COMPARED TO THE LEVEL OF 2013.



SOCIAL ACTIVITY



(PD 4.8) 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: (PD 4.6)

- 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 CONSIDERED 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. (PD 4.9)

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. (PD 4.9)

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; (EC7)

- 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 (PD 4.8)

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. (PD 4.10)

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, PRESERVING 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. «BSW STRATEGIC RESERVE» PROGRAM OF TRAINING A STAFF RESERVE TO SUBSTITUTE TOP MANAGEMENT HAS BEEN IMPLEMENTED. 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 2013 AUDITS AIMED AT CONFIRMATION OF THE MANAGEMENT SYSTEM CONFORMITY WITH THE REQUIREMENTS OF IISO 9001:2008, СТБ ISO 9001:2009, ISO/TS 16949:2009, API Q1, BRL 0501-2010 AND NEN 6008-2008, DIN 488, STANDARDS CARRIED OUT BY AUDITORS OF GOSSTANDART OF THE RB, BUREAU VERITAS CERTIFICATION (GREAT BRITAIN), CARES (GREAT BRITAIN), TUV INTERNATIONAL S.R.O. TUV RHEINLAND GROUP, API (AMERICAN PETROLEUM INSTITUTE), «KIWA» (HOLLAND), «MPA NRW DORTMUND» (GERMANY). (PD 4.9)



DESCRIPTION OF THE PERSONNEL (PD 2.8)

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 OF SOCIAL SECURITY AND FAVORABLE WORKING CONDITIONS FOR ITS EMPLOYEES, REALIZATION OF EFFICIENT SOCIAL AND



SOCIAL ACTIVITY



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. (EC7) (PD 4.15) (LA 11)

THE SEGMENT OF THE WORKS EMPLOYEES IN THE REGION ECONOMICALLY ACTIVE POPULATION MAKES ABOUT 30%. (LA 1) (EC9)

«COMMUNICATING WITH THE TEAM OF THE EMPLOYEES I KNOW THAT BSW IS AN EXCELLENT SOLIDARY TEAM WHICH IS NOT ONLY AIMED AT THE FINAL RESULT, BUT CREATIVELY ACTS TOWARDS THE WAYS OF AND CONSIDERABLY REDUCES TIME OF ITS ACHIEVEMENT AND SURMOUNTS ALL OBSTACLES».



CHAIRMAN OF THE REPUBLICAN COMMITTEE OF BELARUSIAN TRADE UNION OF INDUSTRIAL WORKERS
V.V. FYODOROV

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 31.12.2013 EQUALS TO 11896 PEOPLE AND REDUCED BY 551 PEOPLE AS COMPARED TO THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR.

REDUCTION OF THE NUMBER OF EMPLOYEES BY 551 PEOPLE WAS DUE TO RESTRUCTURING OF THE STAFF IN RELATION TO A LARGE-SCALE RECONSTRUCTION CARRIED OUT AT THE PLANT IN THE 2ND HALF OF 2013.

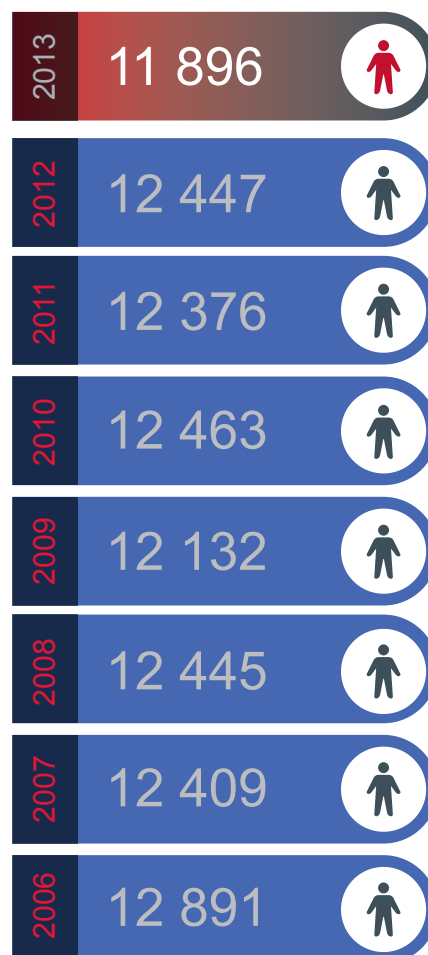
BESIDES, SUBJECT TO COMING INTO EFFECT OF CHANGES IN PENSION LAW SINCE 01.01.2014 DURING FIRST THREE QUARTERS OF 2013 A SIGNIFICANT GROWTH OF DISCHARGES OF HIGHLY-QUALIFIED PRODUCTION EMPLOYEES WHO REACHED THEIR PENSION AGE ACCORDING TO PENSION LISTS No.1 AND No.2. DUE TO THE EXISTING SITUATION AND SO AS TO PROTECT THE RIGHTS AND DEFEND LAWFUL INTERESTS OF THE

WORKING PEOPLE, PLANT'S ADMINISTRATION APPLIED TO THE MINISTRY OF INDUSTRY AND MINISTRY OF LABOR AND SOCIAL PROTECTION OF THE REPUBLIC OF BELARUS TO REVISE THE CHANGES INTRODUCED IN THE LAW. IN THE RESULT, PRESIDENT OF THE REPUBLIC OF BELARUS SIGNED DECREE No.441 «ABOUT SOME ISSUES OF PROFESSIONAL PENSION INSURANCE AND PROVISION OF PENSIONS» DD. SEPTEMBER 25, 2013. AFTER THAT, NUMBER OF DISMISSAL REDUCED.

ON THE WHOLE, THE EMPLOYEE STRUCTURE SUFFERED SMALL CHANGES IN THE NUMBER OF EMPLOYEES BY CATEGORIES:

OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING HAS A WELL-BALANCED AGE COMPOSITION OF THE EMPLOYEES. THE MAIN CONTINGENT IS COMPOSED OF WORKERS AGED 40,1 TO 42,18 YEARS, HAVING THE REQUIRED KNOWLEDGE AND PROFESSIONAL SKILLS. (LA 2)

GENDER COMPOSITION OF THE WORKERS HASN'T CONSIDERABLY CHANGED AS COMPARED TO 2012. AS OF 31.12.2013 BSW EMPLOYED: (LA 2)





CATEGORY	2007	2008	2009	2010	2011	2012	2013	Dev.
TOTAL NUMBER OF PEOPLE	12 409	12 445	12 132	12 463	12 373	12 447	11896	-551
MANAGERS, PERS.	1 153 (9,3%)	1127 (9,1%)	1126 (9,3%)	1159 (9,3%)	1190 (9,6%)	1 216 (9,8%)	1 226 (10,3%)	+9
SPECIALISTS, PERS.	1 784 (14,4%)	1773 (14,2%)	1717 (14,2%)	1793 (14,4%)	1790 (14,5%)	1 871 (15,0%)	1 883 (15,4%)	-37
OFFICE WORKERS, PERS.	167 (1,3%)	167 (1,3%)	164 (1,4%)	167 (1,3%)	158 (1,3%)	159 (1,3%)	164 (1,4%)	+5
WORKERS, PERS.	9305 (75,0%)	9378 (75,4%)	9125 (75,2%)	9 344 (75,0%)	9 235 (74,6%)	9 201 (73,9%)	8 673 (72,9%)	-528

CATEGORY	2007	2008	2009	2010	2011	2012	2013
AVERAGE AGE OF THE EMPLOYEES, YEARS	39,30	39,34	39,8	39,7	39,9	40,0	40,4

YEAR	2007	2008	2009	2010	2011	2012	2013
MANPOWER TURNOVER, %	1,49	1,87	1,92	1,63	2,4	2,7	2,59

CATEGORY	UNIT.	2007	2008	2009	2010	2011	2012	2013	Dev.
TOTAL NUMBER	PERS.	12 409	12 445	12 132	12 463	12 376	12 447	11 896	+71
HIGHER EDUCATION SPECIALIZED	%	23,5	24,2	25,1	25,1	25,5	27,0	28,5	1,5
SECONDARY EDUCATION	PERS.	2905	3016	3 045	3 132	3 150	3 360	3392	+32
SECONDARY TECHNICAL EDUCATION HIGHER EDUCATION	%	26,4	26,1	26,0	26,0	26,3	26,0	25,5	0,5
	PERS.	3284	3243	3 156	3 243	3 255	3 239	3036	-203
SPECIALIZED SECONDARY EDUCATION	%					17,6	17,5	17,5	0
	PERS.					2 174	2 179	2085	-94
SECONDARY	%	50,1	49,7	48,9	48,9	30,6	29,5	28,5	1
	PERS.	6220	6186	5 931	6 088	3 797	3 669	3383	-286
CANDIDATES OF SCIENCE	PERS.	9	9	9	8	9	8	8	0
POSTGRADUATES	PERS.	4	5	6	6	7	5	11	+6
UNDERGRADUATES	PERS.	8	14	15 (INCL. 5 BEING TRAINED)	18 (INCL. 8 BEING TRAINED)	16 (INCL. 4 BEING TRAINED)	16 (INCL. 3 BEING TRAINED)	19	+3



SOCIAL ACTIVITY



- 68,4 % MEN;
- 31,6 % WOMEN. (LA 13)

PREVALENCE OF MALE EMPLOYEES IS DUE TO THE SERIOUS HAZARD LEVEL AT THE PRODUCTION SITES, SPECIFIC LABOR CONDITIONS IN METALLURGICAL INDUSTRY.

MANPOWER TURNOVER IN 2013 EQUALED TO 4,78%.

«ONE MAY INSTALL ANY UP-TO-DATE EQUIPMENT, EQUIP PRODUCTION SHOPS WITH ADVANCED MACHINES, BUT NOTHING WILL WORK WITHOUT SPECIALISTS, WITHOUT PEOPLE. MOREOVER, EVERYONE'S WORK IS IMPORTANT».



GENERAL DIRECTOR OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING A.N. SAVIANOK

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 32 AS COMPARED TO 2012. THE NUMBER OF THE EMPLOYEES WITH SPECIALIZED SECONDARY EDUCATION DECREASED BY 203 PEOPLE. THERE IS A TENDENCY TOWARDS DECREASE OF THE SHARE OF THE EMPLOYEES WITH SECONDARY EDUCATION.

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. (PD 1.2)

IN 2013 THE PLANT SELECTED CANDIDATES AND RECRUITED 532 PEOPLE FROM THE RESIDENTS OF THE REGION TAKING INTO CONSIDERATION THE LEVEL OF COMPETENCE SO AS TO SATISFY ITS NEED IN PERSONNEL. (EC 7)

THE ENTERPRISE PUTS GREAT EMPHASIS ON RECRUITMENT AND ADAPTATION OF YOUNG SPECIALISTS. TAKING ACCOUNT OF THE PRODUCTION OUTPUT GROWTH RATE, THE PLANT PLACED 143 YOUNG SPECIALISTS IN JOB IN 2013. IT IS PLANNED TO INCREASE THE NUMBER OF GRADUATES FROM HIGHER EDUCATIONAL ESTABLISHMENTS APPLYING FOR WORK AND THEIR RECRUITING BY BSW CONSIDERABLY IN 2014. (LA 11)

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. (PD 4.8-4.9) 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. IN 2013, 110 206 YOUNG SPECIALISTS BECAME PARTICIPANTS OF THE 13TH INTERNATIONAL CONFERENCE «METAL -2012» ORGANIZED ON THE BASE OF ZHLOBIN STATE METALLURGICAL COLLEGE.

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. (PD 4.10) (LA 12)

YEAR	2007	2008	2009	2010	2011	2012	2013
NUMBER OF YOUNG SPECIALISTS	107	188	85	111	113	166	143



IN ORDER TO IMPROVE THE BASE REQUIRED FOR THE PERSONNEL EVALUATION, 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.

IN 2013, 442 SPECIALISTS WERE CERTIFIED FOR COMPLIANCE WITH THE POSITION OCCUPIED ON THE BASIS OF THE «360 DEGREES» METHOD. (PD 4.7) (LA 12)

(HR 5) (SO 4) 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. (PD 4.6)

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 (1212 PEOPLE). COMPLEX INDEX OF SATISFACTION IN 2013 DROPPED A LITTLE AND EQUALED TO 0,71 (IN 2012 – 0,72). AT THE SAME TIME, AS PREVIOUSLY THIS INDICATOR REMAINS WITHIN THE HIGH RANGE OF SATISFACTION. INSIGNIFICANT REDUCTION WAS CAUSED BY DECREASE OF

THE VALUES BY CRITERIA RELATED TO MATERIAL STIMULATION OF LABOR BUT THESE INDICATORS ARE ALSO WITHIN THE AREA OF AVERAGE SATISFACTION.

ON THE WHOLE, AS COMPARED TO THE PREVIOUS YEAR, THE PLANT MANAGED TO IMPROVE 12 INDICATORS ASSESSED. SUCH CATEGORIES AS SCHEDULE AND WORK PROCEDURE, RELATIONS WITH COLLEAGUES AND IMMEDIATE SUPERIORS HAVE THE HIGHEST SATISFACTION INDEX (0,85 AND HIGHER). PHYSICAL LOADING, CONTENT OF WORK FULFILLED, ASSESSMENT OF PROFESSIONALISM AND LEADER'S PROPERTIES OF LINEAR SUPERIORS, GENERAL MORAL AND PSYCHOLOGICAL CLIMATE IN THE COLLECTIVE, PERSONAL INITIATIVE IN WORK, SELF-DEPENDENCE AND LABOR SAFETY ALSO HAVE A HIGH SATISFACTION INDEX: 0,75-0,85.

THE RESULTS OBTAINED DURING THE RESEARCH ALLOW US TO SAY THAT IN 2013 GENERAL SOCIAL AND PSYCHOLOGICAL CLIMATE OF THE PLANT'S COLLECTIVE IN GENERAL IS CHARACTERIZED AS SATISFACTORY AND STABLE; EMPLOYEES ARE SATISFIED WITH THEIR JOB AND THE ENTERPRISE ON THE WHOLE.

SO AS TO MAINTAIN THE HIGH LEVEL OF EMPLOYEES' SATISFACTION, A CORRESPONDING PROGRAM OF MEASURES WAS WORKED OUT.



PROFESSIONAL AND CAREER DEVELOPMENT (EC7) (LA 11)

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



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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.

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. (PD 4.8) (PD 4.8)

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 FILLED («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 68,5% OF MANAGEMENT APPOINTMENTS FROM AMONG THE EMPLOYEES INCLUDED INTO THE WORKS PERSONNEL REGISTER AND CERTIFIED AFTER PASSING SUCH TRAINING TOOK PLACE

IN 2013 MOREOVER, THE PROJECT OF ANNUAL TRAINING OF ONE MORE SPECIALIST OF OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING AT STEM COR 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 2013 TEMPORARY APPOINTMENTS TOOK PLACE IN ORDER TO INCREASE SPECIALISTS' QUALIFICATION, DETERMINE THEIR

FACTOR	2008	2009	2010	2011	2012	2013
NUMBER OF THE ROTATION PROGRAM PARTICIPANTS	34	27	56	103	152	84
ROTATION RESULTS:						
- PROMOTION TO A SPECIALIST POSITION	17	10	20	29	71	23
- APPOINTMENT TO A MANAGER POSITION	3	4	2	11	15	13
- QUALIFICATION IMPROVEMENT	14	13	34	63	66	48



POTENTIAL ABILITIES FOR PUTTING INTO THE PERSONNEL RESERVE AS WELL AS FOR THE PURPOSE OF PROMOTING CAREERS OF THE YOUNG WORKERS HAVING HIGHER EDUCATION: (PD 4.9)

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 AS IN 2012. (PD 4.9)

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. (LA 11) (LA 10)

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. (SO 8)

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;

- 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 REMOTE 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 APPLICATIONS 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 PARTIC-



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ULAR 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.

(SO 3)(HR 8, 3)(LA 8) 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.

5351 EMPLOYEES (45% OF THE TOTAL NUMBER OF THE STAFF) TOOK VARIED TYPES OF EDUCATION AND ACQUIRED NEW KNOWLEDGE IN 2013.

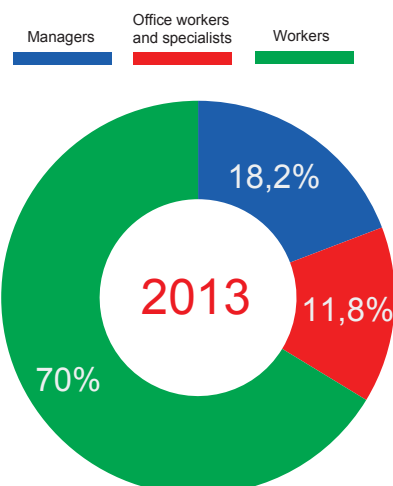
BYELORUSSIAN STEEL WORKS IS ALWAYS READY FOR THE DIALOG WITH THE PARTIES CONCERNED REGARDING ISSUES OF IMPROVEMENT OF PROFESSIONALISM, SCHOLARSHIP AND EMPLOYEES' COMPETENCE DEVELOPMENT.

IN RECENT YEARS EACH EMPLOYEE TOOK ONE TYPE OF EDUCATION. AVERAGE EDUCATION TIME PER ONE EMPLOYEE OF THE COMPANY IN 2013 MADE UP 40,7 HOURS.

GROWTH OF INVESTMENTS IN PROFESSIONAL TRAINING WAS OVER USD100,4 THOUSAND AS COMPARED TO 2012.

CATEGORY OF THE TRAINED EMPLOYEES	NUMBER OF PEOPLE TRAINED, PERSONS				% OF THE TOTAL NUMBER TRAINED				% OF THE TOTAL NUMBER OF THIS CATEGORY			
	2011	2012	2013	CHANGES	2011	2012	2013	CHANGES	2011	2012	2013	CHANGES
MANAGERS	1299	1119	976	-143	22,9	19,2	18,2	-1	109,1	91,95	79,6	-12,3
SPECIALISTS	516	825	610	-215	9,1	14,2	11,4	-2,8	28,8	44,1	33,3	-10,8
OFFICE WORKERS	-	17	20	+3	-	0,3	0,4	+0,1	-	10,7	12,2	+1,5
WORKERS	3853	3861	3745	-116	68	66,3	70	+3,7	41,3	41,9	43,2	+1,3
TOTAL	5668	5822	5351	-471	100	100	100	7,6	45,8	46,8	45	-1,8

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.



FULFILLMENT OF TARGETS IN 2013 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. (PD 4.14-PD 4.17)

IN 2013 OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING CONTINUED ITS INTERNATIONAL COOPERA-



TION IN EXCHANGING ACCUMULATED EXPERIENCE AND KNOWLEDGE OF STEELMAKING PROCESSES WITH SPECIALISTS OF SIMILAR ENTERPRISES OF FAR AND NEARBY FOREIGN COUNTRIES: DANIELI (ITALY), «WATER GROUP LTD. OY» (FINLAND), «AUTUS CORPORATION» (USA), REPRESENTATIVE OFFICE OF SIEMENS IN THE REPUBLIC OF BELARUS, TRADE FIRM OF BSW IN MOSCOW (RUSSIA).

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», GOMEL STATE UNIVERSITY NAMED AFTER I.SKORINA & BYELORUSSIAN STATE TRANSPORT UNIVERSITY, 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 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. (PD 4.14-PD 4.17) (EC 9).

(PD 1.2) 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. DURING THE MANUFACTURING PRACTICE THE STUDENTS ARE GUIDED BY EXPERI-

ENCED 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/HER 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.

(EC9) 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 (PR 7). FOR ORGANIZING THE COLLEGE ACTIVITY IN 2013 THE COMPANY SPENT USD1,12 MILLION OF ITS PROFIT. THE COLLEGE CONDUCTS PREPARATION OF TECHNOLOGISTS FOR BASIC PRODUCTION SUBDIVISIONS FROM AMONG THE BEST REPRESENTATIVES OF THE REGION YOUNG GENERATION, WHO



«WHEN WE COMMISSIONED THE PIPE MILL, OUR EMPLOYEES WORKED ON PROBATION AND WERE TRAINED AT RUSSIAN AND UKRAINIAN ENTERPRISES. NOW WE WITNESS AN INVERSE PROCESS: WE RECEIVE PEOPLE, OUR SPECIALISTS ADVISE THEM, SHARE THEIR EXPERIENCE. WE COOPERATE IN SPITE OF BEING COMPETITORS. COOPERATION IS NECESSARY SO AS NOT TO BREAK BONDS BETWEEN GENERATIONS.»

GENERAL DIRECTOR OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING A.N. SAVIANOK

PASSED COMPETITIVE SELECTION ACCORDING TO THE EDUCATIONAL PROGRAMS COORDINATED WITH THE WORKS. (EC1) (EC8)(PD 4.14-17)

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



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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. PD 1.2)

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. (EC7)

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: (EC1) (EC8)

- PUPILS PARTICIPATION IN «OPEN DAY» FEAST AT BASIC EDUCATIONAL ESTABLISHMENTS;
- EXCURSIONS TO THE PLANT'S 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. IN 2013, 14 EMPLOYEES OF THE COMPANY TOOK EXTRA-MURAL COURSES IN HIGHER EDUCATIONAL ESTABLISHMENTS ON A CONTRACTUAL BASIS; 17 PEOPLE WERE TRAINED AT MA COURSES, 1 PERSON AT POST-GRADUATE COURSES, 1 PERSON WAS GETTING THE SECOND HIGHER EDUCATION. 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 HIGHLY ASSESSED (SATISFACTION INDEX AS IN 2012 REMAINED AT THE LEVEL OF 0,70). (PD 4.9-10)

MOTIVATION SYSTEM

MATERIAL STIMULATION

OJSC «BSW – MANAGEMENT COMPANY OF «BMC» 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. (PD 4.8)

ALL PAYMENTS AND PRIVILEGES PROVIDED FOR THE COMPANY EMPLOYEES APPLY TO THOSE WORKING FULL DAY AND HALF-TIME PRO RATA THEIR WORKING TIME.

