

Open joint-stock company  
«BYELORUSSIAN STEEL WORKS  
— management company of  
«Byelorussian metallurgical company» holding»

PROGRESS REPORT  
on social  
responsibility  
and corporate  
sustainability

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2016

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

**REPORT**  
**on activity in the area of sustainable**  
**development for 2016**

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## Preface to the Report

THIS REPORT ON THE PLANT'S ACTIVITY IN THE AREA OF SUSTAINABLE DEVELOPMENT FOR 2016 (HEREINAFTER REFERRED TO AS "THE REPORT") PREPARED BY OPEN JOINT-STOCK COMPANY "BYELORUSSIAN STEEL WORKS – MANAGEMENT COMPANY OF "BELORUSSIAN METALLURGICAL COMPANY" HOLDING IS THE NINTH REPORT OF THE ENTERPRISE. MAINTAINING THE TRADITION OF SUSTAINABILITY REPORTING, THE ENTERPRISE CONFIRMS ITS READINESS FOR AN OPEN DIALOGUE WITH THE STAKEHOLDERS. BSW IMPLEMENTS 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.

THE REPORT DISCLOSES THE PLANT'S ACHIEVEMENTS IN THE AREA OF SUSTAINABLE DEVELOPMENT. ITS PRIORITY ISSUE IS BSW ACTIVITY DIRECTED TOWARDS PRODUCTION OF QUALITY GOODS, PROVISION OF SAFE AND ADEQUATE LABOUR CONDITIONS FOR THE EMPLOYEES, DECREASE OF THE ECOLOGICAL IMPACT AND PROMOTION OF HEALTHY WAY OF LIVING.

### SCOPE OF THE REPORT

THE ENTERPRISE ADOPTED AN ANNUAL REPORT CYCLE. THIS REPORT REFLECTS THE RESULTS OF BSW ACTIVITY IN THE PERIOD FROM JANUARY 1, 2016 TILL DECEMBER 31, 2016 INCLUDING MAIN APPROACHES TO ACHIEVEMENT OF THE GOALS AND TASK FULFILLMENT AS WELL AS PLANS AND GOALS OF THE ORGANIZATION. ELECTRONIC VERSIONS OF THE REPORTS CAN BE FOUND ON OUR CORPORATE WEB-SITE [BELSTEEL.COM](http://BELSTEEL.COM). THE REPORT DOES NOT CONTAIN INFORMATION REGARDING JOINT-VENTURES AND THE ENTERPRISES LOCATED OUTSIDE THE REPUBLIC OF BELARUS.

### ESSENTIAL CHANGES IN THE REPORT

KEY IMPLEMENTED ARRANGEMENT THAT HELPED TO STRENGTHEN THE ENTERPRISE'S IMAGE ARE MARKED WITH THE SIGN "NOVELTY" IN THE REPORT.

NOVELTY

THIS REPORT DOES NOT CONTAIN ANY ESSENTIAL CHANGES OF THE INFORMATION DISCLOSED IN THE PREVIOUS REPORTS OF THE PLANT. ECONOMIC INDICATORS

ARE GIVEN IN US DOLLARS CORRESPONDING TO THE AVERAGE ANNUAL RATE OF THE NATIONAL BANK OF THE REPUBLIC OF BELARUS EXISTING IN 2016 EQUALED TO Br1,9885.

THE REPORT IS PREPARED IN CONFORMITY WITH THE GENERAL VERSION OF REPORTING ACCORDING TO GRI G4 GUIDANCE.

### CONTENT AND SIGNIFICANCE OF THE REPORT

TAKING INTO CONSIDERATION THE APPROACH RECOMMENDED BY GRI G4, THE PROCESS OF DETERMINATION OF THE REPORT CONTENT WAS CARRIED OUT IN COMPLIANCE WITH THE PRINCIPLES OF SIGNIFICANCE, COVERAGE OF THE STAKEHOLDERS, DEVELOPMENT SUSTAINABILITY CONTEXT AND COMPLETENESS OF THE INFORMATION DISCLOSURE. TO DETERMINE THE REPORT CONTEXT AND TO FORM ITS CONTENT, THE ENTERPRISE CARRIED OUT ASSESSMENT OF IMPORTANT TOPICS IN CORRESPONDENCE WITH THE REQUIREMENTS OF GRI GUIDELINES. TOPICS AND QUESTIONS DISCLOSED IN THE REPORT ARE CONSIDERED SIGNIFICANT IN TERMS OF THEIR INFLUENCE UPON BSW ACTIVITY AND INTERESTS OF THE KEY STAKEHOLDERS: CUSTOMERS, SUPPLIERS, EMPLOYEES, AUTHORITIES AND LOCAL COMMUNITIES. SPECIAL ATTENTION IS PAID TO DEVELOPMENT OF THE PROJECTS OF THE NATIONAL AND REGIONAL LEVEL IN THE REPORT; COMPLEX INFORMATION ABOUT IMPLEMENTED INITIATIVES AIMED AT IMPROVEMENT OF ECOLOGICAL EFFICIENCY OF THE PRODUCTION IS PRESENTED, LABOUR PROTECTION AND INDUSTRIAL SAFETY ISSUES ARE DISCLOSED IN DETAIL AS WELL AS PERSONNEL AND SOCIAL POLICY AND INTERACTION WITH LOCAL COMMUNITIES AND SUPPLIERS OF THE PLANT.

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 ARE GIVEN IN THE REPORT.

YOUR OPINIONS AND PROPOSALS REGARDING THE FORM AND CONTENT OF THE REPORT AS WELL AS QUESTIONS MAY BE SENT TO: [SECR.DPIR@BMZ.GOMEL.BY](mailto:SECR.DPIR@BMZ.GOMEL.BY) OR TO THE POSTAL ADDRESS:

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.

IN THE REPORTING YEAR THE ENTERPRISE STARTED TO USE GRI, VERSION G4 TO REPORT ON SUSTAINABLE DEVELOPMENT.

## General Director' message



### DEAR FRIENDS!

I'M GLAD TO ACQUAINT YOU WITH THE REPORT OF OJSC "BYELORUSSIAN STEEL WORKS – MANAGEMENT COMPANY OF "BYELORUSSIAN METALLURGICAL COMPANY" HOLDING IN THE AREA OF SUSTAINABLE DEVELOPMENT FOR 2016. THIS VERSATILE DOCUMENT CONTAINS COMPREHENSIVE INFORMATION ABOUT OUR ENTERPRISE'S ACTIVITY. TAKING INTO CONSIDERATION REQUIREMENTS OF THE GLOBAL PRACTICES, WE PREPARE THIS REPORT EVERY YEAR TO HELP OUR BUSINESS PARTNERS AND REPRESENTATIVES OF OTHER INTERESTED AUDIENCES TO FORM AN IDEA ABOUT BSW OPERATION, ITS POTENTIAL AND PROSPECTS.

2016 WAS A VERY IMPORTANT AND RATHER COMPLICATED YEAR FOR BYELORUSSIAN STEEL WORKS. IT WAS CRITICAL IN MANY RESPECTS. AFTER 2015, WHICH WAS RATHER EXHAUSTING FOR THE ENTERPRISE'S ECONOMY DUE TO SHARP PRICE DROPS ON THE GLOBAL STEEL MARKET, ABSENCE OF STABILITY ON THE CURRENCY MARKET, AND TENDENCY OF GOVERNMENTS OF MANY COUNTRIES TO USE EVERY STICK IN THE BOOK TO PROTECT THEIR OWN PRODUCERS FROM FOREIGN COMPETITORS, THE YEAR 2016 BECAME THE BEGINNING OF RECOVERY. THE

RESULTS OF THE FIRST QUARTER SHOWED THAT BSW MANAGED TO ACHIEVE POSITIVE DYNAMICS THANKS TO WELL-ORGANIZED WORK OF THE TEAM OF EMPLOYEES. AS A RESULT, THE ENTERPRISE COMPLETED 2016 WITH A POSITIVE PROFITABILITY. AS REGARDS VOLUME OF PRODUCTION, THE PLANT PRODUCED 2,2 MILLION OF STEEL IN 2016. IT IS FAR FROM OUR MAXIMUM ACHIEVEMENT (2,7 MIO T), BUT IN THE EXISTING CIRCUMSTANCES THIS PERFORMANCE IS WORTHY OF RESPECT. CONSIDERING THESE FIGURES WE MAY SAY THAT BSW STEEL MELTING CAPACITY WAS LOADED TO OVER 80% IN 2016. BESIDES, THE PRODUCTION CAPACITY UTILIZATION FACTOR IN STEEL MAKING OF 65 COUNTRIES - MEMBERS OF WORLD-STEEL WAS AT THE LEVEL OF 70 PERCENT. AT THE SAME TIME, WE DID NOT SIMPLY PRODUCED STEEL, WE MANUFACTURED OUR PRODUCTS UNDER CUSTOMER ORDERS: IN THE REPORTING YEAR BSW PRODUCTS WERE EXPORTED TO 52 COUNTRIES WORLDWIDE. EXPORT SHARE IN THE PRODUCTION OUTPUT WAS OVER 85 PERCENT IN THIS PERIOD.

INDISPUTABLY, POSITIVE RESULTS OF 2016 OPERATION ARE AN IMPORTANT INDICATOR OF THE PLANT'S ACTIVITY BUT ANOTHER ACHIEVEMENT IS MORE VALUABLE FOR





US: IN SPITE OF ALL DIFFICULTIES WE MANAGED TO PRESERVE OUR TEAM OF EMPLOYEES AND FULFILL ALL SOCIAL OBLIGATIONS UNDERTAKEN. THOUGH WE WORKED IN THE MODE OF A SEVERE RESOURCE SAVING, BSW NEVER FORGOT ABOUT IMPROVEMENT OF WORKING CONDITIONS OF ITS EMPLOYEES AND REDUCTION OF NEGATIVE INFLUENCE ON THE ENVIRONMENT IN THE REGION OF ITS ACTIVITY. THESE DIRECTIONS HAVE ALWAYS BEEN AT THE HEAD OF THE POLICY PURSUED BY THE PLANT DURING THE ENTIRE HISTORY OF THE ENTERPRISE.

THERE WERE GOLDEN AND CRITICAL PERIODS IN THE HISTORY OF BYELORUSSIAN STEEL WORKS BUT IN SPITE

OF THE CIRCUMSTANCES ITS EMPLOYEES HAVE ALWAYS ASPIRED TO WORK ADEQUATELY AND MAKE A SIGNIFICANT CONTRIBUTION INTO THE DEVELOPMENT OF THEIR PLANT AND THE NATIONAL ECONOMY. I HOPE THAT THE REPORT SUBMITTED TO YOUR ATTENTION WILL BE A WEIGHTY CONFIRMATION OF THIS FACT.

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

## Plant's Profile

BYELORUSSIAN STEEL WORKS IS THE LARGEST ENTERPRISE NOT ONLY IN THE REPUBLIC OF BELARUS, BUT ALSO IN EUROPE, AND IS A BASIC ENTERPRISE FOR THE NATIONAL STEEL-MAKING. IT HAS BEEN AMONG COMPETENT STEELMAKERS FOR ALMOST THREE DECADES ALREADY.

ADHERENCE TO THE PRINCIPLES OF SUSTAINABLE DEVELOPMENT AND IMPLEMENTATION OF THE STRATEGY FOCUSED ON CUSTOMERS HELPS THE ENTERPRISE TO DISCLOSE NEW POSSIBILITIES AND PROSPECTS FOR FURTHER DEVELOPMENT IN THE CONDITIONS OF THE UNSTABLE ECONOMIC SITUATION.

### GENERAL INFORMATION

IN TERMS OF MARKETABLE PRODUCTS, BSW IS AMONG FIVE LARGEST ENTERPRISES OF THE COUNTRY.

THE CONTRACT FOR THE DESIGN AND ERECTION OF THE PLANT AND ALL REQUIRED INFRASTRUCTURE WAS SIGNED ON MARCH 19, 1982 BY AUSTRIAN COMPANY VOEST-ALPINE AG AND ITALIAN DANIELI. PROJECT DEVELOPMENT, SUPPLY OF EQUIPMENT, CONSTRUCTION, AND DEVELOPMENT OF TECHNOLOGY WAS FULFILLED WITH PARTICIPATION OF 30 COMPANIES FROM GERMANY, ITALY, SWEDEN, HUNGARY AND OTHER COUNTRIES WITH CONSIDERATION OF THE LATEST GLOBAL ACHIEVEMENTS OF SCIENCE AND TECHNOLOGY. OCTOBER 15, 1984 IS CONSIDERED THE BIRTHDAY OF THE PLANT.

**245**

BSW  
AREA (HA)

AT THE END OF AUGUST 2012 OPEN JOINT-STOCK COMPANY "BYELORUSSIAN STEEL WORKS" WAS RENAMED IN OPEN JOINT-STOCK COMPANY "BYELORUSSIAN STEEL WORKS – MANAGEMENT COMPANY OF "BYELORUSSIAN METALLURGICAL COMPANY" HOLDING (HEREINAFTER BSW) WHICH REFERS TO THE CLASS OF MINI-PLANTS. IN TERMS OF ITS TERRITORY, BSW IS A COMPACT ENTERPRISE LOCATED ON ONE INDUSTRIAL SITE (245,0165 HA) IN THE TOWN OF ZHLOBIN WITH THE POPULATION 76 THOUSAND PEOPLE, 220 KM AWAY FROM MINSK, THE CAPITAL OF THE REPUBLIC OF BELARUS.

LEGAL ADDRESS OF THE PLANT (MAILING ADDRESS), HEAD-QUARTERS ADDRESS: 37 PROMYSHLENNAYA STR., ZHLOBIN, GOMEL REGION, 247197, REPUBLIC OF BELARUS.

100% OF BSW SHARES BELONG TO THE STATE, NAMELY TO THE MINISTRY OF INDUSTRY (MINPROM) OF THE REPUBLIC OF BELARUS WHICH DETERMINES A SET OF ANNUAL TARGETS,

OBLIGATORY INDIVIDUAL DECISIONS, COORDINATES STRATEGY OF THE PLANT'S DEVELOPMENT AND INVESTMENT PROJECTS. THE PLANT DETERMINES STRATEGIC DIRECTIONS OF DEVELOPMENT AND APPROACHES FOR ACHIEVEMENT OF THE TARGETS SET, MAKES DECISIONS OF OPERATIVE NATURE, FORMS FINANCIAL BUDGET ON ITS OWN.

### DESCRIPTION OF THE KEY STRUCTURAL SUBDIVISIONS

THE WHOLE PRODUCTION IS CARRIED OUT ON A SINGLE PRODUCTION SITE IN THE REPUBLIC OF BELARUS THAT ALLOWS THE PLANT TO SAVE DUE TO THE SCALE AND MANUFACTURE PRODUCTS WITH LOW EXPENSES. A WIDE SET OF PRODUCTION FACILITIES MAKES IT POSSIBLE TO FLEXIBLY FORM PRODUCTION STREAMS CONSIDERING MARKET CONDITIONS AND MAINTAIN STABLE SALES VOLUMES DURING A LONG PERIOD OF TIME

FROM THE STRUCTURAL POINT OF VIEW, 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 ROLLING SHOP No.1 INCLUDING THREE ROLLING MILLS PRODUCING DIFFERENT SECTIONS, SECTION ROLLING SHOP No.2 AND A PIPE MILL. HARDWARE PRODUCTION INCLUDES THREE STEEL WIRE SHOPS AND A TARE AND DIE SHOP. CONFIGURATION OF THE PLANT INFRASTRUCTURE IS REPRESENTED BY SHOPS REPAIRING STEELMAKING, POWER AND MECHANICAL EQUIPMENT, SHOPS PROVIDING THE PRODUCTION PROCESS WITH MEDIA AND ELECTRIC POWER AND OTHER DIVISIONS. PLANT PRODUCTION CATALOGUE INCLUDES: CONCAST AND HOT-ROLLED BILLET, SHAPED ROLLED PRODUCTS, ROLLED SECTIONS, REINFORCING MATERIAL FOR CONCRETE STRUCTURES, PIPE BILLET, WIRE ROD, TIRE CORD, HOT-DEFORMED SEAMLESS PIPE, STEEL ANCHOR AND WAVY FIBER, MICROFIBER AND STEEL WIRE FOR VARIOUS APPLICATIONS.

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS A HIGHLY TECHNOLOGICAL STEELMAKING FACILITY WITH A COMPLETE PRODUCTION CYCLE. TOTAL 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





11 425

TOTAL NUMBER OF BSW EMPLOYEES

INTO CONSIDERATION MARKET CONDITIONS AND MAINTAIN STABLE AMOUNT OF SALES DURING A LONG PERIOD OF TIME.

## «BYELORUSSIAN METALLURGICAL COMPANY» HOLDING

MINPROM DETERMINES BSW AS THE PARENT COMPANY OF “BYELORUSSIAN METALLURGICAL COMPANY” HOLDING. THE HOLDING COMPRISES 22 ENTERPRISES (STEELMAKING, ENGINEERING, AGRICULTURAL PRODUCTIONS, ETC.). TOTAL NUMBER OF EMPLOYEES IS OVER 24 000 PEOPLE. MAIN AIMS OF ITS ESTABLISHMENT ARE: USE OF BSW POSSIBILITIES FOR DEVELOPMENT OF LAGGING ENTERPRISES INCLUDED IN THE HOLDING, FORMATION OF A COMPETITIVE INNOVATIVE PRODUCTION, STRENGTHENING OF FINANCIAL AND ECONOMIC CONDITION, IMPROVEMENT OF MANAGEMENT STRUCTURE OF THE ENTERPRISES IN THE HOLDING, REDUCTION OF NON-PRODUCTION EXPENDITURES, MODERNIZATION AND TECHNICAL REVAMPING OF THE EXISTING PRODUCTIONS OF THE HOLDING (INVESTMENT VOLUME: APPROXIMATELY \$3330 MILLION DURING 2012-2020), GROWTH OF EXPORT POTENTIAL AND INCREASE OF ASSET

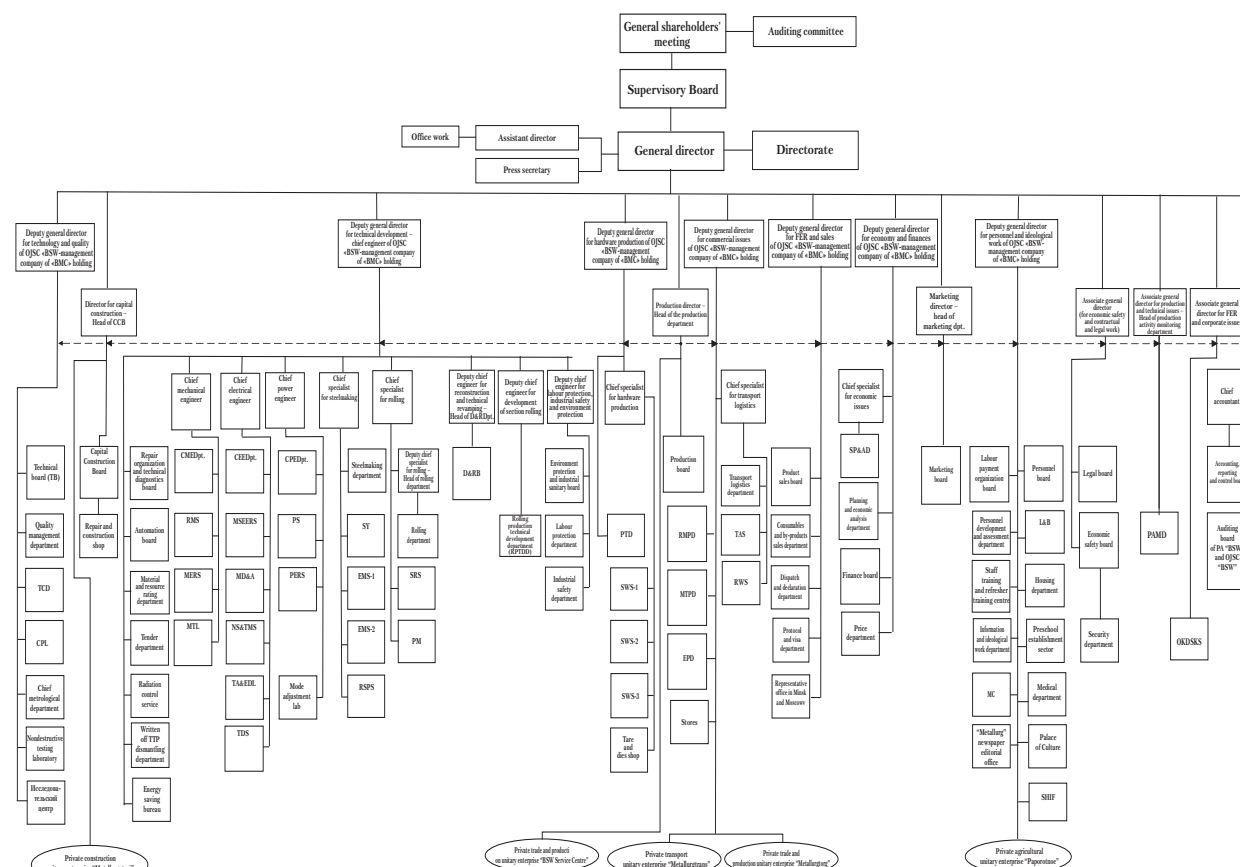
CAPITALIZATION.

## ORGANIZATIONAL STRUCTURE OF MANAGEMENT

THE ORGANIZATIONAL STRUCTURE IS BASED ON A HIERARCHICAL PRINCIPLE. THE PLANT IS HEADED BY THE GENERAL DIRECTOR WHO ACTS IN ACCORDANCE WITH THE NATIONAL LAW AND ARTICLES OF ASSOCIATION OF THE ORGANIZATION, DETERMINES POLICY AND OBJECTIVES, DISTRIBUTES RESPONSIBILITIES AND AUTHORITY AMONG THE HEADS OF THE PLANT DIVISIONS. AS OF DECEMBER 31, 2016 TOTAL NUMBER OF EMPLOYEES EQUATED TO 11 425 PEOPLE.

## GEOGRAPHY AND ACTIVITY SCALE

IN 2016 MAIN EXPORT REGIONS WERE EUROPEAN MARKETS AND RUSSIAN MARKETS. 79,2% OF THE TOTAL EXPORTS FALL ON THESE REGIONS. DURING 2016 OUR PRODUCTS WERE DELIVERED TO 52 COUNTRIES, BELARUS INCLUDED. DURING THE WHOLE PERIOD OF OPERATION OF OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING, IT HAS SUPPLIED PRODUCTS TO 117 COUNTRIES. GROWTH



Organizational management structure



## Plant's Profile



RATE IN NATURAL TERMS MADE UP 84,1%, AND 78,2% IN VALUE TERMS.

A NEW SMALL-SECTION MILL (SECTION ROLLING SHOP No.2) WAS COMMISSIONED IN 2015. WITH ITS START-UP OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING

**52**

NUMBER OF COUNTRIES  
EXPORTING BSW  
PRODUCTS IN 2016

STARTED PLANNED REDUCTION OF SALES OF SEMIS (BILLETS/BLOOMS) WITH SUBSEQUENT EXPANSION OF ROLLED PRODUCT MIX. IN NOVEMBER 2016, SMALL-SECTION WIRE MILL REACHED ITS DESIGNED CAPACITY. SUPPLIES OF THE MANU-

FACTURED PRODUCT: ROLLED COILS D.20-80, ROLLED COILS D.20-50, AND HIGH-CARBON AND MEDIUM-CARBON WIRE ROD - GROW SYSTEMATICALLY.

LARGEST IMPORTERS OF PRODUCTS OF ROLLED SECTION SHOP No.2 IN 2016 WERE: THE NETHERLANDS, THE USA, ISRAEL, POLAND, GERMANY, BELGIUM, ITALY, LITHUANIA, RUSSIA, AND HUNGARY. EUROPE HAS THE BIGGEST SHARE IN EXPORT DISTRIBUTION: 72,2% IN NATURAL TERMS.

AT PRESENT, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING DIRECTS ITS ACTIVITY TO MAINTAIN AND INCREASE ITS PRESENCE ON THE EXISTING OUTLETS AND SEARCH FOR NEW ECONOMICALLY PROFITABLE REGIONS.

### DETAILED SUPPLY DISTRIBUTION IN 2016

**EUROPEAN MARKET.** IN 2016, MAIN STEEL EXPORT SHARE OF BSW BELONGED TO THE EUROPEAN MARKET. THE PLANT SUPPLIED ITS PRODUCTS TO 30 COUNTRIES OF THIS MARKET (31 COUNTRIES IN 2015). THE MAIN VOLUME OF SUPPLIES (74,2%) FALLS ON SUCH COUNTRIES AS GERMANY, THE NETHERLANDS, LITHUANIA, POLAND, AND

ITALY. IN VALUE TERMS, THIS SHARE EQUALED TO 68,9 PERCENT. STEEL PRODUCT SUPPLY GROWTH IN NATURAL TERMS WAS 82%, IN VALUE TERMS – 73,3 PERCENT. DURING 2016, DIVERSIFICATION OF EXPORT SUPPLIES TO A NUMBER OF EUROPEAN COUNTRIES TOOK PLACE (SUPPLY OF NEW PRODUCTS TO THE OLD MARKET): BELGIUM (REBAR COILS), GERMANY (REBAR COILS), SPAIN (ROUND COILS D.20-50), LATVIA (ROUNDS D.20-80), LITHUANIA (ROUNDS D.20-80), LUXEMBURG (STEEL WIRE), FINLAND (WIRE ROD), CROATIA (WIRE ROD), SWEDEN (ROUNDS D.20-80), NORWAY (ROUNDS D.20-80), SERBIA (ROUNDS D.20-80, 80-160), SWITZERLAND (ROUNDS D.20-80).

MAIN REASON FOR BSW EUROPEAN SUPPLY DECREASE IS THE ANTIDUMPING INVESTIGATION RELATING TO SUPPLIES OF BELARUSIAN REBAR TO EC INITIATED IN THE FIRST QUARTER 2016. BSW DECREASED SUPPLIES OF REBAR TO EUROPE ALMOST TWICE IN 2016 AS COMPARED WITH 2015, BESIDES, REBAR OCCUPIES THE LARGEST SHARE IN THE TOTAL SUPPLIES TO THIS MARKET.