(LA 3) 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 LABOR 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 LABOR CONTRIBUTION OF EVERY DIVISION AND A SINGLE WORKER, THE ENTERPRISE DEVELOPED THE BONUS SCHEME FOR LABOR STIMULATION. (EC 1) (PD 4.5)



IN THE EXISTING ECONOMIC SITUATION IT IS MOST TIMELY TO OBSERVE THE LOWEST LIMIT OF LABOR PAYMENT FOR WEAKLY PROTECTED GROUPS OF WORKERS.

AVERAGE ANNUAL SALARY AT THE ENTERPRISE MADE UP USD770,5 IN 2013. AVERAGE SALARY OF WORKERS AND OFFICE EMPLOYEES MADE UP USD 579,4 IN THE REPUBLIC OF BELARUS IN 2013, WHICH IS 1,33 LOWER THAN AT OJSC BSW. (EC 5)

(EC 5) 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 USD172,6 IN DECEMBER 2013.

OJSC «BSW – MANAGEMENT COMPANY OF «BMC» 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.

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. (HR 4) (HR 9)

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: (LA 13) (LA 14)

– 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 6,4% HIGHER THAN WORKERS' SALARY. AVERAGE SALARY OF THE MANAGEMENT IS 44,6 % 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. (EC 5)

STIMULATING PAYMENTS TO THE TOP-MANAGEMENT ARE EFFECTED DEPENDING ON THE EFFICIENCY OF THE COMPANY PERFORMANCE AND FULFILLMENT OF THE SOCIAL-ECONOMIC DEVELOPMENT INDICATORS. (PD 4.5) (EC 5)

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: (PD 4.11)

– HEAVY OPERATIONS AND OPERATIONS WITH HARMFUL AND (OR) HAZARDOUS LABOR CONDITIONS;

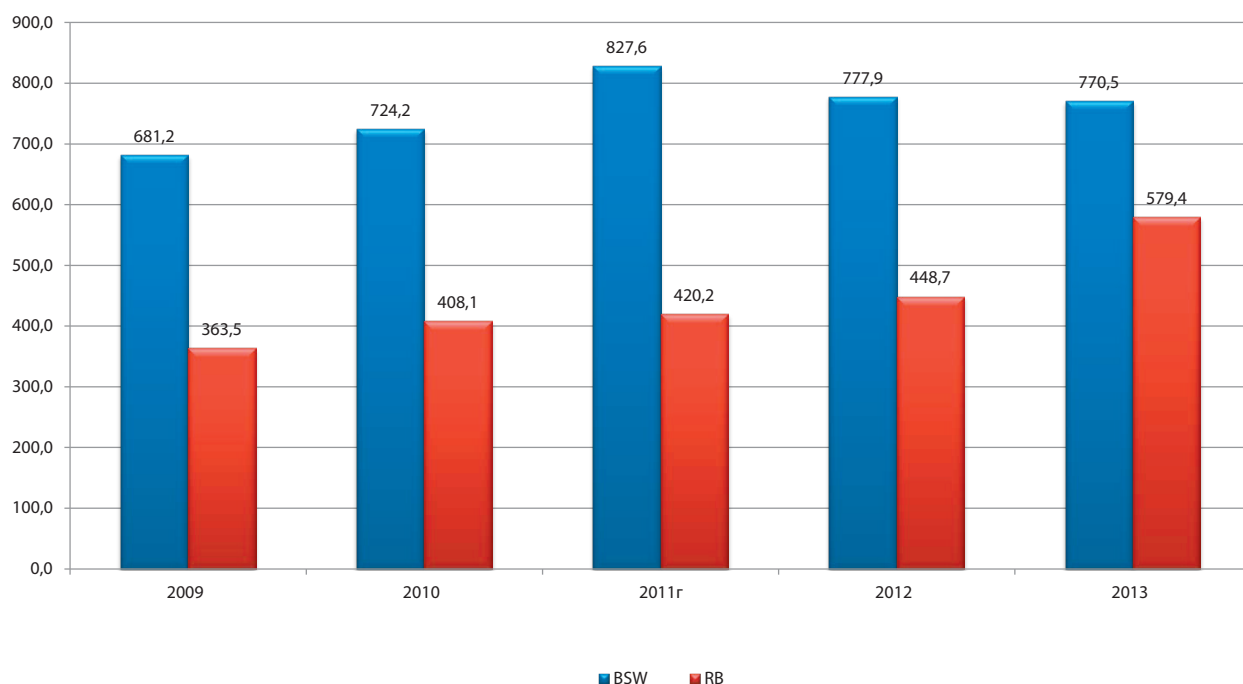
- JOBS RELATED WITH LIFTING AND MANUAL HANDLING OF WEIGHTS;

- SOME PROFESSIONS AND POSITIONS (STEELMAKER, STEELMAKER'S ASSISTANT, FARRIER, BATTERY ASSEMBLER, ETC.).

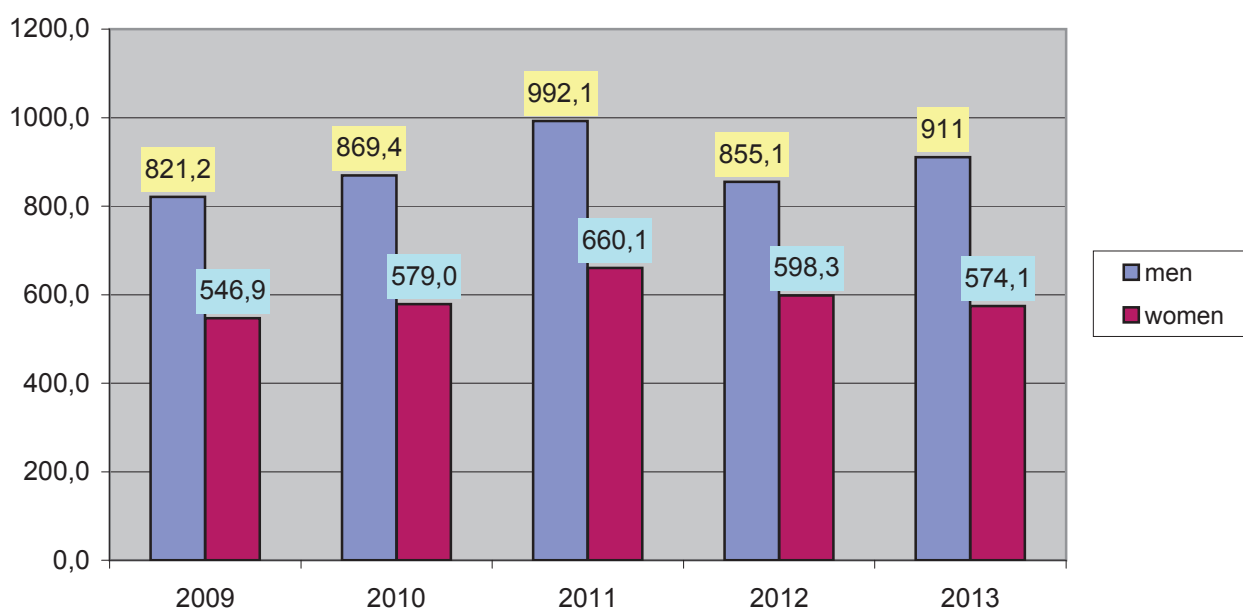
PREGNANT WOMEN ARE GIVEN EASIER JOBS EXCLUDING THE



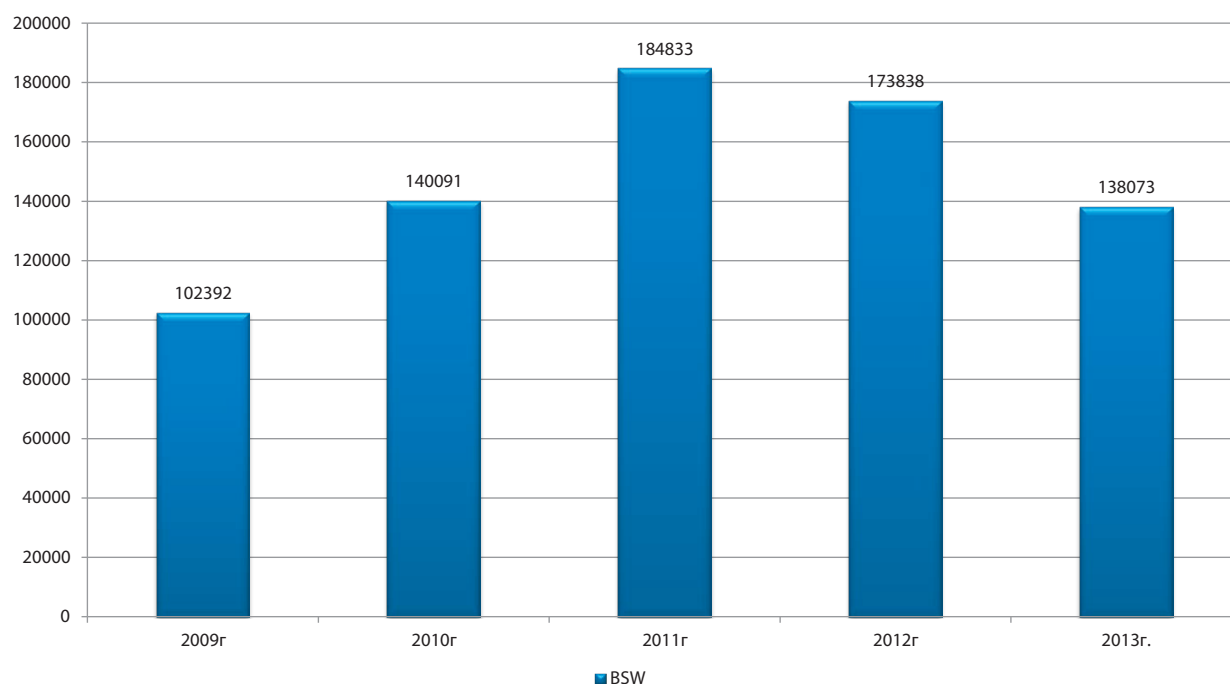
SOCIAL ACTIVITY



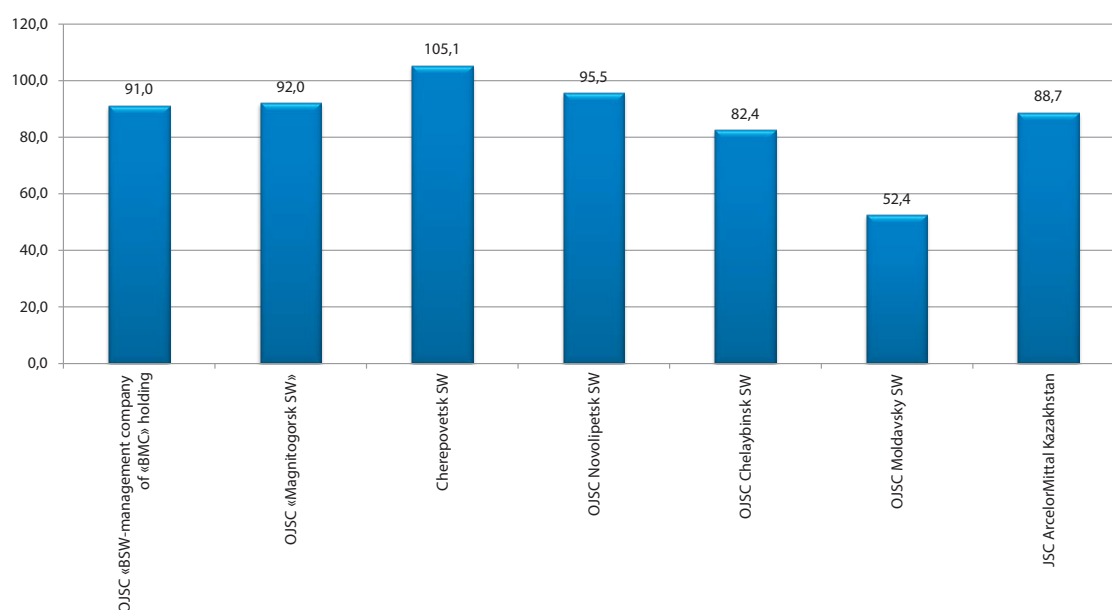
Average salary at OJSC «BSW-management company of «BMC» holding as compared to the average salary of workers and office workers of the Republic of belarusm USD thou.



Average salary of men and women at OJSC «BSW-management company of «BMC» holding , USD



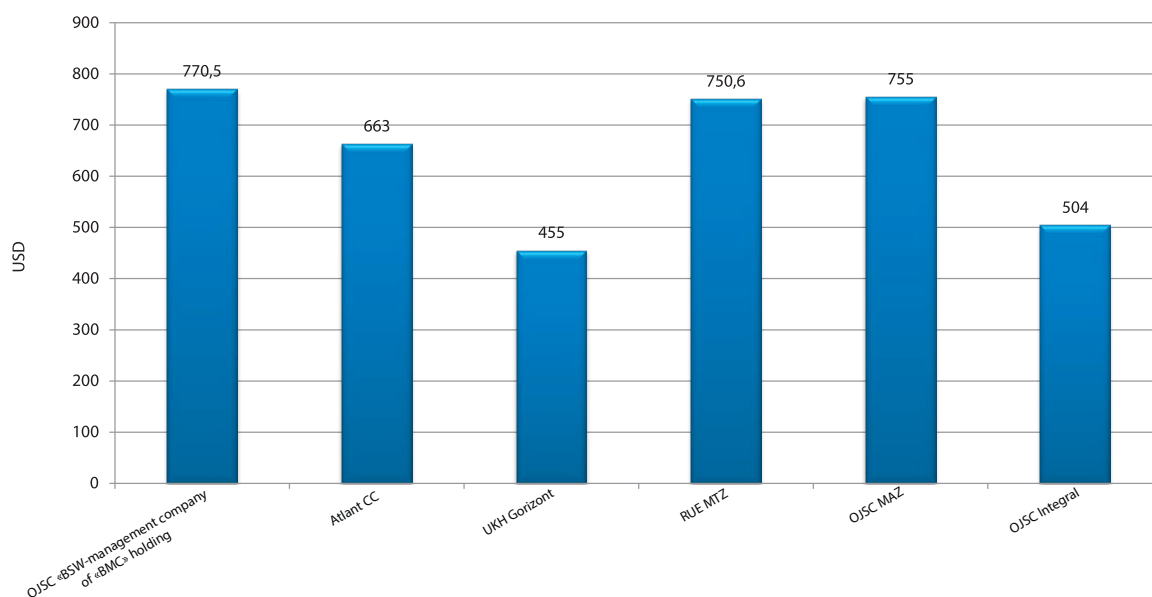
Personnel labour productivity dynamics at OJSC «BSW - management company of «BMC» holding» or 2009-2013 in USD



Labor productivity growth rate per steel making companies of close foreign countries in 2013 as compared to 2012, %



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Average monthly salary at OJSC «BSW-management company of «BMC» holding as compared to GDP-forming enterprises of the Ministry of Industry of Belarus for 2013, USD

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. (EC 1) (LA 13) (LA 14)

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 58 PER CENT HIGHER THAN THAT OF WOMEN. THE DIFFERENCE BETWEEN 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'S LABOR IS PROHIBITED. (LA 13) (LA 14) (PD 4.11)

PLANNING OF LABOR 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 LABOR PRODUCTIVITY GROWTH RATE IN USD EQUAL TO 91,0% IN 2013, THE SALARY GROWTH RATE WAS 99% (94,0% IN 2012).

SO THE TOP MANAGEMENT OF THE ENTERPRISE ATTEMPTS TO RESTRAIN DROP OF THE WELFARE OF ITS EMPLOYEES. (EC 9)

IT IS IMPORTANT THAT IN THESE CHALLENGING TIMES THE ENTERPRISE WORKED FOR DECREASING THE LABOR COEFFICIENT OF THE MANUFACTURED PRODUCTS. IN 2013 IMPLEMENTATION OF THIS APPROACH LEAD TO THE DECREASE OF THE LABOR COEFFICIENT OF THE OPERATIONS FULFILLED IN BASIC AND AUXILIARY SHOPS BY 36,8 THOU. N/H. THE ECONOMIC EFFICIENCY MADE UP OVER USD135,2 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 BELOW DIAGRAM: (EC 5)

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 «METALLURG». (PD 4.8) (PD 4.10) (PD 4.9)

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.

(PD 4.8) 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.). (EC 1) (EC 9)

ONE OF THE MAIN CONSTITUENTS OF THE CORPORATE CULTURE AND EFFICIENT WAY OF ENHANCING THE WORKERS MOTIVATION IS CORPORATE AWARDED. 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.

753 EMPLOYEES OF OUR ENTERPRISE WERE AWARDED IN 2013. (PD 2.10)

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 LABOR DYNASTIES OF OJSC «BSW – MANAGE-



«TRADITIONS ARE VERY STRONG: IN TERMS OF SCALE THEY UNITE THE NATION AND PROMOTE CULTURAL IDENTIFICATION; FROM THE LOCAL POINT OF VIEW THEY UNITE A COLLECTIVE, FORM THE SENSE OF PRIDE THANKS TO BELONGING TO ONE OR ANOTHER PROFESSION OR COMPANY. THERE MANY GOOD TRADITIONS AT BYELORUSSIAN STEEL WORKS. THEY ARE OUR LIFE AND OUR HISTORY».

GENERAL DIRECTOR OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING A.N. SAVIANOK

MENT COMPANY OF «BMC» HOLDING. ASSIGNMENT OF AN HONORABLE TITLE OF »A LABOR 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 LABOR 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 COLORFUL CELEBRATION. PAGES OF THE PLANT'S CALENDAR FOR 2013 CONTAIN THE BEST PICTURES DRAWN BY THE



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FUTURE METALLURGISTS CHOSEN ACCORDING TO THE RESULTS OF THE REGIONAL CONTEST AND PHOTOS OF THE WOMEN WORKING AT THE PLANT.

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 (PD 1.2)

ACHIEVEMENT OF THE FOLLOWING LEVEL OF THE MAIN TARGET VALUES RELATED WITH THE COMPANY SOCIAL-ECONOMIC DEVELOPMENT IS SCHEDULED FOR 2014:

- TRAINING OF THE EXECUTIVE EMPLOYEES AND SPECIALISTS, PERS. – 1363
- WORKERS PROFESSIONAL TRAINING, PERS. – 2917
- GENERAL SATISFACTION OF THE PERSONNEL, % MIN – 72
- SALARY GROWTH RATE, %, MIN – 118,1
- PERSONNEL TURNOVER, %, MAX – 5,0

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. (PD 4.8)

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. (SO 8) (PD 4.11) (PD 1.2)

LABOR PROTECTION SERVICE OF THE PLANT BASES ITS ACTIVITY ON THE PRIORITIES OF THE INTERNATIONAL NORMS. LABOR PROTECTION MANAGEMENT OF THE ENTERPRISE IS BASED ON THE KEY INTERNATIONAL STANDARD OF LABOR SAFETY OHSAS 18001 «OCCUPATIONAL HEALTH SAFETY ASSURANCE SYSTEMS» AND NATIONAL STANDARD STB 18001 «LABOR PROTECTION MANAGEMENT SYSTEMS. REQUIREMENTS.»

AS BEFORE, KEY STRATEGIC AIMS OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING IN THE AREA OF LABOR PROTECTION ARE:

- CONTINUOUS IMPROVEMENT OF EFFICIENCY OF LABOR PROTECTION IN ACCORDANCE WITH THE REQUIREMENTS OF OHSAS 18001:2007 AND STB 18001-2009;
- CONSTANT CONTROL OF RISKS RELATED TO PRODUCTION PROCESSES, IMPLEMENTATION OF PREVENTIVE AND CORRECTIVE ACTIONS DIRECTED TOWARDS PREVENTION OF OCCURRENCE OF OCCUPATIONAL DISEASES AND INJURIES IN PRODUCTION;



- LABOR PROTECTION AND INDUSTRIAL SAFETY ACTIVITY IN CONFORMITY WITH THE REQUIREMENTS OF INTERNATIONAL STANDARDS, THE EXISTING LAW, AND OTHER REQUIREMENTS RELATING TO DANGERS IN THE AREA OF OCCUPATIONAL HEALTH AND LABOR SAFETY;
- PREVENTION OF EQUIPMENT FAILURES, INCIDENTS, EMERGENCY, PREVENTION OF INJURIES AND WORSENING OF THE EMPLOYEES' HEALTH DURING PRODUCTION ACTIVITY;
- PROVISION OF ALL PROCESSES WITH COMPETENT, HIGHLY-QUALIFIED PERSONNEL.

EVERY YEAR CERTIFICATION BODIES CARRY OUT EXTERNAL AUDITS TO CHECK CORRESPONDENCE OF THE ENTERPRISE SYSTEM OF LABOR PROTECTION AND INDUSTRIAL SAFETY TO THE REQUIREMENTS OF THE STANDARDS.

IN 2013 OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING SUCCESSFULLY PASSED A CERTIFICATION AUDIT TO EVALUATE THE COMPLIANCE WITH THE REQUIREMENTS OF OHSAS 18001:2007 INTERNATIONAL STANDARD «OCCUPATIONAL HEALTH SAFETY ASSURANCE SYSTEMS» AND A RE-CERTIFICATION AUDIT OF THE LABOR PROTECTION AND INDUSTRIAL SAFETY MANAGEMENT SYSTEM FOR COMPLIANCE WITH THE REQUIREMENTS OF STB 18001-2009 NATIONAL STANDARD «LABOR PROTECTION MANAGEMENT SYSTEMS. REQUIREMENTS».

AUDITORS OF THE CERTIFICATION AGENCY BUREAU VERITAS BEL LTD, AND NATIONAL EDUCATIONAL ESTABLISHMENT «REPUBLICAN INSTITUTE OF HIGHER SCHOOL» CONFIRMED CORRESPONDENCE OF THE EXISTING PLANT'S MANAGEMENT SYSTEM TO THE INTERNATIONAL AND NATIONAL STANDARDS. (PD 4.9)

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:
(PD 4.8-4.10)

- DECREASE THE COSTS DUE TO A MORE EFFICIENT USE OF LABOR RECOURCES; DIMINISH THE EXPENSES RELATED WITH TRAUMATISM AND MORBIDITY;
- IMPROVE LEGAL SAFETY, GUARANTEES OF CORRESPONDENCE TO THE CHANGING LEGISLATIVE LABOR SAFETY REQUIREMENTS;
- 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 LABOR PRODUCTIVITY DUE TO IMPROVEMENT OF CONDITIONS AND REDUCTION OF UNPRODUCTIVE TIME AND LABOR WASTE.

OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING CONTINUOUSLY IMPROVES THE SYSTEM OF LABOR PROTECTION AND INDUSTRIAL SAFETY MANAGEMENT AND ADJUST IT IN ACCORDANCE WITH THE REQUIREMENTS OF INTERNATIONAL STANDARDS. THIS ALLOWS CONSIDERABLE REDUCTION OF THE



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PRODUCTION COSTS DUE TO LOWERING THE SPECIALISTS INCAPACITATION RELATED WITH ACCIDENTS, OCCUPATIONAL ILLNESSES, EMERGENCIES AND FIRES.

IN 2013 INVESTMENTS INTO THE LABOR PROTECTION MADE UP USD2 241,6 MILLION, WHICH IS USD46,2 THOUSAND MORE THAN IN 2012.

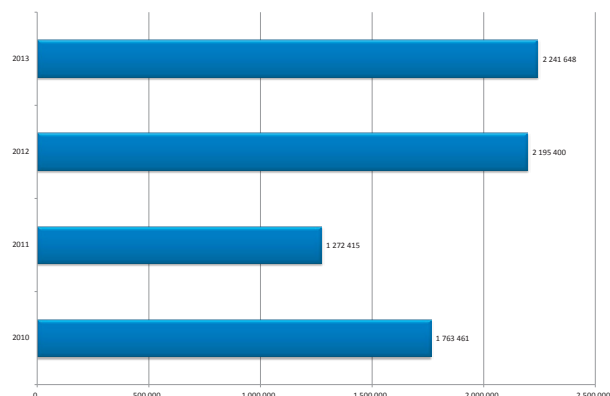
THE OCCUPATIONAL TRAUMATISM LEVEL DEPENDS ON SEVERAL FACTORS; ONE OF THEM IS THE VOLUME OF INVESTMENTS INTO LABOR PROTECTION. DURING RECENT YEARS CONSIDERABLE MEANS WERE INVESTED INTO THE LABOR PROTECTION MEASURES THAT ALLOWED DECREASE OF THE TRAUMATISM LEVEL FROM 11 IN 2006 TO 6 IN 2013. (EC 8)

THE ENTERPRISE DOES NOT ONLY INCREASES PRODUCTION CAPACITY AND INDUSTRIAL PRODUCT OUTPUT FROM YEAR TO YEAR, BUT CARRIES OUR CONTINUOUS AND PURPOSEFUL ACTIVITY TO CREATE AND IMPROVE SAFE WORKING CONDITIONS.

IMPROVEMENT OF LABOR CONDITIONS (LA 6)

A LARGE AMOUNT OF WORK TO REMOVE OUTDATED EQUIPMENT FROM PRODUCTION AND INSTALLATION OF ADVANCED EQUIPMENT MEETING THE REQUIREMENTS OF LABOR SAFETY IS CARRIED OUT WITHIN THE PROGRAM OF TECHNICAL REVAMPING.

THESE MEASURES HELPED US TO IMPROVE LABOR CONDITIONS



Investment in labor protection

EVERY YEAR THE PLANT WORKS OUT MEASURES TO PROVIDE FOR LABOR SAFETY. IN 2013, THE PLANT IMPLEMENTED 83 MEASURES OF THE PLAN AMOUNTING TO USD572 355. DUE TO THE MEASURES TAKEN, WORKING CONDITIONS OF 746 (706 IN 2012) EMPLOYEES WERE IMPROVED.

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 LABOR SAFETY REQUIREMENTS.

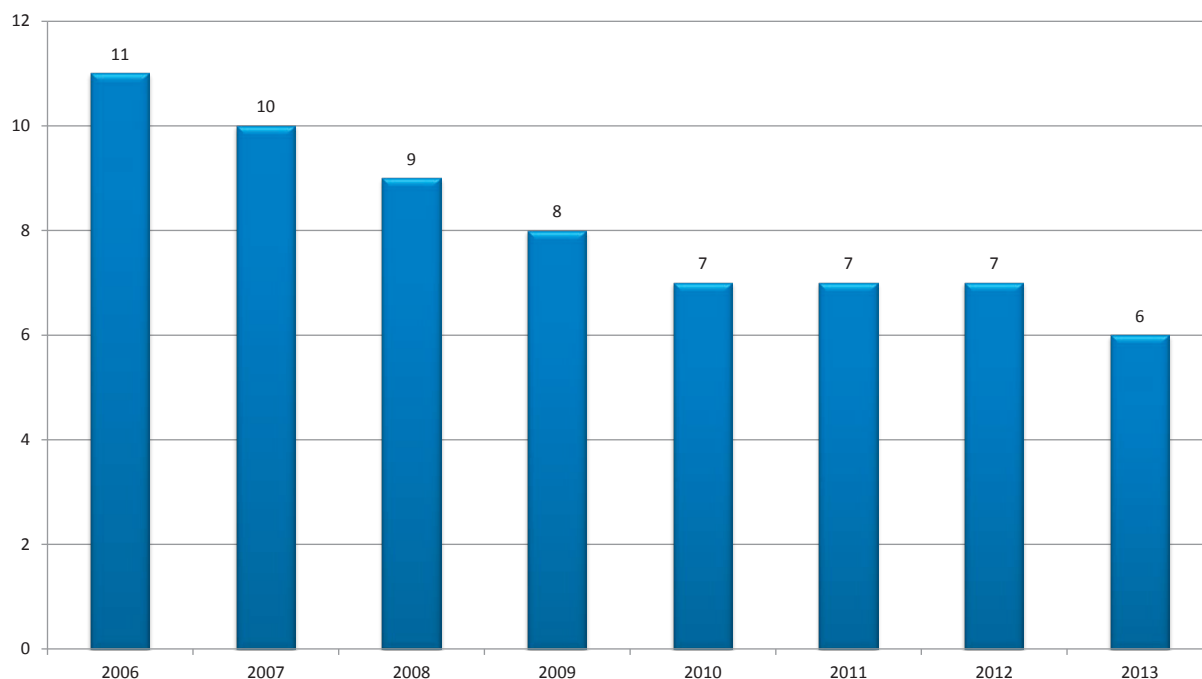
OBLIGATIONS OF THE EMPLOYER IN PROVIDING FOR SAFE AND HEALTHY LABOR CONDITIONS ARE STIPULATED IN THE SECTION «LABOR PROTECTION» OF THE COLLECTIVE AGREEMENT OF

ITEM No.	INDICATOR	2010	2011	2012	2013
1	NUMBER OF RECORDED ACCIDENTS	7	7	7	6
2	NUMBER OF THE INJURED INCLUDING:	7	7	7	6
	MORTAL	1	2	1	0
	SEVERE	3	1	3	2
	GROUP	0	0	0	0
3	FREQUENCY COEFFICIENT, Fc	0,61	0,61	0,69	0,44
4	GRAVITY COEFFICIENT, Gc	36,14	51,7	34,5	35,8
5	WASTED DAYS OF WORKING ABILITY	253	362	276	179

Production traumatism indicators

OF THE EMPLOYEES TO A CONSIDERABLE EXTENT AND DECREASE IMPACT OF DANGEROUS AND HAZARDOUS PRODUCTION FACTORS.

THE PLANT. IN ACCORDANCE WITH THE PROVISIONS OF THE COLLECTIVE AGREEMENT THE EMPLOYEES ARE TIMELY PROVIDED WITH FREE CERTIFIED WORKING CLOTHES AND SHOES,



Dynamics of production injury

PERSONAL PROTECTIVE AND HYGIENIC EQUIPMENT, UNDERGO A PERIODICAL MEDICAL INSPECTION. SOME CATEGORIES OF WORKERS ARE PROVIDED WITH MILK.

TRAINING AND COMPETENCE EVALUATION (LA 11) (LA 8) (HR 3)

AN INTEGRAL PART OF THE LABOR PROTECTION AND INDUSTRIAL SAFETY SYSTEM OF THE ENTERPRISE IS TEACHING OF SAFE OPERATION OF HAZARDOUS PRODUCTION FACILITIES, OCCUPATIONAL SANITATION AND LABOR HYGIENE. AN EMPLOYEE'S LABOR SAFETY

GREATLY DEPENDS ON THE THOROUGHNESS OF HIS/HER PROFESSIONAL TRAINING. SUSTAINING THE HIGH STANDARD OF KNOWLEDGE IS INSURED BY CONDUCTING AN OBLIGATORY LABOR SAFETY INSTRUCTION, PERIODICAL KNOWLEDGE CHECK AND PERSONNEL CERTIFICATION REGARDING SAFE OPERATION.

DYNAMIC DEVELOPMENT OF LABOR PROTECTION LAW, INTRODUCTION OF NEW TECHNOLOGIES AND TECHNIQUES, USE OF ADVANCED MATERIALS IN PRODUCTION STIPULATED THE NECESSITY TO IMPROVE TRAINING AND QUALIFICATION OF EMPLOYEES IN LABOR PROTECTION.

ACTIVITY	2012			2013		
	PLAN	ACTUAL	% FULFILLED	PLAN	ACTUAL	% FULFILLED
1. ENHANCEMENT OF THE ADMINISTRATIVE EMPLOYEES' AND SPECIALISTS QUALIFICATION, TOTAL:	594	731	123	1080	1133	104,9
— PAN RB	444	544	122	532	546	102,6
DESIGNATED OHSAS COURSES	150	187	124	548	587	107,1
2. PROFESSIONAL TRAINING OF THE WORKERS:	3091	3861	415	3303	3745	113,4
— TRAINING OF NEW EMPLOYEES	0	27		0	11	
— RETRAINING	494	943	191	593	889	149,9
— QUALIFICATION ENHANCEMENT	608	694	114	751	849	113,0
— DESIGNATED COURSES	1989	2197	110	1959	1996	101,9



SOCIAL ACTIVITY



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.



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. (HR 8) (LA 6) (SO 8)

(PD 4.4) 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 470 PERSONS INCLUDES REPUTABLE EMPLOYEES SELECTED BY THE WORKING TEAM MEMBERS BY OPEN VOTING.

THE EXECUTIVES' ACTIVITIES AND THEIR AUTHORITIES RE-

GARDING 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 «ABOUT 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». IN 2013, 97 PUBLIC INSPECTORS WERE TRAINED IN LABOR PROTECTION. (LA 6) (SO 8) AN EMPLOYEE OF BYELORUSSIAN STEEL WORKS BECAME THE WINNER OF THE ANNUAL NATIONAL CONTEST FOR THE BEST ORGANIZATION OF PUBLIC CONTROL OF LABOR PROTECTION IN THE ORGANIZATIONS OF BELARUSIAN TRADE UNION OF INDUSTRIAL WORKERS (BTUIW).

AT THE SECOND STAGE THE CONTROL OF COMPLIANCE WITH THE LEGISLATION AND CHECKING OPERATING SAFETY 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. (HR 8)

DURING 2013 THE PUBLIC LABOR SAFETY FORMATIONS CARRIED-OUT 53145 INSPECTIONS OF LABOR SAFETY AND PRODUCTION CULTURE. 53272 NON-CONFORMITIES WERE DETECTED AND 2185 NOTATIONS WERE ISSUED TO THE MANAGEMENT.

FOR STIMULATION AND IMPROVEMENT OF PERSONAL RESPONSIBILITY OF THE EMPLOYEES FOR OBSERVATION OF SAFE LABOR RULES AND NORMS, A CORRESPONDING LOCAL NORMATIVE-LEGAL ACT STIPULATES MATERIAL INCENTIVES OF EMPLOYEE WHO HAVE NO VIOLATIONS OF THE REQUIREMENTS OF LABOR AND FIRE SAFETY, AND INDUSTRIAL SANITARY. IN 2013 THE AMOUNT OF SUCH PAYMENTS EQUALED TO USD20,4 THOUSAND. BE-



SIDES, LABOR SAFETY COLUMN FUNCTIONS IN THE PLANT'S INFORMATION-REFERENCE SYSTEM InfoBMZ (INTERNAL SITE). IT INCLUDES AND UPDATES NATIONAL AND LOCAL ACTS RELATED TO LABOR PROTECTION AND INDUSTRIAL SAFETY, THE FOLLOWING JOURNALS: LABOR PROTECTION, INDUSTRIAL SAFETY AND SOCIAL PROTECTION, RESCUE SERVICE, CIVIL PROTECTION, ETC..

AN INFORMATION ACTION WAS DEDICATED TO LABOR PROTECTION IN PRODUCTION AT PRE-SCHOOL CHILDREN ESTABLISHMENTS OF THE PLANT. CHILDREN REMINDED THEIR PARENTS ABOUT LABOR SAFETY AND HANDED OVER A BOOKLET WITH AN APPEAL: «MUM, DAD, PLEASE, DO NOT ONLY LEARN THE RULES, BUT FOLLOW THEM STRICTLY!» IN OCTOBER 2013 RESULTS OF CHILDREN FINE-ARTS CONTEST «MY FUTURE – SAFE LABOR OF MY PARENTS» ORGANIZED BY BSW WERE SUMMARIZED. OVER FIFTY CHILDREN FROM 2 TO 14 YEARS OLD PARTICIPATED IN IT.

FOLLOWING THE PRINCIPLES OF SOCIAL RESPONSIBILITY IN ADDITION TO OBLIGATORY INSURANCE, THE EMPLOYER SIGNED AN AGREEMENT WITH PROMTRANSINVEST LTD. ON OBLIGATORY INSURANCE OF CIVIL RESPONSIBILITY OF THE EMPLOYER FOR ITS EMPLOYEES' HEALTH AND LIFE INJURY. ACCORDING TO THE AGREEMENT, BESIDE INSURANCE CASES ANTICIPATED BY OBLIGATORY INSURANCE EVERY EMPLOYEE OF THE COMPANY WAS ADDITIONALLY INSURED FROM NON-PRODUCTION ACCIDENTS OCCURRING WITHIN ONE HOUR DURING THE WAY TO AND FROM WORK.

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 WAS AT THE LEVEL OF 2012 AND MADE UP 0,77) AND AN AVERAGE ESTIMATION OF ON-SITE SANITARY-HYGIENIC CONDITIONS (THE SATISFACTION INDEX MADE UP 0,69 VS 0,68 IN 2012).

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 2014: (PD 1,2)

– PREVENT THE OCCUPATIONAL TRAUMATISM GROWTH AS COMPARED TO THE LEVEL OF 2013;

– PROVIDE FOR ADDITIONAL SAFETY OF LABOR FOR WORKERS OF THE SHOPS, PERS. 115

– IMPROVE PRODUCTION ENVIRONMENT OF WORKERS OF THE SHOPS, PERS. 520

– REDUCE PHYSICAL LOADING OF WORKERS OF THE SHOPS, PERS. 43

– IMPROVE DRINKING CONDITION OF WORKERS OF THE SHOPS, PERS. 490

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. (PD 4.8)

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 OBTAINING 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 2013 SOCIAL PROGRAMS WERE FULFILLED ON THE BA-



SOCIAL ACTIVITY



SIS 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 2013 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 2013 WAS A DIFFICULT YEAR FROM THE ECONOMIC POINT OF VIEW THEIR FINANCING WAS INCREASED AND MADE UP USD17,7 MILLION. (EC 1)

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;

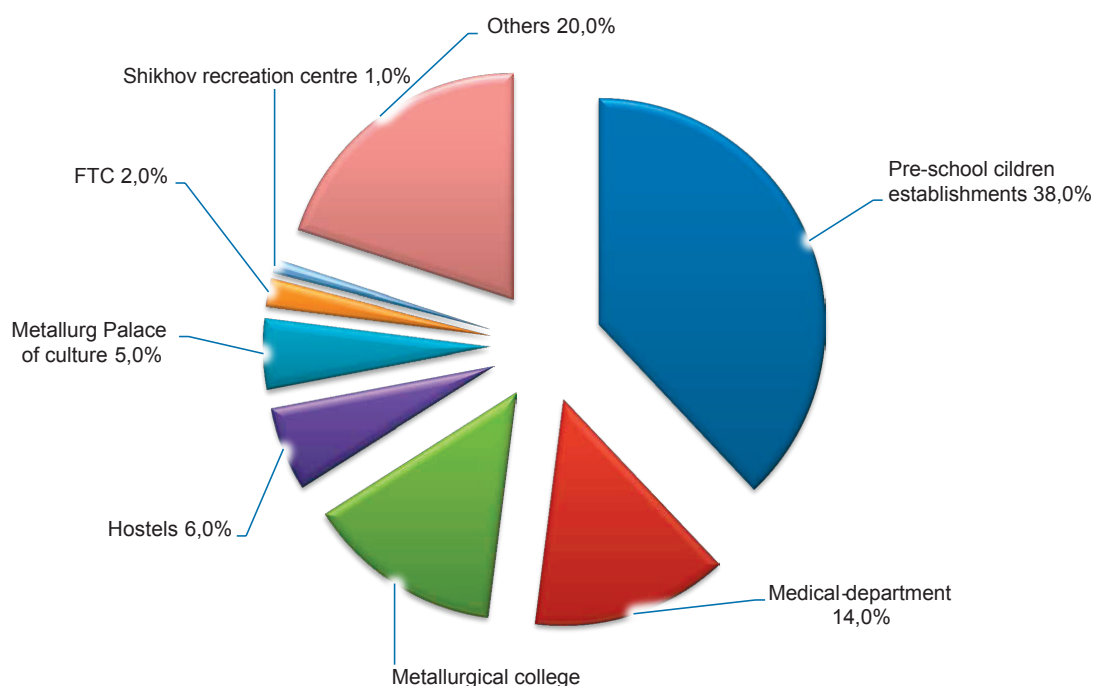
– OFFERING OF A WIDE SCOPE OF QUALITY SERVICES FOR THE INHABITANTS OF THE TOWN AND SURROUNDING AREA BY THE SOCIAL SERVICES.

SOCIAL PACKAGE OF BENEFITS AND GUARANTEES FOR THE EMPLOYEES (EC 8 – EC 9)

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 USD1 560 PER EMPLOYEE IN 2013.

THE COMPANY SOCIAL SPHERE EXPENDITURES AT THE EXPENSE OF PROFIT EQUALED TO USD 7,92 MILLION INCLUDING:

- PRE-SCHOOL ESTABLISHMENTS 2,96 млн.\$;
- MEDICAL SERVICE 1,14 млн.\$;
- METALLURGICAL COLLEGE 1,12 млн.\$;



The Company expenses of social sphere



- HOSTELS 0,47 MLN.\$;
- PALACE OF CULTURE OF METALLURGISTS 0,40 MLN.\$;
- SPORT FACILITY 0,17 MLN.\$;
- HOLIDAY CAMP «DNEPROVSKIE ZORI» IN SETTLEMENT SHIKHOV 0,06 MLN.\$;
- OTHERS (MUSEUM, 8 CANTEENS) 1,60 MLN.\$.

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.

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 LABOR 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-2013» 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 -2013» ARE: (PD 4.8) (LA 9)

- 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 1,12 MILLION FOR ITS MEDICAL CENTER FINANCING IN 2013.