**CIS MARKET, INCLUDING THE REPUBLIC OF BELARUS.** THE MARKET OF CIS COUNTRIES IS THE SECOND IN SIZE MARKET FROM THE POINT OF VIEW OF SALES OF PRODUCTS OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING. SUPPLIES WERE PERFORMED TO 4 COUNTRIES OF THIS REGION (IN 2015 – 4 COUNTRIES): THE RUSSIAN FEDERATION, ARMENIA, MOLDOVA, AND THE UKRAINE. THE KEY ROLE AMONG CIS COUNTRIES IS PLAYED BY THE MARKET OF THE RUSSIAN FEDERATION. THE ENTERPRISE SUPPLIED 96,6% (IN NATURAL TERMS) OF THE TOTAL EXPORTS TO CIS IN 2016. CIS MARKET, INCLUDING THE REPUBLIC OF BELARUS. THE MARKET OF CIS COUNTRIES IS THE SECOND IN SIZE MARKET FROM THE POINT OF VIEW OF SALES OF PRODUCTS OF OJSC "BSW

DESTINATION	2016	RATING	2015	RATING
EUROPE	56,68	1	60,5	1
MIDDLE EAST	6,77	4	7,45	4
AFRICA	3,94	5	9,35	3
SOUTH-EAST ASIA	0,25	7	0,25	7
AMERICA	9,06	3	4,09	5
RUSSIAN FEDERATION	22,51	2	17,75	2
UKRAINE	0,76	6	0,57	6
MOLDOVA, ARMENIA	0,02	8	0,05	8

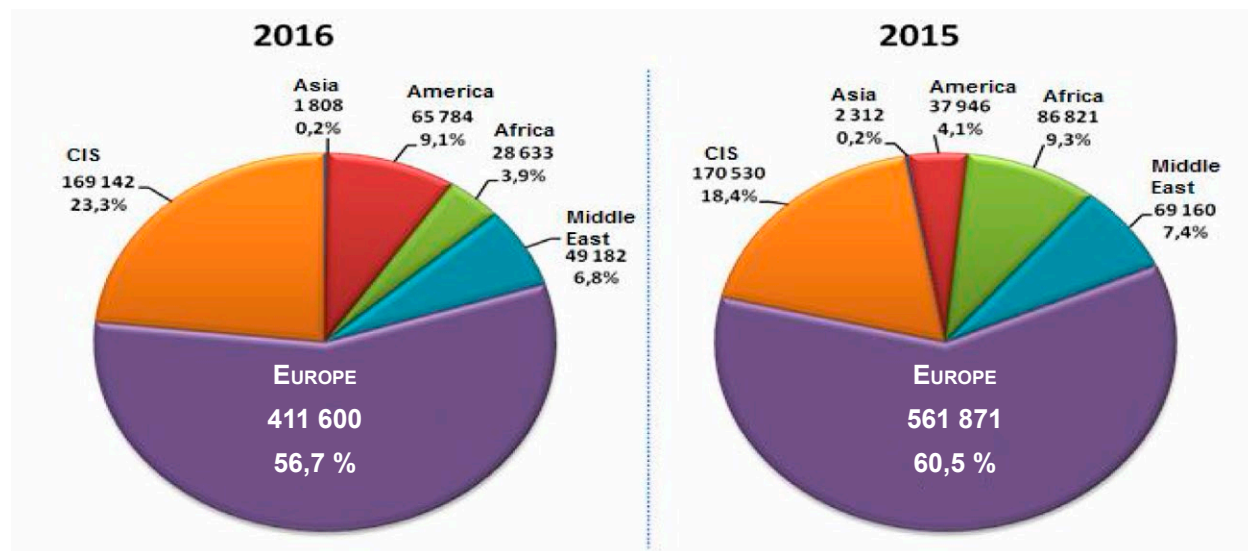
Table: Shipment of products for export, USD thou., %



— MANAGEMENT COMPANY OF “BMC” HOLDING. SUPPLIES WERE PERFORMED TO 4 COUNTRIES OF THIS REGION (IN 2015 – 4 COUNTRIES): THE RUSSIAN FEDERATION, ARMENIA, MOLDOVA, AND THE UKRAINE. THE KEY ROLE AMONG CIS COUNTRIES IS PLAYED BY THE MARKET OF THE RUSSIAN FEDERATION. THE ENTERPRISE SUPPLIED 96,6% (IN NATURAL TERMS) OF THE TOTAL EXPORTS TO CIS IN 2016.

**DOMESTIC MARKET IN THE REPUBLIC OF BELARUS** IS ONE OF THE LARGEST MARKETS IN TERMS OF VOLUME OF BSW PRODUCT SALES. IT IS ASSESSED THAT BSW OCCUPIES 100% OF THE DOMESTIC MARKET SALES OF STEEL

EGYPT, MAURITANIA, TUNISIA, AND SENEGAL. THE MAIN AMOUNT OF PRODUCT (92,2%) WAS SHIPPED TO EGYPT. IN 2016 THIS MARKET WAS THE MAIN ONE IN TERMS OF SALES OF SEMIS. EXPORT SHARE EQUALED TO 3,9% (IN 2015 – 9,3%). DECREASE OF THE SHARE OF THE AFRICAN MARKET IN THE TOTAL EXPORT AMOUNT IS RELATED TO ITS CHANGED STRUCTURE. THE STRATEGY OF SALES OF THE PRODUCTS OF THE NEW SMALL SECTION MILL IS DIRECTED FIRST OF ALL TOWARDS REORIENTATION OF SALES FROM THE SEMIS MARKET IN THE MIDDLE EAST AND NORTH AFRICA TO MORE EXPENSIVE MARKETS OF HIGH-TECH METALLURGICAL PRODUCTS OF THE EUROPEAN UNION WITH A HIGH SHARE



*Export distribution and share of the largest importing regions in 2015-2016, in value terms, %*

CORD AND BRONZE-PLATED BEAD WIRE, 90% — OF WIRE ROD SALES, 37% — OF REBAR SALES, AND 9% — OF SEAMLESS PIPES.

**MIDDLE EAST AND AFRICAN MARKET.** THE ENTERPRISE SUPPLIED ITS PRODUCTS TO 3 COUNTRIES IN THE MIDDLE EAST (IN 2015 - 4 COUNTRIES): TURKEY, JORDAN, AND ISRAEL. THE MAIN AMOUNT - 72,2% - WAS SHIPPED TO ISRAEL. THE EXPORT SHARE OF THE MIDDLE EAST COUNTRIES MADE UP 6,8 % (IN 2015 IT WAS 7,4%.

DROP OF THE SALES MARKET IN THE MIDDLE EAST BY 0,6 % WAS CAUSED BY A HIGH LEVEL OF COMPETITION ON THIS MARKET WHICH LEADS TO A SHARP AGGRAVATION OF THE MARKET CONDITIONS. TURKEY AND CHINA ARE THE MAIN STEEL SUPPLIES IN THIS REGION.

**AS FOR AFRICA,** THE PLANT SUPPLIED ITS PRODUCTS TO 5 COUNTRIES (IN 2015 - 5 COUNTRIES): GHANA,

OF ADDED VALUE.

**MARKET OF MIDDLE EAST ASIA.** THE ENTERPRISE SUPPLIED ITS PRODUCTS TO 4 COUNTRIES OF MIDDLE EAST ASIA (IN 2015 - 6 COUNTRIES): INDIA, JAPAN, SOUTH KOREA, AND SINGAPORE.

**AMERICAN MARKET.** DUE TO ANTIDUMPING INVESTIGATION RELATING TO SUPPLIES OF BSW REBAR TO EC, IT WAS NECESSARY TO REORIENT PART OF REBAR SUPPLIES TO OTHER MARKETS. THUS, IN 2016 BSW BEGAN TO SUPPLY STEEL TO CANADA. AS A RESULT, THE PLANT INCREASED AMERICAN EXPORT SHARE BY 5%, GROWTH RATE OF SHIPMENTS TO AMERICA MADE UP 173,4% IN VALUE TERMS.

TOTALLY, THE PLANT SUPPLIED STEEL PRODUCTS TO 5 AMERICAN COUNTRIES (IN 2015 - 5 COUNTRIES): ECUADOR, MEXICO, THE USA, BRAZIL, AND CANADA. THE NEW MARKET (CANADA) OCCUPIED 71,8% OF THE TOTAL BSW





## Plant's Profile



SUPPLIES TO THE AMERICAN MARKET IN 2016.

### COMPETITIVE ADVANTAGES OF OJSC «BSW — MANAGEMENT COMPANY OF «BMC» HOLDING»:

- STRONG POSITION ON GLOBAL STEEL MARKETS;
- COMPLETE METALLURGICAL CYCLE AIMING AT PRODUCTION OF GOODS WITH THE HIGHEST ADDED VALUE;
- COOPERATION WITH THE LARGEST TIRE PRODUCING CONCERNS;
- DIVERSIFIED COMMODITY DISTRIBUTION NETWORK WORLDWIDE;
- OWN TRAINING CENTRE;
- INNOVATIVE ACTIVITY;
- INVESTMENT IN RESEARCH AND DEVELOPMENT ACTIVITY;
- OWN METALLURGICAL RESEARCH CENTRE;
- THE ENTERPRISE IS ONE OF THE TEN GLOBAL TIRE CORD PRODUCERS;
- LEADER IN HOSE WIRE PRODUCTION;
- THE LARGEST EUROPEAN PRODUCER OF BEAD WIRE, A MONOPOLIST IN THE CIS MARKET;
- FAVORABLE GEOGRAPHIC POSITION OF THE PLANT;
- EMPLOYEES' PROFESSIONALISM;
- HIGH COMPETITIVENESS OF PRODUCTS;
- TIMELY INVESTMENT PROGRAM;
- HIGH REPUTATION AMONG CUSTOMERS DUE TO PRODUCT QUALITY LEVEL.

### BUSINESS APPROACH

AT PRESENT, THE MACROECONOMY OF BELARUS GOES THROUGH DIFFICULT TIMES, AND INTEGRITY OF STRATEGY, ITS REALIZATION EFFICIENCY AND UNITY OF THE TEAM PLAY A VERY IMPORTANT ROLE IN THE PLANT'S ACHIEVEMENT OF POSITIVE RESULTS OF ITS ACTIVITY AND BUSINESS GROWTH. SO AS TO DETERMINE BOTTLENECKS AND TO OVERCOME THEM, THE PLANT CARRIES OUT A REGULAR ASSESSMENT OF ITS ACTIVITY AND EFFECTIVENESS OF ACHIEVEMENT OF FINANCIAL AND NON-FINANCIAL TARGETS.

### VALUES AND STRATEGIC PRINCIPLES OF THE ENTERPRISE

OJSC «BSW — MANAGEMENT COMPANY OF «BMC» HOLDING IS A STABLY DEVELOPING AND CONTINUOUSLY RENEWING ORGANIZATION CONSIDERING CHANGES, TENDENCIES AND RISKS OF THE EXTERNAL ENVIRONMENT.

**MISSION** — PRODUCTION OF HIGH-TECH STEEL PRODUCTS (INCLUDING PRODUCTS FOR AUTOMOTIVE INDUSTRY) TO IMPROVE PRODUCTIVITY OF THE ENTERPRISE TAKING INTO CONSIDERATION ENVIRONMENT AND EMPLOYEES' HEALTH SAFETY, PROVISION OF A HIGH LIVING LEVEL OF THE STAFF AND STAKEHOLDERS SATISFACTION.

**VISION** — BE THE BEST SUPPLIER OF STEEL PRODUCTS (INCLUDING PRODUCTS FOR AUTOMOTIVE INDUSTRY) MEETING THE REQUIREMENTS OF NATIONAL AND FOREIGN CUSTOMERS ON ALL DEVELOPED SEGMENTS OF THE STEEL MARKET DUE TO USE OF UP-TO-DATE AND ENVIRONMENT-FRIENDLY SAFE TECHNOLOGIES, EFFECTIVE USE OF RESOURCES AND OPTIMAL ORGANIZATION OF PRODUCTION PROCESSES AND MANAGEMENT.

**VALUES** — EMPLOYEES; ENVIRONMENT, NATURAL AND OTHER TYPES OF RESOURCES; PARTNERS, QUALITY, KNOWLEDGE AND COMMUNITY.

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

OUTPUT OF PRODUCTS OF REQUIRED QUALITY AND RANGE;

— PROVISION OF SUSTAINABLE DEVELOPMENT, PERSONNEL INCLUDED;

— RETENTION AND STRENGTHENING OF ITS POSITION ON THE DEVELOPED MARKETS;

— IMPROVEMENT OF THE EMPLOYEES WELFARE;

— PRESERVATION OF HEALTH AND LIFE OF EVERY MEMBER OF THE EMPLOYEES TEAM;

— CONTINUOUS DECREASE OF ENVIRONMENTAL IMPACT OF THE PRODUCTION ACTIVITY;

— RETENTION AND FURTHER DEVELOPMENT OF CORPORATE MANAGEMENT STANDARDS.

### IMPLEMENTATION OF THE STRATEGY AND MISSION SUPPOSES:



- ACHIEVEMENT OF THE TARGETS SET FOR THE PLANT ACHIEVEMENT OF THE TARGETS OF THE PLANT'S ACTIVITY;

- TIMELY RESPOND TO CONTINUOUSLY CHANGING EXTERNAL CONDITIONS WITH THE USE OF P-D-C-A CYCLE (PLAN – DO – CHECK - ACT) TIMELY RESPOND TO CONTINUOUSLY CHANGING EXTERNAL CONDITIONS WITH THE USE OF P-D-C-A CYCLE (PLAN – DO – CHECK - ACT);

- INTRODUCTION OF PROGRESSIVE TECHNOLOGIES DURING DESIGN, AND DEVELOPMENT OF PRODUCTION PROCESSES OF NEW COMPETITIVE TYPES OF PRODUCTS AIMED AT REDUCTION OF DANGERS AND RISKS OF THE PRODUCTION PROCESSES, PREVENTION OF HARMFUL IMPACT OF THE PRODUCTION FACTORS ON THE EMPLOYEES, DECREASE OF CONTAMINANT EMISSION IN THE AIR, DISCHARGES INTO WATER BASIN, WASTE GENERATION, USE OF NATURAL AND ENERGY RESOURCES;

- CONTINUOUS IMPROVEMENT OF THE EFFECTIVENESS OF THE MANAGEMENT SYSTEM FUNCTIONING IN CORRESPONDENCE WITH THE REQUIREMENTS OF INTERNATIONAL STANDARDS ISO 9001, ISO 14001, OHSAS 18001, 26000 AND INDUSTRIAL REQUIREMENTS OF THE AUTOMOTIVE AND OIL INDUSTRY ISO/TS 16949, API SPEC Q1; DEVELOPMENT AND INCLUSION OF SUBSECTIONS "ENERGY SAVING MANAGEMENT" ACCORDING TO ISO 50001, "FINANCIAL MANAGEMENT" ACCORDING TO ISO 10014, "INFORMATION PROTECTION MANAGEMENT SYSTEM" ACCORDING TO ISO 27001 INTO THE MANAGEMENT SYSTEM;

- FORECAST OF RISKS RELATED TO THE ENTERPRISE'S ACTIVITY;

- FULFILLMENT OF CONTINUOUS CONTROL OF THE RISKS RELATED TO THE PRODUCTION PROCESSES, IMPLEMENTATION OF CORRECTIVE AND PREVENTIVE MEASURES DIRECTED TOWARDS PREVENTION OF OCCUPATIONAL DISEASES AND ACCIDENTS IN THE PRODUCTION PROCESS;

- PREVENTION OF ENVIRONMENT CONTAMINATION, INJURIES AND WORSENING OF THE EMPLOYEES' HEALTH DURING THEIR PRODUCTION ACTIVITY;

- ACTIVITY IN THE AREA OF QUALITY, SOCIAL RESPONSIBILITY,



BILITY, PROTECTION OF INFORMATION, FINANCES, ENERGY SAVING, LABOUR PROTECTION AND INDUSTRIAL SAFETY, AND ENVIRONMENT IN ACCORDANCE WITH THE REQUIREMENTS OF INTERNATIONAL STANDARDS, EXISTING LAW AND OTHER REQUIREMENTS, INCLUDING THOSE RELATED TO ECOLOGICAL ASPECTS OF ACTIVITY, PRODUCTION OR SERVICES, DANGERS IN THE AREA OF OCCUPATIONAL HEALTH AND LABOUR SAFETY;

- FULFILLMENT OF REGULAR MONITORING OF THE PRODUCTION PROCESSES AND MANAGEMENT FULFILLMENT OF REGULAR MONITORING OF THE PRODUCTION PROCESSES AND MANAGEMENT;

- IMPROVEMENT OF PRODUCT QUALITY, PROVISION OF LABOUR SAFETY AND HEALTH PROTECTION, ENVIRONMENT PROTECTION, ENERGY SAVING INCLUDING SUPPLIERS, SUBCONTRACTORS AND CUSTOMERS OF THE ENTERPRISE;

- IMPLEMENTATION OF PURPOSEFUL TRAINING OF THE STAFF, ARRANGEMENT OF CONDITIONS FOR HIGH-QUALITY LABOUR, DEMONSTRATION OF PERSONAL ABILITIES AND INITIATIVE BY EACH EMPLOYEE AND THE STAFF INTEREST IN PROVISION OF HIGH PRODUCT QUALITY LEVEL, EFFICIENT USE OF RAW MATERIALS, AUXILIARY MATERIALS AND ENERGY RESOURCES;

- IMPROVEMENT OF PRODUCTION CULTURE AND ENSURING OF PERSONAL MORAL AND MATERIAL RESPONSIBILITY FOR THE QUALITY OF THE WORK DONE.

MANAGEMENT OF THE ORGANIZATION IS INTERESTED IN FULFILLMENT OF THE CORPORATE POLICY AND WILL ARRANGE CONDITIONS REQUIRED FOR THAT SO AS TO PROVIDE FOR AN ADEQUATE LEVEL OF LIVING OF THE EMPLOYEES AND THEIR CONFIDENCE IN THE FUTURE.

# Strategy and management approach to sustainable development

## ENTERPRISE'S APPROACH TO SUSTAINABLE DEVELOPMENT

BYELORUSSIAN STEEL WORKS ACTIVELY INTRODUCES PRINCIPLES OF SUSTAINABLE DEVELOPMENT INTO ITS BUSINESS ACTIVITY. THE MAIN AIM OF THE PLANT DEVELOPMENT IS DEVELOPMENT OF ECONOMY OF THE ENTERPRISE BASED ON INNOVATIVE RENEWAL, INCREASE OF ECONOMIC EFFECTIVENESS, ENVIRONMENTAL SAFETY, RESOURCE SAVING AND IMPROVEMENT OF PRODUCT COMPETITIVENESS, ACHIEVEMENT OF AN ADEQUATE LEVEL OF LIVING OF BSW EMPLOYEES. THE MANAGEMENT AND THE EMPLOYEES OF THE PLANT CARRY OUT THEIR ACTIVITY IN ACCORDANCE WITH THE CODE OF ETHICS WHICH IS BROUGHT TO THE NOTICE OF THE STAFF AND EXTERNAL PARTNERS. THE CODE OF ETHICS OF BSW IS DEVELOPED CONSIDERING KEY VALUES SUCH AS TRUTHFULNESS, SINCERITY AND RESPECT FOR MUTUAL INTERESTS, AND THEIR OBLIGATORY FULFILLMENT LEADS TO MUTUAL CONFIDENCE, OPENNESS AND TRANSPARENCY OF RELATIONS. STAKEHOLDERS' CONFIDENCE IS ONE OF THE KEY VALUES FOR OUR PLANT.

TAKING INTO CONSIDERATION THE SPECIFIC CHARACTER OF PRODUCTION, THE PRIORITY DIRECTIONS OF THE ENTERPRISE IN THE AREA OF SUSTAINABLE DEVELOPMENT INCLUDE:

- INCREASE OF THE TECHNICAL AND ECONOMIC LEVEL OF PRODUCTION DUE TO RECONSTRUCTION, MODERNIZATION AND NEW CONSTRUCTION, FURTHER DECREASE OF SPECIFIC CONSUMPTION OF RAW MATERIAL, FUEL, ENERGY, AND LABOUR RESOURCES FOR STEEL PRODUCT MANUFACTURING;
- INTRODUCTION OF PROGRESSIVE TECHNOLOGIES ENSURING ENERGY AND MATERIAL RESOURCE SAVING;
- EXPANSION OF PRODUCTION OF STEEL WITH A HIGH ADDED VALUE;
- IMPROVEMENT OF THE EXPORT SUPPLIES STRUCTURE IN THE DIRECTION OF GROWTH OF THE SHARE OF DOWNSTREAM PRODUCTS;
- IMPROVEMENT OF ENVIRONMENTAL CHARACTERISTICS OF THE EXISTING PRODUCTIONS (INTRODUCTION OF ENVIRONMENT-FRIENDLY TECHNOLOGIES, REDUCTION OF WASTE GENERATION AND SPECIFIC EMISSION OF CONTAMINANTS INTO THE AIR AND WATER BASINS, INCREASE OF VOLUMES AND IMPROVEMENT OF EFFECTIVENESS OF PRODUCTION WASTE PROCESSING).

TO RETAIN ITS POSITION IN THE INTERNATIONAL MARKETS,

OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING CARRIES OUT MODERNIZATION AND RECONSTRUCTION OF ITS PRODUCTION, IMPLEMENTS INVESTMENT PROJECTS INCLUDING COMMISSIONING OF NEW PRODUCTION FACILITIES. THE RESULT OF THE COMPLEX MODERNIZATION OF THE EXISTING AND ESTABLISHMENT OF NEW INNOVATIVE PRODUCTION OF THE ENTERPRISE WILL BE GROWTH OF STEEL PRODUCTION AND CASTING, ENSURING MANUFACTURE OF PRODUCTS WITH A HIGH ADDED VALUE DUE TO A DEEPER DEGREE OF PROCESSING AND PROVISION OF PRODUCTION GROWTH DUE TO INNOVATIVE PRODUCTS MANUFACTURED.

MODERNIZATION OF THE PLANT IS AN INTEGRAL PART OF THE POLICY PURSUED BY THE ENTERPRISE AIMED AT FURTHER DEVELOPMENT, RECONSTRUCTION AND ESTABLISHMENT OF NEW PRODUCTIONS. INTRODUCTION OF STATE-OF-THE-ART TECHNOLOGIES AND EQUIPMENT CONSIDERING THE LATEST TECHNICAL AND TECHNOLOGICAL ACHIEVEMENTS IS THE KEY TO THE PLANT'S OPERATION EFFECTIVENESS.

OUTLOOK FOR SOCIAL AND ECONOMIC DEVELOPMENT OF THE ENTERPRISE FOR 2015-2017 ANTICIPATES PROVISION OF A CONTINUOUS GROWTH OF FINANCIAL AND ECONOMIC INDICATORS FOR EXPANDED PRODUCTION AND IMPROVEMENT OF THE EMPLOYEES' WELFARE. INCREASE OF INDUSTRIAL PRODUCTION, AS IN PREVIOUS YEARS, IS SUPPOSED TO BE CARRIED OUT WITH A RELATIVE REDUCTION OF THE VOLUME OF MATERIAL AND FUEL AND POWER RESOURCES CONSUMPTION BASED ON THE USAGE OF RESOURCE- AND ENERGY-SAVING TECHNOLOGIES AS WELL AS STRUCTURAL SHIFTS IN PRODUCTION. ALONG WITH REALIZATION OF INVESTMENT PROJECTS, A COMPLEX SOLVING OF QUESTIONS OF SELECTION, TRAINING AND RETRAINING OF EMPLOYEES IS FORESEEN.

## DIRECTIONS OF THE STRATEGY IMPLEMENTATION

DIRECTIONS OF REALIZATION OF THE PLANT DEVELOPMENT STRATEGY SUPPOSE ACHIEVEMENT OF AN ADEQUATE LEVEL OF LIVING OF BSW EMPLOYEES, SET CONDITIONS FOR THE GROWTH OF INDUSTRIAL PRODUCT OUTPUT AND DETERMINE KEY PARAMETERS OF SOCIAL AND ECONOMIC DEVELOPMENT.

THE ENTERPRISE CONTINUOUSLY DEVELOPS NEW TYPES OF PRODUCTS. DURING 2016, 28 TYPES OF INNOVATIVE PRODUCTS WERE DEVELOPED AT THE PLANT AND DOCUMENTATION FOR PRODUCTION OF 161 TYPES OF PRODUCTS WAS AGREED. 353 145,066 BELARUSIAN RUBLES WERE SPENT FOR MANUFACTURING OF INNOVATIVE PRODUCTS IN 2016. SPECIFIC





*In February BSW became prize winner of Department of Industry of the Republic of Belarus in science and engineering fields. In nomination of "Machining, foundry and forging equipment (including special engineering)" the project of plant specialists "Development and launching the production of pump-compressor pipes used during hydraulic formation breakdown" was given the award.*

WEIGHT OF THE INNOVATIVE PRODUCTS IN THE TOTAL AMOUNT OF SHIPMENTS IN 2016 EQUALED TO 21,3% (COMPARED TO NOT LESS THAN 18 PERCENT PLANNED).

QUALIFIED EMPLOYEES HAVING APPROPRIATE FACILITIES, REQUIRED KNOWLEDGE, EXPERIENCE AND PROFESSIONAL TRAINING PARTICIPATE IN DEVELOPMENT OF NEW PRODUCTION PROCESSES AND NEW TYPES OF PRODUCTS.

BSW MAINTAINS HIGH MARK AND KEEPS PACE WITH THE PRESENT TIME WHICH IS CONFIRMED BY MULTIPLE AWARDS AND ACHIEVEMENTS.

OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING IS THE WINNER OF THE FOLLOWING AWARDS:

- AWARD OF THE GOVERNMENT OF THE REPUBLIC OF BELARUS FOR ACHIEVEMENTS IN THE AREA OF PRODUCTION AND SERVICES (2001, 2004, 2007, 2015.);
- AWARD OF THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF

BELARUS FOR ACHIEVEMENTS IN THE AREA OF QUALITY (2001, 2004, 2007, 2011, 2016);

- "BEST GOODS OF THE REPUBLIC OF BELARUS IN THE MARKET OF THE RUSSIAN FEDERATION" (2001, 2003-2015);

- "BEST GOODS OF THE REPUBLIC OF BELARUS" (2002-2016);

- "CIS AWARD FOR ACHIEVEMENTS IN THE AREA OF PRODUCT AND SERVICES QUALITY" (2007, 2011);

- "BEST QUALITY MANAGER" (2007, 2008, 2009);

- "BEST EXPORTER" IN THE NOMINATION "ENGINEERING, METALLURGY, AND METAL WORKING" (2007, 2010-2011, 2014-2016);

- THE 4TH INTERNATIONAL QUALITY TOURNAMENT OF CENTRAL AND EAST-EUROPEAN COUNTRIES IN THE NOMINATION "PRODUCTION OF INDUSTRIAL ENGINEERING APPLICATION" (2008);



## Strategy and management approach to sustainable development



— “BRAND OF THE YEAR” IN THE NOMINATION “SOCIALLY RESPONSIBLE BRAND” (2009-2010, 2016);

— THE WINNER OF THE 5TH NATIONAL TOURNAMENT “TECHNOSPHERA” IN THE NOMINATION “THE BEST TRADE MARK” (2009);

— “THE BEST CONSTRUCTION PRODUCT OF THE YEAR” (2010-2016);

— “COMPETENCE” IN THE AREA OF MEASURING TOLLS CALIBRATION (2014);

— “POWER EFFICIENCY LEADER” (2015-2016);

— “AWARD OF THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS IN THE AREA OF SCIENCE AND TECHNOLOGY” (2016);

— “AWARD FOR THE HIGH LEVEL OF COMPETENCE” WITHIN THE FRAMEWORK OF THE INTERNATIONAL CONFERENCE “DEVELOPMENT OF ACCREDITATION IN THE SYSTEM OF TECHNICAL REGULATION” (2012);

— EUROPEAN QUALITY AWARD (EQA) ESTABLISHED BY THE EUROPEAN FOUNDATION OF QUALITY MANAGEMENT (EFQM), THE LEVEL OF “5 STARS EXCELLENCE RECOGNITION” (2009, 2013);

— LAUREATE OF THE INTERNATIONAL HONOR MARK “COMMONWEALTH STAR” IN THE NOMINATION “BEST CIS COMPANY” (2006)

ENTERPRISE’ ACHIEVEMENTS IN ITS PRODUCT PROMOTION WERE HIGHLY APPRECIATED IN POLAND DURING THE XIX ECONOMIC FORUM “NEIGHBOURLINESS 2015”. GENERAL DIRECTOR OF BSWA.N. SAVIANOK WAS AWARDED BY BELARUSIAN-POLISH CHAMBER OF COMMERCE FOR LONG-TERM WORK IN THE POLISH MARKET, CONTRIBUTION IN DEVELOPMENT OF INTERNATIONAL TRADE RELATIONS, AND STRENGTH AND SELF-CONSTRAINT IN ACHIEVEMENT OF THE GOALS SET.

PARTICIPATION OF THE PLANT IN QUALITY CONTESTS CONTRIBUTES TO IMPROVEMENT OF THE PLANT’S IMAGE AND COMPETITIVENESS OF THE PRODUCT MANUFACTURED AND ALLOWS ASSESSMENT OF THE ENTERPRISE’S ACTIVITY AND MAKING COMPARISON TO THE BEST ENTERPRISES OF DIFFERENT COUNTRIES FOR FURTHER IMPROVEMENT.

### MANAGEMENT OF SUSTAINABLE DEVELOPMENT

IN ACCORDANCE WITH THE CORPORATE POLICY, THE PLANT MANAGEMENT ENSURES DEVELOPMENT AND REALIZATION OF TECHNICAL, PRODUCTION, AND INVESTMENT PROGRAMS DIRECTED TOWARDS IMPROVEMENT OF PRODUCT QUALITY MAKING AN ACTUAL CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

MINISTRY OF INDUSTRY	I LEVEL
↓	
GENERAL DIRECTOR	II LEVEL
↓	
DEPUTIES GENERAL DIRECTOR, MAIN SPECIALISTS	III LEVEL
↓	
PRODUCTION SHOP HEADS, HEADS OF STRUCTURAL SUBDIVISIONS	IV LEVEL
↓	
HEADS OF SHIFTS / DEPARTMENTS FOREMEN OF SHIFTS / DEPARTMENTS	V LEVEL
↓	
SHIFT PERSONNEL	VI LEVEL

Organizational structure of sustainable development management



OF THE PLANT.