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,



SOCIAL ACTIVITY



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. (EC 3) (EC 8 – EC 9) (LA 8)

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. MEDICAL SERVICE CAN BE RENDERED WITH TEMPORARY INTERRUPTION OF PRODUCTION ACTIVITY. IN 2013 THIS FORM OF MEDICAL CARE WAS USED BY MORE THAN 1605 PEOPLE, THUS GIVING THE POSSIBILITY TO MAINTAIN THE LEVEL OF LABOR PRODUCTIVITY AND SAVE RESOURCES OF THE SOCIAL SECURITY FUND. 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 138 PEOPLE INCLUDING: 33 DOCTORS, 81 – MEDICAL PERSONNEL WITH SECONDARY SPECIALIZED EDUCATION AND 12 PARAMEDICAL SPECIALISTS.

57,5 % OF DOCTORS HAVE THE FIRST AND THE SECOND QUALIFICATION CATEGORIES. 65,4 % OF THE PARAMEDICAL PERSONNEL ARE ATTESTED FOR CATEGORIES.

THE CLINIC HAS 8 SHOP THERAPEUTIC STATIONS SERVING APPROXIMATELY 1780 PEOPLE EACH.

198 263 PEOPLE VISITED THE CLINIC IN 2013, WHICH IS 1 094 PEOPLE MORE THAN IN 2012. 71,8 % 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 8284 EMPLOYEES INCLUDING 1936 WOMEN WERE THOROUGHLY EXAMINED IN 2013. A SINGLE PROFESSIONAL DISEASE WAS DETECTED. DUE TO DISPENSARY GROUP CHANGE 400 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 2013 PROCEEDS FROM MEDICAL SERVICES MADE UP USD26,9 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 SUC-



CESSFUL 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 1012 DAYS PER 100 EMPLOYEES IN 2013, WHICH IS 63 DAYS LESS THAN IN 2012.

IN 2013 THE PLANT CONTINUED MEDICAL EXAMINATION TO PREVENT AND EARLY DETECT DISEASES OF THE EMPLOYEES. 1253 PEOPLE WERE REGISTERED AND 613 WERE CROSSED OFF THE REGISTER INCLUDING 150 PEOPLE DUE TO RECOVERY DURING 2013. THE GROUP OF EMPLOYEES REGULARLY FOLLOWED-UP INCREASED BY 486 AS COMPARED TO 2012.

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.

DESCRIPTION	UNIT	2009 год	2010 год	2011 год	2012 год	2013 год
TEMPORARY DISABILITY (DISEASES AND INJURIES)	CASES	12 745	12 345	12 210	12 448	10 813
	DAYS	128 945	125 649	124 721	133 866	122 403

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 2013 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 CENTER, 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



SOCIAL ACTIVITY



BEING COMPANY EMPLOYEES (24 PEOPLE) CARRY OUT SEMINARS-TRAININGS IN HIV PREVENTION IN THE FIELD OF LABOR AMONG THE GROUPS OF THE STAFF RESERVE «LINEAR MANAGER». IN 2013, 56 PEOPLE WERE TRAINED (60 PEOPLE IN 2010, 72 PEOPLE IN 2011, 47 PEOPLE IN 2012). THE CHAIRMAN OF THE VOLUNTARY MOVEMENT PARTICIPATED IN A TRAINING SEMINAR FOR VOLUNTEERS-INSTRUCTORS WITHIN THE FRAMEWORK OF BELARUSSIAN RED CROSS PROJECT «SUPPORT AND EXPANSION OF POSSIBILITIES OF PEOPLE HAVING HIV».

MEDICAL CENTER SPECIALISTS TAKE PART IN THE WORK OF THE DISTRICT INTER-ORGANIZATION COMMITTEE OF HIV/AIDS AND VENEREAL DISEASE PREVENTION.

WITHIN THE FRAMEWORK OF IMPLEMENTATION OF THE REGIONAL ACTION TIMED TO THE WORLDWIDE DAY OF AIDS PREVENTION A REPRESENTATIVE 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.

IN 2013 OJSC «BYELORUSSIAN STEEL WORKS» RECEIVED AN APPRECIATION OF BELARUSIAN RED CROSS FOR COOPERATION WITHIN THE FRAMEWORK OF THE PROJECT «REGIONAL INITIATIVE IN THE AREA OF HEALTH IN THE EURASIAN REGION» (SUPPORT AND EXPANSION OF POSSIBILITIES OF PEOPLE HAVING HIV).

FOR MONITORING OF THE QUALITY OF MEDICAL-PREVENTIVE AID AND TARGET PROGRAMS WE USE THE PRACTICE OF INTERVIEWS WITH THE SPECIALISTS OF THE MEDICAL CENTER AND THE RECIPIENTS OF THE SERVICES. THE MANAGEMENT OF THE MEDICAL CENTER TAKES THEIR RECOMMENDATIONS INTO ACCOUNT.

RATING OF THE MEDICAL CENTER WORK IS A LITTLE LOWER THAN IN 2012 AND IS AT THE AVERAGE LEVEL (SATISFACTION INDEX IS 0,60 VS 0,63 IN 2012). AT THE SAME TIME, 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 EM-

PLOYEES 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. IN 2013, 1 184 PEOPLE HAD REST THERE. THE PLANT SPENT USD 60,0 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 2013 OVER USD0,55 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. IN 2013, 1 298 CHILDREN SPENT THEIR VACATIONS IN THE CHILDREN'S HEALTH CENTERS OF THE REPUBLIC, HEALTH IMPROVEMENT OF MORE THAN 1 250 CHILDREN IS SCHEDULED FOR 2014.

BESIDES, IN 2013 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 101 CHILDREN.

ACCORDING TO THE REGULATIONS OF HEALTH IMPROVEMENT,



PLANT'S EMPLOYEES WERE GIVEN SOME PRIVILEGES IF THEY HAD EVIDENCING DOCUMENTS; 203 PEOPLE WERE PARTIALLY EXEMPT FROM PAYMENT FOR VOUCHES AND TRANSPORTATION TO AND FROM THE PLACE OF REST.

IN HEALTH RESORTS OF THE BELARUSIAN TRADE UNION FEDERATION (BTUF) 143 PEOPLE IMPROVED THEIR HEALTH WITH A 25% DISCOUNT OF THE COST OF THE VOUCHERS IN 2013.

INFORMATION ABOUT AVAILABILITY OF VOUCHERS IN THE AREA OF SOCIAL INSURANCE IS REGULARLY BROUGHT TO THE ATTENTION OF CHAIRMEN OF THE TRADE UNION COMMITTEES OF THE SHOPS, IS ALLOCATED ON INFORMATION STANDS AND ISSUED IN THE NEWSPAPER «METALLURG».

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.

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, EN-

HANCING 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 0,17 MILLION FOR MAINTENANCE OF THE SPORT AND RECREATION CENTER IN 2013. 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 28 KINDS OF SPORT; 53 SPORT EVENTS WERE ORGANIZED WITH PARTICIPATION OF 35 TEAMS (1791 PEOPLE). TOTAL NUMBER OF PEOPLE PARTICIPATING IN SPORT EVENTS IN 2013 EQUALED TO 2921 PEOPLE;

- 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 51 800 PEOPLE INCLUDING 18 857 CHILDREN VISITED THE SPORT FACILITY IN 2013.

A TRADITIONAL NEW YEAR CHILDREN'S TOURNAMENT IN MINI-FOOTBALL GATHERED 14 TEAMS. THE TOURNAMENT UNITED MORE THAN ONE HUNDRED BOYS FROM 9 TO 15 YEARS OLD, SPORTS DAY «DEFENDER OF THE FATHERLAND» IN 6 KINDS OF SPORT AMONG YOUTH TEAMS OF THE ENTERPRISES OF BYELORUSSIAN METALLURGICAL COMPANY HOLDING AND PLANT'S SUBDIVISIONS PARTICIPATED BY 12 TEAMS (156 PEOPLE), XXIV INTERNATIONAL LIGHT-ATHLETICS RACE DEDICATED TO THE DAY OF METALLURGISTS PARTICIPATED BY MORE THAN 200 SPORTSMEN INCLUDING ATHLETES FROM RUSSIA AND THE UKRAINE,

THE COMPANY EMPLOYEES SUPPORT THE HONOR OF THE ENTERPRISE AT THE COMPETITIONS OF VARIOUS LEVELS; SOME



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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:

- FIRST TEAM PLACE BASED ON THE RESULTS OF THE ALL-YEAR-ROUND SPORTS EVENT IN 16 KINDS OF SPORT;
- FIRST PLACE IN THE FIFTH REGIONAL SPORTS DAY AMONG PRIMARY TRADE UNION ORGANIZATIONS OF INDUSTRIAL ENTERPRISES OF THE REPUBLIC OF BELARUS;
- SECOND PLACE IN THE SIXTH REPUBLICAN SPORTS EVENT OF THE BELARUSIAN TRADE UNION OF THE INDUSTRIAL WORKERS.

THE TAM OF THE SPORTS CENTER OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING BECAME THE WINNER OF DISTRICT CONTEST FOR THE BEST ORGANIZATION OF PHYSICAL TRAINING, HEALTH IMPROVEMENT AND SPORTS IN 2013. (PD 2.10)

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.

SPORT CENTER SERVICES ARE ALSO IN DEMAND AMONG THE POPULATION OF THE REGION. PROCEEDS FROM CHARGEABLE PHYSICAL AND SPORT SERVICES MADE UP USD 19,3 THOUSAND DURING 2013.

OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING CONTINUES TO INVEST IN SOLVING SOCIALLY IMPORTANT CHALLENGES IN THE REGION OF ITS PRESENCE. THE PLANT SPENT

USD788,7 THOUSAND FOR FINANCING OF CONSTRUCTION OF THE PALACE OF SPORT GAMES IN ZHLOBIN IN 2013. (PR 6) (PR 7)

INVESTING IN SPORT INFRASTRUCTURE, THE PLANT SUPPORTS THE DEVELOPMENT OF THE SPORT OF HIGH ACHIEVEMENTS, SPORT POPULARIZATION IN PARTICULAR AMONG YOUNG PEOPLE.

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 21 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 CENTER 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.

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 380 PEOPLE ARE MEMBERS OF HOBBY GROUPS AND CREATIVE TEAMS, 320 OF THEM ARE CHILDREN.

17 CREATIVE TEAMS AND AMATEUR ASSOCIATIONS WORK AT THE PALACE OF CULTURE: 6 FOR GROWN-UPS AND 11 FOR CHILDREN; 5 COLLECTIVES WERE GIVEN THE HONORABLE TITLE OF «PEOPLE'S» AND «CLASSIC» IN THE REPUBLIC OF BELARUS. (PD 2.10)

A GREAT EMPHASIS OF ITS ACTIVITY IS PLACED BY THE PAL-



ACE OF CULTURE ON THE PROFESSIONAL LEVEL IMPROVEMENT. GUEST PERFORMANCES, PARTICIPATION IN PRESTIGIOUS FESTIVALS AND CONTESTS SUPPORT PROFESSIONAL SKILLS GROWTH. THE FOLLOWING AWARDS RECEIVED IN 2013 ARE THE RESULT OF A LABORIOUS WORK OF THE CREATIVE TEAM OF THE PALACE OF CULTURE: (PD 2.10)

— A MODEL POP DANCE GROUP «FEIERVERK» TOOK PART IN THE 4TH REGIONAL ZONE CELEBRATION OF CHOREOGRAPHIC ART NAMED AFTER PEOPLE'S ARTIST OF BSSR A.A. RYBALCHENKO AND CONFIRMED THE TITLE OF A MODEL GROUP;

— BASED ON THE RESULTS OF A SELECTION ROUND OF THE REPUBLICAN TOURNAMENT OF YOUNG TALENTS «A STAR ROSE ABOVE BELARUS» CHOREOGRAPHIC GROUP «DANCE-SHOW «CHANCE» BECAME A PARTICIPANT OF THE REGIONAL ROUND OF THE TOURNAMENT;

— FOLK CHOIR «KRYNITSA», FOLK BRASS BAND, DANCE GROUP «KRISTALL», POP QUARTET «MAGIC BRASS», ANGELINA KARPUSHENKO — A SOLOIST OF THE POP GROUP «CREDO» OF THE PALACE OF CULTURE OF METALLURGISTS - BECAME LAUREATES OF THE 3RD FESTIVAL OF AMATEUR ART GROUPS OF PRIMARY TRADE UNION ORGANIZATIONS OF BELARUSIAN TRADE UNION OF INDUSTRIAL WORKERS.

IN SEPTEMBER ZHLOBIN MET PARTICIPANTS OF THE NATIONAL FESTIVAL-FAIR «DOZHINKI-2013». ART GROUPS OF THE PALACE OF CULTURE TOOK PART IN THE FESTIVE ARRANGEMENTS OF THE FESTIVAL: FOLK CHOIR «KRYNITSA» AND THE FOLK ORCHESTRA BECAME PARTICIPANTS OF THE CONCERT PROGRAMS OF «DOZHINKI-2013» AND MARIA GRITSOK — SOLOIST OF «CREDO» POP GROUP AND DANCE-SHOW «CHANCE» WERE HONORED WITH PLAYING IN PUBLIC ON MAIN STAGE OF THE FESTIVAL.

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.

IN JANUARY 2013, XVI FESTIVAL «CHRISTMAS MUSIC STAIRCASE» WAS TRADITIONALLY HELD WITH A BIG NUMBER OF PAR-

TICIPANTS AND SPECTATORS. OVER 170 CHILDREN PARTICIPATED IN IT. THE EVENT WAS VISITED BY 600 PEOPLE.

COMPETITIVE SHOW PROGRAMS FOR CHILDREN, CONCERTS WITH PARTICIPATION OF MEMBERS OF CHILDREN'S GROUPS OF THE PALACE OF CULTURE ARE ALWAYS IN DEMAND WITH THE CITIZENS: ENTERTAINING DANCE PROGRAMS FATHER FROST'S DISCOTHEQUE, WINTER BIRTHDAY BOYS AND GIRLS, CONCERTS OF CHILDREN'S GROUPS DEDICATED TO THE WOMEN'S DAY «LET THERE ALWAYS BE MUM», EXHIBITION OF DRAWINGS «MY MUM IS THE BEST IN THE WORLD», PERFORMANCE «PANCAKE WEEK GAMES» IN PRE-SCHOOL ESTABLISHMENTS. ON JUNE 1 — THE DAY OF CHILDREN PROTECTION — AN EXHIBITION OF CHILDREN'S DRAWINGS «I WANT TO BE A STEEL-MAKER». CHILDREN'S GROUP OF THE PALACE OF CULTURE PREPARED A PICTURESQUE PROGRAM FOR THE PARTICIPANTS OF A DRAWING CONTEST «MY FUTURE — MY PARENTS' SAFE WORK» WHICH WAS HELD AT ZHLOBIN STATE METALLURGICAL COLLEGE.

FOR STUDYING YOUTH OF THE PLANT AN ENTERTAINMENT PROGRAM «LOVE ON AT A DISTANCE» WAS ORGANIZED WITH THEIR PARTICIPATION; A CONCERT «BETWEEN US, GIRLS» AND A COMPETITION FOR SENIOR PUPILS «A YOUNG GIRL FROM ZHLOBIN».

VARIOUS SUBJECT DISCOTHEQUES, DANCING PARTIES, PERFORMANCES, FESTIVAL AND COMPETITIVE PROGRAMS FOR PEOPLE OF DIFFERENT AGES: «HOW WONDERFUL THE WORLD IS!», «MEN'S SEASON», «CHOOSE ME», «MISS ZHLOBIN» AND MANY OTHERS ARE HELD ON A REGULAR BASIS.

A FESTIVE CEREMONY OF MARRIAGE REGISTRATION HELD IN THE PARK «FIVE ELEMENTS» LOCATED NEAR THE PALACE OF CULTURE BECAME VERY POPULAR. FROM THE MOMENT THE RECONSTRUCTION STARTED, ART GROUPS OF THE PALACE OF CULTURE CONTINUED THEIR ACTIVITY AND PARTICIPATED IN PLANT'S REGIONAL, FIELD, AND DISTRICT ARRANGEMENTS. THEIR CREATIVE WORK WAS IN DEMAND ON STAGES OF GOMEL REGION AND MINSK (PARTICIPATION OF MAGIC BRASS QUARTET IN THE CONCERT DEDICATED TO THE DAY OF MECHANICAL ENGINEERS HELD ON THE NATIONAL LEVEL). IN 2013 THE TEAM OF THE PALACE OF CULTURE ARRANGED 152 EVENTS



SOCIAL ACTIVITY



WHICH WERE VISITED BY MORE THAN 20 THOUSAND PEOPLE. 3257 PEOPLE INCLUDING 1570 CHILDREN TOOK PART IN LARGE-SCALE CULTURAL ARRANGEMENTS.

(LA 8) 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 CENTER 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 2013 THE PLANT SPENT USD 0,40 MILLION FOR THE RECONSTRUCTION OF THE PALACE OF CULTURE AND LARGE-SCALE 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 1826 PEOPLE LIVE (627 FAMILIES) AND ONE HOSTEL PROVIDING 340 BEDS FOR SINGLE EMPLOYEES (266 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 2013 THE PLANT SPENT USD 0,47 MILLION FOR THESE PURPOSES.

DURING 2013, 35 FAMILIES IMPROVED THEIR LIVING CONDITIONS, 630 FAMILIES ARE WAITING FOR SUCH IMPROVEMENT AND 90 FAMILIES ARE WAITING FOR A ROOM IN THE HOSTEL.

SUPPORT FOR LARGE FAMILIES

РЕАЛИЗАЦИЯ ЦЕЛЕВОЙ СОЦИАЛЬНОЙ ПОДДЕРЖКИ РАБОТНИКОВ ОАО «БМЗ–УПРАВЛЯЮЩАЯ MANAGEMENT COMPANY OF «BMC» HOLDING IS CARRIED OUT BY WAY OF A FLEXIBLE SYSTEM OR 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 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

DESCRIPTION	2009	2010	2011	2012	2013
PAYMENTS FOR BIRTH OF A CHILD (LUMP SUM ALLOWANCE)	160 WOMEN \$84,3 THOU.	132 WOMEN \$72,8 THOU.	400 WOMEN \$84,2 THOU.	134 WOMEN \$152,5 THOU.	156 WOMEN \$215,5 THOU.
PAYMENT FOR NURSING A CHILD UNDER 3	546 WOMEN \$411,1 THOU.	509 WOMEN \$490,6 THOU.	441 WOMEN \$419,2 THOU.	419 WOMEN \$413,2 THOU.	439 WOMEN \$962,1 THOU.
PAYMENTS FOR PURCHASING SCHOOL UNIFORM	\$10,9 THOU.	\$11,9 THOU.	\$23,2 THOU.		\$14,9 THOU.
PROVIDING ONE DAY-OFF	\$22,6 THOU.	\$20,3 THOU.	\$5,4 THOU.	\$40,8 THOU.	\$7,8 THOU.
THE MEANS FOR CHILDREN'S HEALTH IMPROVEMENT	\$326,7 THOU.	\$341,2 THOU.	\$474,8 THOU.		\$503,9
PAYMENTS FOR THE FAMILIES RAISING THE DISABLED CHILDREN UNDER 18	100 CHILDREN \$3,6 THOU.	97 CHILDREN \$5,1 THOU.	96 CHILDREN \$8,6 THOU.	66 CHILDREN \$49,8 THOU.	91 CHILDREN \$74,9 THOU.



SOCIAL ACTIVITY



ARE PROVIDED PRIVILEGED AND PARTIALLY PAID VOUCHERS TO SANATORIUMS 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. (EC 1)

SOCIAL SUPPORT OF UNEMPLOYED PENSIONERS, INVALIDS AND OTHER CATEGORIES OF PEOPLE NOT SUFFICIENTLY PROVIDED FOR (EC 3)

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 2013 THE AMOUNT OF THIS SUPPORT MADE UP OVER USD578,3 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 INTRODUCED 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 USD 162 DEPENDING ON THE RECORD OF SERVICE AND AWARDS. IN 2012 THESE SUPPLEMENTS MADE UP USD335,2 THOUSAND. IN 2013 THE AMOUNT OF THIS AID EQUALED TO USD335,2 THOUSAND.

THE FINANCIAL AID IS PROVIDED IN CONNECTION WITH RETIREMENT. IN 2013 THE AMOUNT OF THIS AID WAS OVER USD 19,46.

BESIDES, THERE IS AN ANNUAL FINANCIAL AID DEDICATED TO THE INTERNATIONAL DAY FOR THE ELDERLY. ITS

AMOUNT EQUALED TO USD159, 4 THOUSAND IN 2013.

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 2013 THIS AID AMOUNTED TO USD 14,6 THOUSAND.

A SPECIAL PLACE IN THE SOCIAL PROGRAM IS OCCUPIED BY PROVIDING THE UNEMPLOYED PENSIONERS WITH TREATMENT 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 1 945 CHILDREN (80% – ARE CHILDREN OF THE PLANT'S EMPLOYEES, OTHERS ARE CHILDREN OF THE CITIZENS OF THE AREA OF THE COMPANY ACTIVITY). IN 2013 FINANCIAL INVESTMENT IN THE KINDERGARTENS AMOUNTED TO USD 2,96 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 PRE-SCHOOL 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;
- METHODOLOGICAL CENTER FOR 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 AN 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 2013 A UNIQUE CHILDREN'S MUSEUM OF STEELMAKING EXISTING IN ONE OF BSW PRE-SCHOOL ESTABLISHMENT OPENED ITS DOORS IN A NEW SPECIALLY EQUIPPED HALL. DURING A YEAR PASSES SINCE IMPLEMENTATION OF THIS PROJECT SOME MODELS WERE RENEWED. IN THE RENOVATED MUSEUM THERE IS A PHOTO GALLERY OF ALL DIRECTORS OF THE ENTERPRISE. 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.