A SET OF MEASURES AIMED AT PROVISION OF HIGH CONSUMER CHARACTERISTICS OF THE PRODUCT MANUFACTURED IS INCLUDED IN A BUSINESS-PLAN WHICH DEVELOPMENT PROCEDURE IS REGULATED BY STP 840-SMK-4.1.2.

TO IMPROVE PRODUCT QUALITY AND ENSURE ITS COMPETITIVENESS AND IMPROVE THE PRODUCTION TECHNICAL LEVEL, THE PLANT DEVELOPED A LONG-TERM PROGRAM OF BSW DEVELOPMENT FOR 2011-2015; PLANS OF RESEARCH WORK, DEVELOPMENT (TECHNOLOGICAL) ACTIVITY ARE APPROVED AND FULFILLED BASED ON CONTRACTS AND BY THE PLANT'S OWN FORCE.

MAIN MEASURES FOR PRODUCT QUALITY IMPROVEMENT AND PRODUCTION EFFECTIVENESS GROWTH ARE INCLUDED IN ANNUAL SPECIAL-PURPOSE ORDERS APPROVED BY THE GENERAL DIRECTOR AND SPECIFYING THE TIMEFRAME AND RESPONSIBLE PERSONS:

- No.1 "ABOUT IMPROVEMENT OF BUSINESS ACTIVITY AND INVESTMENT PROGRAMS";
- No.2 "ABOUT MEASURES FOR IMPROVEMENT OF QUALITY AND COMPETITIVENESS OF MARKETABLE PRODUCTS";
- No.3 "ABOUT MEASURES INSURING SAFE LABOUR CONDITIONS";
- No.4 "ABOUT MEASURES ENSURING FIRE SAFETY OF THE PLANT'S FACILITIES";
- No.5 "ABOUT PERSONNEL DEVELOPMENT";
- No.6 "ABOUT PROGRESSIVE TECHNOLOGIES, MASTERING OF NEW TYPES OF PRODUCTS, RATIONALIZATION AND INVENTIVE WORK";
- No.7 "ABOUT MEASURES FOR ENVIRONMENTAL PROTECTION";
- No.8 "ABOUT MEASURES TO DECREASE PRODUCTION COSTS".

IN 2008 BSW JOINED THE LOCAL NETWORK OF THE UN GLOBAL COMPACT WHICH IS BASED ON THE PRINCIPLES OF ETHIC AND FAIR BUSINESS. SUCH PRINCIPLES INCLUDE RESPECT FOR THE EMPLOYEE'S RIGHT TO JOIN TRADE UNIONS AND INADMISSI-

BILITY OF DISCRIMINATION OF THE EMPLOYEES, STRUGGLE AGAINST CORRUPTION IN ANY OCCURRENCE.

THE ENTERPRISE DOES NOT ADMIT CORRUPTION, BRIBERY, AND FRAUD. TO

ENSURE ECONOMIC SAFETY AND PREVENT CORRUPTION OCCURRENCE, THE PLANT CARRIES OUT ITS PRODUCTION AND ECONOMIC ACTIVITY OPENLY AND RESPONSIBLY.

ACCORDING TO THE GENERALLY ACCEPTED INTERNATIONAL PRINCIPLES OF A FREE ECONOMIC ACTIVITY SPECIFIED IN THE UN GLOBAL COMPACT, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING CONSIDERS FAIR COMPETITION TO BE A GUARANTEE OF REALIZATION OF THE RIGHT TO FREE BUSINESS ACTIVITY. NO LEGAL ACTIONS WERE UNDERTAKEN REGARDING THE ORGANIZATION IN CONNECTION WITH RESISTANCE TO COMPETITION.

IN 2016 THE PLANT CONTINUED TO IMPLEMENT THE REQUIREMENTS OF DIRECTIVE No.1 DD. 11.03.2004 "ABOUT MEASURES OF STRENGTHENING OF PUBLIC SAFETY AND DISCIPLINE". MANY TIMES QUESTIONS OF LABOUR DISCIPLINE, IMPLEMENTATION STANDARD, AND LABOUR PROTECTION HAVE BEEN CONSIDERED AT THE MEETINGS OF EXECUTIVE ORGANS OF THE COMMUNITY, AND PERSONNEL MEETINGS; REPORTS OF THE SUBDIVISION HEADS WERE HEARD. 8 SUCH ISSUES WERE EXAMINED DURING 2016. TO MEET THE REQUIREMENTS OF DIRECTIVE No. 1, INDICATORS OF LABOUR DISCIPLINE AND IMPLEMENTATION STANDARDS, PROVISION OF LABOUR PROTECTION AND INDUSTRIAL SAFETY ARE INCLUDED IN THE LIST OF CRITERIA OF MANAGER WORK ASSESSMENT: CONTRACT TERMINATION IS FORESEEN IN CASE OF THEIR BREACH.

FOLLOWING THE DIRECTIVE "ABOUT MEASURES FOR STRENGTHENING OF PUBLIC SAFETY AND DISCIPLINE", THE LAW OF THE REPUBLIC OF BELARUS "ABOUT STRUGGLE AGAINST CORRUPTION" AND SUPPORTING THE PRINCIPLES OF THE UN GLOBAL COMPACT, THE PLANT ESTABLISHED A SERVICE RESPONSIBLE FOR PREVENTION OF CORRUPTION DISPLAY AND ABUSE IN THIS AREA, OPTIMIZATION OF RISKS WHEN SELECTING RAW MATERIAL SUPPLIERS AND USERS OF THE PRODUCT MANUFACTURED IN THE CONDITIONS OF A STRONG MARKET COMPETITION, PROVISION OF SAFETY OF THE STATE PROPERTY MANAGED BY THE ENTERPRISE.

2008

THE YEAR OF BSW JOINING THE  
LOCAL NETWORK OF THE UN  
GLOBAL COMPACT



## Strategy and management approach to sustainable development



LEGAL SUPPORT AND ECONOMIC SAFETY BOARD EXCLUDES ANY POSSIBILITY OF UNLAWFUL ACTS OCCURRENCE AT THE ENTERPRISE INCLUDING ACTS OF CORRUPTION IN RESPECT OF NEW EMPLOYEES AND THOSE WORKING AT OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING. ALL EMPLOYEES OF THE SECURITY SERVICE HAVE SPECIAL HIGHER EDUCATION. IN 2016 THE EMPLOYEES OF THE SERVICE WERE TRAINED IN THE POLICIES AND PROCEDURES RELATED TO HUMAN RIGHTS.

BSW HAS DEVELOPED AND IMPLEMENTED THE PLAN OF ANTI-CORRUPTION MEASURES IN ACCORDANCE WITH WHICH CONTINUOUS MONITORING OF THE RESULTS OF FINANCIAL AND ECONOMIC ACTIVITY OF THE ORGANIZATION IS CARRIED OUT AND NORMATIVE ACTS REGULATING THE ORDER OF PREPARATION AND EXECUTION OF TENDER DOCUMENTS AND SUPPLIER SELECTION ARE UPDATED. TO MINIMIZE BUSINESS RISKS AND TO FULFILL FUNCTIONS OF THE ECONOMIC SAFETY CONTROL, A PRE-CONTRACT CHECK IS PERFORMED TO CONTROL LEGITIMACY OF POTENTIAL COUNTERAGENTS AND AGREEMENTS SUPPLIED FOR EXAMINATION FROM STRUCTURAL SUBDIVISIONS OF THE ENTERPRISE. ALL STRUCTURAL SUBDIVISIONS IMPLEMENT A NUMBER OF MEASURES TO PREVENT CORRUPTION AND LAW INFRINGEMENT: CONTROL OF PURPOSEFUL AND RATIONAL CONSUMPTION OF TANGIBLE PROPERTY IS STRENGTHENED, UNPLANNED RANDOM CHECK OF ASSETS IS CARRIED OUT, ROTATION OF THE EMPLOYEES OF COMMERCIAL SERVICES OF THE ORGANIZATION IS FULFILLED, PRESENTATIONS OF THE ORGANS OF INTERNAL AFFAIRS AND COMMITTEE OF INQUIRY OF THE REPUBLIC OF BELARUS REGARDING THE FACTS OF CORRUPTION CRIMES COMMITTED BY THE EMPLOYEES OF THE ORGANIZATIONS UNDER THE MINISTRY OF INDUSTRY, FINANCIAL INVESTIGATIONS ARE STUDIED.

THE PROGRESS OF THE ANTI-CORRUPTION PLAN IMPLEMENTATION IS CONTROLLED BY THE ANTI-CORRUPTION COMMISSION WHICH HELD 5 MEETINGS IN 2016.

DUE TO OPENNESS, TRANSPARENCY, PARTNERSHIP, MUTUAL RESPECT OF INTERESTS OF ALL STAKEHOLDERS AND ACCORDING TO THE INFORMATION OF THE LAW MACHINERY OF THE REPUBLIC OF BELARUS, 1 CORRUPTION CRIME COMMITTED BY EMPLOYEES OF OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING INSIDE THE ORGANIZATION WERE REGISTERED IN 2016.

THE ORGANIZATION TAKES UNPRECEDENTED MEASURES TO PREVENT CORRUPTION CRIMES AND UNLAWFUL ACTIONS. ALL

EMPLOYEES OF THE ENTERPRISE ARE ACQUAINTED WITH THE CONTENT OF THE ARTICLES OF THE LAW OF THE REPUBLIC OF BELARUS “ABOUT STRUGGLE AGAINST CORRUPTION” AND CORRESPONDING ARTICLES OF THE CRIMINAL CODE OF THE REPUBLIC OF BELARUS RELATED TO THEM AND MANAGERS BEAR PERSONAL RESPONSIBILITY FOR THAT. A COMMEMORATIVE BOOKLET CONTAINING MAIN CONCEPTS AND ARTICLES OF THE ANTI-CORRUPTION LAW IS PLACED ON THE INTERNAL SITE “INFO-BMZ” CONTINUOUS ACCESS TO WHICH HAVE MORE THAN 3500 EMPLOYEES; 232 EXECUTIVES AND SPECIALISTS WERE TRAINED IN LEGAL AND ORGANIZATIONAL ASPECTS OF THE STRUGGLE AGAINST CORRUPTION DELINQUENCY AT SPECIAL COURSES ON THE BASIS OF DIFFERENT EDUCATIONAL ESTABLISHMENTS IN 2016. DURING TRAINING OF FOREMEN AND THEIR RESERVE AT THE COURSE “LINEAR MANAGER” STUDYING OF LEGAL AND ORGANIZATIONAL ASPECTS OF STRUGGLE AGAINST CORRUPTION DELINQUENCY IS ORGANIZED; 47 PEOPLE STUDIED AT THE COURSE IN 2016.

WHEN HUMAN RESOURCE DECISIONS ARE TAKEN REGARDING PERSONS OCCUPYING LEADING POSITIONS IN THE ORGANIZATION, AN OBLIGATORY ASSESSMENT OF EFFECTIVENESS OF THE MEASURES TAKEN BY THEM TO ENSURE ADHERENCE TO THE ANTI-CORRUPTION LAW IS CARRIED OUT.

NO PENALTIES AND FINES WERE APPLIED TO THE ORGANIZATION FOR BREACH OF THE LAW AND ORDER IN 2015 NO PENALTIES AND FINES WERE APPLIED TO THE ORGANIZATION FOR BREACH OF THE LAW AND ORDER IN 2016.

FULFILLING ITS OBLIGATIONS TO INVESTORS, EMPLOYEES, BUSINESS PARTNERS, AND COMMUNITY IN GENERAL, BYELORUSSIAN STEEL WORKS STRICTLY FOLLOWS THE EXISTING LAW, CIVIL LIABILITY NORMS, THE CODE OF ETHICS OF BUSINESS ACTIVITY AND IS GUIDED BY THE PRINCIPLES OF EFFECTIVE MANAGEMENT, INFORMATION OPENNESS, FINANCIAL DISCIPLINE, LAWFULNESS, AND ETHICS.

### DATES AND EVENTS

**MARCH 19, 1982** – SIGNING OF THE CONTRACT FOR THE PLANT ERECTION.

**OCTOBER 15, 1984** – START OF THE ELECTRIC MELT SHOP OPERATION, PRODUCTION OF THE FIRST HEAT OF STEEL.

**NOVEMBER 4, 1984** – START OF THE ROLLING PRODUCTION





OPERATION — FIRST SHIPMENT OF SECTION METAL PRODUCED IN ROLLING MILL 320/150.

**NOVEMBER 21, 1987** — START OF OPERATION OF THE SECONDARY METALLURGY UNIT AND CONTINUOUS CASTING MACHINE No.3 (CCM-3) IN ELECTRIC MELT SHOP No.2 (EMS-2); LARGE SECTION MILL 850 IN SECTION ROLLING SHOP; PRODUCTION FACILITIES OF STEEL WIRE SHOP No.1 (SWS-1) AND PRODUCTION OF THE FIRST SHIPMENT OF BELARUSIAN STEEL CORD.

**MARCH 1, 1991** — START OF OPERATION OF STEEL WIRE SHOP No. 2, LIME KILN No. 2, EAF-3 AND A LADLE VACUUM DEGASSER IN THE ELECTRIC MELT SHOP.

**AUGUST 1, 1996** — OPENING OF ZHLOBIN METALLURGICAL TECHNICAL SCHOOL.

**SEPTEMBER 15, 2000** — COMMISSIONING OF A NEW WIRE ROLLING MILL 150, VISIT OF PRESIDENT A.G. LUKASHENKO.

**NOVEMBER 30, 2000** — START OF OPERATION OF STEEL WIRE SHOP No. 3 (SWS-3).

**MAY 19, 2002** — START OF OPERATION OF THE 2ND STAGE OF THE OXYGEN PLANT.

**MAY 24, 2005** — START OF ERECTION OF THE PIPE MILL.

**FEBRUARY 24, 2006** — COMMISSIONING OF BRASS PLATING LINE No.6 AFTER RECONSTRUCTION IN SWS-2.

**OCTOBER 2006** — NEW SIX-BLOCK AND TEN-BLOCK DRAWING MACHINES WERE INSTALLED IN SWS-3 WITHIN THE FRAMEWORK OF THE DNEPR PROJECT.

**DECEMBER 28, 2006** — COMMISSIONING OF A NEW BEAD BRONZING LINE No.2 AT SWS-1.

**DECEMBER 30, 2006** — COMMISSIONING OF A NEW ION-EXCHANGE UNIT AT SWS-1.

**JULY 13, 2007** — COMMISSIONING OF THE PIPE MILL IN THE PRESENCE OF PRESIDENT A.G. LUKASHENKO.

**JANUARY 17, 2008** — INAUGURATION OF A WATER BLOCK FOR HEALTH IMPROVEMENT AT THE HOCKEY AND SWIMMING CENTRE OF THE OLYMPIC RESERVE. IT INCLUDES MODERN WATER ATTRACTIONS, SAUNAS, A SOLARIUM, A CAFÉ, AND OTHER FACILITIES.

A.S. YAKOBSON, CHAIRMAN OF GOMEL REGIONAL EXECUTIVE COMMITTEE, L.N. OPANASYUK, CHAIRMAN OF ZHLOBIN DISTRICT EXECUTIVE COMMITTEE, AND N.V. ANDRIANOV, GENERAL DIRECTOR OF BSW, A.M. RYABKOV, DIRECTOR OF CONSTRUCTION AND ERECTION ORGANIZATION No.27, HAD THE HONOR TO CUT THE RED RIBBON.

**MARCH 6, 2008** — 62ND MEETING OF THE BOARD OF PRODUCERS AND EXPORTERS OF FERROUS MATERIALS OF CIS COUNTRIES WAS HELD AT BSW. MEMBERS OF THE BOARD DISCUSSED THE SITUATION OF THE FERROUS MATERIALS MARKET, MADE ASSESSMENT OF THE PROSPECTS OF ITS DEVELOPMENT, AND WORKED OUT AN OUTLOOK FOR EXPORT PRICE AVERAGE LEVEL FOR KEY TYPES OF FERROUS MATERIALS.

**JUNE 18, 2008** — BELARUSIAN METALLURGICAL FORUM «INTEGRATION OF SCIENCE, PRODUCTION AND EDUCATION IN DEVELOPMENT OF METALLURGY IN THE REPUBLIC OF BELARUS UP TO 2020» WAS HELD AT BSW. THE EVENT ALLOWED US TO DETERMINE A CONCEPT OF THE NATIONAL METALLURGY DEVELOPMENT IN THE NEAREST FUTURE.

**JUNE 30, 2008** — RECONSTRUCTION OF THE SULFURIC ACID REGENERATION UNIT OF THE CHEMICAL PLANT OF SWS-2.

**AUGUST 8, 2008** — MODERNIZATION OF DUST REMOVING UNITS OF ELECTRIC-ARC FURNACE No.2 (EAF-2) OF EMS-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 A NEW TYPE OF BSW PRODUCT — STEEL FIBER.

**OCTOBER 9, 2009** — COUNTRY FIRST PUBLIC HEARING OF THE CORPORATE SOCIAL REPORT OF THE ENTERPRISE PRESENTED TO PARTICIPANTS OF THE UN GLOBAL COMPACT.

**DECEMBER 6, 2009** — COMPLETION OF A LARGE INVESTMENT PROJECT — RECONSTRUCTION OF CONTINUOUS CASTING MACHINE No. 3 (CCM-3).

**DECEMBER 14, 2009** — A.N. SAVIANOK, GENERAL DIRECTOR OF BSW, WAS APPOINTED TO THE POSITION OF THE VICE-PRESIDENT OF THE INTERNATIONAL UNION OF METALLURGISTS.





## Strategy and management approach to sustainable development



**2009** — THIS CRISIS YEAR THE PLANT EXPANDED ITS EXPORT DELIVERIES BY 17 COUNTRIES.

**FEBRUARY 2010** — START OF OPERATION OF THE DEPARTMENT OF MANDREL AND DISC SAW PREPARATION AT THE PIPE MILL. THE DEPARTMENT IS EQUIPPED WITH THE EQUIPMENT WHICH IS UNIQUE FOR OUR COUNTRY.

**MARCH 2010** — METHODS OF PRODUCTION OF SECTIONAL (SQUARE) WIRE FOR HIGH-PRESSURE HOSES MASTERED AT STEEL WIRE SHOP No.2.

**APRIL 2010** — MASTERING OF PIPE ROLLING FROM ROUND BILLET DIAMETER 200MM CAST IN CCM-3 STARTED AT THE PIPE MILL.

**MARCH 29, 2010** — CONTRACT FOR ERECTION OF THE THIRD LIME KILN SIGNED WITH TECHCOM (GERMANY).

**JUNE 2010** — IMPLEMENTATION OF ONE OF THE 11 PROJECTS FOR EXPANSION OF THE ROUGH AND MEDIUM DRAWING DEPARTMENTS OF SWS-1. TWO NEW ROUGH DRAWING MACHINES INSTALLED.

**JULY 2010** — A CONTRACT FOR DELIVERY OF EQUIPMENT FOR THE LIME KILN SIGNED WITH MAERZ (AUSTRIA) IN THE RESULT OF NEGOTIATIONS BETWEEN BSW AND TECHCOM.

**JULY 2010** — 10TH INTERNATIONAL SCIENTIFIC AND TECHNICAL CONFERENCE «METAL-2010» HELD AT BSW; IT UNITED 80 EMPLOYEES OF THE PLANT AND 45 REPRESENTATIVES OF THE ENTERPRISES AND EDUCATIONAL ESTABLISHMENTS OF BELARUS, RUSSIA, THE UKRAINE, LITHUANIA, AND KAZAKHSTAN.

**AUGUST 2010** — A NEW METHOD OF FLAT WIRE PRODUCTION FOR HIGH-PRESSURE HOSES MASTERED.

**SEPTEMBER 2010** — A CONTRACT FOR RECONSTRUCTION OF THE UNIT FOR CLEANING OF GASES DISCHARGED FROM EAF No.1 AND No.3 SIGNED WITH WATER GROUP. THE PROJECT WAS DEVELOPED EXCLUSIVELY FOR STEEL FURNACES OPERATING AT BSW.

**OCTOBER 2010** — MEMBERS OF TEAM No. 4 OF ROLLING MILL 150 SET UP A NEW RECORD — 1200 TONS OF WIRE ROD PRODUCED DURING ONE SHIFT. PREVIOUSLY, MAXIMUM PERFORMANCE RAISED ONLY UP TO THE MARK OF 1070 TONS.

**NOVEMBER 2010** — 20 YEARS AGO THE FIRST TONS OF STEEL

WERE PRODUCED IN ELECTRIC-ARC FURNACE No.3. NOW EAF-3 PRODUCES 12 HEATS PER SHIFT, NOT 4 AS BEFORE.

**NOVEMBER 2010** — A JUBILEE TON OF STEEL CORD — THE 500TH ONE! — WAS PRODUCED IN SWS-2.

**DECEMBER 2010** — SWS-2 CROSSED THE BOUNDARY OF ONE MILLION TONS. THIS IS THE AMOUNT OF GOODS PRODUCED BY THE SHOP FROM 1991 TILL 2010 INCLUDED.

**DECEMBER 2010** — THE TEAM OF ROLLING MILL 320 PRODUCED ONE MILLIONTH TON OF REINFORCEMENT IN 2010.

**FROM FEBRUARY 1 TILL MARCH 7, 2011** 80 SPECIALISTS FROM SLOVAK REPUBLIC WERE TRAINED IN THE SECTION ROLLING AND ELECTRIC STEEL-MAKING SHOPS WITHIN THE FRAMEWORK OF INTERNATIONAL COOPERATION OF STEELMAKERS.

**FEBRUARY 2011** — TWO UNIVERSAL MACHINES FOR WIRE REWINDING FOR FIBER PRODUCTION MANUFACTURED BY GCR EURODRAW, ITALY, WERE INSTALLED AT THERMAL ETCHING-GALVANIC DEPARTMENT OF SWS-1.

**MARCH 17, 2011** — THE 1ST INTERNATIONAL CONFERENCE OF SUPPLIERS WAS HELD WITH 90 REPRESENTATIVES OF DIFFERENT COMPANIES COOPERATING WITH BSW IN THE AREA OF SUPPLIES OF MATERIALS, RAW MATERIALS, AND EQUIPMENT.

**MARCH 23, 2011** — TEAM OF ROLLING MILL 320 OF THE SECTION ROLLING PRODUCTION STARTED TO ROLL REBAR No.14 WITH THE HELP OF A 4-STRAND SLITTING PROCESS. THE ROLLERS NEEDED A LITTLE MORE THAN A MONTH TO START COMMERCIAL PRODUCTION OF THE MATERIAL.

**MARCH 24, 2011** — IXTH MEETING OF THE MEMBERS OF THE CLUB OF QUALITY LEADERS OF CENTRAL AND EAST EUROPEAN COUNTRIES. REPRESENTATIVES OF MORE THAN 10 ENTERPRISES OF DIFFERENT COUNTRIES PARTICIPATED IN THE MEETING.

**APRIL 6, 2011** — 1ST SIGNIFICANT MILESTONE IN THE HISTORY OF THE PIPE MILL: A 250 THOUSANDTH TON OF PRODUCTS WAS MANUFACTURED.

**APRIL 2011** — A MACHINE FOR FLAME PROCESSING OF STEEL WAS INSTALLED AT THE MECHANICAL REPAIR SHOP. THE NEW EQUIPMENT PRODUCED BY TURKISH AKYAPAK OPENS NEW POSSIBILITIES FOR MAINTENANCE PERSONNEL IN TERMS OF RECOVERY AND PRODUCTION OF LARGE- SIZE PARTS.



**APRIL 21, 2011** – 10-MILLIONTH TON OF STEEL WAS CAST IN ELECTRIC MELT SHOP No.2 SINCE COMMISSIONING OF CCM-3.

**JUNE 2011** – THE PLANT BOUGHT BY AUCTION THE TERRITORY OF TOTAL AREA OF 11 HECTARES PREVIOUSLY BELONGING TO AGROTECHSERVICE FOR THE EXPANSION OF THE SCRAP YARD. THIS ADDITIONAL AREA ALLOWED THE PLANT TO INCREASE THE STORAGE AREA OF THE WINTER STOCK OF SCRAP.

**JUNE 20, 2011** – 35-MILLIONTH TON OF STEEL WAS PRODUCED BY THE PLANT.

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

**JULY 7, 2011** – THE 11TH INTERNATIONAL SCIENTIFIC AND TECHNICAL CONFERENCE OF YOUNG EMPLOYEES «MET-AL-2011» WAS HELD AT ZHLOBIN METALLURGICAL TECHNICAL SCHOOL. APART FROM BELARUSIAN REPRESENTATIVES, YOUNG SPECIALISTS FROM RUSSIA, THE UKRAINE, LATVIA, GREAT BRITAIN, AND AUSTRIA PARTICIPATED IN THE CONFERENCE.

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

**AUGUST 18, 2011** – MINISTRY OF INDUSTRY SIGNED AN ORDER ON JOINING OF GO «BELVTORMET» COMPRISING SIX REGIONAL PLANTS PROCURING AND PROCESSING FERROUS SCRAP AND UE «BELTSVETMET» WITH THE DAUGHTER COMPANY «TSVETMET» (THE TOWN OF ZHODINO) TO THE PA «BSW». DURING LAST YEARS, THREE MORE ENTERPRISES JOINED «BELVTORMET»: OJSC «TECHNOPRIBOR» (MOGILYOV), OJSC «POLESIEELECTROMASH» (THE TOWN OF LUNINETS), OJSC «KOBRINSKY TOOL PLANT» «SITOMO».

**AUGUST 26, 2011** – SWS-3 CROSSED THE BORDER OF 1 MILLION TON OF PRODUCE.

**AUGUST 31, 2011** – A CONTRACT FOR ERECTION OF A NEW SECTION ROLLING MILL WITH THE DESIGNED CAPACITY 700 THOUSAND TONS PER YEAR WITH AN OUTLOOK TO PRODUCE 1 MILLION TON WAS SIGNED WITH DANIELI, ITALY.

**SEPTEMBER 22, 2011** – ELECTRIC MELT SHOP No.2 HAD 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» WITH PARTICIPATION OF RECTORS OF THE LEADING HIGHER INSTITUTES OF GOMEL REGION.

**OCTOBER 2011** – LABOUR TEAMS OF ELECTRIC MELT SHOPS No. 1 AND No. 2 ESTABLISHED A RECORD IN PRODUCTION OF CONCAST BILLET: 229 673 TONS.

**NOVEMBER 28, 2011** – A DECISION WAS MADE TO REORGANIZE THE REPUBLICAN UNITARY ENTERPRISE IN AN OPEN JOINT-STOCK COMPANY AT THE CONFERENCE OF THE PLANT'S EMPLOYEES.

**DECEMBER 2011** – ROLLING MILL 850: 9 MILLIONTH TON OF CAST BILLET ROLLED IN IT.

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

**DECEMBER 2011** – FIRST SQUARE BILLETS 140x140MM CAST IN MACHINE No.2 OF EMS -1 AFTER THE MACHINE RECONSTRUCTION.

**DECEMBER 20, 2011** – A CONSTITUENT ASSEMBLY WAS HELD BY BYELORUSSIAN STEEL WORKS, DUFERCO S.A. (SWITZERLAND), PISEC GROUP GMBH (AUSTRIA) TO ESTABLISH A JOINT-VENTURE FOR OSTG PIPE PROCESSING AS A LIMITED COMPANY NAMED BMZ TUBULARS.

**JANUARY 1, 2012** – THE TARE AND PACKING SHOP AND THE POWDER METALLURGY SHOP MERGED INTO ONE TARE AND DIES SHOP (T&DS).