THE CHILDREN'S MUSEUM AS WELL AS THE MUSEUM OF BSW HISTORY MAINTAIN THE TRADITIONS OF THE ENTERPRISE AND ALLOWS THE CHILDREN TO GET A CLEAR IDEA OF BYELORUSSIAN STEEL WORKS.

LEGAL EDUCATION WORK IS CARRIED-OUT AMONG CHILDREN AND THEIR PARENTS. (HR 3)

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. (LA 8)

PROFESSIONAL ACHIEVEMENTS OF THE PLANT'S PRE-SCHOOL ESTABLISHMENTS ARE AWARDED IN VARIOUS CONTESTS. THUS, TEACHERS OF KINDERGARTEN No.35 WON THE FIRST PLACE IN THE DISTRICT AND CONTEST «SAFE CHILDHOOD» AND THE 1ST PLACE IN THE NOMINATION «CORNER OF SAFETY» AT THE REGIONAL STAGE OF THE CONTEST.

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 WON-



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DERFUL 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 503 EMPLOYEES INCLUDING 223 TEACHERS AND 1 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.

IN 2013 THE FOLLOWING SEMINARS WERE CARRIED OUT ON THE BASIS OF BSW KINDERGARTENS TOGETHER WITH THE EDUCATION DEPARTMENT OF ZHLOBIN DISTRICT EXECUTIVE COMMITTEE:

- REGIONAL SEMINAR «COOPERATION OF PRE-SCHOOL EDUCATIONAL-SPORT ESTABLISHMENTS» FOR THE LEADERS OF PHYSICAL TRAINING PRE-SCHOOL ESTABLISHMENTS;
- REPUBLICAN TRAINING SEMINAR «ORGANIZATION OF WORK AND METHODS OF TEACHING CHILDREN OF PRE-SCHOOL AGE TO SWIM».

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 2013 THE FIGURE OF TOTAL MORBIDITY RATE PER 100 CHILDREN REDUCED BY 16,8%

AS COMPARED TO 2012, NUMBER OF DAYS WHEN CHILDREN STAYED AT HOME DUE TO DISEASE DECREASED BY 23,6%. HEALTH INDEX GREW BY 14,8% AND EQUALED TO 64,3% IN 2013 AGAINST 49,5% IN 2012.

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 2013 SPEAK OF THE POSITIVE ASSESSMENT OF BSW ACTIVITY IN THE AREA OF SOCIAL RESPONSIBILITY. OVER 10% 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 0,59 TO 0,77 AGAINST 0,63 – 0,76 IN 2012.

TOTAL ENTERPRISE COMPLEX SATISFACTION INDEX EQUALED TO 0,71 IN 2013. THIS FIGURE IS A LITTLE LOWER (BY 0,01) THAN IN 2012, BUT DURING FOUR YEARS IT HAS BEEN WITHIN THE HIGH LEVEL RANGE OF SATISFACTION WHICH ALLOWS US TO SPEAK ABOUT A STABLE MORAL AND PSYCHOLOGICAL CLIMATE IN THE EMPLOYEE TEAM OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING.

EMPLOYEES' RIGHTS (LA 4) (LA 9) (HR 4 - 9)

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 APRIL 2013 A TRADE UNION CONFERENCE OF THE TEAM OF OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING DEDICATED TO DISCUSSION OF FULFILLMENT OF THE COLLECTIVE AGREEMENT TOOK PLACE. THE PARTICIPANTS OF THE CONFERENCE VOTED FOR AMENDMENTS IN THE EXISTING AGREEMENT FOR 2012 – 2015: ABOUT 30 ITEMS WERE REVISED, THREE WERE EXCLUDED, VALIDITY OF ANOTHER FIVE WAS SUSPENDED AND TWO NEW ITEMS WERE ADDED.



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; (PD 4.4) (SO 8)
- FOLLOWING LABOR AND TECHNOLOGICAL DISCIPLINE, LABOR PROTECTION REQUIREMENTS, INDUSTRIAL SAFETY AND PRODUCTION SANITARY; (PD 4.4)
- STRENGTHENING SOCIAL-LEGAL SECURITY OF THE COMPANY WORKERS;
- STABILIZATION OF THE SOCIAL-ECONOMIC SITUATION IN THE WORKING TEAMS AND SUBDIVISIONS OF THE ENTERPRISE. (PD 4.4)

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. (LA5)

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 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. (SO 8)

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 PROFESSION-

AL ILLNESSES PREVENTION STANDARDS AS WELL AS INTERNAL REGULATIONS. THE ISSUES OF THE EMPLOYEES' HEALTH AND SAFETY ARE SET FORTH IN THE COLLECTIVE AGREEMENT. (PD 4.9)

THE PLANT RECOGNIZES THAT ITS PRODUCTION ACTIVITY IS CONNECTED WITH NEGATIVE ENVIRONMENTAL IMPACT AND TAKES ALL POSSIBLE MEASURES FOR MINIMIZATION OF SUCH 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. (SO 8) (HR 5)

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: (SO 8)

– 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; (LA 5)

– 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 LA-



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BOR 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. 12 APPLICATIONS OF THE COMPANY EMPLOYEES

SIBLE 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 (PD 3.5,) PD 4.16, 4.17

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. (PD 4.14 - 4.17)

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: (HR 5)

- 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 REP-



WERE CONSIDERED IN 2013. IN THE RESULT OF CONSIDERING THE APPLICATIONS BY THE COMMISSION THE REQUIREMENTS OF FOUR APPLICATIONS WERE SATISFIED, AS FOR ONE MORE APPLICATION, THE PARTIES COULD NOT COME TO AN AGREEMENT; AS FOR ANOTHER FIVE APPLICATIONS IT WAS REFUSED TO SATISFY THEM AS HAVING NO GROUNDS FOR THE REQUIREMENTS SET FORTH, SEVEN MORE APPLICATIONS WERE WITHDRAWN BECAUSE THE ADMINISTRATION SOLVED THE ISSUE CONCERNED. (PD 4.6)

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 2013 STUDIED THE FUNDAMENTAL PRINCIPLES OF THE LAW REFERRING TO ECONOMIC, ECOLOGICAL OR SOCIAL RESPONSIBILITY. (HR 3)

STRICT AND RIGOROUS OBSERVANCE OF HUMAN RIGHTS AND FREEDOMS IS THE FOUNDATION OF MODERN SOCIALLY RESPON-



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 (PD 4.13) (LA4) (LA9)

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. (PD 4.4)

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 11 582 PEOPLE WHICH IS 97,14% 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. (SO 5)

IN 2013 BASED ON THE RESULTS OF THE CONTEST OF GOMEL REGIONAL TRADE UNION, PRIMARY TRADE UNION ORGANIZA-



«WE ALWAYS REMEMBER AND HONOR MERITS OF THE VETERANS: THEY LAID DOWN TRADITIONS, AND TODAY THEY SERVE AN EXAMPLE OF HOW TO MAKE LIFE MORE INTERESTING AND MEANINGFUL».

CHAIRMAN OF THE TRADE UNION COMMITTEE OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING
A.A. KOLEDA

TION OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING WAS PRONOUNCED THE BEST IN 2012.

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, PROVISIONS REGARDING LABOR CONDITIONS AND PAYMENT, SOCIAL AND RESIDENTIAL PROVISION OF THE WORKERS, COMPENSA-



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TIONS 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 OF THE EMPLOYEES' TEAM. (PD 4.4)

IN ORDER TO COMPLY WITH THE COLLECTIVE AGREEMENT, IN 2013 THE TRADE UNION COMMITTEE FINANCED THE FOLLOWING: (EC 3) (EC 1) (LA 3)

- ALLOWANCES TO PARENTS FOR THE BIRTH OF A CHILD — \$20,55 THOU.;
- NEW YEAR'S PRESENTS FOR CHILDREN AND EMPLOYEES — \$203,4 THOU.;
- CULTURAL EVENTS — \$151,98 THOU.;
- SPORTS EVENTS — \$86,75 THOU.;
- PRESENTS FOR THE EMPLOYEES' JUBILEES — \$22,76 THOU.;
- PRESENTS FOR THE RETIRING EMPLOYEES — \$29,18 THOU.;
- SUPPORTING OF VETERANS — \$3,2 THOU.;
- MATERIAL SUPPORT — \$193,33 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 2013. (PD 4.6) (PD 4.4)

CHARITY AND SPONSORSHIP IS ONE OF THE ACTIVITIES OF THE WORKS. BEING AN ACTIVE MEMBER OF THE CHARITABLE CAMPAIGN «TRADE UNIONS — TO CHILDREN» IN 2013 IT GRANTED USD 6,805 THOUSAND TO: (EC 8) (EC 1)

- 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 USD34,73 THOUSAND. (EC 8) (EC 1) (SO 1)

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 400 CHILDREN. THE CHILDREN ARE PROFESSIONALLY TRAINED BY 11 COACHES IN 26 GROUPS.

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. THIS YEAR 4 PUPILS BECAME CANDIDATES TO MASTERS OF SPORTS OF THE REPUBLIC OF BELARUS; 8 CHILDREN FULFILLED THE NORMS OF THE 1ST GRADE; 1 PUPIL OF THE SPORT SCHOOL JOINED THE OLYMPIC RESERVE SCHOOL, THE TOP LINK OF SPORT TRAINING. (PD 2.10).

THE TRADE UNION COMMITTEE SPENT USD 14,6 THOUSAND IN 2013. (SO 1).

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 MATERNITY AND CHILDHOOD UNDER THE AUSPICES OF THE TRADE UNION COMMITTEE A COMMISSION FOR FAMILY AND SCHOOL ASSISTANCE HAS BEEN WORKING SINCE 2005. (SO 1)

UNDER THE AUSPICES OF THE TRADE UNION COMMITTEE OF OJSC «BSW — MANAGEMENT COMPANY OF «BMC» HOLDING THE TRADE UNION LIBRARY OPERATES CONTAINING



36066 BOOKS (35636 BOOKS IN 2012). 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.

USD7,9 THOUSAND FROM THE TRADE UNION BUDGET WERE SPENT FOR PURCHASING NEW LITERATURE AND FOR SUBSCRIPTION OF OVER 1900 VETERANS TO PERIODICALS. THE LIBRARY NUMBERS OVER 3120 REGULAR READERS. DURING PREVIOUS YEAR THE NUMBER OF VISITS TO THE LIBRARY EQUALED TO 34241 (32278 IN 2012), AND 120255 BOOKS WERE GIVEN OUT (112325 IN 2012). (EC 8) (SO 1).

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 2013 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», «STRENGTH OF UNITY: APRIL 2 – DAY OF UNITY OF THE PEOPLE OF RUSSIA AND BELARUS», ETC.

IMPLEMENTATION OF A BOOK-CROSSING PROJECT «FROM HANDS TO HANDS» CONTINUES.

TRADE UNION ROLE AND INFLUENCE AT THE COMPANY IS BIG. THIS IS EVIDENCED BY A POSITIVE ASSESSMENT OF ITS ACTIVITY IN 2013 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 2013 WAS 0,63 (0,65 IN 2012).

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 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; (PD 4.9)
- YOUTH COOPERATION AND CREATIVE POTENTIAL DEVELOPMENT;
- HEALTHY LIFESTYLE AND TOURISM DEVELOPMENT;
- IMPROVEMENT OF THE YOUTH SOCIAL SECURITY PROTECTION.

SOCIAL ACTIVITY



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.

– «ALL CHILDREN ARE OURS» FOR DISABLED CHILDREN AND TO SUPPORT FAMILIES WITH A LOW INCOME WITH PARTICIPATION OF THE REGIONAL CENTER OF SOCIAL SERVICE OF THE POPULATION;

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 ZHLOBIN DISTRICT CENTER OF CORRECTIVE AND DEVELOPING TEACHING AND REHABILITATION IN ORGANIZATION OF A SCHOOL-LEAVING PARTY;
- «PURE NATURE». CLEANING OF THE TERRITORY ADJOINING THE VIRSKY ARTIFICIAL POND;

PRIMARY ORGANIZATION OF THE BELARUSIAN REPUBLICAN YOUTH UNION (BRYU)	NUMBER OF THE MEMBERS								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
	561	1132	1308	1336	1313	1368	1450	1545	1610

– 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 1610 MEMBERS OR 62 % OF THE YOUTH AGED UNDER 31 WORKING AT THE PLANT.

THE MOST SIGNIFICANT ACTIVITIES CONDUCTED BY THE YOUTH ORGANIZATION OF OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING IN 2013 WERE CHARITABLE CAMPAIGNS FOR COLLECTING OF VOLUNTARY CONTRIBUTIONS FOR: (EC 8) (EC 9) (EC 1) (SO 1)

– THE ACTION «DO GOOD» DEDICATED TO THE INTERNATIONAL DAY OF DISABLED PEOPLE;

– «WE ARE FOR CLEAN TOWN!» CLEANING AND BEAUTIFICATION OF THE PRIDNEPROVSKY TOWN PARK. (EN 13)

EFFECTIVENESS OF THE ORGANIZATION ACTIVITY IS EVIDENCED BY ITS ACHIEVEMENTS AND AWARDS WON IN 2013:

– 2ND PLACE IN THE DISTRICT CONTEST «BEST YOUNG FAMILY OF ZHLOBIN AREA»;

– WINNER OF THE COMPETITION FOR THE BEST PRIMARY BRYU ORGANIZATION IN GOMEL REGION;

– THE WINNER IF THE 1ST REPUBLICAN COMPETITION FOR THE BEST PRIMARY ORGANIZATION OF BRYU FOR 2013.

MSC TEAM OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING NAMED «ALL UP!» IS A PARTICIPANT OF PRESTIGIOUS REGIONAL FESTIVALS AND TOURNAMENTS OF THE MSC: 11THE REGIONAL OPEN TV FESTIVAL OF MSC TEAMS, INTERREGIONAL LEAGUE OF MSC «POLESIE» (1ST PLACE IN THE 1/8 OF THE FINAL; 1ST PLACE IN THE 1/4 OF THE FINAL; 3RD PLACE IN 1/2 OF THE FINAL; 6TH PLACE IN THE FINAL), GOMEL REGIONAL LEAGUE OF MSC (CHAMPION OF THE SEASON 2013, 2ND



PLACE IN THE SUMMER CUP OF GOMEL), MOGILYOV MSC LEAGUE (1ST PLACE IN THE OPEN SUMMER CUP OF THE MSC «BOBRUISK OPEN AIR).

VETERANS' UNION (EC 3)

THE ORGANIZATION UNITES 1866 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 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 TRADE UNION COMMITTEE ASSIGNED USD 3 THOUSAND FROM ITS FUND TO THE VETERANS UNION FOR DIFFERENT ARRANGEMENTS.

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.

BASED ON THE RESULTS OF 2012, THE VETERANS UNION OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING BECAME THE WINNER IN THE CONTEST FOR THE BEST PRIMARY ORGANIZATION OF THE DISTRICT.

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 1405 PEOPLE OR 37% OF THE WOMEN WORKING AT THE ENTERPRISE. THE ORGANIZATION IS HEADED BY A PRESID- IUM 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 CONTRIBUTING TO STRENGTH- ENING 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 TO- GETHER WITH THE TOWN AUTHORITIES, MEETINGS WITH INTER- ESTING PEOPLE.

MEMBERS OF THE WOMEN'S UNION PARTICIPATE IN INSPECT- ING THE PRODUCTION CULTURE AND LABOR CONDITIONS; ACTIV- ITIES 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. WOMEN OF THE WORKS RECEIVE QUALIFIED LEGAL AND PSYCHO- LOGICAL 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 COLLABO- RATION WITH THE CENTER CAMPAIGNS «DO GOOD», « THEY SHOULD NOT CRY» AND «A SCHOOL BAG» – TO



SOCIAL ACTIVITY



COLLECT CLOTHES AND SCHOOL ACCESSORIES FOR CHILDREN FROM LOW-INCOME FAMILIES. THE WOMEN' UNION

«SOLDIERS – INTERNATIONALISTS PLAY A GREAT ROLE IN A PATRIOTIC UPBRINGING OF YOUTH IN ZHLOBIN AREA. THEY SERVE AN EXAMPLE OF BEING A PATRIOT OF THEIR COUNTRY».



CHAIRMAN OF ZHLOBIN DISTRICT EXECUTIVE COMMITTEE
G.A. SUZDALEV

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

«DEEDS OF ARMS OF SOVIET SOLDIERS DURING THE AFGHAN WAR SHALL NOT BE FORGOTTEN. AT OUR ENTERPRISE THESE ISSUES ARE PAID MUCH ATTENTION TO BOTH BY THE ADMINISTRATION AND THE TRADE UNION COMMITTEE».



DEPUTY GENERAL DIRECTOR FOR PERSONNEL AND IDEOLOGICAL WORK V.E. FLARYZIAK

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» (LA 8) (LA 6) (LA 9)

UNION OF SOLDIERS-INTERNATIONALISTS

90 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.

TREE 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. (LA 9) (PD 2.10)

UNION OF YOUNG SPECIALISTS

OVER 350 YOUNG SPECIALISTS WORK AT BYELORUSSIAN STEEL WORKS. IN 2013 THE ENTERPRISE HIRED 143 YOUNG SPECIALISTS, 101 GRADUATES FROM SECONDARY AND SPECIAL EDUCATIONAL ESTABLISHMENTS, 35 GRADUATES FROM HIGHER INSTITUTIONS. 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. In 2013, 8 YOUNG EMPLOYEES OF THE COMPANY TOOK PART IN SCIENTIFIC AND TECHNICAL CONFERENCES OF YOUNG SPECIALISTS OF THE STEEL SECTOR OF RUSSIA AND THE UKRAINE. At NOVOKUZNETSK CONFERENCE BSW REPRESENTATIVE WON THE 1ST PLACE. 65 YOUNG EMPLOYEES OF THE PLANT PARTICIPATED IN THE 13TH INTERNATIONAL CONFERENCE «METAL-2013» HELD AT THE COMPANY AND WON 10 FIRST PLACES, 11 SECOND AND 6 THIRD PLACES. IN ADDITION TO REPRESENTATIVES OF BYELORUSSIAN STEEL WORKS, THE CONFERENCE WAS ATTENDED BY REPRESENTATIVES OF 50 GUESTS: REPRESENTATIVE ON INTEGRATED STEEL WORKS, HARDWARE, TIRE AND PIPE PRODUCERS AND MACHINE BUILDERS, LEADING HIGHER EDUCATIONAL ESTABLISHMENTS OF CIS 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 617 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. (PD 4.4)

IN 2013 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 «SLUTSKY PALNT «EMALPOSUDA»,



«PRESENT TIME IS NOT THE BEST FOR STEELMAKING. NEVERTHELESS, BSW ALWAYS STEADILY FOLLOWS THE WAY OF DEVELOPMENT. NATURALLY, IMPLEMENTING LARGE-SCALE PLANS THE PLANT COUNTS ON YOUTH. WITHOUT YOUR IDEAS, YOUR ENERGY NONE OF THE PROJECTS HAS PROSPECTS. THAT IS WHY OUR ENTERPRISES SUPPORTS YOUNG EMPLOYEES IN ALL POSSIBLE WAYS».

GENERAL DIRECTOR OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING. A.N. SAVIANOK

THE TOWN OF SLUTSK, SO AS TO EXCHANGE EXPERIENCE AND IMPROVE QUALIFICATION OF LINEAR LEADERS OF «BYELORUSSIAN METALLURGICAL COMPANY» HOLDING, ARRANGE PROBATION OF YOUNG SPECIALISTS-GRADUATES OF 2013, ANALYZE



«YOUNG PEOPLE ARE THE ADVANCE-GUARD OF THE ENTERPRISE. FUTURE BELONGS TO IT. MUCH DEPENDS ON WHERE AND HOW ONES WORK STARTS. YOUNG PEOPLE WHO JOINED BYELORUSSIAN STEEL WORKS MADE THE RIGHT CHOICE IN FAVOR OF A SERIOUS AND RESPECTED PROFESSION».

DEPUTY GENERAL DIRECTOR FOR TECHNICAL DEVELOPMENT-CHIEF ENGINEER OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING S.M. BORSHCHOV

AN ACTIVE LIST OF THE STAFF RESERVE FOR THE POSITION OF A FOREMAN, SENIOR FOREMAN, ANALYZE FUNCTIONING OF THE LABOR PROTECTION SYSTEM OF THE ENTERPRISE, CONFER THE RANK OF A I- AND II-CLASS FOREMAN (109 PEOPLE HAVE THIS



SOCIAL ACTIVITY

TITLE: 50 AND 59 PEOPLE ACCORDINGLY; THEY GET AN EXTRA MONEY (5% AND 10%) IN ADDITION TO THEIR CONTRACT AMOUNT, 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 15 KINDS OF SPORT AND OTHER SPORT EVENTS AT THE PLANT. IN 2013 THE UNION ORGANIZED AND HELD 53 SPORT EVENTS AND HEALTH PROMOTING EVENTS. NUMBER OF PARTICIPANTS EQUALED TO 2921 PEOPLE.