**JANUARY 2, 2012** – OPEN JOINT-STOCK COMPANY «BYELORUSSIAN STEEL WORKS (OJSC «BSW»» WAS REGISTERED IN THE UNIFIED STATE REGISTRY OF LEGAL ENTITIES AND INDIVIDUAL ENTREPRENEURS WITH THE REGISTRATION No. 400074854.

**MARCH 7, 2012** – THE FIRST FOUNDATION WITH A CAPSULE CONTAINING A MESSAGE TO OUR DESCENDANTS WAS LAID FOR CONSTRUCTION OF LIME KILN No.3 BY A.B. SAVIANOK, DIRECTOR GENERAL.

**MARCH 11, 2012** – THE FIRST BELARUSIAN MUSEUM OF STEELMAKING FOR CHILDREN WAS OPENED IN KINDERGARTEN No. 34 OF BYELORUSSIAN STEEL WORKS.



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**MARCH 2012** – BASED ON MARCH RESULTS, ELECTRIC MELT SHOPS ACHIEVED THE BEST IN THE PLANT'S HISTORY STEEL OUTPUT - 233 THOUSAND 880 TONS, IT IS AN INCREASE BY OVER 4 THOUSAND TONS OF THE RECORD ESTABLISHED IN OCTOBER 2011.

**APRIL 1, 2012** – METALLURG HOCKEY TEAM BECAME THE CHAMPION WINNING THE MATCH WITH NEMAN TEAM FROM THE CITY OF GRODNO IN THE EXTRA-LEAGUE FINAL SERIES TOURNAMENT OF PLAY-OFF OF THE OPEN CHAMPIONSHIP OF BELARUS.

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

**APRIL 22, 2012** – AWARDING OF METALLURG HOCKEY TEAM - CHAMPIONS OF BELARUS, WINNERS OF THE 20TH OPEN CHAMPIONSHIP OF THE REPUBLIC OF BELARUS 2011/2012.

**MAY 15, 2012** – A CAPSULE CONTAINING A MESSAGE TO OUR DESCENDANTS WAS LAID IN THE FOUNDATION OF THE NEW SMALL-SECTION ROLLING MILL FOR WIRE PRODUCTION.

**MAY 16, 2012** – A VISIT OF B.B. MAKEY, HEAD OF THE PRESIDENT'S ADMINISTRATION, TO BSW.

**MAY 17, 2012** – BUSINESS CONFERENCE «BELARUS - RUSSIA: COOPERATION OF STEEL MARKET PLAYERS». OVER 50 LEADERS OF METALLURGICAL ENTERPRISES MET AT BSW.

**MAY 24-25, 2012** – SCIENTIFIC AND TECHNICAL CONFERENCE OF YOUNG SPECIALISTS OF OJSC «BSW» «METAL-2012» WAS HELD AT THE PLANT.

**MAY 25, 2012** – 20 YEARS SINCE COMMISSIONING OF THE SHOP OF NETWORKS, SUBSTATIONS AND TECHNICAL MAINTENANCE (NST&MS).

**JUNE 11, 2012** – OJSC «BSW» TOOK THE FIRST PLACE IN THE NOMINATION «EXPORT SALES LEADER» AMONG CLIENTS OF OJSC «PRIORBANK». IT WAS A HIGH APPRAISAL OF OUR WORK BY THE BOARD OF EXPERTS OF ONE OF THE LEADING BANKS OF OUR COUNTRY. ON JUNE 11 A SPECIAL BADGE WAS AWARDED TO GENERAL DIRECTOR A.N. SAVIANOK.

**JUNE 20, 2012** – BSW BECAME A LAUREATE OF THE CONTEST FOR THE AWARD OF CIS IN 2011 IN THE CATEGORY «MANUFACTURE OF GOODS FOR PRODUCTION APPLICATION» (IN THE ORGANIZATIONS WITH OVER 250 EMPLOYEES).

**JULY 4-6, 2012** – 12TH INTERNATIONAL SCIENTIFIC AND TECHNICAL CONFERENCE OF THE YOUNG EMPLOYEES «METAL 2012». REPRESENTATIVES OF RUSSIA, THE UKRAINE, KAZAKHSTAN, AND BELARUS PARTICIPATED IN IT.

**JULY 7, 2012** – THE SECOND BSW OPEN DAY THAT HAD BECOME TRADITIONAL WAS HELD ON THE EVE OF THE DAY OF METALLURGISTS.

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

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

**JULY 20, 2012** – OJSC BSW JOINED THE WORLD STEEL ASSOCIATION (WSA) – A PRESTIGIOUS PROFESSIONAL INDUSTRIAL ASSOCIATION NUMBERING OVER 170 GLOBAL STEELMAKERS AS WELL AS RESEARCH INSTITUTES CARRYING OUT INVESTIGATIONS IN THIS AREA.

**AUGUST 17, 2012** – 5 MILLION TONS PRODUCED IN MILL 150. THIS AMOUNT HAD BEEN MANUFACTURED SINCE ROLLING MILL 320/150 WAS DIVIDED IN TWO SEPARATE MILLS (SEPTEMBER 15, 2000).

**AUGUST 24, 2012** – REGISTRATION OF OPEN JOINT-STOCK COMPANY «BYELORUSSIAN STEEL WORKS – MANAGEMENT COMPANY OF «BYELORUSSIAN METALLURGICAL COMPANY» HOLDING (OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING) IN THE UNIFIED STATE REGISTRY OF LEGAL ENTITIES AND INDIVIDUAL ENTREPRENEURS WITH THE REGISTRATION NUMBER 400074854.

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

**SEPTEMBER 3, 2012** – THE PLANT IS RECOGNIZED AS THE WINNER OF THE REPUBLICAN PROFESSIONAL CONTEST «THE BEST CONSTRUCTION PRODUCT OF THE YEAR 2012» FOR ITS STEEL FIBER (ANCHOR, WAVY, MICROFIBER) FOR CONCRETE REINFORCEMENT.

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

**SEPTEMBER 14, 2012** – 30TH ANNIVERSARY OF BSW



FOUNDATION LAYING. DEROZHANT AKOPOV, DIRECTOR OF THE PLANT, AND ALFRED PROBST, VOEST-ALPINE CHIEF ENGINEER, LAID DOWN A CAPSULE WITH A MESSAGE TO OUR DESCENDANTS IN TWO LANGUAGES. IT WAS CONCRETED IN THE FOUNDATION OF ELECTRIC MELT SHOP No. 1.

**OCTOBER 11, 2012** – A CEREMONIAL OPENING OF THE FAMILY HOSTEL No.3 AFTER RECONSTRUCTION.

**OCTOBER 31, 2012** – PUBLIC HEARING OF THE SOCIAL PROGRESS REPORT OF THE PLANT FOR 2011.

**NOVEMBER 6, 2012** – AN UNOFFICIAL HOCKEY MATCH BETWEEN THE CHAMPIONS OF 2011/2012 OF TWO COUNTRIES: BELARUS AND AUSTRIA. THE MATCH BETWEEN METALLURG (ZHLOBIN) AND AUSTRIAN BLACK WINGS (LINZ) WAS TIMED TO THE 30TH ANNIVERSARY OF THE BEGINNING OF THE PLANT CONSTRUCTION.

**NOVEMBER 20, 2012** – THE FIRST COLUMN WAS ERECTED ON THE SITE OF THE SMALL-SECTION MILL.

**NOVEMBER 21, 2012** – 25 YEARS SINCE COMMISSIONING OF SWS-1.

**NOVEMBER 21 2012** –THE 25TH ANNIVERSARY OF ELECTRIC MELT SHOP No.2 (EMS-2) AND ROLLING MILL 850 OF THE SECTION ROLLING SHOP (SRS).

**DECEMBER 2, 2012** – 30 YEARS SINCE ESTABLISHMENT OF BSW PERSONNEL SERVICE.

**DECEMBER 2012** – AT THE NIGHT SHIFT DECEMBER 6 – 7, ONE MILLIONTH TON OF ROLLED SECTION WAS PRODUCED IN MILL 320. REFERENCE POINT - 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 SHOWED THE LEVEL OF A SIGNIFICANT MATURITY OF BSW IN THE AREA OF SOCIAL RESPONSIBILITY AND ENVIRONMENT AND WERE 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: THE 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 CONTRIBUTION IN SOCIAL AND ECONOMIC DEVELOPMENT OF THE REGION.

**APRIL 16, 2013** –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).



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**APRIL 18, 2013** – 10 YEARS SINCE BYELORUSSIAN STEEL WORKS RECEIPT OF 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» TEAM WAS AWARDED BRONZE MEDALS.

**MAY 18, 2013** – AT BELARUSIAN INDUSTRIAL FORUM-2013 BSW WAS AWARDED THE 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» TEAM WAS ANNOUNCED THE BEST COACH OF THE SEASON 2012-2013 OF THE OPEN HOCKEY CHAMPIONSHIP OF BELARUS.

**JUNE 15, 2013** – BASED ON THE RESULTS OF 2012 PRI-

VATE JOINT-STOCK COMPANY «ROSAVA» – THE LARGEST TIRE PRODUCER IN THE UKRAINE – AWARDED THE «EXCELLENT SUPPLIER» RATING TO 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 6, 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 PRI-





MARY 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.

**JANUARY 4, 2014** – EMS-2 HAD PRODUCED 9 MILLION TONS OF STEEL SINCE ITS COMMISSIONING. THE JUBILEE HEAT WAS MANUFACTURED BY TEAM No. 3 UNDER THE LEADERSHIP OF THE HEAD OF THE SHIFT N.E. ROZHKOVA, FOREMAN OF EAF-3 AND SMD P.E. ROZHKOVA.

**JANUARY 16, 2014** – 30 YEARS SINCE ESTABLISHMENT OF THE POWER REPAIR SHOP (PRS).

**JANUARY 17, 2014** – CEREMONIAL COMMISSIONING OF THE RECONSTRUCTED OBJECTS OF STEEL MAKING PRODUCTION: EMS-1, EAF-1 AND DP-1.

**JANUARY 28, 2014** – 750-THOUSANDTH TON OF STEEL CORD PRODUCED AT SWS-1. THE JUBILEE LOT WAS SHIPPED THE CONTINENTAL PLANT IN ECUADOR.

**FEBRUARY 1, 2014** – 20 YEARS SINCE ESTABLISHMENT OF THE REPAIR AND CONSTRUCTION SHOP (RCS).

**FEBRUARY 3, 2014** – 30 YEARS SINCE ESTABLISHMENT OF THE METALLURGICAL SHOPS ELECTRIC EQUIPMENT REPAIR SHOP (MSEERS)

**FEBRUARY 14, 2014** – ACCORDING TO ENACTMENT No.4 OF GOSSTANDART, OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING BECAME THE WINNER OF THE TOURNAMENT «BEST GOODS OF THE REPUBLIC OF BELARUS» 2013 IN THE NOMINATION «INDUSTRIAL – TECHNICAL APPLICATION PRODUCTS» FOR THE FOLLOWING ITEMS: ROLLED ROUNDS OF ALLOY STRUCTURAL STEEL 40X ACC. TO GOST 4543-71; REINFORCING COLD-DEFORMED PLAIN NONPRESTRESSED STEEL FOR CONCRETE REINFORCEMENT DIAMETER 5,0 MM CLASS S ACC. TO STB 1341-2009.

**FEBRUARY 21, 2014** – TRANSFER FOR OPERATION OF TWO IMPORTANT FACILITIES: A NEW LIME KILN (LK-3) AND RECONSTRUCTED CONTINUOUS CASTING MACHINE No. 2 (CCM-2).

**APRIL 24, 2014** – THE THIRD INTERNATIONAL SUPPLIER CONFERENCE WAS HELD; IT GATHERED 100 DELEGATES FROM 11

COUNTRIES OF THE WORLD.

**MAY 3, 2014** – 30 YEARS SINCE ESTABLISHMENT OF THE CENTRAL PLANT LABORATORY (CPL).

**MAY 3, 2014** – 20 YEARS SINCE OPENING OF SLAVYANSKAYA HOTEL LOCATED IN THE CENTRAL STREET OF THE TOWN AT THE ADDRESS: 13 PERVOMAISKAYA STR.

**JUNE 5, 2014** – A CEREMONIAL COMMISSIONING OF A REACTIVE-POWER STATIC THYRISTOR COMPENSATOR AT THE SUBSTATION STAL TO ENSURE A MORE STABLE OPERATION OF THE FURNACE TRANSFORMERS.

**JUNE 11, 2014** – 15 YEARS SINCE LAYING DOWN OF A CAPSULE WITH A MESSAGE TO OUR DESCENDANTS AT ONE OF OUR MAIN NEW PROJECTS OF THE DECADE – ROLLING WIRE MILL 150.

**JUNE 12, 2014** – THE FIRST IN THE PLANT'S HISTORY FOOTBALL MATCH BETWEEN PLANT'S MANAGERS AND YOUNG EMPLOYEES OF BSW AT THE LOCOMOTIVE STADIUM.

**JULY 26, 2014** – 30 YEARS SINCE ESTABLISHMENT OF THE TECHNICAL CONTROL DEPARTMENT (TCD).

**OCTOBER 1, 2014** – 20 YEARS SINCE ESTABLISHMENT OF «ZHLOBINMETALLURGSTROI».

**OCTOBER 8, 2014** – GENERAL DIRECTOR OF OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING A.N. SAVIANOK WAS ELECTED THE CHAIRMAN OF THE ASSOCIATION OF CASTERS AND METALLURGISTS (AS&M OF THE REPUBLIC OF BELARUS).

**OCTOBER 14, 2014** – THE DAY OF THE FORMAL OPENING OF THE RENOVATED TRAINING CENTRE.

**OCTOBER 15, 2014** – THE 30TH ANNIVERSARY OF BYELORUSSIAN STEEL WORKS.

**OCTOBER 15, 2014** – 30 YEARS SINCE ESTABLISHMENT OF ELECTRIC MELT SHOP No.1 (EMS-1).

**OCTOBER 15, 2014** – 30 YEARS SINCE ESTABLISHMENT OF THE AUTOMATION BOARD (AB).

**OCTOBER 15, 2014** – A BUST OF THE FIRST BSW DIRECTOR



## Strategy and management approach to sustainable development



TOR D.L. AKOPOV WAS OPENED OPPOSITE THE ENGINEERING BUILDING No.2 ON THE 30TH ANNIVERSARY OF BSW.

**NOVEMBER 5, 2014** – 30 YEARS SINCE ESTABLISHMENT OF THE SECTION ROLLING SHOP (SRS).

**NOVEMBER 6, 2014** – RENOVATED PALACE OF CULTURE OF METALLURGISTS WAS OPENED AFTER RECONSTRUCTION. THE CHAIRMAN OF GOMEL REGIONAL EXECUTIVE COMMITTEE, MEMBER OF THE COUNCIL OF THE REPUBLIC OF THE NATIONAL ASSEMBLY OF THE REPUBLIC OF BELARUS V.A. DVORNIK TOOK PART IN THE CEREMONY.

**NOVEMBER 20, 2014** – DURING A WORKING VISIT TO BSW OF THE FIRST DEPUTY PRIME-MINISTER OF THE REPUBLIC OF BELARUS V.L. SEMASHKO BASED ON THE DECISION OF THE TEAM OF EMPLOYEES AND THE MANAGEMENT OF THE PLANT, HIS NAME WAS RECORDED IN THE BOOK OF HONOR AND A BADGE «HONORABLE WORKER OF BSW» WAS HANDED TO HIM THANKS TO HIS INESTIMABLE CONTRIBUTION, ASSISTANCE AND SUPPORT FOR BYELORUSSIAN STEEL WORKS IN ITS CURRENT ACTIVITY AND IMPLEMENTATION OF THE INVESTMENT PROGRAM.

**NOVEMBER 25, 2014** – 30 YEARS SINCE SIGNATURE OF THE ACCEPTANCE REPORT ON THE FIRST STAGE BYELORUSSIAN STEEL WORKS COMMISSIONING.

**DECEMBER 18, 2014** – EMPLOYEES OF BYELORUSSIAN STEEL WORKS V.N. ZUEV, Y.G. NIKOLAENKO, AND M.Y. TERESHCHENKO WERE AWARDED A HIGH STATE AWARD - MEDAL «FOR LABOUR SERVICES».

**JANUARY 20, 2015** – PRESENTATION OF THE GUIDEBOOK – ATLAS OF STEEL DEFECTS EDITED BY BSW GENERAL DIRECTOR A.N. SAVIANOK. THE SCIENTIFIC AND PRACTICAL MANUAL SUMMARIZES THE 30-YEAR EXPERIENCE OF THE ENTERPRISE IN SYSTEMATIZATION AND ANALYSIS OF VARIOUS DEFECTS EVER DETECTED IN BSW SEMIS AND FINISHED PRODUCTS.

**JANUARY 23, 2015** – 30-YEARS SINCE SIGNATURE OF THE CONTRACT FOR THE DESIGN, ERECTION AND COMMISSIONING ON THE TURN-KEY BASIS OF THE SECOND STAGE OF BSW. WITH THE SUPPORT OF RELIABLE PARTNERS — AUSTRIAN VOEST-ALPINE AND ITALIAN DANIELI— THE HISTORY OF BELARUSIAN STEEL CORD AND STEEL WIRE PRODUCTION STARTED.

**JANUARY 27, 2015** - THE FIRST HOT TESTING OF THE EQUIP-

MENT IN SWS-2. DURING TESTING, THREE BILLETS WERE ROLLED AND A TRIAL SQUARE WAS MADE IN THE ROUGHING TRAIN.

**JANUARY 28, 2015** – SIGNATURE OF THE AGREEMENT ON EXTENDING A REVOLVING CREDIT LINE IN THE AMOUNT OF \$35 MILLION GRANTED BY UNICREDIT BANK AUSTRIA TO OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING» IN VIENNA. LOAN AGREEMENTS FOR CREDIT LINE EXTENSION FOR BELMET HANDELSGESELLSCHAFT MBH (AUSTRIA), A JOINT-VENTURE AND A SUBJECT OF THE COMMODITY DISTRIBUTION NETWORK OF THE PLANT, WERE ALSO SIGNED. THESE LOAN FACILITIES ARE USED FOR PRE-FINANCING OF EXPORT TRANSACTIONS FOR BUYING PRODUCTS FROM BSW. THIS IS A VERY IMPORTANT EVIDENCE OF RELIABILITY OF THE PLANT IN THE OPINION OF ITS INTERNATIONAL PARTNERS.

**FEBRUARY 11, 2015** – SECOND HOT TEST WITH THE USE OF A HOT BILLET IN SECTION ROLLING SHOP-2. SQUARE 140x140 MM HEATED IN THE FURNACE WAS ROLLED IN THE ROUGHING TRAIN AND A NUMBER OF STANDS OF THE INTERMEDIATE TRAIN (STANDS 8-13), AFTER THAT THE ROLLED SQUARE WAS CUT WITH THE SECOND SHEARS OF INTERMEDIATE TRAIN AND THROWN INTO THE CONTAINER FOR CUTTING.

**FEBRUARY 24, 2015** – HOT TESTS OF 19 STANDS OF SRS -2.

**MARCH 4, 2015** – ONE MILLIONTH TON OF STEEL WAS CAST IN CCM-2 AT EMS-1 AFTER RECONSTRUCTION OF THE MACHINE. FROM 8.37 TILL 9.27 HEAT No. 351417 WEIGHING 108,038 T WAS CAST. 54TH TON OF THE HEAT BECAME ONE-MILLIONTH TON. THE HONOR TO CAST IS FELL TO TEAM No.1: ACTING FOREMAN OF STEEL CASTING D.I. OLKHOVIK, SENIOR STEEL CASTER S.G. DANCHIKOV, UPPER CASTER S.N. ZHUKOVETS, AND CASTERS D.G. MURAR, D.I. KOROTKEVICH, V.N. TIMOSHENKO, D.S. RABTSEVICH, M.S. TARNOVSKY, O.V. BRUENKOV, AND OPERATORS A.I. GANAK AND D.N. ZHURAVLEV.

**MARCH 16, 2015** – THE FIRST FOUR COILS OF WIRE ROD DIAMETER 13,5MM WERE PRODUCED AT SRS -2. HOT TRIALS OF THE ENTIRE TECHNOLOGY OF THE LINE SHOWED A COMPLETE FUNCTIONALITY OF THE EQUIPMENT FOR THIS PRODUCT MANUFACTURING.

**MARCH 26, 2015** – EMPLOYEES TEAMS OF EMS -1 AND



EMS-2 MANAGED TO ACHIEVE ANOTHER RECORD — DAILY PRODUCTION OF STEEL IN THE THREE FURNACES EQUALED TO 9134 TONS. MAIN CONTRIBUTION WAS MADE BY THE EMPLOYEES OF ELECTRIC MELT SHOP No. 2 WHO PRODUCED 3310 TONS. STEEL MAKING AND CASTING DAILY RECORD OF EMS-2 WAS ESTABLISHED BY TEAMS NOS. 3 AND 1 HEADED BY NIKOLAI EVGENIEVICH ROZHKOV AND GERMAN VALENTINOVICH DEREVYANKO.

**MARCH 31, 2015** — THE FIRST SHIPMENT OF PRODUCTS MANUFACTURED IN SECTION ROLLING SHOP No. 2 (SRS-2) WAS DISPATCH FOR EXPORT. THESE WERE 20 TONS OF WIRE ROD SOLD TO OUR CUSTOMER FROM BULGARIA VIA BSW COMMODITY DISTRIBUTION NETWORK LIMITED COMPANY BELMET (AUSTRIA). FROM 16.03.2015 TILL 31.03.2015 OVER 190 TONS OF MARKETABLE PRODUCTS WERE ROLLED IN MILL 370/150. THE LARGEST PART OF IT WAS DIRECTED TO RECHITSA HARDWARE PANT.

**MARCH 2015** — TEAMS OF EMS-1 AND EMS-2 ESTABLISHED A NEW PRODUCTION RECORD: THEIR TOTAL PRODUCTION MADE UP 246 170 TONS. PREVIOUS MAXIMUM PERFORMANCE WAS DEMONSTRATED IN OCTOBER 2012 — 236 728 T.

**APRIL 16, 2015** — A MAPLE PEACE ALLEY WAS LAID DOWN IN FRONT OF ENGINEERING BUILDING No.1 IN COMMEMORATION OF THE 70TH ANNIVERSARY OF THE GREAT VICTORY. IT IS A KIND OF TRIBUTE PAID TO ALL VETERANS WHO STRUGGLED FOR PEACE AND MADE POSSIBLE PRESENT ACHIEVEMENTS OF THE EMPLOYEES OF BYELORUSSIAN STEEL WORKS AND ITS BUSINESS PARTNERS.

**MAY 14, 2015** — BASED ON THE RESULTS OF 2014 PERFORMANCE, OJSC «BSW — MANAGEMENT COMPANY OF «BMC» HOLDING WAS ACKNOWLEDGED AS «THE BEST EXPORTER OF 2014». THE HONORABLE PRIZE OF THE WINNER OF THE SIMILAR TOURNAMENT WAS PRESENTED TO GENERAL DIRECTOR OF THE ENTERPRISE ANATOLY NIKOLAEVICH SAVIANOK.

**MAY 28, 2015** — COMMISSIONING OF A LIMITED JV BMZ-OP FOUNDED BY OJSC «BSW — MANAGEMENT COMPANY OF «BMC» HOLDING, BELMET (AUSTRIA), «BELASTAHL (GERMANY), IRON TRADE LIMITED (RUSSIA), AND OJSC «PSKOV-TORCHERMET» (RUSSIA). THE NEW OXYGEN PLANT ALLOWS US TO SATISFY BSW DEMAND FOR TECHNICAL GASES AND DIRECT ABOUT 10% OF THE PRODUCTS TO SATISFY NEEDS OF OTHER ENTERPRISES OF GOMEL REGION.

**JUNE 12, 2015** — BASED ON THE RESULTS OF BSW OPERATION IN 2014, THE PLANT OCCUPIED THE 2ND PLACE IN THE REGIONAL TOURNAMENT FOR THE BEST ORGANIZATION OF IDEOLOGICAL WORK AMONG THE ENTERPRISES OF THE INDUSTRY. THE DIPLOMA OF THE WINNER WAS AWARDED TO GENERAL DIRECTOR A.N. SAVIANOK AT THE REPUBLICAN SEMINAR OF IDEOLOGICAL ACTIVISTS OF GOMEL REGION.

**JUNE 18, 2015** — CANTEEN No. 10 OF THE UE «METALLURGTORG» WAS OPENED IN THE ADMINISTRATIVE BUILDING OF THE NEW SECTION ROLLING MILL No.2 (SRS-2). THE CANTEEN IS DESIGNED FOR 80 SEATS AND IT CAN ACCEPT UP TO 500 VISITORS DURING A SHIFT.

**JUNE 18, 2015** 500TH EMPLOYEE WAS HIRED IN THE NEW SECTION ROLLING SHOP No.2 (SWS-2). IT WAS A 5TH GRADE MAINTENANCE ELECTRICIAN KONSTANTIN ALEKSANDROVICH GAEV.

**JUNE 30, 2015** — TECHNOLOGICAL FORUM «INNOVATIVE TECHNOLOGIES FOR MODERNIZATION AND PRODUCTION PERFORMANCE IMPROVEMENT OF BELARUSIAN ENTERPRISES» WAS HELD AT BSW. IT WAS PARTICIPATED BY REPRESENTATIVES OF BUSINESS COMMUNITY OF SAXONY FEDERATIVE LAND (GERMANY) AND ENTERPRISES OF «BYELORUSSIAN METALLURGICAL COMPANY» HOLDING.

**JULY 1, 2015** — THE PLANT NEWSPAPER «METALLURG» CROSSED THE 30-YEAR BOUNDARY OF ITS OPERATION. DURING THESE 30 YEARS ITS CIRCULATION GREW FROM 2 000 COPIES TO 8 500 COPIES. AT PRESENT THE NEWSPAPER IS DISTRIBUTED NOT ONLY IN THE REGION OF THE ORGANIZATION OPERATION BUT IN ROGACHOV AND SVETLOGORSK DISTRICTS OF GOMEL REGION.

**JULY 16, 2015** COMMISSIONING OF THE PROJECT «MODERNIZATION OF RECYCLING WATER SUPPLY CIRCUIT OF EMS-1 AND SRS» WHICH PERMITTED TO INCREASE AMOUNT OF WATER USED FOR EQUIPMENT COOLING, IMPROVE QUALITATIVE COMPOSITION OF WATER AND ITS TEMPERATURE MODE.

**JULY 16, 2015** — ACCEPTANCE OF THE NEW FACILITY OF THE SCRAP YARD: SITE FOR CUTTING OF LARGE SCRAP TO OUTLINE DIMENSIONS.

**JULY 19, 2015** — A STAR IN THE ORION CONSTELLATION WAS GIVEN THE NAME OF BYELORUSSIAN STEEL WORKS. THIS





## Strategy and management approach to sustainable development



PRESENT WAS GIVEN TO THE BSW BY ITS PARTNER BALTIC SHIPPING (KLAIPEDA) IN COMMEMORATION OF ITS ACHIEVEMENTS AND SUCCESSES.

**AUGUST 8, 2015** – A FIELD COLLEGE OF THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS WAS HELD ON THE BASIS OF OJSC «BSW – MANAGEMENT COMPANY OF «BMC» HOLDING. DURING THE MEETING THE RESULTS OF OPERATION OF ENTERPRISES AND ORGANIZATIONS OF THE INDUSTRY IN JANUARY - JUNE 2015 WERE SUMMED UP AND GOALS FOR FULFILLMENT OF THE FORECAST PERFORMANCE OF SOCIAL AND ECONOMIC DEVELOPMENT DURING 9 MONTHS OF THE CURRENT YEAR WERE DETERMINED.

**AUGUST 2015** – ELECTRIC MELT SHOP No. 2 REACHED A NEW PRODUCTION BOUNDARY. STEEL MELTING IN EAF-3 MADE UP 76 876 TONS. PREVIOUS PERFORMANCE INDICATOR OF THE FURNACE WAS 76 042 TONS IN MARCH 2013.

**AUGUST 2015** – ROLLING MILL 150 REACHED MAXIMUM PERFORMANCE: 51 200 TONS OF HOT-ROLLED MATERIAL. THE PREVIOUS FIGURE OF ROLLING MILL 150 REACHED IN 2012 WAS 49 521 TONS.

**SEPTEMBER 8, 2015** - WINNERS OF THE REPUBLICAN PROFESSIONAL CONTEST «THE BEST CONSTRUCTION PRODUCT -2015» WERE ANNOUNCED. BSW PRODUCTS WERE MARKED IN THE NOMINATION «THE BEST CONSTRUCTION MATERIAL (PRODUCT) OF THE YEAR». SUCH TITLE WAS AWARDED TO REINFORCING WELDING ROLLED SECTION CLASS A500C ACCORDING TO GOST R 52544-2006.

**SEPTEMBER 22, 2015** - DURING XIX ECONOMIC FORUM «NEIGHBOURLINESS 2015» POLISH CHAMBER OF COMMERCE AWARDED BSW GENERAL DIRECTOR A.N. SAVIANOK FOR A LONG-TERM WORK ON THE POLISH MARKET, CONTRIBUTION TO DEVELOPMENT OF INTERNATIONAL TRADE RELATIONS, STRENGTH AND TENACITY IN ACHIEVEMENT OF THE GOALS SET.

**SEPTEMBER 25, 2015** - A SYMBOLIC EVENT BOTH FOR BSW AND THE COUNTRY AS WELL AS FOR THE GLOBAL STEELMAKING: COMMISSIONING OF SECTION ROLLING MILL No.2. PRESIDENT LUKASHENKO PARTICIPATED IN THE EVENT.

**OCTOBER 7, 2015** EMPLOYEES OF SWS-2 PRODUCED 500-THOUSANDTH TON OF HOSE WIRE. THIS SYMBOLIC FOR BSW LOT WAS SHIPPED TO A WELL-KNOWN EUROPEAN COMPANY EATON (GERMANY).

**OCTOBER 16, 2015** – BSW WAS ACKNOWLEDGED AS THE WINNER IN THE NOMINATION «POWER-EFFICIENT TECHNOLOGIES AND PROCESSES» AT THE NATIONAL CONTEST «LEADER OF EFFECTIVENESS -2015'. THE PROJECT «OXYGEN TECHNOLOGY OF STEELMAKING IN THE EAF» WAS AWARDED A DIPLOMA.

**OCTOBER 19, 2015** – TEAM No. 4 PRODUCED THE FIRST 100 THOUSAND TONS OF HIGH-TECH PRODUCT IN SECTION ROLLING SHOP No. 2.

**OCTOBER 21-22, 2015** THE 23RD INTERNATIONAL SCIENTIFIC AND TECHNICAL CONFERENCE «FOUNDRY ENGINEERING AND STEELMAKING 2015. BELARUS» WAS HELD AT BSW. IT GATHERED OVER 130 DELEGATES FROM DIFFERENT COUNTRIES. BSW WAS ACKNOWLEDGED THE BEST IN THE NOMINATION «THE BEST INNOVATIVE PROJECT IMPLEMENTED IN FOUNDRY AND STEELMAKING PRODUCTION» AND «THE BEST SCIENTIFIC – PRODUCTION WORK OF A YOUNG SCIENTISTS OR AN ENGINEER» AT THE CEREMONY OF AWARD PRESENTATION TO LAUREATES OF THE AWARD OF THE ASSOCIATION OF FOUNDERS AND STEELMAKERS OF THE REPUBLIC OF BELARUS.

**OCTOBER 30, 2015** - ON THE DAY OF ITS 15TH ANNIVERSARY, SWS- 3 CROSSED THE BOUNDARY OF 2 MILLION TONS OUTPUT. THE «JUBILEE» METAL WAS SHIPPED TO BSW TRADING FIRM «BALTIYA».

**NOVEMBER 2015** – BSW WON THE CUP FOR THE BEST PRODUCT PRESENTED AT THE 21ST INTERNATIONAL EXHIBITION «METAL-Expo 2015» (10-13.11.2015). THE METALLURGICAL FORUM REPLENISHED THE COLLECTION OF AWARDS OF THE ENTERPRISE WITH TWO «NIKAS» FOR THE BEST VIDEOPRODUCT IN STEELMAKING.

**NOVEMBER 17, 2015** – THE PLANT KVN TEAM «VSE V STALI» BECAME THE WINNER OF THE KVN PRIME LEAGUE (MINSK) OF 2015.

**DECEMBER 16, 2015** – SPECIALISTS OF THE PLANT RESEARCH CENTRE BECAME THE WINNERS OF THE NATIONAL CONTEST OF INNOVATIVE PROJECTS. THE PROJECT «ORGANIZATION OF PRODUCTION OF HIGH-TECH BEARINGS WITH A NANO-COMPOSITE COATING ON THE BASIS OF OJSC «MINSK BEARING PLANT» WON THE SECOND PLACE IN THE NOMINATION «THE BEST INNOVATIVE PROJECT»; THE PROJECT «MANUFACTURING APPLICATION OF THE STRETCHING PROCESS FOR PRODUCTION



OF REINFORCEMENT CLASS 500 MPa IN COILS WITH A ROW WINDING UP TO 5 TONS, DUCTILITY CLASS B AND C, DIAMETER 6,0 MM TO 16,0 MM AT BSW» WON THE THIRD PLACE IN THE NOMINATION «THE BEST INNOVATIVE PROJECT OF A YOUNG SPECIALIST».

**JANUARY 1, 2016** — 30 YEARS SINCE ESTABLISHMENT OF THE SCRAP YARD WHICH IS A STARTING POINT OF BSW PRODUCTION; 20 YEARS SINCE ORGANIZATION OF THE COPYING CENTRE (CC) PROVIDING THE PLANT WITH PRINTED PRODUCTS;

**JANUARY 10, 2016** — 15 YEARS SINCE ESTABLISHMENT OF THE CHIEF METROLOGICAL ENGINEER DEPARTMENT ENSURING QUALITY MEASUREMENTS AT ALL STAGES OF PRODUCTION.

**JANUARY 2016** — BASED ON THE RESULTS OF 2015 OPERATION, THE ENTERPRISE WAS AWARDED A DIPLOMA OF THE WINNER IN THE NOMINATION "TIME-TESTED PARTNERSHIP" BY OJSC BELWEB BANK.

**FEBRUARY 2016** — BSW BECAME A LAUREATE OF THE AWARD OF THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS IN THE AREA OF SCIENCE AND TECHNOLOGY. THE PROJECT OF THE PLANT'S SPECIALISTS "DEVELOPMENT AND MASTERING OF PRODUCTION OF LIFTING PIPES USED IN HYDRAULIC SEAM FRACTURE" WAS AWARDED IN THE NOMINATION "MACHINING, CASTING, FORGING, AND OTHER EQUIPMENT (INCLUDING SPECIAL PRODUCTION EQUIPMENT)".

**FEBRUARY 19-22, 2016** — 22ND FESTIVAL OF MILITARY-PATRIOTIC SONGS "LONG LIVE, VICTORY" TOOK PLACE IN THE TOWN OF BAGRATIONOVSK, KALININGRAD REGION. DENIS KOROL, ENGINEER OF SRS TECHNICAL BUREAU, BECAME THE WINNER IN THE NOMINATION "AUTHORIAL SONGS".

**FEBRUARY 26, 2016** — VIDEO "BSW. HOLDING AS AN ORCHESTRA" WON IN THE NOMINATION "BEST MUSICAL AND SOUND ACCOMPANIMENT" AT THE V MOSCOW INTERNATIONAL FESTIVAL OF CORPORATE VIDEO -2016.

**FEBRUARY 29, 2016** — DMITRY SHASHKOV, ROLLERMAN OF SRS-2, SET UP A NEW RECORD OF THE REPUBLIC OF BELARUS IN PRESS IN LYING POSITION (300 KG) IN THE TOWN OF BELOOZYORSK, BREST REGION.

**MARCH 1, 2016** — 25 YEARS SINCE COMMISSIONING OF STEEL WIRE SHOP No.2 (SWS-2) PRODUCING TIRE CORD —

BSW THIRD PRODUCTION STAGE.

**MARCH 19, 2016** — BSW JOINED THE INTERNATIONAL ENVIRONMENTAL ACTION "EARTH HOUR": ADDITIONAL LIGHTING OF ADMINISTRATIVE BUILDINGS OF THE CENTRAL OFFICE AND ELECTRIC APPLIANCES WERE SWITCHED OFF FROM 20.30 TILL 21.30 P.M.

**APRIL 4-8, 2016** — BSW PARTICIPATED IN THE INTERNATIONAL SPECIALIZED EXHIBITION "WIRE/TUBE 2016" (DÜSSELDORF, GERMANY).

**APRIL 5-8, 2016** — BSW TOOK PART IN THE INTERNATIONAL EXHIBITION OF FOUNDRY AND METALLURGICAL TECHNOLOGIES "LitMetExpo" (MINSK).

**APRIL 6-8, 2016** — AN INTERNATIONAL SEMINAR DEDICATED TO THE PRACTICE OF COLLECTIVE AGREEMENTS SIGNING WAS HELD AT BSW PARTICIPATED BY REPRESENTATIVES OF THE TRADE UNION ACTIVISTS OF GOMEL AND BRYANSK REGIONS.

**APRIL 11, 2016** — PRIME-MINISTER OF THE REPUBLIC OF BELARUS A.V. KOPYAKOV VISITED BSW DURING HIS WORKING VISIT TO ZHLOBIN DISTRICT.

**APRIL 23, 2016** — TEAM OF EMPLOYEES OF EMS-1 MADE FRESH GAINS IN PRODUCTION: 2 MILLION TONS HAD BEEN PRODUCED SINCE RECONSTRUCTION OF CONTINUOUS CASTING MACHINE No. 2.

**APRIL 2016** — STEELMAKERS WERE OFFICIALLY THANKED FOR EFFECTIVE INNOVATIVE ACTIVITY IN 2015 BY GOMEL REGIONAL EXECUTIVE COMMITTEE.

**MAY 5, 2016** — BASED ON OPERATION RESULTS OF 2015, OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING WAS NAMED THE BEST EXPORTER OF 2015 IN THE NOMINATION "METALLURGY".

**MAY 6, 2016** — BYELORUSSIAN STEEL WORKS BECAME A LAUREATE OF THE GOVERNMENT AWARD FOR THE ACHIEVEMENTS IN THE AREA OF QUALITY IN 2015.

**MAY 19-21, 2016** — BSW BECAME THE WINNER IN THE NOMINATION "COOPERATION" AT THE 17TH INTERNATIONAL UNIVERSAL FAIR "SPRING IN GOMEL-2016" AND WAS AWARDED A DIPLOMA FOR "ACTIVE PARTICIPATION".



## Strategy and management approach to sustainable development



**MAY 21, 2016** — BSW TEAM WAS THE WINNER OF THE YEAR-ROUND DISTRICT SPORTS CONTEST OF 2015 AMONG SPORT TEAMS.

**MAY 2016** — BSW PROJECT “REDUCTION OF THE ELECTRIC POWER SPECIFIC CONSUMPTION DUE TO OPTIMIZATION OF ENERGOTECHNOLOGICAL MODES OF MELTING IN EAF-3 OF EMS-2” WAS CONSIDERED THE BEST IN THE NOMINATION “TECHNOLOGIES, EQUIPMENT, AND MATERIALS FOR POWER AND ELECTROTECHNICAL APPLICATION IN INDUSTRY AND FUEL-ENERGY COMPLEX” AT THE 13TH INTERNATIONAL COMPETITION OF POWER-EFFICIENT AND RESOURCE-SAVING TECHNOLOGIES AND EQUIPMENT.

**JUNE 1, 2016** — 20 YEARS SINCE ESTABLISHMENT OF THE TECHNOLOGICAL MOTOR TRANSPORT SHOP.

**JUNE 1, 2016** — OPENING OF A DEPARTMENT OF THE PLANT’S CONSUMER GOODS AND BYPRODUCTS AT THE TRADE HOUSE OF THE UE “METALLURGTORG”.

**JUNE 2016** — BSW WAS OFFICIALLY THANKED FOR “HIGH LEVEL OF IDEOLOGICAL WORK IN 2015” BY THE SENIOR MANAGEMENT OF IDEOLOGICAL WORK, CULTURE AND YOUTH MATTERS OF GOMEL REGIONAL EXECUTIVE COMMITTEE.

**JUNE 2016** — BSW TEAM WON THE 1ST PLACE AT THE DISTRICT CONTEST OF VOLUNTEER SQUADS OF CIVIL DEFENSE OF BUSINESS ENTITIES.

**JUNE 2016** — VETERAN ORGANIZATION OF THE PLANT WON THE 1ST PLACE IN THE REGIONAL VETERAN ORGANIZATIONS OF THE REGIONAL CENTRES OF SOCIAL DEFENSE OF THE POPULATION OF GOMEL REGION.

**JUNE 28, 2016** — THE NATIONAL ACTION “BEADS MUSEUM “FLOWERS OF THE GREAT VICTORY” TOOK PLACE AT BSW.

**JUNE 30, 2016** — SERGEI MIKHAILOVICH BORSHCHOV, BSW VETERAN, WHO WAS DEPUTY GENERAL DIRECTOR FOR TECHNICAL DEVELOPMENT — CHIEF ENGINEER, WAS AWARDED THE TITLE OF HONOURABLE METALLURGISTS OF THE REPUBLIC OF BELARUS”.

**JULY 21, 2016** — 400TH TON OF PRODUCT OF STEEL ROLLING SHOP No.2 WAS PRODUCED.

**AUGUST 1, 2016** — 5 YEARS SINCE ESTABLISHMENT OF THE

RESEARCH CENTRE.

**AUGUST 4, 2016** — DAILY RECORD SET IN STEEL ROLLING SHOP No.2: 2 617,174 TONS OF ROUND 8,8 MM PRODUCED FROM SQUARE BILLET 140.

**SEPTEMBER 11, 2016** — MAIN SPECIALIST OF STEEL MAKING V.I. DYACHENKO WAS ELECTED A DEPUTY OF THE HOUSE OF REPRESENTATIVES OF THE NATIONAL ASSEMBLY OF THE REPUBLIC OF BELARUS.

**SEPTEMBER 19, 2016** — STEEL WIRE ROD FROM STRUCTURAL STEEL WAS CONSIDERED “THE BEST CONSTRUCTION PRODUCT -2016”.

**SEPTEMBER 19, 2016** — 30 YEARS SINCE PRODUCTION OF THE 1-MILLIONTH TON OF BELARUSIAN STEEL;

**SEPTEMBER 23, 2016** — 20 YEARS SINCE OPENING OF ZHLOBIN METALLURGICAL TECHNICAL SCHOOL;

**SEPTEMBER 30, 2016** — STEEL ROLLING SHOP No.2 PRODUCED 500TH TON OF PRODUCTS.

**OCTOBER 20, 2016** — BSW PROJECT “ORGANIZATION OF PRODUCTION OF ROLLED SECTION AND BUILDING OF A SMALL-SECTION WIRE MILL” BECAME A LAUREATE OF THE AWARD OF THE ASSOCIATION OF FOUNDRY WORKERS AND METALLURGISTS OF THE REPUBLIC OF BELARUS IN THE NOMINATION “BEST INNOVATIVE PROJECT IMPLEMENTED IN FOUNDRY AND METALLURGICAL PRODUCTIONS AIMED AT PRODUCT QUALITY IMPROVEMENT AND POWER AND RESOURCE SAVING” AT THE 24TH INTERNATIONAL SCIENTIFIC AND TECHNICAL CONFERENCE AND INFORMATION EXHIBITION “FOUNDRY AND METALLURGY 2016”.

**NOVEMBER 10, 2016** — ANATOLY NIKOLAEVICH SAVIANOK, GENERAL DIRECTOR OF OJSC “BSW-MANAGEMENT COMPANY OF “BMC” HOLDING WAS AWARDED THE BADGE “QUALITY LEADER” FOR PERSONAL CONTRIBUTION INTO ACHIEVEMENT OF THE HIGHEST RESULTS IN THE AREA OF PRODUCT QUALITY AND SYSTEM MANAGEMENT.

**NOVEMBER 11, 2016** — BASED ON THE RESULTS OF THE 22ND INTERNATIONAL INDUSTRIAL EXHIBITION “METAL-Expo 2016”, BSW WAS AWARDED A CUP “FOR THE BEST EXPOSITION” AND A DIPLOMA “FOR HIGHLY PROFESSIONAL ORGANIZATION OF PRODUCT AND SERVICES PROMOTION”.



**NOVEMBER 21, 2016** — ON ITS 29<sup>TH</sup> ANNIVERSARY, STEEL WIRE SHOP No.1 PRODUCED 1 MILLION 700-HUNDREDTH TON OF PRODUCT SHIPPED TO OJSC “BELSHINA”.

**NOVEMBER 24, 2016** — EMPLOYEES OF STEEL ROLLING SHOP No. 2 MADE FRESH GAINS: ITS DAILY PRODUCTION MADE UP 3156 TONS.

**NOVEMBER 29, 2016** — EMPLOYEES OF STEEL ROLLING SHOP No. 2 REACHED THE DESIGN CAPACITY OF THE SMALL-SECTION MILL AS PER MONTHLY PRODUCTION AHEAD OF TIME: TEAMS Nos. 1 AND 3 PRODUCED 57 500<sup>TH</sup> TON OF ROLLED SECTION UNDER ORDERS OF CERTAIN CUSTOMERS.

**DECEMBER 16, 2016** — PLANT’S PRIMARY ORGANIZATION PA “BELARUSIAN UNION OF WOMEN” BECAME THE WINNER OF THE NATIONAL CONTEST OF PRIMARY AND REGIONAL ORGANIZATIONS OF THIS ASSOCIATION.

### PARTICIPATION IN EXTERNAL INITIATIVES

OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING HAS ITS REPRESENTATIVES IN DIFFERENT NATIONAL ORGANIZATIONS INCLUDING THE ORGANS OF LEGISLATIVE AUTHORITIES OF ALL LEVELS; THIS ALLOWS THE PANT TO PARTICIPATE IN LAW-MAKING ACTIVITY, EXERT INFLUENCE ON DECISION MAKING IN THE AREA OF ECONOMIC DEVELOPMENT OF THE REGION, CARRY OUT AN OPEN DIALOG WITH AUTHORITIES AND THUS STEADILY DECREASE ITS ACTIVITY RISKS.

TO COOPERATE WITH THE INTERNATIONAL PROFESSIONAL COMMUNITY AND REPRESENT ITS INTEREST, THE PLANT BECAME A MEMBER OF THE FOLLOWING ASSOCIATIONS:

- BELARUSIAN CHAMBER OF COMMERCE;
- COUNCIL OF BUSINESS COOPERATION BELARUS EU;
- BELARUSIAN UNION OF CASTERS AND METALLURGISTS;
- INTERNATIONAL UNION OF STEELMAKERS;
- INTERNATIONAL UNION OF ROLLERS;
- BELARUSIAN-GERMAN NON-GOVERNMENTAL UNION OF BUSINESS COOPERATION;
- WORLD STEEL ASSOCIATION (WSA);

– EUROPEAN FOUNDATION OF QUALITY MANAGEMENT (EFQM);

– QUALITY LEADERS CLUB OF CENTRAL AND EAST EUROPEAN COUNTRIES.

MEMBERSHIP IN THESE ORGANIZATIONS ALLOWS THE PLANT TO CHAMPION ITS INTERESTS IN THE WORLD COMMUNITY MORE EFFECTIVELY AND DEVELOP ITS BUSINESS CONSIDERING GENERAL TENDENCIES AND STRATEGIC TASKS.

### COOPERATION WITH STAKEHOLDERS

THE LONG-TERM SUCCESSFUL DEVELOPMENT OF THE ENTERPRISE IS BASED ON CONSTRUCTION OF CONFIDENTIAL RELATIONS WITH THE STAKEHOLDERS. BSW STRIVES FOR ACTIVE ENGAGEMENT OF DIFFERENT GROUPS OF STAKEHOLDERS INTO ITS ACTIVITY IN THE AREA OF SUSTAINABLE DEVELOPMENT GUIDED BY THE PRINCIPLES OF SOCIAL PARTNERSHIP, MUTUALLY ADVANTAGEOUS COOPERATION, RESPECT, OPENNESS, AND TRUST

OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING COOPERATES WITH AN EXTENSIVE NUMBER OF THE STAKEHOLDERS, 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 ECONOMIC, SOCIAL, MATERIAL AND SPIRITUAL GROWTH OF THOUSANDS OF PEOPLE. IT ALSO MEANS THAT WE FORM A STABLE AND FREE SOCIETY CONFIDENT IN TOMORROW.

BEING A SOCIALLY RESPONSIBLE ENTERPRISE, OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING COOPERATES WITH THE STAKEHOLDERS ADHERING TO THE FOLLOWING APPROACHES:

- OBSERVANCE OF THE LEGISLATION AND LEGAL NORMS OF THE REPUBLIC OF BELARUS AS WELL AS PRINCIPLES OF THE UN GLOBAL COMPACT;
- ENGAGEMENT OF ALL ELEMENTS AND PARTICIPANTS OF CO-



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OPERATION;

— DISCLOSURE OF A COMPLETE AND RELIABLE INFORMATION ABOUT THE RESULTS IN THE FIELD OF ECONOMIC, ECOLOGICAL AND SOCIAL ACTIVITY;

— PROMOTION OF RESPONSIBILITY FOR THE ASSUMED OBLIGATIONS AND THEIR FULFILLMENT;

— OBSERVANCE OF UNIVERSAL NORMS AND VALUES;

— FORMATION OF FAVORABLE INTERNAL AND EXTERNAL ENVIRONMENT;

— MAINTAINING OF REASONABLE BALANCE OF INTERESTS OF THE PLANT AND THE COMMUNITY.

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 OPERATION, PRESERVING CULTURAL HERITAGE, NATIONAL ORIGINALITY, ENVIRONMENTAL PROTECTION, HEALTHCARE AND WELFARE OF THE POPULATION AND EMPLOYEES.

### INTERACTION WITH THE CIVIL SOCIETY

BYELORUSSIAN STEEL WORKS IS A TOWN-FORMING ENTERPRISE DEFINING NOT ONLY THE APPEARANCE BUT ALSO THE CHARACTER OF ZHLOBIN. THROUGHOUT ITS HISTORY THE PLANT WAS INVOLVED INTO CONSTRUCTION CREATING INDUSTRIAL AND SOCIAL INFRASTRUCTURE OF THE TOWN. THE FIRST FACILITY BUILT BY BSW WAS THE BOILER HOUSE “SEVERNAYA” COMMISSIONED IN 1983.

DUE TO BSW ZHLOBIN TAKES ADVANTAGE OF 5 EDUCATIONAL SCHOOLS, 9 NURSERY SCHOOLS, 7 STORES, A RESTAURANT, A HOTEL, CHILDREN’S DEPARTMENT FOR 120 PEOPLE AND A 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 REPUBLICAN 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 A SPORT CENTRE

WITH A SKATING RINK AND AN AQUA-PARK. WITH THE HELP OF BSW FINANCING SPORTS GAME PALACE WAS BUILT.

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 OPERATION 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 OPERATION, 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. AS 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 OPERATION AS CONCERNS THE DEGREE OF BSW INFLUENCE ON THE VITAL ACTIVITY OF THE REGION.

STEADY DEVELOPMENT OF THE REGION OF OPERATION IS AN IMPORTANT COMPONENT OF THE PLANT DEVELOPMENT STRATEGY AIMED AT SOLVING THE PRIORITY TASKS WITHIN





### THE FIELD:

- ASSISTANCE TO STEADY DEVELOPMENT OF THE TERRITORY OF OPERATION;
- 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;
- ESTABLISHING AND MAINTAINING THE IMAGE OF CONSCIENTIOUS AND ATTRACTIVE EMPLOYER.

### INTERACTION WITH MASS MEDIA

DURING ITS ENTIRE HISTORY, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING FOLLOWS THE PRINCIPLES OF OPENNESS AND TRANSPARENCY OF ITS ACTIVITY. A STRIKING EXAMPLE OF THIS POLICY IS CONTINUOUS COOPERATION WITH DIFFERENT MASS MEDIA. THE ENTERPRISE OPERATIVELY REACTS TO JOURNALISTS' REQUESTS SUPPLYING THEM WITH OBJECTIVE EVIDENCE AND TRUE DATA AND INITIATES DISTRIBUTION OF INFORMATION ABOUT THE RESULTS OF ITS PRODUCTION ACTIVITY, IMPORTANT EVENTS, AND ARRANGEMENTS IN THE COMMUNITY.

FORMING ITS INFORMATIONAL POLICY, BSW AIMS AT MAXIMUM COVERAGE OF THE INTERESTED TARGET GROUPS AND USES ALL POSSIBLE COMMUNICATION CHANNELS TO DISSEMINATE INFORMATION: NEWSPAPERS, JOURNALS, TELEVISION, NEWS TAPES OF INFORMATION AGENCIES, INTERNET RESOURCES. THIS COMPREHENSIVE APPROACH ALLOWS THE PLANT TO ACHIEVE MAXIMUM EFFECTIVENESS OF THIS WORK.

DURING 12 MONTHS 2016, 94 MATERIALS ABOUT THE PLANT'S ACTIVITY WERE ALLOCATED ON PAGES OF PRINTED MASS MEDIA (NEWSPAPERS: "SOVETSKAYA BELARUSSIYA", "RESPUBLIKA", "GOMELSKAYA PRAVDA", "NOVYI DEN" AND JOURNALS: METALS OF EURASIA, "INDUSTRIAL SAFETY", "QUALITY MARK", "FOUNDRY AND METALLURGY, ETC.) 17 ITEMS WERE SHOWN ON TV (BELARUS 1, BELARUS 2, ONT, STV, TRK "GOMEL"); 44 PUBLICATIONS WERE ALLOCATED ON THE NEWS TAPES OF INFORMATIONAL AGENCIES (BELTA, PIME-TASS, BUSINESS-NEWS), 58 INFORMATION ITEMS WERE

ALLOCATED ON THE EXTERNAL SITE OF THE ENTERPRISE.

KEY INFORMATION TOPICS: MODERNIZATION, PERFORMANCE RESULTS, EXPANSION OF OUTLETS, ACHIEVEMENTS IN SPECIALIZED CONTESTS. HEROES OF THE PUBLICATIONS WERE BSW EMPLOYEES WHO ACHIEVED THE BEST RESULTS IN THEIR WORK AND IN SOCIAL LIFE OF THE ENTERPRISE.

IT IS WORTH MENTIONING THAT TO IMPROVE EFFICIENCY OF COOPERATION WITH MASS MEDIA, A NEW ORGANIC ASSIGNMENT OF A PRESS SECRETARY WAS INTRODUCED AT THE PLANT SINCE 2012. THE PRESS SECRETARY IS OBLIGED TO SUPPLY REPLIES TO MASS MEDIA REQUESTS AND PREPARE AND DELIVERY OF PRESS RELEASES ABOUT BSW EVENTS. ITS REGULAR DISTRIBUTION BASE INCLUDES 6 INFORMATION AGENCIES, 6 PERIODICALS, 5 TV CHANNELS, AND 4 INTERNET PORTALS.

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. OUR CORPORATE SITE [WWW.BELSTEEL.COM](http://www.belsteel.com) HAS FUNCTIONED SINCE 2003. IT IS A MODERN RESOURCE OF THE INTERNATIONAL LEVEL ADDRESSED TO A WIDE AUDIENCE OF USERS. IT DOES NOT ONLY CONTAIN USEFUL INFORMATION AND IS A COMMUNICATION CHANNEL, BUT SERVES THE AIM OF STRENGTHENING OF BSW IMAGE. TAKING INTO CONSIDERATION THAT MOST BSW PARTNERS ARE FOREIGN COMPANIES, THE SITE IS EXECUTED IN TWO VERSIONS: RUSSIAN AND ENGLISH.

OUR EXTERNAL SITE CONTAINS INFORMATION PRIMARILY ORIENTED TO OUR BUSINESS PARTNERS. BUT IN ALSO INCLUDES A SECTION ENTITLED "PRESS CENTRE" CONTAINING NEWS, PHOTO AND VIDEO MATERIALS AS WELL AS PUBLICATIONS ABOUT OUR ENTERPRISE FROM VARIOUS MASS MEDIA. HERE WE CAN ALSO FIND AN INTERNET VERSION OF THE PLANT'S NEWSPAPER "METALLURG" – [HTTP://WWW.METALLURG.BELSTEEL.COM](http://www.metallurg.belsteel.com).