Responsibility for the goods produced

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, BYELORUSSIAN 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. (PR 1- PR 9)

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 (PD 4.10) (PD 4.6) (PD 4.7) (PD 4.9)

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 (PD 2.3)

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 M 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. (PD 4.9) 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 MILLION. 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. (EC 8 – EC 9)

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 AND TARE SHOP.

STEEL CORD PRODUCTION IS A MOST COMPLICATED SCI-

ENCE-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 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.



«TECHNOLOGY AND OUR CUSTOMERS' REQUIREMENTS IN RESPECT OF THE PRODUCT QUALITY PERMANENTLY CHANGE. THAT IS WHY, IF WE WANT TO BE PRESENT ON THE MARKET, WE OUGHT TO DEVELOP NEW TYPES OF PRODUCTS— THIS IS THE ONLY WAY TO GUARANTEE US A CERTAIN PLACE ON THE MARKET».

DEPUTY GENERAL DIRECTOR FOR TECHNOLOGY AND QUALITY OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING. A. PERETYAGINA

THE RANGE OF WIRE PRODUCTION OUTPUT IS NOT LIMITED BY THE ABOVEMENTIONED ASSORTMENT. THE PLANT PRODUCES BEAD WIRE, WELDING COPPER-COATED AND NON-COPPER-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,



Responsibility for the goods produced

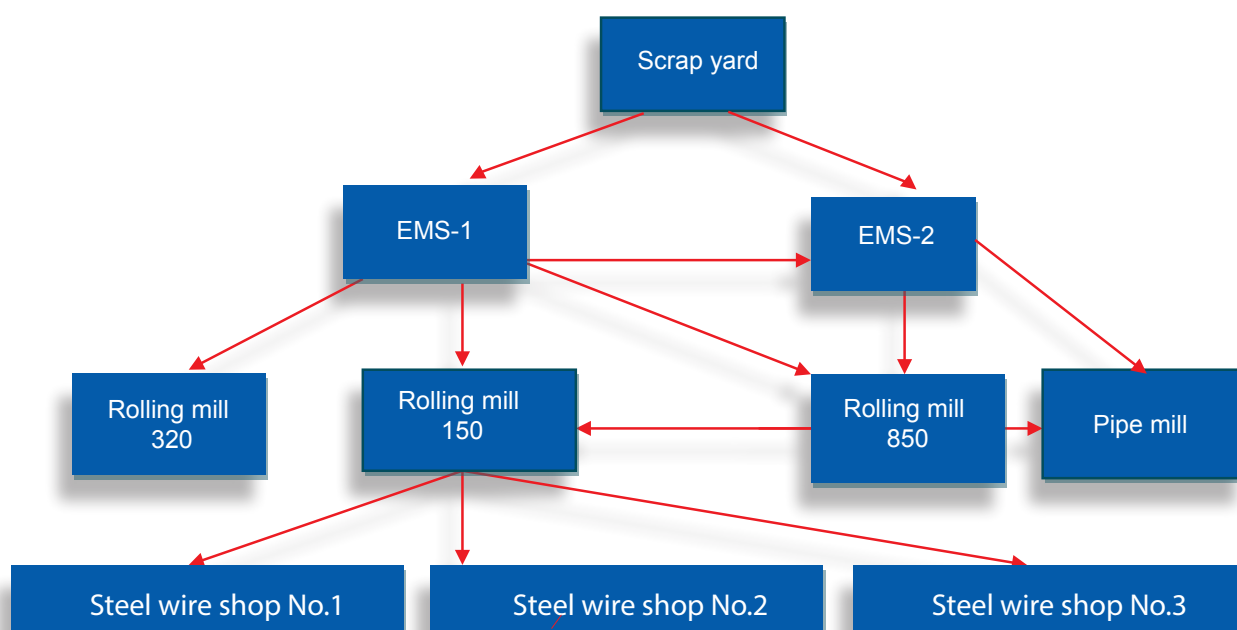


RAILWAY AND TRANSPORT SHOPS, AND SUCH OTHER AUXILIARY DEPARTMENTS.

CUSTOMERS' HEALTH AND SAFETY

MAIN CUSTOMERS OF OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING – ARE MACHINE-BUILDING AND

PRODUCTION CERTIFICATION IN COMPLIANCE WITH THE REQUIREMENTS OF NATIONAL AND INTERNATIONAL STANDARDS WAS COMMENCED AT OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING IN 1991, AND HAS BEEN SUCCESSFULLY PERFORMED THEREAFTER. QUALITY AND SECURITY OF BYELORUSSIAN STEEL WORKS PRODUCTS COMPLYING WITH THE



The production structure

MOTOR-CAR CONSTRUCTION ENTERPRISES, HARDWARE, TIRE, PIPE AND REINFORCED CONCRETE STRUCTURE PLANTS OF 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. (PD 4.8) (PD 4.9) (SO 8)

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 2013 THE ENTERPRISE HOLDS 53 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). (PD 4.10)

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 CON-



SUMING COMPANIES: MICHELIN (FRANCE), CONTINENTAL (GERMANY), GOODYEAR (LUXEMBOURG), EATON (USA, GERMANY), MANULI (ITALY), PARKER (ITALY), DIESSE (ITALY), ALFAGOMMA (ITALY), KNAPHEIDE (GERMANY) AND OTHERS, WHICH PERFORM THE COUNTERPARTY AUDITS. (PD 4.10)

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. (EN 26)

IN THE REPORTING PERIOD WE RECEIVED SEVERAL REMARKS REGARDING TIRE CORD PACKAGE DAMAGE DURING TRANSPORTATION TO CUSTOMERS BY TRUCKS.

NOW WE TEST PROTECTIVE FRAMES OF CARDBOARD ANGLES TO PROVIDE FOR GOODS SAFETY DURING TRANSPORTATION BY TRUCKS.

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 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. AT PRESENT, OJSC «BSW-MANAGEMENT COMPANY OF «BMC»



Responsibility for the goods produced

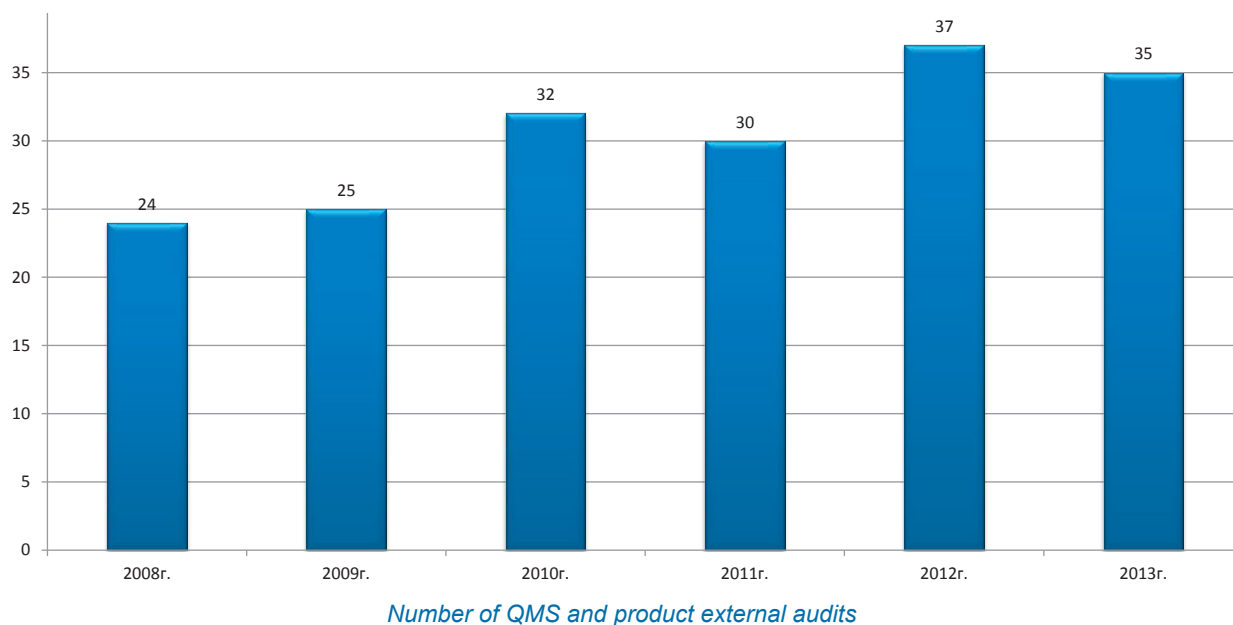
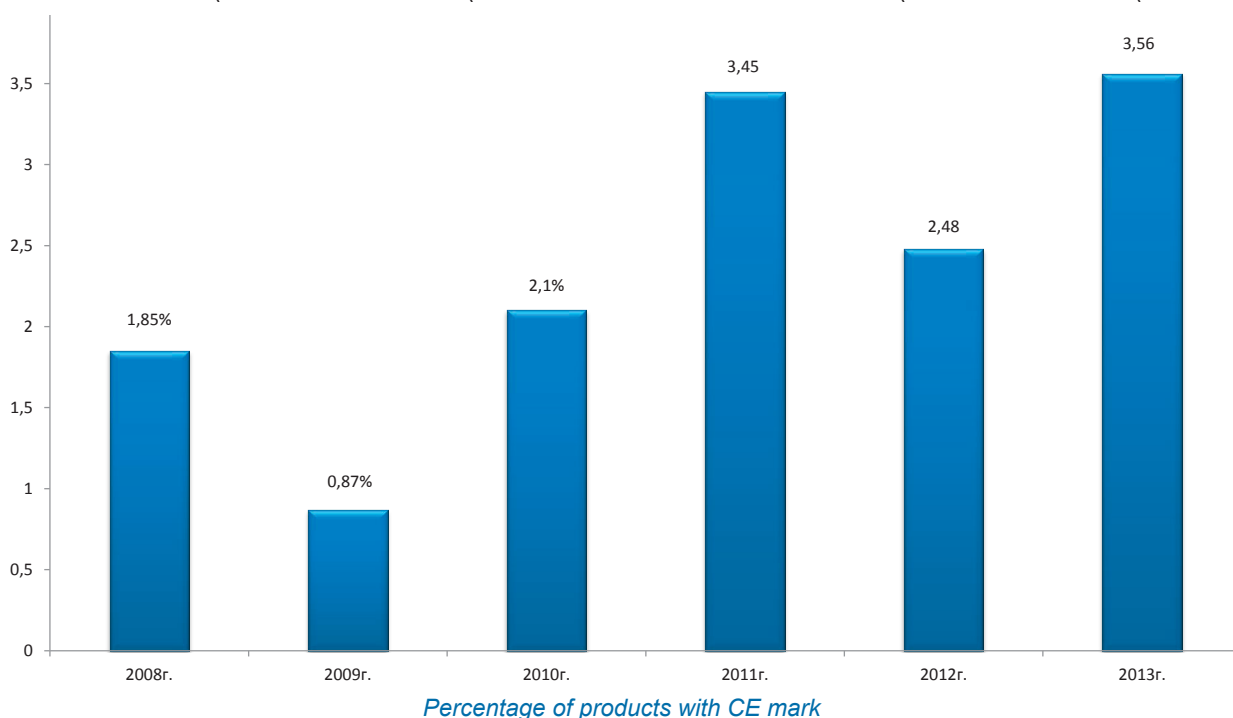


HOLDING HOLDS THE FOLLOWING CERTIFICATES OF CONFORMITY ISSUED TO CONFIRM THE RIGHT TO APPLY CE MARK ON:

—HOT-ROLLED SEAMLESS HOLLOW PROFILES OF STRUCTURAL STEEL GRADES WITH STRENGTH GROUPS RANGING FROM S235 TO S460 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 GROUPS 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/ (TÜV NORD SYSTEMS (GERMANY)

IN THE REPORTING PERIOD WE RECEIVED SEVERAL MESSAGES FROM OUR CUSTOMERS REGARDING INCORRECT TIRE CORD BOX MARKING AND ONE REMARK REGARDING INCORRECT INDICATION OF BRONZE-PLATED BEAD WIRE DIAMETER. NOW BOXES WITH TIRE CORD ARE MARKED WITH LABELS OF DIFFERENT COLORS DEPENDING ON THE DIRECTION OF UNWINDING.

FOR BRONZE-PLATED BEAD WIRE A NEW LABEL WAS DEVELOPED INCLUDING LOT SHIPMENT DATA, AN ARROW INDICATING DIRECTION OF UNWINDING AND DESIGNATION OF THE DIAMETER.

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 (PD 4.10) (PD 4.11) - (PD 4.17) (SO7)

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.



Responsibility for the goods produced



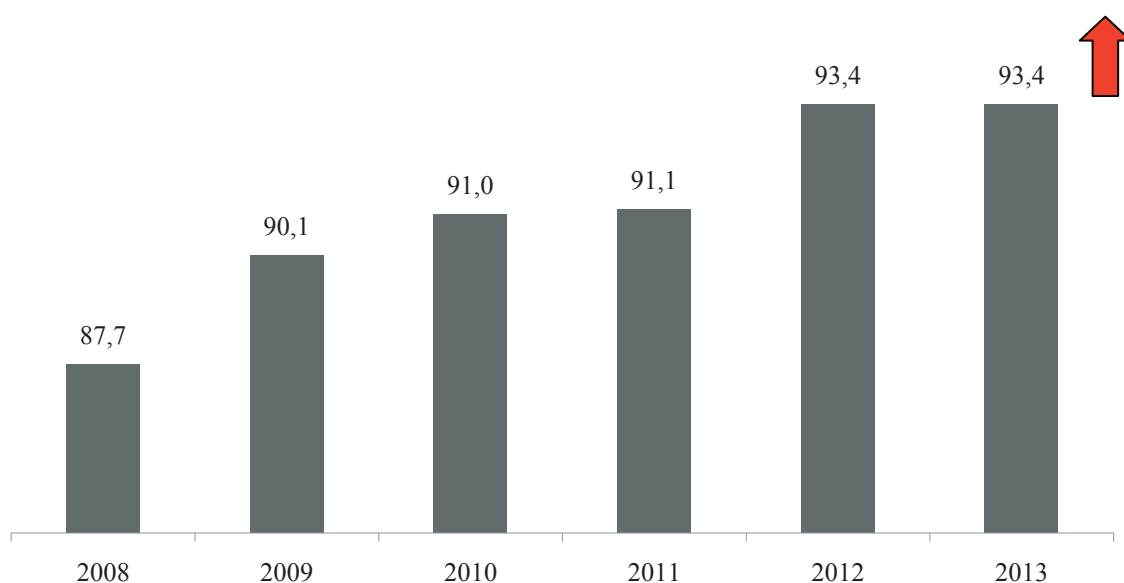
ORGANIZATION OF PERIODIC MEETINGS AND DISCUSSION OF PROBLEMS WITH ITS PARTNERS ALLOW THE ENTERPRISE TO FIND EFFICIENT SOLUTIONS OF THE EXISTING AND POTENTIAL PROBLEMS, REALIZE POSSIBLE PRODUCT DEVELOPMENT AND OPTIMIZATION DIRECTIONS.

WORK WITH CUSTOMERS IS ORGANIZED IN COMPLIANCE WITH THE CODE OF BUSINESS ETHICS AND ENTERPRISE STANDARD

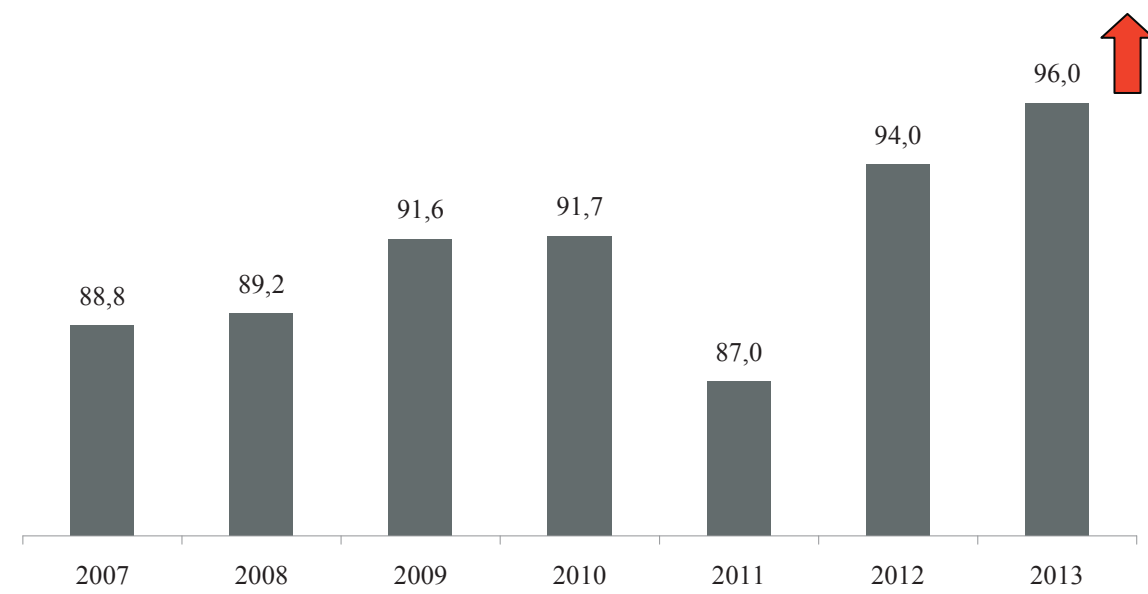
STP 840-SMK-7.2 «PROCESSES ASSOCIATED WITH CUSTOMERS. PROCEDURE OF THE PLANT'S PRODUCT SALES».

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»

Indicators of the satisfaction rating of tire cord and steel wire users

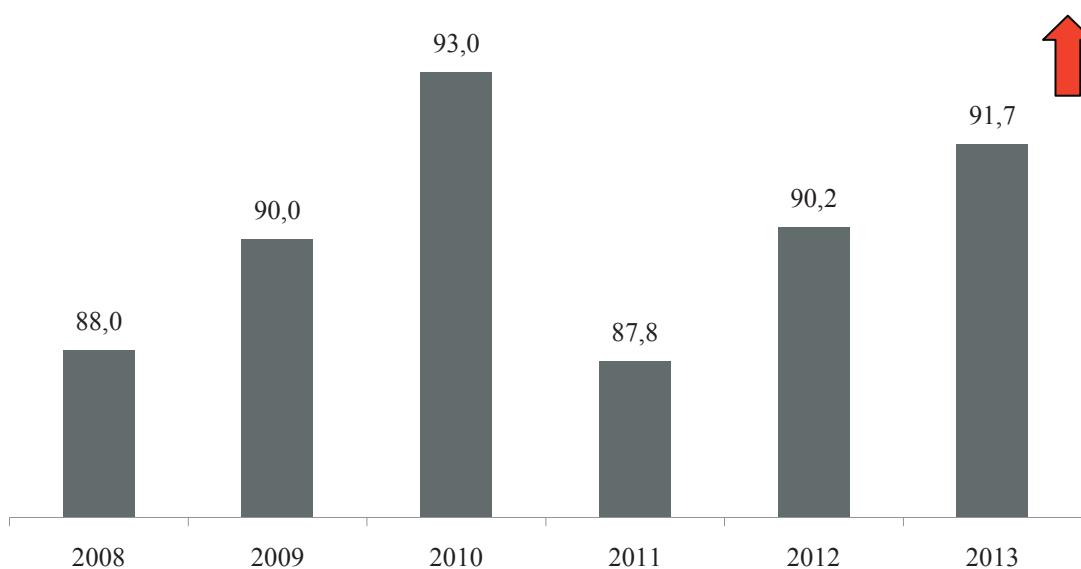


Indicators of the satisfaction rating of rolled products users

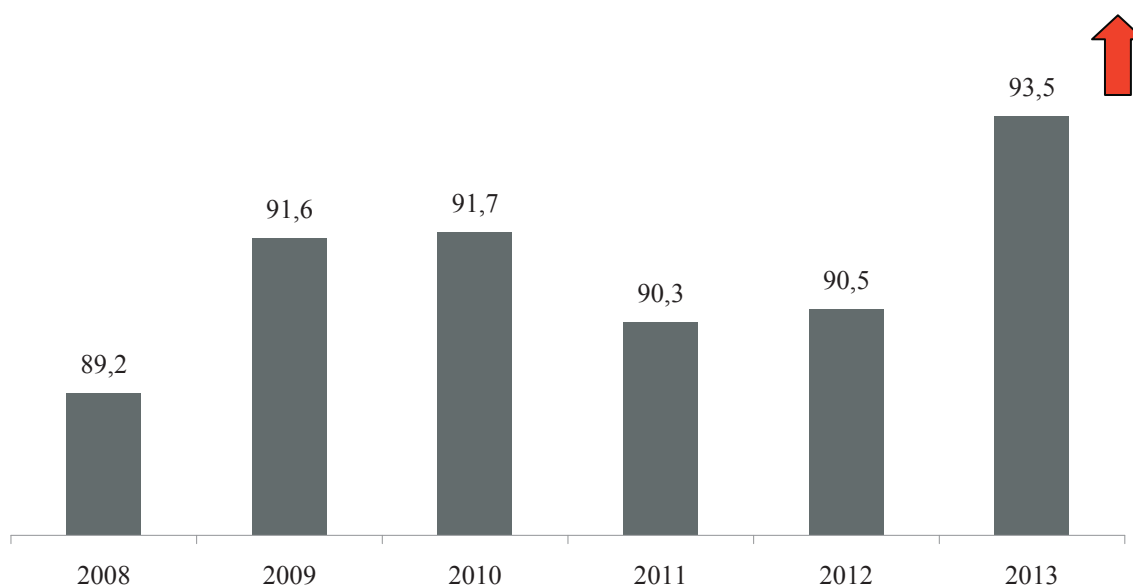




Indicators of the satisfaction rating of pipe products users



Indicators of the satisfaction index of steel products users



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



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.