ALONG WITH THE EXTERNAL SITE, THERE IS OUR INTERNAL SITE – [INFOBMZ](http://infoBMZ) – TO BE USED EXCLUSIVELY BY THE PLANT'S EMPLOYEES.

KEY NEWS ABOUT THE PLANT'S LIFE AND THE INDUSTRY IN GENERAL IS ALLOCATED ON THIS RESOURCE. THERE IS AN ACCESS TO THE ARCHIVE OF OUR PLANT NEWSPAPER "MET-



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ALLURG", LEADING NATIONAL PUBLICATIONS AND SPECIAL PERIODICALS. THERE IS ALSO A REFERENCE TO THE PLANT'S ELECTRONIC LIBRARY. EVERY DAY OVER 2,5 THOUSAND EMPLOYEES VISIT THE SITE.

THE MAIN FUNCTION OF **infoBMZ** IS OPERATIVE PROVISION OF THE EMPLOYEES WHOSE WORKING PLACES ARE EQUIPPED WITH COMPUTERS, WITH HOUSEKEEPING INFORMATION. ON THIS RESOURCE ANY SPECIALIST CAN FIND AN ELECTRONIC VERSION OF THE REQUIRED INFORMATION, CLEARLY SORTED OUT ACCORDING TO THE SECTIONS: QUALITY, LABOUR PROTECTION, ENVIRONMENT, ECONOMY, PERSONNEL.

IT IS NECESSARY TO POINT OUT THAT RECENTLY BYELORUSSIAN STEEL WORKS PAY MUCH ATTENTION TO DISSEMINATION OF IMAGE-RELATED INFORMATION VIA INTERNET CHANNELS. EXACTLY THIS CHANNEL PERMITS TO ACHIEVE MAXIMUM OPERABILITY AND MAXIMUM COVERAGE OF THE YOUNG AUDIENCE. IN PARTICULAR, WE SPEAK ABOUT SOCIAL NETWORKS. NOWADAYS, BYELORUSSIAN STEEL WORKS IS REPRESENTED IN SUCH SOCIAL NETWORKS AS VKONTAKTE, FACEBOOK (NEWS IN ENGLISH), TWITTER, PLUS.GOOGLE. WE ALSO HAVE OUR OWN CHANNEL IN THE LARGEST VIDEO HOSTING YOUTUBE. IT IS NECESSARY TO UNDERLINE THAT BSW GROUPS IN TWITTER AND PLUS.GOOGLE WERE ESTABLISHED IN 2015.

BSW GROUP VKONTAKTE IS THE MOST POPULAR AMONG THE ABOVE. AT PRESENT, MORE THAN 3400 PEOPLE ARE SUBSCRIBED TO ITS UPDATES. IN ADDITION TO REGULARLY UPDATED NEWS TAPES, THE SUBJECT GROUP CONTAINS SUBJECT PHOTO ALBUMS, AND DIFFERENT SECTIONS ALLOWING ACHIEVEMENT OF MOST EFFICIENT FEEDBACK. ACCORDING TO THE STATISTICS OF THE COMMUNITY, THE NEWS IS READ NOT ONLY BY USERS OF THE REGION OF BSW OPERATION, BUT BY USERS IN SUCH COUNTRIES AS THE UKRAINE, RUSSIA, GERMANY, CHINA, AND THE USA. MONTHLY COVERAGE OF THE AUDIENCE REACHED 8000 PEOPLE AND THE TOTAL NUMBER OF THE NEWS AVAILABLE IS OVER 12000.

IN ACCORDANCE WITH THE PRINCIPLES OF THE UN GLOBAL COMPACT OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ENSURES FREE ACCESS TO INFORMATION, DEVELOPS EXTERNAL COMMUNICATION, AND ACKNOWLEDGES ITS READINESS FOR OPEN DIALOGUE WITH THE STAKEHOLDERS.

### INTERACTION WITH AUTHORITIES

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING BUILDS UP COOPERATION WITH ALL STAKEHOLDERS 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 FOR THE PLANT EMPLOYEES. CONSTRUCTIVE INTERACTION WITH THE GOVERNMENTAL BODIES HELPS OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING TO FIND SOLUTION OF THIS RATHER COMPLICATED TASK

DECISIONS ON BURNING ISSUES OF THE SOCIAL AND ECONOMIC DEVELOPMENT OF THE REGION, WORK WITH THE YOUTH, HOLDING JOINT EVENTS, AND OPTIMIZATION OF MEDICAL CARE FOR THE POPULATION ARE TAKEN BY THE PLANT'S MANAGEMENT AND LOCAL AUTHORITIES IN THE COURSE OF MONTHLY BUSINESS MEETINGS.

PROSPECTS OF GOMEL REGION DEVELOPMENT, PROGRESS OF THE SOCIALLY IMPORTANT PROGRAMS, EXTENSION OF THE PLANT'S EXPORT POLICY, PLANS FOR ACHIEVEMENT OF THE DESIGNED CAPACITY OF THE SMALL-SECTION MILL, AND RECONSTRUCTION OF THE STEELMAKING PRODUCTION WERE REGULARLY DISCUSSED BY THE GENERAL DIRECTOR AT HIS MEETINGS WITH THE PRESIDENT OF THE REPUBLIC OF BELARUS, DEPUTY PRIME MINISTER OF REPUBLIC OF BELARUS, FIRST DEPUTY MINISTER OF INDUSTRY OF THE REPUBLIC OF BELARUS, DEPUTY CHAIRMAN OF GOMEL REGIONAL EXECUTIVE COMMITTEE B.K. PIRSHTUK, CHAIRMAN OF THE COMMITTEE ON LABOUR, EMPLOYMENT AND SOCIAL DEFENSE OF GOMEL REGIONAL EXECUTIVE COMMITTEE, ETC. DURING THEIR MULTIPLE VISITS TO BYELORUSSIAN STEEL WORKS

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;;
- GOMEL REGIONAL SOVIET OF DEPUTIES — 1 PERSON.

ALONGSIDE WITH THAT, OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING HAS NOT PROVIDED DONATIONS IN FAVOR OF ANY POLITICAL PARTY OR INDIVIDUAL POLITICIANS.

### INTERACTION WITH SCIENCE

ACTIVITY OF OJSC “BSW-MANAGEMENT COMPANY OF BMC” HOLDING FOR DEVELOPMENT OF PRODUCTION, IMPROVEMENT OF QUALITY AND COMPETITIVENESS IS BASED ON THE RESULTS OF SCIENTIFIC AND RESEARCH WORK, ACHIEVEMENTS IN THE AREA OF PRODUCTION TECHNOLOGIES AIMED AT EFFICIENT RESULTS OF DEVELOPMENT AND MASTERING OF NEW TYPES OF PRODUCTS, PROSPECTIVE TECHNOLOGIES AND PRODUCTION PROCESSES AS WELL AS COOPERATION WITH VARIOUS SCIENTIFIC AND RESEARCH ORGANIZATIONS IN THE REPUBLIC OF BELARUS AND ABROAD.

SEVERAL KEY DIVISIONS OF OJSC “BSW-MANAGEMENT COMPANY OF BMC” HOLDING ARE INVOLVED IN DEVELOPMENT OF NEW UP-TO-DATE TECHNOLOGIES AND NEW TYPES OF COMPETITIVE INNOVATIVE PRODUCTS.

THE RESEARCH CENTRE (RC) IS A DIVISION DETERMINING THE SCIENTIFIC AND RESEARCH POLICY OF THE ENTERPRISE. 2 CANDIDATES AND 13 MASTERS OF TECHNICAL SCIENCE WORK HERE. AT PRESENT, A NUMBER OF SPECIALISTS CONTINUE THEIR STUDIES AT MA COURSES AND POSTGRADUATE COURSES OF DIFFERENT HIGHER EDUCATIONAL ESTABLISHMENTS. THE RC INCLUDES THE FOLLOWING LABORATORIES: STEELMAKING, ROLLING, HARDWARE, AND RESEARCH.

THE CENTRE ACTIVITY IS CARRIED OUT IN 4 IMPORTANT DIRECTIONS:

- ACCEPTANCE AND APPROVAL OF NEW MATERIALS AND PRODUCTS USED IN PRODUCTION AND INFLUENCING THE FINISHED PRODUCT QUALITY;

- DEVELOPMENT OF NEW TYPES OF PRODUCTS AND THEIR INTRODUCTION INTO THE PRODUCTION PROCESS;
- WORK WITH SCIENTIFIC AND EDUCATIONAL ESTABLISHMENTS;
- IMPROVEMENT OF THE EXISTING PRODUCTION METHODS.

THE TECHNICAL BOARD (TB) IS A DIVISION DETERMINING SCIENTIFIC AND TECHNICAL POLICY OF THE ENTERPRISE. DECISIONS MADE BY THIS DIVISION PLAY A VERY IMPORTANT ROLE FOR THE LEVEL OF ENGINEERING AND TECHNICAL SUPPORT AND PRODUCT QUALITY. THE MAIN TB STRUCTURE INCLUDES: STEELMAKING, ROLLING, PIPE ROLLING AND HARDWARE SERVICES, SCIENTIFIC AND TECHNICAL DEPARTMENT INCLUDING A RATIONALIZATION, INVENTION AND NEW TECHNIQS BUREAU, A STANDARDIZATION BUREAU, AND A SCIENTIFIC - TECHNICAL INFORMATION DEPARTMENT.

THE TB FUNCTIONS ARE AS FOLLOWS:

- PLANNING, DEVELOPMENT AND INTRODUCTION OF UP-TO-DATE TECHNOLOGIES;
- IMPLEMENTATION OF PROGRAMS OF TECHNICAL AND TECHNOLOGICAL REVAMPING OF THE PLANT;
- DETERMINATION OF THE REASONS OF DEFECTS AND BREACHES OF PRODUCTION MODES.

THE DESIGN AND RECONSTRUCTION BOARD (D&RB) IS A DIVISION FULFILLING DEVELOPMENT OF DESIGN DOCUMENTATION AND SUPPORTING PROJECTS TO PROVIDE OPERATION, MAINTENANCE, AND RECONSTRUCTION OF THE PLANT’S FACILITIES AND EQUIPMENT.

BSW SPECIALISTS CONTINUE ACTIVE DEVELOPMENTS IN THE AREA OF HARDWARE AND PIPE PRODUCTION, DEVELOP AND EXPAND THE PRODUCT MIX OF AUTOMOTIVE STEEL GRADES AND PRODUCTION OF BEARING STEELS IN ACCORDANCE WITH THE REQUIREMENTS OF THE HIGHEST INTERNATIONAL LEVEL.

IN 2016 OJSC “BSW-MANAGEMENT COMPANY OF “BMC” HOLDING MASTERED A NUMBER OF INNOVATIVE (NEW) TYPES OF PRODUCTS.

IN ROLLING PRODUCTION: SIMPLE CARBON STEEL WA-1010; S235JR REINFORCING SECTION SIMPLE CARBON STEEL





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WS221; SAE 1008, SAE 1018; WS231 S400W; HOT-ROLLED SECTION STEEL GRADE C45X10, C45X20, 11SMn30, StE460, 20MnV6, 30MnVS6, C45E, 11SMn30, S355J2, C20C, C45R; ROUND SECTION BALL BEARING STEEL GRADE 100Cr6, 100CrMnSi6, ETC.

IN PIPE PRODUCTION: ALLOY STEEL PIPE OF 7 DIMENSION-TYPES MADE OF STEEL GRADES 40XH AND E470; BARE PIPE OF CARBON QUALITY STEEL OF 37 DIMENSION-TYPES; BARE ALLOY STEEL PIPE OF 16 DIMENSION-TYPES, ETC.

IN HARDWARE PRODUCTION: TIRE CORD 2x0,28 ST ACCORDING TO SPECIFICATION No.1588-0/1-C1800-2014; BRONZED BEAD WIRE Ø1,20 MM WITH INCREASED TIN CONTENT, ETC.

IN WHOLE, SERIAL PRODUCTION OF 74 TYPES OF INNOVATIVE PRODUCTS STARTED. THIS WORK ALLOWED THE PLANT TO REACH THE SPECIFIC WEIGHT INDICATOR OF INNOVATIVE PRODUCTS EQUAL TO 20 PERCENT IN THE TOTAL AMOUNT OF THE PRODUCTS SHIPPED IN 2016.

DUE TO WORK FULFILLED IN 2012-2016, APPROVAL OF SECTION COILS WAS OBTAINED AND THE PLANT STARTED ITS SERIAL SUPPLIES TO SUCH EUROPEAN CUSTOMERS AS MAHINDRA FORGINGS AG (GERMANY), AMTEK TEKFOR (GERMANY), HAMMERWERK FRIDINGEN AG (GERMANY), JOHANN HAY AUTOMOBILTECHNIK GMBH (GERMANY), SCHONDELMAIER (GERMANY), KUŹNIA MATRYCOWA LUBLIN (POLAND), SEW EURODRIVE (GERMANY), URANIE INTERNATIONAL (FRANCE). ETC. — SUPPLIERS OF COMPONENT PARTS TO LEADING AUTOMOTIVE CONCERNS AND CAR PRODUCERS (DAIMLER, VOLKSWAGEN, MAN, BMW, ETC.). DURING THIS PERIOD, PRODUCTION METHODS OF MORE THAN 30 NEW STEEL GRADES WERE MASTERED.

IN 2016 BSW SPECIALISTS TOOK AN ACTIVE PART IN DIFFERENT SCIENTIFIC AND TECHNICAL ARRANGEMENTS, SEMINARS, AND EXHIBITIONS:

- IN APRIL BSW PARTICIPATED IN THE INTERNATIONAL SPECIALIZED EXHIBITION WIRE/TUBE 2016 (DÜSSELDORF, GERMANY);

- APRIL 05 - 08 AND OCTOBER 18 - 20 - BSW PARTICIPATED IN INTERNATIONAL EXHIBITIONS OF FOUNDRY AND METALLURGICAL TECHNOLOGIES "LitMetExpo: (BNTU,

MINSK);

- MAY 5 — BASED ON 2015 OPERATION RESULTS, OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING BECAME "THE BEST EXPORTER-2015" IN THE NOMINATION "METALLURGY";

- IN JULY YOUNG EMPLOYEES OF THE PLANT TOOK PART IN THE INTERNATIONAL CONFERENCE "METAL 2016" HELD AT THE ENTERPRISE;

- BSW PROJECT "ORGANIZATION OF PRODUCTION OF ROLLED SECTION AND BUILDING OF A SMALL-SECTION WIRE MILL" BECAME A LAUREATE OF THE AWARD OF THE ASSOCIATION OF FOUNDRY WORKERS AND METALLURGISTS OF THE REPUBLIC OF BELARUS IN THE NOMINATION "BEST INNOVATIVE PROJECT IMPLEMENTED IN FOUNDRY AND METALLURGICAL PRODUCTIONS AIMED AT PRODUCT QUALITY IMPROVEMENT AND POWER AND RESOURCE SAVING" AT THE 24TH INTERNATIONAL SCIENTIFIC AND TECHNICAL CONFERENCE AND INFORMATION EXHIBITION "FOUNDRY AND METALLURGY 2016".

- DECEMBER 15 — SEMINAR "OUTLOOK FOR APPLICATION OF HOT-ROLLED ROUND PRODUCED IN ACCORDANCE WITH EUROPEAN NORMS BY ENGINEERING INDUSTRY OF THE RB" WAS HELD. ITS AIM WAS ORGANIZATION OF INVESTIGATIONS AND TESTS OF HOT-ROLLED STEEL PRODUCED BY OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING IN ACCORDANCE WITH THE EUROPEAN NORMS AT BELARUSIAN ENTERPRISES.

- BASED ON THE RESULTS OF 2016, A GROUP OF BSW AUTHORS BECAME A LAUREATE OF THE AWARD OF THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS IN THE AREA OF SCIENCE AND TECHNOLOGY IN THE NOMINATION "MACHINING, FOUNDRY, FORGING AND OTHER EQUIPMENT (INCLUDING SPECIAL PRODUCTION EQUIPMENT)". THE PROJECT "DEVELOPMENT AND MASTERING OF PRODUCTION OF HOT-ROLLED ROUND SECTION FOR WEST EUROPEAN PRODUCERS OF AUTOMOTIVE COMPONENT PARTS AT OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING GOT AN AWARD.

OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING ACTIVELY COOPERATES WITH THE NAS OF BELARUS AND SCIENTIFIC-RESEARCH ESTABLISHMENTS OF THE ACAD-



EMY OF SCIENCE: NSU "APPLIED PHYSICS INSTITUTE OF THE NAS OF BELARUS", METAL TECHNOLOGY INSTITUTE OF THE NAS OF BELARUS", NSU "POWDER METALLURGY INSTITUTE OF THE NAS OF BELARUS", GOMEL BRANCH OF THE NAS OF BELARUS", NII OF BNTU, EE "BELGUT", EE GSTU NAMED AFTER P.O. SUKHOI", ETC. WHICH RENDER A THOROUGH ASSISTANCE TO THE ENTERPRISE. PARTNERSHIP RELATIONS WERE DEVELOPED WITH SCIENTIFIC AND RESEARCH TEAMS OF NITU "MISIS", FGUP CNIICHERMET NAMED AFTER I.P. BARDIN", OJSC AC "VNIIMETMASH" NAMED AFTER A.I. TSELIKOV", FERROUS METALLURGY INSTITUTE OF THE NAS OF UKRAINE, CZESTOCHOW POLYTECHNIC UNIVERSITY, ETC. DURING LAST YEARS, DIFFERENT JOINT TECHNICAL PROJECTS WERE IMPLEMENTED WITH THE ABOVE ORGANIZATIONS: INTRODUCTION OF MANUFACTURE OF COPPER SHELLS WITH WEAR-RESISTANT COATING FOR CONTINUOUS CASTING MACHINE MOLDS AT ELECTRIC MELT SHOP No. 1; INTRODUCTION OF X-RAY DIFFRACTION ANALYSIS METHODS FOR ASSESSMENT OF HARDWARE PRODUCTS QUALITY CHARACTERISTICS; DEVELOPMENT OF POWER-SAVING TECHNOLOGY OF WIRE ROD SORBITIZING IN ROLLING MILL 150; IMPROVEMENT OF HEAT TREATMENT TECHNOLOGY OF CHROMOLIBDENUM CONTAINING STEELS IN ROLLING MILL 850, ETC.

OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING HAS JOINT PROGRAMS OF SCIENTIFIC AND TECHNICAL COOPERATION WITH SUCH GLOBAL CONCERNS AS CONTINENTAL AG (GERMANY), GROUP MICHELIN (FRANCE), BRIDGESTONE CORP. (JAPAN), EATON CORPORATION (USA), GOODYEAR TIRE & RUBBER CO. (USA), NOKIAN TYRES P.L.C. (FINLAND), YOKOHAMA RUBBER CO., LTD (JAPAN), AND MANULI RUBBER INDUSTRIES (ITALY). THE LATTER COMPANY FOUNDED A JOINT-VENTURE WITH THE ENTERPRISE: SOOO MANULI HADRAULICS MANUFACTURING BEL" IN THE TOWN OF ORSHA.

BASED ON THE RESULTS OF OPERATION IN 2016 AND PREVIOUS PERIODS, THE COMMITTEE OF EXPERTS OF THE NAS OF BELARUS AND SSTC MADE A DECISION TO ASSIGN THE STATUS OF A SCIENTIFIC ORGANIZATION TO OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING.

## THE PROCESS OF DETERMINATION OF ESSENTIAL TOPICS

ESSENTIALITY IS A PRINCIPLE OF DETERMINATION OF THE

MOST IMPORTANT ECONOMIC, SOCIAL, AND ENVIRONMENTAL ASPECTS HAVING THE HIGHEST IMPORTANCE BOTH FOR THE ENTERPRISE AND ITS STAKEHOLDERS.

BSW APPROACH TO THE PROCESS OF DETERMINATION OF ESSENTIALITY WAS BASED ON THE PRINCIPLES SPECIFIED IN THE GUIDELINES OF THE GLOBAL REPORTING INITIATIVE IN THE AREA OF SUSTAINABLE DEVELOPMENT (GRI) VERSION G4.

IN THE PROCESS OF ESSENTIALITY DETERMINATION THE ORGANIZATION FOLLOWED THE RECOMMENDATIONS OF GRI GUIDELINES. THE PROCESS COMPRISED THE FOLLOWING STEPS:

1. ANALYSIS OF INTERNAL SOURCES OF INFORMATION INCLUDING MATERIALS OF PRESENTATION OF THE SUSTAINABLE DEVELOPMENT PROGRESS REPORT FOR 2016 TAKING INTO CONSIDERATION THE OPINION OF STAKEHOLDERS REGARDING THE TOPICS THAT ARE MOST INTERESTING FOR THEM.
2. COMPILATION, DISCUSSION AND APPROVAL OF A LIST OF ESSENTIAL TOPICS TO BE INCLUDED IN THE SUSTAINABLE DEVELOPMENT PROGRESS REPORT FOR 2016.

ALL ESSENTIAL TOPICS ARE COMPARED WITH THE DISCLOSURES OF GRI G4. THE LIST OF ESSENTIAL TOPICS TO BE INCLUDED IN THE PROGRESS REPORT IS GIVEN BELOW: 2

CUSTOMERS AND EMPLOYEES:

- IMPORTANCE FOR CUSTOMERS AND CUSTOMERS' PREFERENCES;
- PANTS EMPLOYEES.

COMMUNITY:

- COOPERATION WITH THE LOCAL COMMUNITY;
- PROMOTION OF A HEALTHY WAY OF LIVING.

ENVIRONMENT PROTECTION:

- MINIMIZATION OF PRODUCTION ACTIVITY IMPACT;
- IMPROVEMENT OF THE EMPLOYEES' ECOLOGICAL CULTURE.

THE ABOVE ESSENTIAL ASPECTS BECAME THE BASIS OF THE PROGRESS REPORT IN THE AREA OF SUSTAINABLE DEVELOPMENT FOR 2016 AND ARE DISCLOSED IN IT IN DETAIL.

## Indicators of effectiveness in the area of social responsibility.

### Economic activity

A STRATEGIC GOAL OF THE PLANT IN THE ECONOMIC AREA IS ACHIEVEMENT OF MAXIMUM SUSTAINABLE AND EFFECTIVE DEVELOPMENT OF PRODUCTION, HIGH FINANCIAL RESULTS ALONG WITH A REASONABLE BALANCE OF INTERESTS OF ALL STAKEHOLDERS, SATISFACTION OF SOCIAL AND ECONOMIC NEEDS OF THE CIVIL AND BUSINESS COMMUNITY OF THE REGION OF THE PLANT'S OPERATION.

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING CONSIDERS SOCIAL RESPONSIBILITY TO BE AN INTEGRAL PART OF THE BUSINESS STRATEGY AND ITS CORPORATE ETHICS BASED ON THE PRINCIPLES OF RESPECTABILITY AND JUSTICE, SINCERITY IN RELATIONS WITH ALL PARTNERS AND COMPETITORS.

**104,1**

ECONOMIC EFFECT  
OF THE MEASURES  
TAKEN TO DECREASE THE  
PRODUCT COST (\$ MLN)

ECONOMIC DEVELOPMENT OF THE PLANT MEANS INCREASE OF ITS PROFITABILITY THROUGH GROWTH OF OUTPUT OF HIGH-TECH PRODUCTS IN COMPLIANCE WITH THE STRATEGY, AND GROWTH OF THE PRODUCTION EFFECTIVENESS.

IN THIS ACTIVITY THE ORGANIZATION IS GUIDED BY THE LAW OF THE REPUBLIC OF BELARUS, PARAMETERS OF SUSTAINABILITY AND DEVELOPMENT OF THE PRODUCTION ACTIVITY, ECONOMIC REASONABILITY AS WELL AS ITS RESPONSIBILITY TO THE OWNER, INVESTORS, EMPLOYEES, AND BUSINESS PARTNERS, LOCAL COMMUNITIES, AND OTHER STAKEHOLDERS.

BYELORUSSIAN STEEL WORKS CARRIES OUT ITS ECONOMIC ACTIVITY ADHERING TO THE FOLLOWING APPROACHES:

- OBSERVANCE OF THE LAW AND LEGAL NORMS OF THE REPUBLIC OF BELARUS;
- ENGAGEMENT OF ALL LEVELS AND PARTICIPANTS OF THE BUSINESS PROCESSES;
- DISCLOSURE OF A COMPLETE AND RELIABLE INFORMATION ABOUT THE RESULTS OF THE PLANT OPERATION;
- IMPROVEMENT OF RESPONSIBILITY;
- PROVISION OF OPTIMAL RELATION OF THE COSTS AND THE ECONOMIC RESULTS ACHIEVED;

– MAINTENANCE OF A REASONABLE BALANCE OF THE INTERESTS OF THE ENTERPRISE AND THE COMMUNITY.

ALONG WITH GROWTH OF PRODUCTIVITY, OPERATION INTENSITY, PRODUCT QUALITY, AND COMPLICATION OF THE TECHNICAL LEVEL OF THE PRODUCTION PROCESSES, RATE OF DECISION MAKING, REQUIREMENTS TO THE PERSONNEL OF ALL SERVICES GROW. THE ECONOMIC SERVICE TEAM EXISTING AT THE PLANT CONSISTS OF QUALIFIED SPECIALISTS WITH HIGHER EDUCATION WHOSE PROFESSIONALISM IS VERY HIGH. THEY ARE REGULARLY TRAINED IN POLICIES AND PROCEDURES RELATED TO THE ISSUES OF PRODUCTION PROCESS EFFICIENCY AND EFFECTIVENESS OF BUSINESS-PROCESSES.

#### FINANCIAL-ECONOMIC ACTIVITY

MAIN TASKS OF THE ENTERPRISE IN 2016 WERE: RETENTION OF PRODUCTION, SEARCH FOR NEW CUSTOMERS, STRICT SAVING OF RESOURCES AT EACH WORK PLACE, IMPROVED SAVING OF MATERIAL AND POWER RESOURCES, STRICT OBSERVANCE OF FINANCIAL DISCIPLINE BY A TOUGH CONTROL OF FULFILLMENT OF THE BUDGET OF CASH FLOW. THE YEAR 2016 IS CHARACTERIZED BY COMPLICATED CONDITIONS ON GLOBAL MARKETS, AS WELL AS DIFFICULT FINANCIAL SITUATION AT THE ENTERPRISE. THESE FACTORS CAUSED SOME DECREASE OF ECONOMIC PERFORMANCE AS COMPARED TO 2015. TO OPPOSE ALL NEGATIVE PROCESSES TAKING PLACE ON GLOBAL MARKETS, THE PLANT DEVELOPED A COMPLEX PROGRAM FOR STABILIZATION AND DEVELOPMENT OF PRODUCTION, AND DECREASE OF PRODUCT 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 WAS USD104,1 MILLION OR 13,0% OF THE PRODUCT PRIME COST. 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 TRUE 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 REPORT-



ING 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 STAKEHOLDERS, EMPLOYEES' PROFESSIONAL ADVANCEMENT AND EXCHANGE OF EXPERIENCE, THE ENTERPRISE ARRANGES THE 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 2016 THE GLOBAL MARKET DID NOT EXPERIENCE ANY MOVEMENT, STAGNATION OF THE WORLD STEELMAKING, DECREASE OF DEMAND AND PRICES CONTINUED. ALL THESE HAD A DIRECT EFFECT ON THE OUTCOME OF THE COMPANY ACTIVITY. THE PLANT EXPERIENCED CONSIDERABLE DIFFICULTIES IN SERVICING ACCOUNTS PAYABLE. THE PLANT EXPERIENCED DIFFICULTIES WITH SERVICING OF THE ACCOUNTS PAYABLE. DEFICIT OF CIRCULATING WAS FELT AT THE ENTERPRISE.

IN SPITE OF THIS DIFFICULT FINANCIAL SITUATION, THIS PERIOD OF THE PLANT'S DEVELOPMENT IS CHARACTERIZED BY IMPLEMENTATION OF LARGE INVESTMENT PROJECTS. IN 2015 THE PLANT IMPLEMENTED THE INVESTMENT PROJECT "ORGANIZATION OF PRODUCTION OF ROLLED SECTION AND CONSTRUCTION OF A SMALL-SECTION WIRE ROLLING MILL" AIMED AT GROWTH OF STEEL PRODUCTION SO AS TO INCREASE OR RETAIN ITS MARKET SHARE BY INTRODUCTION OF NEW CAPACITIES, EXPANSION OF THE PRODUCT RANGE AND IMPROVEMENT OF THE PRODUCT MIX. THE PLANNED PRODUCTIVITY OF THE NEW MILL IS ABOUT 700 THOUSAND TONS PER YEAR WITH THE POSSIBILITY TO INCREASE ITS ANNUAL PRODUCTION UP TO 1 MILLION OF FINISHED PRODUCTS. SINCE SEPTEMBER 2015, THE NEW PRODUCTION FACILITY STARTED TO FULFILL THE PLAN OF FINISHED PRODUCT MANUFACTURE. IN 2016, PLANNED DEVELOPMENT OF THE

MILL CAPACITY CONTINUED CONSIDERING NEW SCIENCE-INTENSIVE EXPORT-ORIENTED TYPES OF PRODUCTS. IN NOVEMBER 2016, SECTION ROLLING SHOP No.2 REACHED THE PLANNED MONTHLY CAPACITY. AMOUNT OF ROLLED SECTION PRODUCED IN 2016 EQUALED TO 484 270 TONS. PROJECT INVESTMENTS IN THE AMOUNT OF Br772 069 THOUSAND WERE UTILIZED INCLUDING Br3 105 THOUSAND IN 2016.

THE FOLLOWING PROJECTS WERE IMPLEMENTED IN 2016 TO RENEW AND DEVELOP THE PLANT'S PRODUCTION BASE: "EMS-2. COMPLEX RECONSTRUCTION OF DPP-1, 3RD STAGE"; "EMS-1. INSTALLATION OF 95 MVA FURNACE TRANSFORMER AT EAF-1"; "EMS-1. UTILITY AND DUST TRANSPORTATION OF THE GAS PURIFYING UNIT OF EAF -1"; "SWS-1. MODERNIZATION OF PATENTING LINE No. 1"; "SWS-1. INSTALLATION OF THE DEVICE FOR DISMANTLING AND MOUNTING OF BLOWER DEVICES OF THE IEU OF CHEMICAL BLOCK No.2"; "SWS-1. INSTALLATION OF FRC AT ROUGH DRAWING MACHINE No.-3"; "ESS. INSTALLATION OF A 125MVA TRANSFORMER AT THE SS "STAL".

IN 2016, OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING CONTINUED TO IMPLEMENT THE FOLLOWING SIGNIFICANT INVESTMENT PROJECTS:

— "GROWTH OF PRODUCTIVITY OF THE OUT-OF-FURNACE PROCESSING OF STEEL AT EMS-2". ACCORDING TO THE PROJECT, TWO SINGLE-POSITION LADLE-FURNACES WILL BE INSTALLED AS

WELL AS A VACUUM DEGASSER AND ACCOMPANYING INFRASTRUCTURE. INVESTMENTS IN THE AMOUNT OF Br167 752 THOUSAND HAVE BEEN ALREADY USED UNDER THE PROJECT. ESTIMATED ECONOMIC BENEFIT IS ELIMINATION OF IMBALANCE BETWEEN THE CAPACITY OF THE ELECTRIC-ARC FURNACES AND CONTINUOUS CASTING MACHINES AND THE CAPACITY OF THE SECONDARY METALLURGY OF 148 THOUSAND TONS PER YEAR TO REACH THE TOTAL LEVEL OF STEEL PRODUCTION OF OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING OF 3 MILLION TONS PER YEAR.

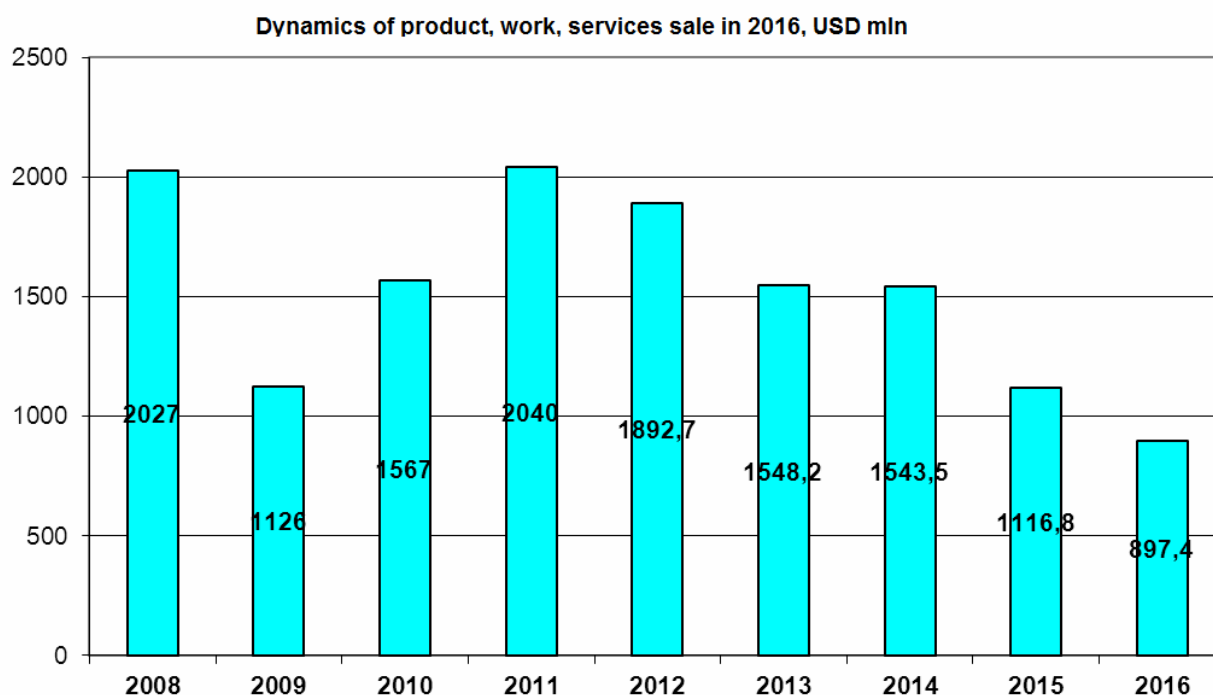
— "BUILDING OF TREATMENT FACILITIES FOR PROCESSING OF SALINE WASTE WATER". THE PROJECT PROVIDES FOR CONSTRUCTION OF TREATMENT FACILITIES FOR SALINE WASTE WATER PROCESSING ACCORDING TO THE TECHNOLOGY OF

**1 762,9**  
MARKETABLE PRODUCT SALE  
PROCEEDS IN 2016 (Br MILLION)



## Indicators of effectiveness in the area of social responsibility.

### Economic activity



AWAS. SINCE THE BEGINNING OF THE PROJECT IMPLEMENTATION, Br28 378,9 THOUSAND HAVE ALREADY BEEN UTILIZED. THE IMPLEMENTATION OF THE PROJECT WILL ENSURE TROUBLE-FREE ZERO-DISCHARGE OPERATION OF THE CIRCULATING WATER SUPPLY OF THE PLANT.

– “INSTALLATION OF A 95 MVA FURNACE TRANSFORMER IN EMS-2”. REPLACEMENT OF THE EXISTING FURNACE TRANSFORMER WITH A NEW ONE PRODUCED BY ABB AG (GERMANY) IS PLANNED WITHIN THE FRAMEWORK OF THE PROJECT TO ENSURE A HIGHER ENERGY POWER CHARACTERISTICS OF THE STEEL MELTING PROCESS IN EAF -3. SINCE THE BEGINNING OF THE PROJECT IMPLEMENTATION, Br4 490,6 THOUSAND HAVE BEEN SPENT.

#### KEY PERFORMANCE INDICATORS

IN SPITE OF ALL DIFFICULTIES, THE RESULTS OF THE PLANT'S OPERATION IN 2016 ARE RATHER SIGNIFICANT. MARKETABLE PRODUCT SALE PROCEEDS AMOUNTED TO Br1 762,9 MILLION, I.E. 3,6% HIGHER THAN IN 2015. 2 085,2 THOU. T OF PRODUCTS WERE SHIPPED TO CUSTOMERS. 2 192 THOU. T OF STEEL WERE PRODUCED. POSITIVE PROFITABILITY OF SALES REACHED 1,6% AGAINST (MINUS) 0,7% IN 2015. NET PROFIT EQUALED TO Br39 THOUSAND. FOREIGN TRADE BALANCE MADE UP

USD327 MILLION. POWER SAVING INDICATOR WAS “MINUS” 5,7 % AS COMPARED TO THE PLANNED “MINUS” 5,4.

PRODUCT, WORK, SERVICES SALE PROCEEDS IN USD IN 2016 DECREASE AS COMPARED TO 2015 DUE TO DECREASE OF PRODUCTION IN NATURAL TERMS AND PRICE DROP IN EXTERNAL MARKETS.

#### PROFIT

IN 2016 PRODUCT SALES WERE PROFITABLE, USD14,2 MILLION PROFIT WAS RECEIVED AGAINST LOSSES OF 2015. AS FOR EXTERNAL MARKETS, THE PRICES ARE LOWER THAN LAST YEAR. CURRENCY PROCEEDS LOSS AND CONSEQUENTIAL LOSS OF PROFIT DUE TO PRICE DECREASE MADE UP USD75,9 MILLION WHICH IS PRACTICALLY COMPARABLE WITH THE PRODUCT SALE PROCEEDS FOR ONE MONTH OPERATION OF THE PLANT

THE ENTERPRISE DISBURSED PAYMENTS TO ITS EMPLOYEES IN THE AMOUNT OF USD0,3 MILLION, STIMULATING AND COMPENSATING PAYMENTS, ADDITIONAL PAYMENTS TO NON-WORKING PENSIONERS, AS WELL AS MAINTENANCE OF SOCIAL FACILITIES IN THE AMOUNT OF USD 3,5 MILLION

#### PAYMENT TO THE OWNER

DUE TO THE LOSS FROM FINANCIAL-BUSINESS ACTIVITY BASED





ON THE RESULTS OF 2015, PART OF THE PROFIT WAS NOT TRANSFERRED.

### **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 2015 THE COMPANY TRANSFERRED INCOME TAX AMOUNTING TO USD8,9 MILLION (BR140,6 BILLION), AND USD23,6 MILLION (BR374,4 BILLION) TO THE POPULATION SOCIAL PROTECTION FUND).

### **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, INPUT COSTS, DEBT-TO-EQUITY RATIOS).

RESULTS OF THE COST EFFICIENCY EVALUATION GIVEN IN THE PROJECT WERE CALCULATED FOR THE BASIC PRICING CONDI-

TIONS, 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. 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: 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 OF 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 SUSCEPTI-



## Indicators of effectiveness in the area of social responsibility.

### Economic activity



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

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

LARUS, 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 LEGISLA-



TION AND REGULATORY FRAMEWORK, WHICH COULD AFFECT SUSTAINABLE DEVELOPMENT OF THE ENTERPRISE. COMMON CUSTOMS SPACE AND FURTHER ECONOMIC INTEGRATION ALLOW US 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 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 TO 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 THE 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 INVESTMENT 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. NO-



## Indicators of effectiveness in the area of social responsibility.

### Economic activity



VENBER 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 INTEREST FOR 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 Br22,0 MILLION (EUR10,2 MLN) ACCORDING TO THE NATIONAL BANK RATES AS OF THE DATE OF COMPENSATION.

THE ABOVE AMOUNT OF STATE SUPPORT RECEIVED BY OPEN JOINT-STOCK COMPANY "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING REDUCED THE DEFICIENCY OF THE CIRCULATING ASSETS AND ALLOWED THE COMPANY TO USE THIS SOURCE OF ASSETS FOR REPLENISHMENT OF OWN CIRCULATING ASSETS – PAYMENT FOR RAW MATERIALS, ENERGY RESOURCES, ETC.

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

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

THE RANGE OF PRODUCTS SOLD IN 2016 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 ARE STEELMAKING, CONSTRUCTION, ENGINEERING AND CAR INDUSTRY, OIL AND GAS INDUSTRY, TIRE MAKING, AND INDUSTRIAL RUBBER INDUSTRY.

IN 2016 GLOBAL ECONOMIC ACTIVITY REMAINED LOW. GLOBAL GROWTH IN 2016 IS ASSESSED AS BEING AT THE LEVEL OF POST-CRISIS MINIMUM (DROPPED TO 2,4%). THE FOLLOWING CONTINUED TO INFLUENCE THE GLOBAL PROSPECTS: STAGNANT WORLD TRADE, LOW INVESTMENTS, INCREASED UNCERTAINTY IN THE POLICY OF COUNTRIES WITH A DEVELOPED ECONOMY.

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 2016.

CONTRACTUAL CAMPAIGN OF BSW FOR 2016 WAS DIRECTED TOWARDS RETENTION AND ACTIVE EXTENSION OF ITS PRESENCE IN THE EXISTING OUTLETS AS WELL AS SEARCH FOR NEW ECONOMICALLY PROFITABLE REGIONS. MAIN EXPORT REGIONS OF OJSSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING IN 2016 WERE EUROPEAN COUNTRIES AND THE RUSSIAN FEDERATION. 73,7% OF THE TOTAL STEEL EXPORTS FALL ON THESE REGIONS. DURING 2016, OUR PRODUCTS WERE SUPPLIED TO 52 COUNTRIES INCLUDING BELARUS (IN 2015 - TO 56 COUNTRIES). CANADA BECAME A NEW MARKET OF THE ENTERPRISE. MAJOR CHANGES OF STEEL SALES DISTRIBUTION ARE RELATED WITH THE ANTIDUMPING INVESTIGATION OF BELARUSIAN REBAR SUPPLIES TO EC INITIATED IN THE 1ST QUARTER 2016 AND CHANGE OF REGIONAL STEEL PRICE CONDITIONS.

TO ACHIEVE THE PLANNED PERFORMANCE AND TAKING INTO CON-



SIDERATION DYNAMICS OF DEVELOPMENT AND CHANGE OF THE SITUATION IN THE KEY CONSUMING INDUSTRIES, A NUMBER OF MECHANISMS OF PRODUCT SALE WAS USED: MONTHLY SIGNATURE OF CONTRACTS BASED ON THE MONTHLY BIDDING (SPOT GROUP OF STEEL PRODUCTS), MONTHLY SIGNATURE OF CONTRACTS (ROLLED STEEL AND STEEL WIRE), QUARTERLY SIGNATURE OF CONTRACTS (PIPE PRODUCTS), ANNUAL SIGNATURE OF WITH QUARTERLY PRICE DETERMINATION (HARDWARE PRODUCTS).

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. TO A GREAT EXTENT, SUCCESSFUL PROMOTION OF OUR GOODS TO NEW OUTLETS WAS FAVORED BY BSW IMAGE AS AN ENTERPRISE SELLING ONLY HIGH-QUALITY GOODS.

IN 2016, RECOVERY OF STEEL DEMAND WAS STRONGER THAN PLANNED. DEVELOPED ECONOMIES SUPPORTED MODERATE RECOVERY AND DEVELOPING COUNTRIES WHICH SUFFERED FROM LOW RAW MATERIAL PRICES AND GEOPOLITICAL CONFLICTS SHOWED SIGNS OF STABILIZATION. IN GENERAL, ACCORDING

TO THE WSA ASSESSMENT, THE STRUCTURE OF THE GLOBAL STEEL CONSUMPTION IN 2016 LOOKED AS FOLLOWS: DEVELOPED COUNTRIES – 26,3%, DEVELOPING COUNTRIES AND COUNTRIES WITH A TRANSIENT ECONOMY - 73,7%, INCLUDING CHINA - 45%.

## INDIRECT ECONOMIC IMPACTS

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

THE PRIORITY DIRECTIONS OF CORPORATE CHARITY AND SPONSORSHIP ARE DETERMINED AS FOLLOWS: ENVIRONMENT, SUPPORT OF SOCIAL FACILITIES IN THE AREA OF THE PLANT PRESENCE. IN 2016 IN SPITE OF A COMPLICATED FINANCIAL SITUATION, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING SPONSORED HOCKEY CLUB "METALLURG-ZHLOBIN" CC. TOTAL AMOUNT OF SPONSOR ASSISTANCE AND CHARITY EQUATED TO USD 0,42 MLN.

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

CATEGORY	2015	2016
<b>SPONSORSHIP, TOTAL (\$ THOU.), INCLUDING:</b>	772,2	425,3
<b>FINANCIAL AID TO THE DEVELOPMENT OF PHYSICAL CULTURE AND SPORTS IN THE RB, TOTAL:</b>		
AID TO THE ASSOCIATION «HOCKEY FEDERATION OF RB»		
AID TO THE «HOCKEY CLUB CJSC» «METALLURG-ZHLOBIN	719,8	425,3
<b>ORGANIZATIONS OF ZHLOBIN AND ZHLOBIN DISTRICTS, INCLUDING:</b>		
- CURRENT AND CAPITAL REPAIR OF HOUSING FACILITIES IN ZHLOBIN		
- CAPITAL REPAIR WITH MODERNIZATION OF THE CINEMA HOUSE «RODINA»		
- AUE «PAPOROTNOE»	31,5	
<b>EDUCATIONAL AND CULTURAL ESTABLISHMENTS, INCLUDING:</b>		
SE «NATIONAL HISTORICAL MUSEUM OF THE REPUBLIC OF BELARUS»	20,9	





## Indicators of effectiveness in the area of social responsibility.

### Economic activity



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 2016 PLANT'S WORKERS ACTIVELY PARTICIPATED IN THE FOLLOWING CHARITY ACTIONS: "ALL CHILDREN ARE OURS", "DO GOOD", "WE TO CHILDREN", "KIND HEARTS", 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.

#### SHORT-TERM TARGETS OF THE PLANT

IN 2017 STABILIZATION OF THE PLANT'S ECONOMY IS OB-

SERVED. RESULTS OF Q1 SHOW THAT THERE IS GROWTH AT ALL PRODUCTION STAGES. TAKING THIS INTO ACCOUNT, FORECAST FOR 2017 INDUSTRIAL PRODUCT OUTPUT WILL AMOUNT TO Br2 226 MILLION, WHICH CORRESPONDS TO 135,0% AS COMPARED TO 2016 IN ACTUAL PRICES AND 110,0% IN FRS PRICES.

#### AWARDS AND ACHIEVEMENTS

DURING MANY YEARS BSW MAINTAINS ITS BRAND AND CONTINUES TO KEEP PACE WITH TIME. IT IS EVIDENCED BY MANY AWARDS AND ACHIEVEMENT:

- WINNER OF THE AWARD OF THE GOVERNMENT OF THE REPUBLIC OF BELARUS FOR ACHIEVEMENTS IN THE AREA OF PRODUCT AND SERVICES QUALITY (2001, 2004, 2007, 2015);
- WINNER OF THE AWARD OF THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS FOR ACHIEVEMENTS IN THE AREA OF QUALITY (2001, 2004, 2007, 2011, 2016);

DESCRIPTION OF THE ACTION	AMOUNT COLLECTED, USD	
	2015	2016
<b>BELARUSIAN PEACE FUND</b>	126	100,5
<b>BELARUSIAN RED CROSS SOCIETY</b>	158	150,8
<b>REPULICAN ACTION «WE REMEMBER! WE HONOR!»</b>	1 575	251,4
<b>OBOOBNUŠ «OZARICHI»</b>	189	
<b>«WE TO CHILDREN»</b> (CHILDREN'S DISTRICT HOSPITAL, DESIGN AND CONSTRUCTION OF CHILDREN'S HOSPICE IN BOROVLYANY, EMPLOYEE'S ASSISTANCE TO MEDICAL TREATMENT OF CHILDREN, ASSISTANCE TO THE SECONDARY SCHOOL IN PAPOROTNOE, SEE ZHLOBIN SOCIAL PEDAGOGICAL ORPHAN ASYLUM))	85	770,5
<b>«DO GOOD»</b> (DEDICATED TO DISABLED PEOPLE DAY)	1053	910,45
<b>«ALL CHILDREN ARE OURS»</b> (COLLECTION OF MONEY FOR PURCHASING OF SCHOOL ACCESSORIES TOGETHER WITH THE REGIONAL CENTRE OF SOCIAL SERVICE)	672	232,7
<b>«KIND SEPTEMBER 1»</b>		228,1
<b>«KIND HEARTS»</b> (COLLECTION OF MONEY FOR EMPLOYEES OF THE ENTERPRISE AND THEIR FAMILIES WHO ARE IN A DIFFICULT SITUATION)	8 164	3 976,46
<b>«OFFER HANDS TO HELP»</b> (COLLECTION OF MONEY FOR STRANGE PHYSICAL ENTITIES WHO ARE IN A DIFFICULT SITUATION)	140	34,6
<b>«WE ARE PROUD AND WE RESPECT»</b> (FOR THE DAY OF ELDERLY PEOPLE)		104,8
<b>TOTAL</b>	<b>12 162</b>	<b>6 760,31</b>



*In 12 sections of International scientific and technical conference "Metall-2016" the participation in forum brought 11 of the first places, 4 of the second ones and 8 of the third places to plant workers. At the same time in steel cord and wire section prizers and holders of special nominations became exclusively people of Zhlobin.*

- WINNER OF THE COMPETITION "BEST GOODS OF THE REPUBLIC OF BELARUS IN THE MARKET OF THE RUSSIAN FEDERATION" (2001, 2003-2015);
- WINNER OF THE COMPETITION "BEST GOODS OF THE REPUBLIC OF BELARUS" (2002-2016.);
- WINNER OF THE COMPETITION CIS AWARD FOR ACHIEVEMENTS IN THE AREA OF PRODUCT AND SERVICES QUALITY" (2007, 2012);
- WINNER OF THE COMPETITION BEST QUALITY MANAGER" (2007, 2008, 2009);
- WINNER OF THE COMPETITION "BEST EXPORTER" IN THE NOMINATION "ENGINEERING, METALLURGY, AND METAL WORKING" (2007, 2010-2011, 2014-2016);
- WINNER OF THE COMPETITION «IVTH INTERNATIONAL QUALITY TOURNAMENT OF CENTRAL AND EAST EUROPEAN COUNTRIES", NOMINATION "PRODUCTS FOR PRODUCTION AND TECHNICAL APPLICATION" (2008);
- WINNER OF THE COMPETITION "BRAND OF THE YEAR" IN THE NOMINATION "SOCIALY RESPONSIBLE BRAND" (2009-2010, 2016);
- WINNER OF THE FIFTH NATIONAL COMPETITION "TECHNOSPHERE" IN THE NOMINATION "BEST TRADE MARK" (2009);
- WINNER OF THE COMPETITION "BEST CONSTRUCTION PRODUCT OF THE YEAR" (2010-2016);
- WINNER OF THE COMPETITION "COMPETENCE" IN THE AREA OF MEASUREMENT MEANS CALIBRATION (2014);
- WINNER OF THE COMPETITION "LEADER OF ENERGY EF-

- PRODUCT EXPORT	USD 857,2 MLN
- PRODUCT EXPORT TO PRODUCTION OUTPUT RATIO, MIN.	85,6%
- PRODUCT EXPORT GROWTH RATE	118,0%



## Indicators of effectiveness in the area of social responsibility.

### Economic activity



“EFFICIENCY” (2015-2016);

- WINNER OF THE COMPETITION AWARD OF THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS IN THE AREA OF SCIENCE AND TECHNOLOGY” (2016);

- LAUREATE OF THE INTERNATIONAL AWARD SIGN OF HONOUR “COMMONWEALTH STAR” IN THE NOMINATION “BEST CIS COMPANY” (2006);

- LAUREATE OF THE THIRD INTERNATIONAL QUALITY TOURNAMENT OF CENTRAL AND EAST EUROPEAN COUNTRIES (2007);

- MEMBER OF THE QUALITY LEADERS CLUB OF CENTRAL AND EAST EUROPEAN COUNTRIES (SINCE 2008);

- DIPLOMA OF A PARTICIPANT OF THE EXHIBITION «ADVANCED TECHNOLOGIES IN THE AREA OF EFFICIENT USE OF NATURE AND PROTECTION OF ENVIRONMENT” FOR A CONSIDERABLE CONTRIBUTION IN DEVELOPMENT AND INTRODUCTION OF ADVANCED TECHNOLOGIES IN THE AREA OF WASTES HANDLING (2010);

- 5 STAR EXCELLENCE LEVEL ASSIGNED IN THE COMPETITION FOR EUROPEAN QUALITY AWARD (EQA) ESTABLISHED BY THE EUROPEAN FOUNDATION OF QUALITY MANAGEMENT (EFQM) (2009, 2013);

- AWARD FOR “HIGH LEVEL OF COMPETENCE” WITHIN THE FRAMEWORK OF THE INTERNATIONAL CONFERENCE “DEVELOPMENT OF ACCREDITATION IN THE SYSTEM OF TECHNICAL REGULATION” (2012);

- SUCCESS OF BYELORUSSIAN STEEL WORKS IN PROMOTION OF ITS PRODUCTS WAS HIGHLY APPRECIATED IN POLAND DURING XIXTH ECONOMIC FORUM “NEIGHBOURLINESS”. POLISH CHAMBER OF COMMERCE AWARDED BSW GENERAL DIRECTOR A.N. SAVIANOK FOR A LONG-TERM WORK IN THE POLISH MARKET, CONTRIBUTION TO DEVELOPMENT OF INTERNATIONAL TRADE RELATIONS, STRENGTH AND TENACITY IN ACHIEVEMENT OF THE GOALS SET.

- ACCREDITATION AS A SCIENTIFIC ORGANIZATION WAS RECEIVED FROM THE STATE COMMITTEE OF SCIENCE AND TECHNOLOGIES OF THE REPUBLIC OF BELARUS (CERTIFICATE No. 239) (2016).



21 of November in its 29th birthday Steel Wire Shop №1 produced 1 million 700 thousand tons of products, which was sent to OJSC “Belshina”.





11 OF APRIL DURING BUSINESS TRIP IN ZHLOBIN REGION PRIME MINISTER OF THE REPUBLIC OF BELARUS A.V.KOBYAKOV VISITED BSW.



## Environmental activity

### ENVIRONMENTAL POLICY

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

BYELORUSSIAN STEEL WORKS IS AN 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). THE EMS IS A PART OF THE UNIFIED ENTERPRISE MANAGEMENT SYSTEM, WHICH IS RESPONSIBLE FOR WORKING OUT A SYSTEMATIC APPROACH TO ENVIRONMENTAL PROTECTION WITHIN ENTIRE PRODUCTION ACTIVITIES OF THE PLANT AND IS INTEGRATED INTO QUALITY MANAGEMENT, LABOUR SAFETY AND SOCIAL RESPONSIBILITY PROCESSES. THE EMS IS A TOOL, ENABLING THE ENTERPRISE TO ENSURE REGULAR MONITORING AND MINIMIZE ECOLOGICAL IMPACTS ASSOCIATED WITH PRODUCTION ACTIVITIES IN THE REGION OF ITS LOCATION.

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

EFFICIENCY OF THE ECOLOGICAL MANAGEMENT SYSTEM

ADOPTED BY OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING 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: LONG-TERM STRATEGIC OBJECTIVES DETERMINED BY THE PLANT FOR ECOLOGICAL AND ENVIRONMENTAL ACTIVITIES INCLUDE:

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





QUALIFICATION TESTING OF WORK PLACES;

- COMPLIANCE WITH ECOLOGICAL STANDARDS AND REQUIREMENTS IN DESIGN AND PRODUCTION, CONSTRUCTION, RECONSTRUCTION, AND PROCESS FACILITIES EXPANSION;
- INCIDENT ALERTNESS 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;
- ENGAGEMENT 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 A REASONABLE BALANCE BETWEEN THE PLANT'S INTERESTS AND THOSE OF THE COMMUNITY.