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. (HR 2)

MUTUALLY BENEFICIAL COOPERATION WITH SUPPLIERS

ANOTHER EQUALLY IMPORTANT PARTY CONCERNED IS OUR SUPPLIERS PROVIDING THE PLANT WITH STOCK AND RAW MATERIALS FOR OUR PRODUCTION.

(PD 4.8) (EC6) 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; (HR 2)
- 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. (PD 4.10)

FOLLOWING THE COOPERATION RESULTS AND ASSESSMENTS, A «LIST OF APPROVED SUPPLIERS» IS DRAWN UP AND AGENTS PERFORMING DELIVERIES ARE SPECIFIED.

THE RESULTS OF THE SUPPLIER ASSESSMENT ARE GIVEN IN THE TABLE BELOW.



Supplier	Delivery quality index, %	Logistics, %	Loyalty to the plant, %	Actual data, %			
				2010	2011	2012	2013
Excellent	IQL=95,1-100	100	100	37,20	32,05	55,22	52,43
Reliable	IQL=75,1-95	100	100	50,24	57,84	36,05	38,53
Acceptable	IQL=30,1-75,0	85-100	80-100	4,45	3,14	4,58	4,6
Unsatisfactory	IQL ≤ 30*	<85	<80	8,11*	6,97*	4,29*	4,43

*purchases from this supplier should be cancelled

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 AT-

TENTION 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.

Criterion	2010	2011	2012	2013
Percentage of certified suppliers (TCD supplier assessment bulletin data), %	44,2	49,4	36,48	43,4

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; THEREAT, 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. (PR 7)

BEING A SOCIALLY RESPONSIBLE ENTERPRISE, OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING COOPERATES WITH THE PARTIES CONCERNED ADHERING TO THE FOLLOWING APPROACHES: (PD 4.16)

- OBSERVANCE OF THE LEGISLATION AND LEGAL NORMS OF THE REPUBLIC OF BELARUS AS WELL AS PRINCIPLES OF THE UN GLOBAL COMPACT; (SO 8)
- INVOLVEMENT OF ALL ELEMENTS AND PARTICIPANTS OF CO-OPERATION;
- 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 (EC 8 - EC 9) (PD 1.2) (EC 1)

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 CENTER WITH A SKATING RINK AND AN AQUA-PARK. WITH THE HELP OF BSW FINANCING SPORTS GAME PALACE WAS BUILT. (SO 1) (PR 7)

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 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. (SO 1)

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.

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.

2013 WAS AMBIGUOUS. SOME DIFFICULTIES WERE CONNECTED WITH THE GLOBAL ECONOMY TENDENCIES. STEELMAKING IS A RATHER LONG PRODUCTION CYCLE WHERE, AS A RULE, FINISHED PRODUCT PRICE DROPS QUICKER THAN IT COMPONENT PARTS PRICES: SCRAP, ALLOYING ELEMENTS.

BESIDES, IN 2013 CCM-2 AND EAF-1 WERE STOPPED FOR RECONSTRUCTION. WHEN CCM-2 REACHES ITS DESIGNED CAPACITY, THE AMOUNT OF MARKETABLE PRODUCTS WILL GROW AND, ACCORDINGLY, THE PLANT'S INCOME WILL RISE. THE INTRODUCED OXYGEN TECHNOLOGIES WILL HELP TO INCREASE PRODUCTIVITY OF THE FURNACE BY 30%. RECONSTRUCTION OF GAS AND DUST COLLECTING SYSTEM WILL HELP TO SOLVE ENVIRONMENTAL ISSUES: NEW SYSTEM OF EMS-1 EMISSION CLEANING WILL ALLOW US TO REDUCE THEIR AMOUNT CONSIDERABLY. ACCORDING TO THE MODERNIZATION PROGRAM, CONSTRUCTION OF ONE MORE LADLE-FURNACE AND A SYSTEM OF WASTE GAS CLEANING AND PROCESSING HAS BEEN STARTED SO AS TO INCREASE OUTPUT OF THE STEELMAKING FACILITY. ERECTION OF THE FACILITIES FOR WASTE GASES PROCESSING IS ANOTHER LARGE AND PROFITABLE INVESTMENT WHICH WILL FREE THE PLANT FROM ENVIRONMENTAL TAX IN FUTURE. IN DECEMBER 2014, WE PLAN TO COMMISSION THE FIRST STAGE OF THE NEW ROLLING MILL, ABOUT 40 000 TONS OF PRODUCT WITH A HIGH ADDED VALUE WILL BE PRODUCED. THAT IS WHY PROSPECTS OF THE PLANT ARE GOOD AND ACCORDING TO THE FORECAST OF THE SPECIALISTS, 2014 WILL BE MORE SUCCESSFUL FOR BSW.

RECONSTRUCTION AND MODERNIZATION OF STEELMAKING REQUIRED LARGE INVESTMENTS (USD225,3 MILLION), THIS COULD NOT BUT TELL UPON THE AMOUNT OF CHARITY AND SPONSORSHIP. NEVERTHELESS, OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING CONTINUED ITS PARTICIPATION IN SOLVING PUBLICLY IMPORTANT TASKS ON THE REGIONAL AND NATIONAL LEVEL. THE PLANT MANAGEMENT HAS A CLEAR UNDERSTANDING THAT CHARITY AND SPONSORSHIP CARRIED OUT BY THE PLANT DOES NOT ONLY HELP TO FORM THE IMAGE OF THE PLANT, BUT REALLY HELPS THOSE IN NEED TO IMPROVE THEIR LIVING STANDARD AND SOLVE IMPORTANT PROBLEMS.

IN 2013, THE PRIORITY DIRECTIONS OF CORPORATE CHARITY AND SPONSORSHIP WERE: ENVIRONMENT, SUPPORT OF SOCIAL FACILITIES IN THE AREA OF THE PLANT PRESENCE.

DISTRIBUTION OF FUNDS ALLOCATED BY THE PLANT FOR THIS PURPOSE IS GIVEN IN THE TABLE BELOW.



Interaction of the parties



Category	2010	2011	2012	2013
Sponsorship, total (\$ thou.), including:	9 485,9	16 400,6	15 814,3	1 228,3
Financial aid to the development of physical culture and sports in the RB, total:	7 168	9 589,5	8 581,8	0
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	788,7
Aid to third-party organizations, total:	2 317,9	1761,6	2 493,9	227,3
construction of the National Park "Prypiatsky	1 936,2			
OJSC "Avtoemproekt"			239,9	
HE Kalinkovichy Central District Hospital				6,6
OJSc "Legmash Plant"				216,0
OJSC "Slutsky Plant "Emalposuda"				4,7
OJSC "Sitomo"			250,7	
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		
- PE Metallurgtorg				1,1
- PE "Paporochnoe"	377,0	1058,7	1 847,4	211,2
Educational establishments, including:				
GSTU named after P.O. Sukhoi			89,8	
Zhlobin state metallurgical college			42,0	
SEE "Institute "Industrial Staff"			24,0	

BSW finance distribution

BSW EMPLOYEES PERSONALLY PARTICIPATE IN CHARITY ACTIONS. DURING THE YEARS OF REALIZATION OF THIS DIRECTION, AN EFFECTIVE MECHANISM OF OPERATIVE ASSISTANCE TO PEOPLE HAS BEEN DEVELOPED. IN 2013 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.

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.



NAME OF THE ACTION	AMOUNT COLLECTED, USD			
	2010	2011	2012	2013
BELARUSIAN PEACE FUND	3 533,8	437,8	343,7	259,1
BYELORUSSIAN RED CROSS SOCIETY	1 519,1	1452,6	1389,2	973,4
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» (CHILDREN'S DISTRICT HOSPITAL, DESIGN AND CONSTRUCTION OF CHILDREN'S HOSPICE IN BOROVLANY, EMPLOYEE'S ASSISTANCE TO MEDICAL TREATMENT OF CHILDREN, ASSISTANCE TO THE SECONDARY SCHOOL IN PAPOROTNOE)	671,6	1369,0	964	1621,5
«DO GOOD» (DEDICATED TO DISABLED PEOPLE DAY)	396,9	1412,3	6535,4	1114,7
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		1214,3
FOR MEDICAL TREATMENT AND SURGERY OF:				
– ELENA BLIZNYUK		640,6		30419,7
– YULIA REKET		1178,9		3636,1
– ALEKSANDR FURS		358		
DONATIONS TO VICTIMS OF THE ACT OF TERRORISM IN MINSK UNDERGROUND		1010		
ISSUING OF THE BOOK «MY PRIDE – ZHLOBIN KRAI!»				292,9
MINSK RELIGIOUS SCHOOL		64,9		
THE PARISH OF ST. SERAFIM SAROVSKY CHURCH			159,5	
RECONSTRUCTION OF THE BUILDING OF THE LOCAL HISTORY MUSEUM IN ZHLOBIN	1 800,0			
CONSTRUCTION OF THE CHURCH OF ST. JOHN SOLDIER-MARTYR IN ZHLOBIN			796,5	
TOTAL:	9 338,5	8 886,8	10 848,2	39 531,7

Results of the employees' personal participation in charity

INTERACTION WITH MASS MEDIA (PD 1.2) (PR 7)

OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING CLOSELY COOPERATES WITH THE REGIONAL MASS MEDIA BEING AN IMPORTANT CHANNEL OF APPLYING TO POTENTIAL AUDIENCE OF THE ENTERPRISE: PARTNERS, STATE STRUCTURES,

CUSTOMERS, COMPETITORS, AND COMMUNITY. OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING REALIZES IMPORTANCE OF WORK IN THIS DIRECTION AND PAYS MUCH ATTENTION TO THE INFORMATION POLICY. THE ENTERPRISE CLOSELY COOPERATES WITH VARIOUS MASS MEDIA: NEWSPAPERS, JOUR-



Interaction of the parties



NALS INTERNET PORTAL AND INFORMS THE COMMUNITY ABOUT RESULTS OF ITS PRODUCTION ACTIVITY, IMPORTANT EVENTS AND ARRANGEMENTS, SUPPLIES ACTUAL AND RELIABLE INFORMATION.

FORMING ITS INFORMATIONAL POLICY, BSW AIMS AT OPENNESS AND TRANSPARENCY. ONLY SUCH APPROACH ALLOWS US TO BUILD UP EFFECTIVE RELATIONS WITH MASS-MEDIA AND AS A RESULT, TO ACHIEVE A HIGH LEVEL OF AWARENESS OF THE TARGET AUDIENCES.

DURING 2013, NATIONAL AND REGIONAL NEWSPAPERS, NEWS TAPES OF BELARUSIAN AND INTERNATIONAL INFORMATION AGENCIES PUBLISH OVER 170 POSITIVE MATERIALS ABOUT ACTIVITY OF BYELORUSSIAN STEEL WORKS AND 12 PLOTS WERE SHOWN BY THE CENTRAL TV CHANNELS.

INFORMATION OF THE PLANT WAS GIVEN IN THE FOLLOWING NEWSPAPERS: «SOVETSKAYA BELARUSSIYA», «RESPUBLIKA», «NARODNAYA GAZETA», «ZVYAZDA», «BELARUSSKAYA STROITELNAYA GAZETA», «BELARUSSKAYA VOENNAYA GAZETA», «GOMELSKAYA PRAVDA», «ZNAMYA YUNOSTY», «BELORUSSKAYA NIVA», «NOVYI DEN» AND JOURNALS: «ECONOMY OF BELARUS», «STATE CONTROL», «METAL – COURIER», «CASTING AND METALLURGY», «FERROUS METALLURGY», «STEEL» AND ON BELARUS 1, BELARUS 2, PUBLIC NATIONAL TELEVISION, CAPITAL TV, MIR TV CHANNELS AND 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.

SPECIALLY FOR OUR BUSINESS PARTNERS – SUPPLIERS, CUSTOMERS, FINANCIAL ORGANIZATIONS AND OTHER INTERESTED PARTIES A REVIEW OF BSW KEY NEWS HAS BEEN PREPARED SINCE NOVEMBER, 2013. IT IS PRINTED IN TWO LANGUAGES – ENGLISH AND RUSSIAN – AND EVERY QUARTER IT IS SUPPLIED VIA E-MAIL.

IN 2013, ON THE INITIATIVE OF BSW 3 PRESS-CONFERENCES WERE HELD WITH REPRESENTATIVES OF MASS-MEDIA TO DISCUSS THE FOLLOWING:

- BSW COOPERATION WITH UKRAINIAN ENTERPRISES;
- ORGANIZATION OF A NEW PRODUCTION AT BSW. CONSTRUCTION OF A SMALL-SECTION WIRE MILL;
- PROSPECTS OF BSW DEVELOPMENT IN 2011-2015.

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

KEY TOPIC OF 2013 WHICH WAS PAID MUCH ATTENTION TO – MODERNIZATION OF PRODUCTION. IT WAS CONDITIONED ON IMPLEMENTATION OF THE LARGEST IN BSW HISTORY MODERNIZATION PROGRAM.

IN 2013, THE FOLLOWING IMPORTANT EVENTS WERE ORGANIZED AND HELD ON THE BASIS OF THE PLANT:

- MEETING OF A WORKING GROUP OF THE INVESTIGATION COMMITTEE OF THE REPUBLIC OF BELARUS;
- TRADE UNION CONFERENCE OF THE TEAM OF OJSC «BSW-MANAGEMENT COMPANY OF BMC» HOLDING;
- SEMINAR «INNOVATIVE DEVELOPMENTS OF PERSONAL PROTECTION FACILITIES ACCORDING TO THE TECHNICAL REGULATIONS OF THE CUSTOMS UNION»;
- EXHIBITION OF CHILDREN'S DRAWINGS «I WANT TO BE A STEELMAKER»;
- ROUND TABLE WITH REPRESENTATIVES OF CHINESE ENGINEERING CORPORATION CAMC;
- INTERNATIONAL SCIENTIFIC & TECHNICAL CONFERENCE «METAL-2013»;
- LAYING DOWN OF A CAPSULE INTO THE FOUNDATION OF AIR SEPARATION UNIT No.3;
- OPEN DAY;
- TOURIST RALLY OF YOUNG EMPLOYEES OF THE «BYELORUSSIAN METALLURGICAL COMPANY» HOLDING;



- GUEST MEETING OF THE PRESIDIUM OF THE REPUBLICAN COMMITTEE OF BELARUSIAN TRADE UNION OF INDUSTRIAL WORKERS;
- SEMINAR TO EXCHANGE EXPERIENCE WITH YOUNG EMPLOYEES OF MOZYR PETROLEUM REFINERY;
- PUBLIC HEARING OF THE CORPORATE REPORT FOR 2012;
- EXTENDED MEETING WITH THE SUBJECTS OF THE COMMODITY DISTRIBUTION NETWORK OF THE PLANT «RESULTS OF JOINT WORK IN 2013 AND STRATEGY OF FURTHER DEVELOPMENT».

SPEAKING ABOUT EFFECTIVE COMMUNICATION WITH TARGET AUDIENCES IT IS IMPORTANT TO UNDERLINE THAT BSW PAYS MUCH ATTENTION TO INTRODUCTION OF THE ENTERPRISE IN THE INTERNET ENVIRONMENT. MAIN NEWS OF THE COMPANY IS REGULARLY ALLOCATED ON ITS EXTERNAL SITE. IN 2013, OVER 60 NEWS WAS PUBLISHED THERE. RECENTLY, WORK WITH THE LARGEST AND MOST POPULAR BELARUSIAN INFORMATION PORTALS TUT.BY AND ONLINER HAS BEEN EXPANDED. SOME WORK IS CARRIED OUT IN SOCIAL NETWORKS. THANKS TO THE EXISTING SUBJECT GROUP «BSW: PLANT NEWS» ABOUT 1000 EMPLOYEES OF THE COMPANY RECEIVE KEY NEWS OF THE PLANT SIMPLY COMMUNICATING ON THE POPULAR WITH YOUNG PEOPLE RESOURCE «VKONTAKTE».

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 SEPTEMBER 2013, 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 (PD 1.2)

OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING BUILDS UP COOPERATION WITH ALL THE PARTIES CON-

CERNED 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.



«DISCUSSION GLOBAL TASKS OF DEVELOPMENT OF THE ECONOMY OF THE REGION AND THE COUNTRY IN GENERAL ONE UNDERSTANDS THAT BYELORUSSIAN STEEL WORKS HAS A VERY GOOD POTENTIAL AND CONTRIBUTES TO THE BUDGETS OF ALL LEVELS».

DEPUTY CHAIRMAN OF GOMEL REGIONAL EXECUTIVE COMMITTEE B.K. PIRSHTUK

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 DIS-



Interaction of the parties



CUSSED 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

(S05) THE PLANT'S MANAGEMENT BELIEVES THAT PARTICIPATION OF ITS REPRESENTATIVES IN THE WORK OF ELECTED AUTHORITIES 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; (PD 4.11) - (PD 4.17)

– GOMEL REGIONAL SOVIET OF DEPUTIES – 1 PERSON.

(S06) 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 (PR 7) (PD 1.2)

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, 11 UNDERGRADUATES, AND 19 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. DURING LAST THREE YEARS 10 JOINT WORKS WERE FULFILLED. ECONOMIC EFFECT OF THIS COOPERATION EQUALS TO HUNDREDS OF USD THOUSAND. TO COORDINATE SCIENTIFIC RESEARCH ACTIVITY OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING AND NATIONAL ACADEMY OF SCIENCE OF BELARUS A SCIENTIFIC-PRODUCTION CENTER (SPC) WAS ESTABLISHED IN 2013 INCLUDING REPRESENTATIVES OF THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS, GOMEL REGIONAL EXECUTIVE COMMITTEE, OJSC RECHITSA HARDWARE PLANT, OJSC «MOGILYOV METALLURGICAL PLANT», OJSC «LEGMAH PLANT», OJSC «MINSK BEARING PLANT», OJSC «POLESIEELECTROMASH», NATIONAL ACADEMY OF SCIENCE OF BELARUS AND BYELORUSSIAN STEEL WORKS. CO-CHAIRMAN OF THE BOARD ARE: HEAD OF THE OFFICE OF NAS OF BELARUS ACADEMICIAN P.A. VITYAZ AND GENERAL DIRECTOR OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING A.N. SAVIANOK.

A PARAMOUNT TASK THE SPC FACES IS INCREASE OF THE EFFICIENCY OF WORK OF THE ENTERPRISE DUE TO RECONSTRUCTION, MODERNIZATION AND IMPROVEMENT OF THE PRODUCTION PROCESSES SO AS TO IMPROVE QUALITY OF PRODUCTS AND INCREASE PRODUCTIVITY.

TO SOLVE THE ABOVE TASK, BSW RESEARCH CENTER CONTINUES TO DEVELOP A COMPLEX OF MEASURES AIMED AT EXPANSION OF DURATION OF STEEL FURNACES CAMPAIGN AND STEP-BY-STEP INCREASE OF THE REFRACTORY LIFE UP TO 1000 HEATS. LARGE WORK IS CARRIED OUT TO DEVELOP AND INTRODUCE THE METHOD OF LINING OF THE SLIDE GATE OF STEEL LADLES IN EMS-1 AND USE OF A SLIDE GATE OF A NEW TYPE. PRODUCTION TECHNOLOGY OF NEW STRUCTURAL STEEL GRADES FOR AUTOMOTIVE INDUSTRY ACCORDING TO THE REQUIREMENTS OF ISO TS16949



AND A PRODUCTION METHOD OF WIRE ROD AND ROUNDS FROM BILLET CROSS SECTION 140x140 MM IN MILL 150 HAVE BEEN MASTERED IN THE ROLLING PRODUCTION. WE STARTED MASTERING THE PRODUCTION OF OCTG SEAMLESS PIPE RESISTANT TO BACTERIAL-HYDROSULFURIC OR ACID CORROSION.

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 UNIVERSITY, 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 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. (EC 8) (EC 9). 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.

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.



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Список используемых сокращений

API	American Petroleum Institute – non-governmental organization, the USA, performing investigations in the oil and gas sector.
GRI	Global Reporting Initiative – an independent non-commercial organization which mission is development and worldwide distribution of unified reporting principles in the area of stable development first of all with the help of Reporting Manual for the area of stable development. Established in 1988, the organization has the headquarters in Amsterdam and is managed by international experts of various organizations worldwide.
EFQM	European Fund of Quality Management
ISO	International Organization for Standardization
OHSAS	Professional health and labour safety management system
SA 8000	International standard «Social responsibility 8000»
BMZ	Byelorussian Steel Works
BNTU	Belarusian National Technical University
BRYU	Belarusian Republican Youth Union
GDP	Gross domestic product
GOST	State industrial standard
SEE	State educational establishment
PCM	Palace of Culture «Metallurg»
EAF	Electric-arc furnace
CJSS	Children and juvenile sport school
EU	European Union
UWRB	Unified wage rate book
ZMF	Zhlobin meat factory
HB	Housing board
Info-BMZ	Information system of the plant
kg	kilogram
CMS	Corporate management system
PC	Purpose courses
MAZ	Minsk automotive factory
MISI	Moscow institute of steel and alloy
CCM	Continuous casting machine
mln	million
bn	billion
mm	millimeter
MSD	Medicosanitary department
MTZ	Minsk tractor plant
IFRS	International Finance Reporting System
NAS	National academy of sciences



NP	National park
IIWD	Information and ideological work department
UNO	United Nations Organization
LPD	Labour protection department
ISD	Industrial safety department
ODS	Ozone depleting substances
QMD	Quality management department
DGCU	Dust and gas collecting unit
MPC	Maximum permissible concentration
PA	Production association
RB	Republic of Belarus
EW&S	Executive workers and specialists
BMC	'Byelorussian Metallurgical Company' holding
OJSC 'BSW'	Open Joint Stock Company «Byelorussian Steel Works'
RF	Russian Federation
CM	Council of Ministers
MM	Mass media
YSC	Young specialists council
CIS	Commonwealth of Independent States
RM	Rolling mill
STP	Plant standard
STB	Belarusian standard
SWS	Steel Wire Shop
EMS	Environment management System
LPMS	Labour Protection Management System
USA	United States of America
TNLA	Typical Normative-Legal Acts
TU	Technical requirements
r.f.t.	Reference fuel ton
Thou.	Thousand
FPR	Fuel&Power Resources
EP & ISB	Environment protection and industrial sanitary board
SHF	Sport and Health Facility
CEE	Central and East Europe
RWPS	Refractory wastes processing shop
EMS	Electric melt shop

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2	DESCRIPTION OF THE ORGANIZATION	
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2.2	MAIN BRANDS, TYPES OF PRODUCTS AND (OR) SERVICES	14, 36, 37
2.3	FUNCTIONAL STRUCTURE OF THE ORGANIZATION INCLUDING THE MAIN SUBDIVISIONS, OPERATIONAL COMPANIES, DAUGHTER COMPANIES AND JOINT-VENTURES	37, 138
2.4	LOCATION OF THE CENTRAL OFFICE	9, 36



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.	36,42
2.6	NATURE OF THE OWNERSHIP AND LEGAL AND ORGANIZATIONAL FORM	36
2.7	MARKETS WHERE THE ORGANIZATION IS WORKING (INCLUDING THE GEOGRAPHICAL BREAKDOWN, THE SECTORS SERVICED, THE CATEGORIES OF THE CONSUMERS AND THE BENEFICIARIES).	39,43,69-70
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	26,31,37,41,65, 93-97
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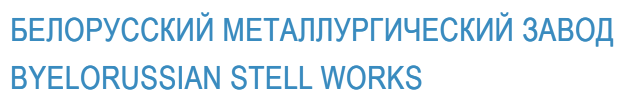
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Table of conformity to the GRI elements and indices is prepared with the help of the Manual of accounting in the area of stable development of the Global Reporting Initiative (revision 3)



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 2013».

YOU MAY ALSO E-MAIL THE FILLED FORM TO: (SECR.DPIR@BMZ.GOMEL.BY)

1. TO WHICH GROUP OF STAKEHOLDERS DO YOU BELONG TO?

- REPRESENTATIVE OF AUTHORITIES ☐
- REPRESENTATIVE OF COMMUNITY ☐
- INVESTOR ☐
- PARTNER ☐
- CUSTOMER ☐
- EMPLOYEE ☐
- ANOTHER GROUP OF STAKEHOLDERS _____

2. WHAT IS YOUR APPRECIATION OF THE SOCIAL REPORT IN TERMS OF COMPLETENESS OF THE INFORMATION PRESENTED?

HIGH ☐ AVERAGE ☐ LOW ☐

3. WHAT IS YOUR APPRECIATION OF THE SOCIAL REPORT IN TERMS OF AND CREDIBILITY OF THE INFORMATION PRESENTED?

HIGH ☐ AVERAGE ☐ LOW ☐

4. WHAT IS YOUR APPRECIATION OF THE SOCIAL REPORT IN TERMS OF SEARCH OF THE INFORMATION REQUIRED?

HIGH ☐ AVERAGE ☐ LOW ☐

5. WHAT IS YOUR APPRECIATION OF THE DESIGN OF THE SOCIAL REPORT?

HIGH ☐ AVERAGE ☐ LOW ☐

6. 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 ☐

7. 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	<input type="checkbox"/>	DESCRIPTION OF THE PLANT	<input type="checkbox"/>
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	<input type="checkbox"/>	SOCIAL ACTIVITY	<input type="checkbox"/>
INTERESTED PARTIES	<input type="checkbox"/>	INTERACTION OF PARTIES	<input type="checkbox"/>
RESPONSIBILITY FOR THE PRODUCT MANUFACTURED	<input type="checkbox"/>		

8. 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 ☐

9. WHAT INFORMATION IN THE SOCIAL REPORT WAS THE MOST INTERESTING FOR YOU? _____

10. WHAT DIRECTIONS OF THE ACTIVITY OF OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING IN YOUR OPINION REQUIRE IMPROVEMENT SO AS TO RAISE SOCIAL RESPONSIBILITY? _____

11. WHAT INFORMATION WOULD YOU LIKE TO SEE IN FUTURE SOCIAL REPORTS OF OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING? _____

THANK YOU FOR COOPERATION!

OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING



EXPERT FINDINGS ON 2013 CORPORATE SOCIAL REPORT BY OJSC «BYELORUSSIAN STEEL WORKS - MANAGEMENT COMPANY OF «BYELORUSSIAN METALLURGICAL COMPANY» HOLDING»



YELETSIKH, TAI SIYA VLADIMIROVNA

PH.D. IN ECONOMICS, PROJECT MANAGER AT THE UN DEVELOPMENT PROGRAMME. EXPERT IN THE DOMAIN OF CSR AND SOCIALLY RESPONSIBLE RESTRUCTURING OF ENTERPRISES, BUSINESS CONSULTANT, PRACTICING TRAINING SPECIALIST. AUTHOR AND CO-AUTHOR OF NUMEROUS BOOKS AND ARTICLES CONCERNING CSR. STOOD AT THE ORIGINS OF DEVELOPMENT OF THE UN INITIATIVE «GLOBAL COMPACT» IN BELARUS, WHICH PROMOTES THE PRINCIPLES OF CORPORATE SOCIAL RESPONSIBILITY. WINNER OF THE CONTEST «CSR-AWARD» IN THE CATEGORY «PERSON OF THE YEAR 2013». MEMBER OF THE JURY FOR MANY YEARS, PRESIDENT OF THE JURY IN THE CATEGORY «SOCIALLY RESPONSIBLE BRAND» OF THE CONTEST «BRAND OF THE YEAR».

IN THE WORLD PRACTICE, VOLUNTARY NONFINANCIAL REPORTING IS AN ELEMENT OF ETHICS IN DOING BUSINESS, BASED ON THE PRINCIPLES OF RESPONSIBLE BUSINESS PRACTICE. BEING AMONG THE LEADERS OF THE METALLURGICAL INDUSTRY, THE BYELORUSSIAN STEEL WORKS (BSW) HAS JOINED THIS PROCESS, AND FOR MORE THAN 6 YEARS IT HAS BEEN REPORTING BACK TO ITS PARTNERS, COLLEAGUES AND SOCIETY ON ITS ACTIVITIES IN THE AREA OF SUSTAINABLE DEVELOPMENT. THE BSW IS THE FIRST COMPANY IN THE COUNTRY THAT HAS SUBMITTED A SOCIAL REPORT TO INTERESTED PARTIES IN ACCORDANCE WITH THE INTERNATIONALLY ACCEPTED GRI STANDARD. THE CORPORATE REPORT FOR THE YEAR 2013 HAS BECOME ANOTHER CONFIRMATION OF THE CONSISTENCY OF THE MANAGERS AND EMPLOYEES OF THE COMPANY IN IMPLEMENTATION OF THE SUSTAINABLE DEVELOPMENT

STRATEGY, TRANSPARENCE OF ITS ACTIVITIES AND A DEEP BELIEF IN THE PRINCIPLES OF CORPORATE SOCIAL RESPONSIBILITY (CSR).

THE BSW ACTIVELY SUPPORTS INTERNATIONAL INITIATIVES IN THE AREA OF CSR. IN 2008, THE ENTERPRISE JOINED THE UN INITIATIVE «GLOBAL COMPACT», THUS REAFFIRMING ITS WILLINGNESS TO INTRODUCE THE PRINCIPLES OF CORPORATE SOCIAL RESPONSIBILITY ON A SYSTEMATIC BASIS INTO ITS BUSINESS PRACTICE, MAKE RESPONSIBLE INVESTMENT DECISIONS AND TAKE CARE OF THE LOCAL COMMUNITY.

THE REPORT CONTAINS SIGNIFICANT INFORMATION ABOUT THE SOCIAL AND ECONOMIC ASPECTS OF RESPONSIBLE BUSINESS PRACTICE IN ACCORDANCE WITH THE PRINCIPLES OF CORPORATE SOCIAL RESPONSIBILITY. ITS STRUCTURE AND CONTENTS FULLY COMPLY WITH THE REQUIREMENTS OF THE GRI GUIDELINES.

THE REPORT CONSISTS OF EIGHT MAIN CHAPTERS, INCLUDING THE STRATEGY AND GOALS IN THE AREA OF SUSTAINABLE DEVELOPMENT, COOPERATION WITH INTERESTED PARTIES AND PRINCIPLES OF WORK WITH PARTNERS, AS WELL AS PRINCIPLES OF ECONOMIC AND ECOLOGICAL ACTIVITIES AND RESPONSIBILITY FOR PRODUCTS. MOST OF THE REPORT IS DEDICATED TO COVERAGE OF INTERNAL AND EXTERNAL SOCIAL ACTIVITIES OF THE ENTERPRISE AND PROJECTS, WHICH WERE IMPLEMENTED BY THE COMPANY IN 2013 AND WHICH HAVE AN IMPORTANT PUBLIC SIGNIFICANCE FOR THE CITY. THESE ISSUES CONTINUE DEVELOPMENT OF THE KEY TOPICS OF THE PREVIOUS SOCIAL REPORTS, WHICH PROVIDES FOR CERTAIN CONTINUITY OF THE INFORMATION AND DEMONSTRATES THE SIGNIFICANCE OF CSR FOR THE ORGANISATION.

IN IMPLEMENTATION OF THE CSR STRATEGY, THE BSW PAYS TREMENDOUS ATTENTION TO ADDRESSING ECOLOGICAL ISSUES. IT IS AN OPEN SECRET THAT THE SPECIFIC NATURE OF METALLURGICAL PRODUCTION PRESUPPOSES A NEGATIVE IMPACT ON THE ENVIRONMENT. HOWEVER, THE RESPONSIBILITY OF SUCH COMPANIES CONSISTS IN THE FACT THAT THEY ACCEPT IT AND CONSISTENTLY DO THEIR BEST TO REDUCE EMISSIONS OF GREENHOUSE GASES AND POLLUTANTS. THE INFORMATION PRESENTED IN THE REPORT CONFIRMS WHAT HAS BEEN PREVIOUSLY SAID. AS THE DATA OF THE REPORT FOR THE YEAR 2013 SHOW, WE MAY OBSERVE A POSITIVE DYNAMICS IN THE DECREASE IN THE SPECIFIC CONSUMPTION OF FUEL AND ENERGY RESOURCES IN THE MAIN AREAS OF POWER-CONSUMING PRODUCTION OF THE WORKS. ALL THIS HAS BECOME THE CONSEQUENCE OF EFFECTIVENESS OF THE MEASURES IMPLEMENTED BY THE ENTERPRISE AND AIMED AT ENERGY USAGE REDUCTION AND EFFICIENCY IMPROVEMENT, DEVELOPMENT AND ADOPTION OF RESOURCE-SAVING, LOW-WASTE AND ENVIRONMENTALLY FRIENDLY TECHNOLOGIES IN THE PRODUCTION.

AS IS KNOWN, THE MAIN SOURCES OF NEGATIVE IMPACT ON THE ENVIRONMENT ARE SOURCES OF POLLUTANT EMISSIONS INTO THE

ATMOSPHERIC AIR. THE ENTERPRISE SHOWS SYSTEMATIC WORK ON PROTECTION OF THE AIR BASIN, FROM THE USE OF QUALITY FUEL FOR VEHICLES TO ADOPTION OF MODERN «CLEAN» TECHNOLOGIES OF STEEL MELTING. WHAT CONCERNS THE DEVELOPMENT OF PROVISIONS OF THE MONTREAL PROTOCOL ON SUBSTANCES THAT DEplete THE OZONE LAYER, THE ENTERPRISE CONTINUES WORK ON A STEPWISE REDUCTION OF CONSUMPTION OF THESE SUBSTANCES.

ONE CANNOT BUT BE IMPRESSED BY THE WORK OF THE ENTERPRISE ON THE RATIONAL USE OF WATER RESOURCES. PARTICULARLY, THE CONSUMPTION OF CIRCULATING WATER IN COMPARISON WITH THE LEVEL OF THE YEAR 2012 HAS DECREASED BY 7 %, THE USE OF STORM-WATER HAS INCREASED BY 17%, AND THE USE OF PROCESS WATER HAS DECREASED BY 27%.

TAKING INTO ACCOUNT THE IMPORTANCE OF ECOLOGICAL EDUCATION AND COMMUNICATION WITH STAKEHOLDERS, THE COMPANY CARRIES OUT WORK ON IMPROVEMENT OF ENVIRONMENTAL CULTURE OF THE EMPLOYEES AND ARRANGEMENT OF THE DIALOGUE WITH NON-PROFIT ENVIRONMENTAL ORGANISATIONS WITH THE AIM TO DETECT THE MOST VULNERABLE ISSUES AND INITIATE NATURE-PROTECTION CAMPAIGNS AND EVENTS.

IT IS DIFFICULT TO OVERESTIMATE THE SOCIAL ACTIVITIES OF THE BSW. TAKING INTO ACCOUNT THE FUNCTION OF THE BSW AS THE MAIN EMPLOYER AND ITS SIGNIFICANCE ON THE LOCAL LABOUR MARKET (EVERY FIFTH RESIDENT OF ZHLOBIN WORKS AT THE ENTERPRISE), THE MAIN PRINCIPLES OF THE SOCIAL POLICY ARE TRADITIONALLY AIMED AT CREATION OF DECENT JOBS, SOCIAL PARTNERSHIP AND RESPECT OF INTERESTS, IMPROVEMENT OF SOCIAL SECURITY AND DEVELOPMENT OF CORPORATE CULTURE.

THE REPORT FOR THE YEAR 2013 SHOWS THE KEY ACHIEVEMENTS OF THE COMPANY IN THIS SPHERE: THE AVERAGE WAGES 1.33 TIME EXCEED THE NATIONAL LEVEL; THE HIGH EFFICIENCY OF THE «PERSONNEL MANAGEMENT» PROCESS HAS BEEN CONFIRMED BY THE RESULTS OF THE AUDIT CONDUCTED BY LOCAL AND INTERNATIONAL EXPERTS WITH THE AIM TO ESTABLISH COMPLIANCE OF MANAGEMENT SYSTEMS WITH REQUIREMENTS OF STANDARDS.

THE WORKS HAS INTRODUCED ELEMENTS OF UNIFIED INTEGRATED CORPORATE CULTURE. PARTICULARLY, THE CORPORATE CULTURE AND THE ETHICS CODE HAVE BEEN DEVELOPED AND ADOPTED AT THE WORKS, THE BASIS OF WHICH IS REPRESENTED BY SUCH MAIN VALUES AS RESPECT AND COOPERATION.

THE COMPANY TAKES CARE OF PROFESSIONAL AND CAREER DEVELOPMENT OF THE PERSONNEL: THERE IS THE TRAINING CENTRE, WHICH CONTRIBUTES TO EFFECTIVE FUNCTIONING OF CONTINUOUS PROFESSIONAL TRAINING. IN 2013, THE AVERAGE NUMBER OF HOURS FOR TRAINING PER EMPLOYEE WAS 40.7 HOUR. SOME EMPLOYEES HAVE IMPROVED THEIR QUALIFICATION AND SKILLS AT TRAINING CENTRES OF THE ENTERPRISES IN GREAT BRITAIN, ITALY, GERMANY AND CHINA.

THE COMPANY ATTACHES GREAT IMPORTANCE TO INDUSTRIAL SECURITY AND IMPROVEMENT OF WORKING CONDITIONS. THE RESPONSIBILITIES OF THE EMPLOYER IN THIS SPHERE ARE INTEGRATED INTO THE COLLECTIVE AGREEMENT. OVER 0.5 MILLION DOLLARS HAS

BEEN INVESTED IN MEASURES AIMED AT IMPROVEMENT OF WORKING CONDITIONS. A BONUS SYSTEM HAS BEEN DESIGNED TO ENCOURAGE AND INCREASE PERSONAL RESPONSIBILITY FOR COMPLIANCE WITH RULES AND NORMS OF WORKPLACE SAFETY. APART FROM COMPULSORY INSURANCE, EACH WORKER IS ADDITIONALLY INSURED AGAINST NON-INDUSTRIAL ACCIDENTS, WHICH MAY HAPPEN WHEN WORKERS TRAVEL TO AND FROM THEIR WORK PLACES.

THE COMPANY TAKES CARE OF HEALTH OF THE PERSONNEL AND INVESTS CONSIDERABLE AMOUNT OF FUNDS IN MEDICAL AND HEALTH PROMOTION PROGRAMMES. THE WORKS HAS ITS OWN NETWORK OF HEALTH FACILITIES. THE INFORMATION ON PROGRESS IN THIS SPHERE IS SUPPORTED BY CORRESPONDING DATA. IN PARTICULAR, IN 2013, THE SICKNESS RATE WITH TEMPORARILY DISABILITY DECREASED BY 63 DAYS, WHICH INDICATES THE POSITIVE DYNAMICS OF DECREASE IN THE SICKNESS RATE OF THE EMPLOYEES.

GREAT ATTENTION HAS BEEN PAID TO THE FAMILIES OF THE WORKERS AND THEIR CHILDREN. IT IS INDICATED BY NUMEROUS PROGRAMMES, CAMPAIGNS AND EVENTS, AIMED AT HEALTH IMPROVEMENT AND RECREATION OF THE WORKERS AND THEIR FAMILIES, DEVELOPMENT OF PHYSICAL EDUCATION AND SPORTS ACTIVITIES AND SUPPORT OF CULTURAL EVENTS AND PENSIONERS WORKING AT THE WORKS.

AS IS KNOWN, SOCIALLY RESPONSIBLE COMPANIES NOT ONLY CARRY OUT ETHICAL BUSINESS THEMSELVES, BUT ALSO DEMAND IT FROM THEIR PARTNERS. RESPONSIBLE BUSINESS PRACTICE OF THE PARTNERS IS A KEY ASPECT, WHICH IS TAKEN INTO ACCOUNT WHEN CONCLUDING CONTRACTS AT THE BSW. THE WORK WITH PARTNERS IS GUIDED BY THE ETHICS CODE, THE «PROCUREMENT. PROCEDURE FOR WORK WITH SUPPLIERS» STANDARD OF THE ENTERPRISE AND THE «GUIDELINES FOR THE SUPPLIER».

OVERALL, WE MAY STATE THAT THE NONFINANCIAL REPORT OF THE COMPANY FOR THE YEAR 2013 PROVIDES A FULL AND DETAILED PRESENTATION OF THE ACTIVITIES OF THE ORGANISATION IN THE SPHERE OF SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY, WHICH ARE CONSIDERED BY THE COMPANY AS STRATEGIC PRIORITIES. THE DISCLOSURE OF INFORMATION IN THE CORPORATE REPORT FOR THE YEAR 2013 REFLECTS SUCCESSIVE AND STEADY MOVEMENT OF THE COMPANY TOWARDS MORE OPENNESS AND READINESS TO ACTIVELY COOPERATE WITH ALL INTERESTED PARTIES, WHILE MEETING THEIR EXPECTATIONS AND TAKING INTO ACCOUNT THEIR INTERESTS IN THE STRATEGY.

THE USE OF THE GRI STANDARD DEMONSTRATES THE INTENTIONS OF THE BSW TO CONTINUE DEVELOPMENT IN LINE WITH WORLDWIDE TENDENCIES OF CORPORATE MANAGEMENT, INCREASE INFORMATION TRANSPARENCY OF ITS ACTIVITIES AND CREATE CONFIDENTIAL AND LASTING RELATIONS. UNDOUBTEDLY, SUCH INITIATIVES ON THE PART OF THE DOMESTIC BUSINESS COMMUNITY ARE A POSITIVE SIGN, WHICH INDICATES THAT BELARUSIAN COMPANIES HAVE ACHIEVED A CERTAIN LEVEL OF MATURITY IN DOING BUSINESS AND THAT THEY ARE READY TO CONTRIBUTE TO SUSTAINABLE DEVELOPMENT OF THE COUNTRY AND SOCIETY.



БЕЛОРУССКИЙ МЕТАЛЛУРГИЧЕСКИЙ ЗАВОД
BYELORUSSIAN STEEL WORKS

Feedback questionnaire



Feedback questionnaire



БЕЛОРУССКИЙ МЕТАЛЛУРГИЧЕСКИЙ ЗАВОД
BYELORUSSIAN STEEL WORKS