THE EMS SYSTEM ADOPTED BY OJSC "BSW-MANAGEMENT COMPANY OF "BMC" HOLDING WAS CERTIFIED FOR COMPLIANCE WITH THE REQUIREMENTS OF ISO 14001:2004 AND STB ISO 14001-2005 STANDARDS. THE REQUIREMENTS OF ISO 14001:2004 COVER SUCH ACTIVITIES AS DESIGN AND PRODUCTION OF ROLLED SECTIONS AND STRUCTURAL SHAPES, WIRE

ROD, SEAMLESS PIPES, STEEL CORD, WIRE AND STEEL FIBER. THE REQUIREMENTS OF STB ISO 14001-2005 COVER PRODUCTION OF CONCAST BILLET, SECTION AND SHAPED MATERIALS, WIRE ROD, SEAMLESS PIPES, STEEL CORD, STEEL WIRE AND FIBER. THIS 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 STAKEHOLDERS ON ISSUES OF ENSURING COMPLIANCE WITH ECOLOGICAL NORMS AND REQUIREMENTS

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

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

## IMPLEMENTATION OF ECOLOGICAL STRATEGY

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

CARRYING OUT ITS PRODUCTION ACTIVITIES, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ACCOUNTS FOR ITS ENVIRONMENTAL IMPACT AND STRIVES FOR MINIMIZATION OF ITS CONSEQUENCES AS STIPULATED BY INTERNATIONAL LEGAL PROVISIONS ON ECOLOGY AND THE ENVIRONMENTAL LEGISLATION OF THE REPUBLIC OF BELARUS. FOR THE PURPOSES OF MINIMIZING ITS IMPACT ON THE REGION'S POPULATION, THE PLANT WAS LOCATED IN THE SOUTH-EASTERN PART OF THE CITY WITH DUE ACCOUNT FOR WIND ROSE DIAGRAM. THE ESTABLISHED SANITARY ZONE HAS THE RADIUS OF 1000 M AND ITS AREA TOGETHER WITH THE ADJACENT INDUSTRIAL SITE MAKES UP 674.1 HA. AT THAT, 55% OF THE AREA BETWEEN THE ENTERPRISE'S TERRITORIAL BORDERS AND THOSE OF THE



## Environmental activity



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. RESIDENTIAL BUILDINGS AND DISTRICTS OF THE TOWN OF ZHLOBIN ARE 3 – 3,5 KILOMETERS AWAY. 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.

### 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 POLESSKO-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 DNEPER RIVER. CENOSIS IS FORMED BY SHARP SEDGE WHICH IS OFTEN COMBINED WITH MANNA GRASS (9,8%), MORE SELDOM WITH MIRE BLOBS (4,8 %). SOMETIMES IT FORMS CLEAR TANGLE OF A MONODOMINANT TYPE.

MIRE VEGETATION CAN BE MET IN LOW PARTS OF THE RELIEF, ON THE LANDS WITH A CONSTANT EXCESSIVE HUMIDIFICATION. MISCELLANEOUS HERBS MAINLY OF THE MESOHYDROPHYTIC ROW (TYPES: CALLIERGONGIGANTEUM, DREPANOCLADUSINTERMEDIUS, DREPANOCLADUSVERNICOSUS, DREPANOCLADUSADUNCUS, AULACOMNIUMPALUSTRE) PREDOMINATE IN THE GRASS STAND. THE FOLLOWING TYPES OF VEGETATION DOMINATE IN THE RADIUS OF APPROXIMATELY 2KM FROM THE PLANT'S SITE:

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

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

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

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

— MEADOW VEGETATION OF THE TERRACES ABOVE THE FLOOD PLAIN 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 EV-

EVERYWHERE IN PLENTIFUL AND ARE REPRESENTED BY THREE TYPES: A BROWN FROG (*RANATEMPORARIA*), A GREEN TOAD (*BUFOVIRIDIS*) AND A COMMON TOAD (*BUFOBUFO*).

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

AVIFAUNA OF THE SURROUNDINGS OF THE TERRITORY UNDER STUDY IS CHARACTERIZED BY A SMALL VARIETY OF SPECIES DIVERSITY. MAIN BIOTYPES USED BY BIRDS ARE OPEN AGRICULTURAL LANDS. BACKGROUND TYPES ON AGRICULTURAL LANDS ARE: A FIELD LARK (*ALAUDA ARVEN-SIS*), A WHINCHAT (*SAXICOLA RUBETRA*), A WHITETHROAT (*SYLVIA COMMUNIS*), A YELLOWHAMMER (*EMBERIZA CITRI-*

*NELLA*). ON SWAMPY TERRITORIES ONE CAN RUN ACROSS A COMMON HERON (*ARDEA CINEREA*). DURING SPRING MIGRATION FEW MIGRATING TYPES OF BIRDS CROSS THE TERRITORY IN TRANSIT. AUTUMN MIGRATION IS LESS PRO- NOUNCED; 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 (*LEPUSEUROPAE-US*), A COMMON FOX (*VULPESVULPES*), AND A WILD HOG (*SUSSCROFA*) ARE MET HERE.

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

THERE ARE NO SPECIAL PROTECTED NATURAL TERRITO- RIES WITHIN THE SANITARY ZONE OF THE PLANT. THE EXISTING ONES ARE LOCATED APPROXIMATELY AT THE



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 DIS- TRICT 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 COMMIT- TEES 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*





DISTANCE OF 12 KM AND MORE FROM THE OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING” SITE (SEE THE FIGURE).

THERE IS NO HUNTING GROUND 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 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 53,07 HA.

WITHIN THE FRAMEWORK OF THE PROGRAM “ENVIRONMENT PROTECTION AND STABLE USE OF NATURAL RESOURCES” AND TO FULFILL MEASURES AIMED AT PROTECTION OF LAND AND REGULATION OF DISTRIBUTION OF INVASIVE TYPES OF PLANTS GROWING ON THE PLANT’S TERRITORY, WORK TO REGISTER

FLORA OBJECTS OF THE LAND PLOTS OF OJSC “BSW-MANAGEMENT COMPANY OF “BMC” HOLDING WAS FULFILLED IN 2016. BASED ON THE RESULTS OF THIS WORK, ALL FLORA OBJECTS GROWING ON THE TERRITORY OF THE MAIN PRODUCTION SITE AND BEING IN CONTINUOUS USE OF OJSC “BSW-MANAGEMENT COMPANY OF “BMC” HOLDING OJSC “BSW-MANAGEMENT COMPANY OF “BMC” HOLDING WERE REGISTERED. THE AMOUNT OF Br8 500 WAS SPENT TO FULFILL THIS WORK.

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, THE ENTERPRISE ARRANGED A LAND IMPROVEMENT COMPETITION AMONG THE PLANT’S SHOPS WITH BI-ANNUALLY CAST-UPS. THE COMPETITION INVOLVES MORE THAN 75% OF THE EMPLOYEES





## Environmental activity



### 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 2,5 MILLION TONS OF MOLTEN STEEL.

MAJOR RAW MATERIALS USED FOR STEEL PRODUCTION IN 2013-2016 WERE AS FOLLOWS:

MATERIAL	UNIT	2013	2014	2015	2016
METAL CHARGE	T	2 542 902	2 856 367	2 855 885,6	2 512 142
FERROALLOYS	T	35 822	41 534,9	40 933,4	39 656
ELECTRODES	T	4 741	4 698	4 784,2	4 278,1
SLAG-FORMING, DEOXIDIZING AND PURIFYING MIXTURES	T	146 733	163 284	145 113,8	151 069
CARBONIZERS	T	33 986	50 252	44 828,4	33 286
HEAT INSULATING MATERIALS	T	1 611	812	675	715
REFRACTORY MATERIALS	T	25 592	27 245	27 615,2	27 555

BSW USED RAW MATERIALS WHICH WERE OBTAINED FROM RECYCLED OR RECLAIMED WASTES. SHARE OF RECYCLED MATERIALS IN THE TOTAL AMOUNT OF RAW MATERIALS IN 2013-2016 WAS AS FOLLOWS:

Material	Unit	2013	2014	2015	2016
FERROUS SCRAP, SCALE	%	96,4	95,5	95,5	94,3
REFRACTORY SCRAP	%	17,1	3,6	13,3	1,04
ELECTRODES	%	0,5	0,7	0,9	0,16
LIME STONE AND LIME WASTES	%	0,4	3	2,3	4,5

### EFFICIENT USE

#### OF ENERGY RESOURCES

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

IN ACCORDANCE WITH THE SECTION OF THE CORPORATE MANAGEMENT SYSTEM “POWER CONSUMPTION CONTROL SYSTEM” (PCCS), DEVELOPED IN CONFORMITY WITH THE REQUIREMENTS OF THE NATIONAL STB ISO 50001 STANDARD, THE BASE FOR THE DEVELOPMENT OF THE SYSTEM APPROACH TO ENERGY SAVING IS ARRANGED ON A CLEAR DOCUMENTING AND CONTROL OF INTERRELATED PROCESSES SIGNIFICANTLY INFLUENCING THE EFFECTIVENESS OF POWER CONSUMPTION, IN PARTICULAR:

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



— DETERMINATION OF AREAS OF PRIORITY SIGNIFICANT FOR POWER CONSUMPTION MANAGEMENT;

— PLANNING OF ACTIVITY AIMED AT IMPROVEMENT OF POWER CONSUMPTION EFFICIENCY.

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

— ACTIONS PROVIDING FOR A COMPREHENSIVE ENERGY SAVING SYSTEM;

— ARRANGEMENTS FOR EMPLOYEES' TRAINING, RETRAINING AND ADVANCED TRAINING ON ISSUES OF ENERGY SAVING AND EFFICIENT USE OF RESOURCES;

— UPGRADING THE SYSTEM OF EQUIPMENT AND PRODUCTION PROCESSES EVALUATION AND ANALYSIS;

— IMPLEMENTING ENERGY-SAVING PROCEDURES;

— INTRODUCTION OF MODERN ADVANCED TECHNOLOGIES;

— EFFICIENT USE OF THE EXISTING POWER FACILITIES;

— INTRODUCTION OF NEW SCIENTIFIC ACHIEVEMENTS TO PROVIDE FOR EFFICIENT ENERGY USE.

TRADITIONAL ENERGY-SAVING MEASURES INCLUDE: 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 2016 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 2016 WAS 355 228 GJ (629 866,6 GJ IN 2015).

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

— REGULATIONS "ABOUT STAFF COMPETITION FOR THE BEST IDEAS AIMED AT INCREASE OF POWER EFFECTIVENESS OF THE PRODUCTION";

— REGULATIONS "ABOUT COMPETITION FOR THE BEST STRUCTURAL DIVISION OF THE PLANT FROM THE VIEWPOINT OF POWER SAVING";

— REGULATIONS "ABOUT AWARDING OF THE EMPLOYEES FOR POWER SAVING" REGULATIONS "ABOUT AWARDING OF THE EMPLOYEES FOR POWER SAVING";

— ACTIVE ON-LINE "POWER SAVING PROPOSALS" WINDOW IN THE INFO-BMZ INFORMATION SYSTEM".

IN 2016 THE MOST IMPORTANT POWER-SAVING MEASURES WERE:

1. INTRODUCTION OF RFC IN THE FINE DRAWING AREA;

2. MODERNIZATION OF THE CONTROL SYSTEM OF PATENTING LINE NO. 1 AND INSTALLATION OF RFC IN SWS-1;

3. DECREASE OF ENERGY RESOURCE SPECIFIC CONSUMPTION DUE TO OPTIMIZATION OF TECHNOLOGY AND INCREASE OF PRODUCTION VOLUME;



## Environmental activity



4. OPTIMIZATION OF OPERATION AND MODERNIZATION OF PUMP CONTROL SOFTWARE;

5. MINIMIZATION OF ENERGY LOSSES DUE TO OPTIMIZATION OF ENERGY-TECHNOLOGICAL MODES OF STEEL MELTING AND CASTING IN THE EMS;

6. CHANGE OF OPERATION MODES OF KKS-1 AND KKS-2.

USE OF SECONDARY THERMAL POWER RESOURCES IN 2016 EQUALED TO 64,7% OF OWN THERMAL ENERGY PRODUCTION.

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

SOURCE	UNIT				
		2013	2014	2015	2016
NATURAL GAS	S.C.T.	160 901	168 354	184 057	190 203

*Direct use of power from the primary sources in 2013-2016*

SOURCE	UNIT	2013	2014	2015	2016
ELECTRIC POWER	MWt*H	1 736 633	1 855 716	1 837 809	1 719 053
	GJ	6 251 879	6 680 578	6 616 112	6 188 591
THERMAL ENERGY	Gcal	-11 068	-11 175	-14 412	-13 848

*Intermediate energy quantities obtained and consumed from non-renewable power sources in 2013-2016*

POWER RESOURCE	UNIT	2013	2014	2015	2016
ELECTRIC POWER	MWt*H	156 493	130 530	167 194	95 576
	GJ	563 374,8	469 911	601 898	344 074
NATURAL GAS	THOU. M <sup>3</sup>	5 720	4 392,3	945,1	
	GJ	192 735,4	147 669,1	27 968,6	11 154

*Energy saved due to measures on consumption rates reduction and efficiency improvement taken in 2013-2016*

### AIR BASIN PROTECTION

SOURCES OF MAJOR NEGATIVE ENVIRONMENTAL IMPACTS AT OJSC "BSW – MANAGEMENT COMPANY OF

"BMC" HOLDING ARE AIR EMISSIONS OF POLLUTANTS. THE ENTERPRISE OPERATES 595 SOURCES WITH PERMITTED GROSS EMISSIONS OF 11975,13391 TPY. TO MINIMIZE NEGATIVE IMPACTS, MAJOR EMISSION SOURCES WITH LARGEST CONTRIBUTIONS ARE EQUIPPED WITH GAS TREATMENT PLANTS, WITH THEIR TOTAL NUMBER AMOUNTING TO 118 UNITS.

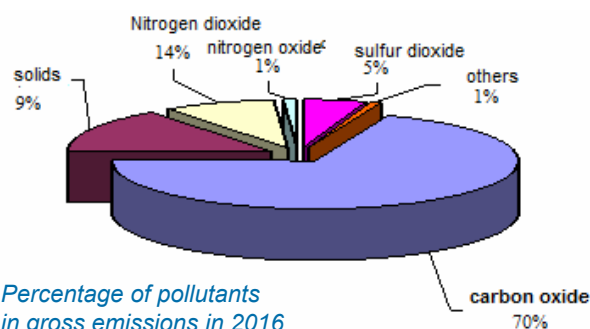
VEHICLES OWNED BY THE ENTERPRISE INCLUDE 206 UNITS USING VARIOUS TYPES OF FUEL OUT OF WHICH 164 VEHICLES RUN ON DIESEL FUEL, 42 – ON GASOLINE. FUEL FOR MOTOR VEHICLES IS UNLEADED GASOLINE GRADES AI 92, AI 95, CONDENSED GAS AND DIESEL WITH SULFUR CONTENT OF 0,005 PERCENT.

RAILROAD TRANSPORT INCLUDES 7 DIESEL LOCOMOTIVES.

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

ANALYZING INDICATORS OF POLLUTANT EMISSIONS IN THE AIR, IT IS NECESSARY TO POINT OUT THAT GROSS EMISSIONS INCREASED BY 28% (1860,958 T) IN 2016 AS COMPARED TO 2015. THE INCREASE IS CONDITIONED BY INCREASE OF THE OPERATION TIME OF SOME POLLUTANT SOURCES, COMMISSIONING OF NEW PRODUCTION FACILITIES AS WELL AS CHANGE OF ACCOUNTING METHODS OF POLLUTANT AIR EMISSION. DURING INVENTORY OF POLLUTANT EMISSIONS IN 2016, EMISSIONS FROM VENTILATION SKYLIGHTS IN EMS-1 AND EMS-2 WERE MEASURED (PREVIOUSLY VENTILATION SKYLIGHT EMISSIONS WERE DETERMINED BY CALCULATION).

STEEL MELTING PROCESS IN ELECTRIC-ARC FURNACES WAS INTENSIFIED, AN ADVANCED OXYGEN TECHNOLOGY WITH THE USE OF WALL-MOUNTED MODULE SYSTEM



*Percentage of pollutants in gross emissions in 2016*

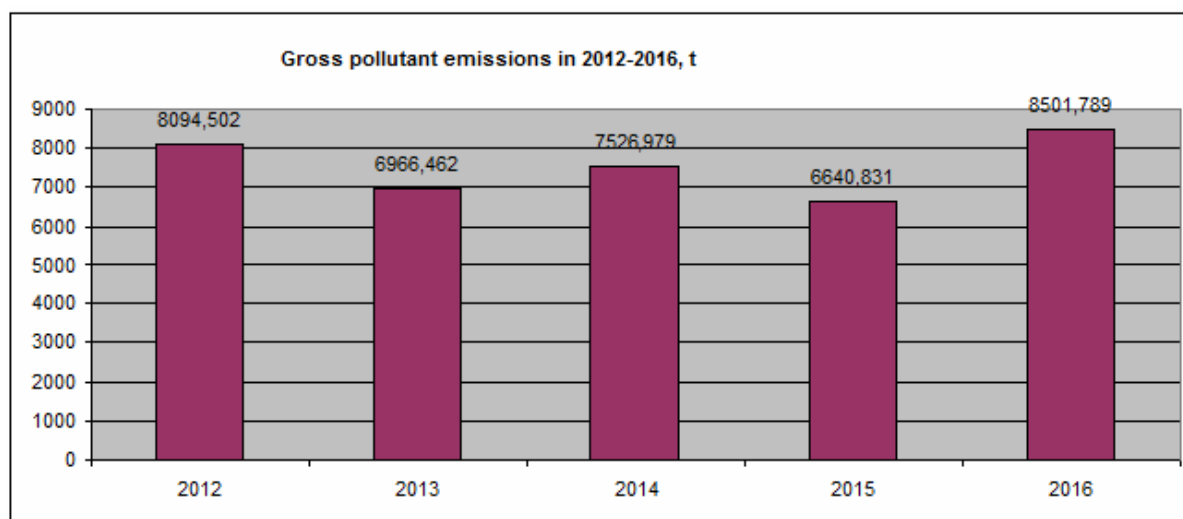
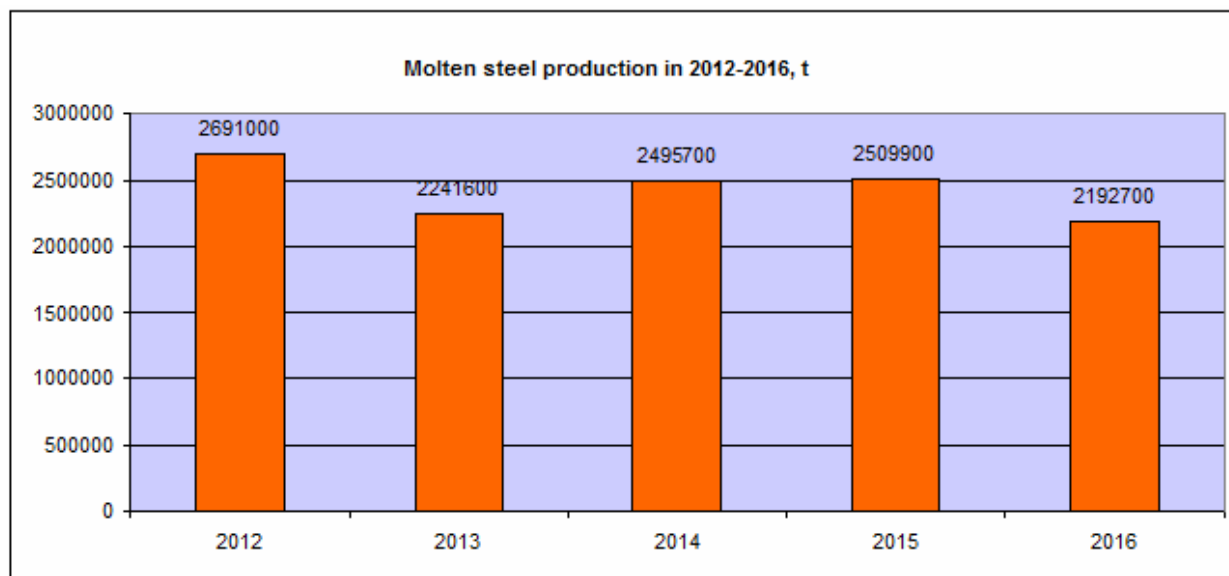


Substance	Actual emissions, (t/year)				Specific pollutant generation rates, (kg/t of melted steel)			
	2013	2014	2015	2016	2013	2014	2015	2016
Carbon monoxide	5049,332	5525,328	4641,069	6226,8	2,2	2,17	1,8	2,8
Nitrogen dioxide, nitrogen oxide	814,929	900,818	940,072	1191,097	0,37	0,35	0,39	0,53
Sulfur dioxide	384,11	389,279	338,044	324,8	0,16	0,15	0,13	0,32
Solids	619,042	655,899	598,007	728,3	0,26	0,26	0,23	0,14
Total pollutants	6966,462	7526,979	6640,831	8501,789	3,0	2,95	2,6	3,8

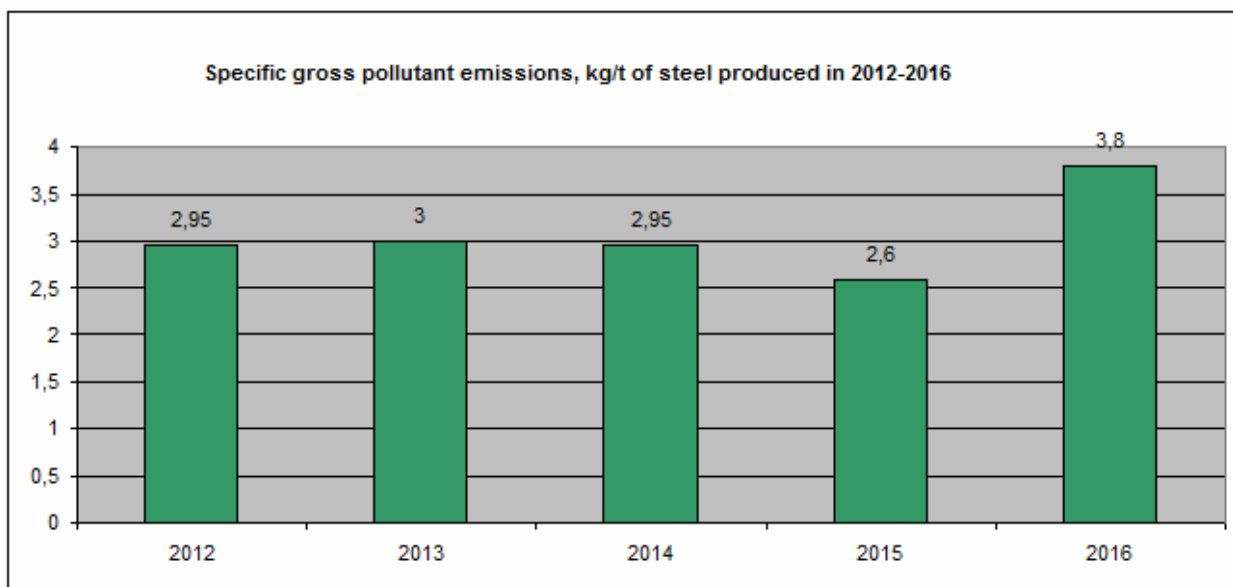
*The proportion of pollutants in the gross output for the years 2013-2016*

MULTI-NOZZLE DEVICE WAS INTRODUCED. CONSIDERING GROWING PRODUCTION OUTPUT, INTENSIFICATION AND CAPACITY GROWTH OF THE PRODUCTION EQUIPMENT, WE DEFINED MAXIMUM AND GROSS AIR EMISSION OF POLLUTANTS MORE EXACTLY.

*Dynamics of air pollutant emissions*



## Environmental activity



\* - SPECIFIC EMISSION, KG/T OF STEEL.

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

THE OZONE-DEPLETING SUBSTANCES AT THE ENTERPRISE ARE HANDLED AS ESTABLISHED IN THE LICENSE

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

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 TO ENHANCE EFFICIENCY OF THE PRODUCTION PROCESSES RESULT IN REDUCED AIR EMISSIONS OF GREENHOUSE GASES.

ODS	Residuals in the beginning of the year, kg				Purchased, kg				The amount used, kg				Amount of residues as of end of the year, kg			
	2013	2014	2015	2016	2013	2014	2015	2016	2013	2014	2015	2016	2013	2014	2015	2016
R-22	27,2	176,8	149,6	81,6	163,2	0	0	0	13,6	27,2	68	27,2	176,8	149,6	81,6	54,4
R-12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R-114B2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Data on ODS handling activities in 2013-2016





Year	Description of ODS reduction methods	Description of ODS reduction methods
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.
2014	Decrease of environmental impact. Exclusion usage of ozone-depleting R 22 by 116 kg, R 12 by 4,5 kg, R 401 A by 6 kg. Transfer cooling equipment operating on R 22 with the filling capacity of 116 kg to ozone-safe coolants	Transfer to ozone-sage coolants for cooling equipment used to work on R 22 with the filling capacity of 317,8kg, to R 12 with the filling capacity 4,8kg, to R 401 A with the filling capacity of 12,4 kg.
	Transfer cooling equipment operating on R 12 with the filling capacity of 4,5 kg, to ozone-safe coolants	
	Transfer cooling equipment operating on R 401 A with the filling capacity of 6 kg to ozone-safe coolants	
2015	Transfer cooling equipment operating on R 22 with the filling capacity of 120 kg to ozone-safe coolants	FULFILLED  - transfer of the cooling equipment operating on R 22 with the filling capacity of 191 kg, on R 12 with the filling capacity of 4,75 kg, on R 401 A with the filling capacity of 24 kg to ozone-safe coolants.
	Transfer cooling equipment operating on R 12 with the filling capacity of 4,7 kg to ozone-safe coolants	
	Transfer cooling equipment operating on R 401 A with the filling capacity of 12,4 kg to ozone-safe coolants	
2016	Transfer cooling equipment operating on R R22 with the filling capacity of 160 kg to ozone-safe coolants	FULFILLED  - transfer of the cooling equipment operating on R 22 with the filling capacity of 160 kg.

*Data on introduction of measures aimed at reduction of ODS use in 2013-2016*

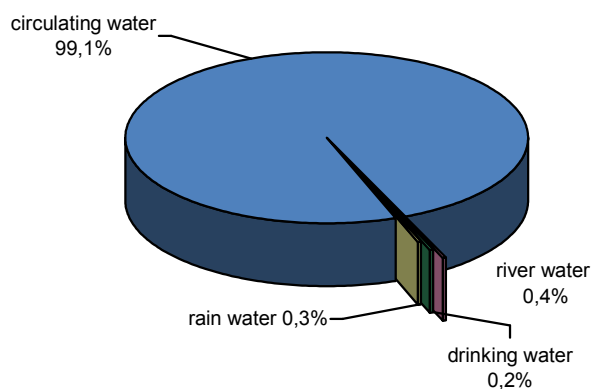
DECREASE OF HARMFUL EMISSIONS INTO THE AIR IS ENSURED BY IMPLEMENTATION OF INVESTMENT PROJECTS DIRECTED TOWARDS MODERNIZATION AND TECHNICAL REVAMPING, INTRODUCTION OF HIGHLY EFFECTIVE STATE-OF-THE-ART EQUIPMENT AND METHODS.



## 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.



*Plant water consumption structure*

### WATER BASIN PROTECTION

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

WATER DIVERSION FLOW FOR PRODUCTION NEEDS IS CARRIED OUT FROM THE DNIEPER RIVER WHICH IS ONE OF THE MAIN RIVERS IN THE REPUBLIC OF BELARUS. ITS HEAD-TO-MOUTH LENGTH IS 1182 KILOMETERS. ANNUAL FLOW OF THE DNIEPER EQUALS TO 1 261 440 000 M<sup>3</sup>. 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 2015:

- DECREASE OF RAINWATER USE AS COMPARED TO 2015 WAS 200,0 THOU. M<sup>3</sup>;
- DECREASE OF INDUSTRIAL WATER CONSUMPTION AS COMPARED TO THE LEVEL OF 2015 EQUALED TO 84 THOU. M<sup>3</sup>;
- DECREASE OF DRINKING WATER CONSUMPTION AS COMPARED TO THE LEVEL OF 2015 MADE UP 0,1 THOU. M<sup>3</sup>

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.

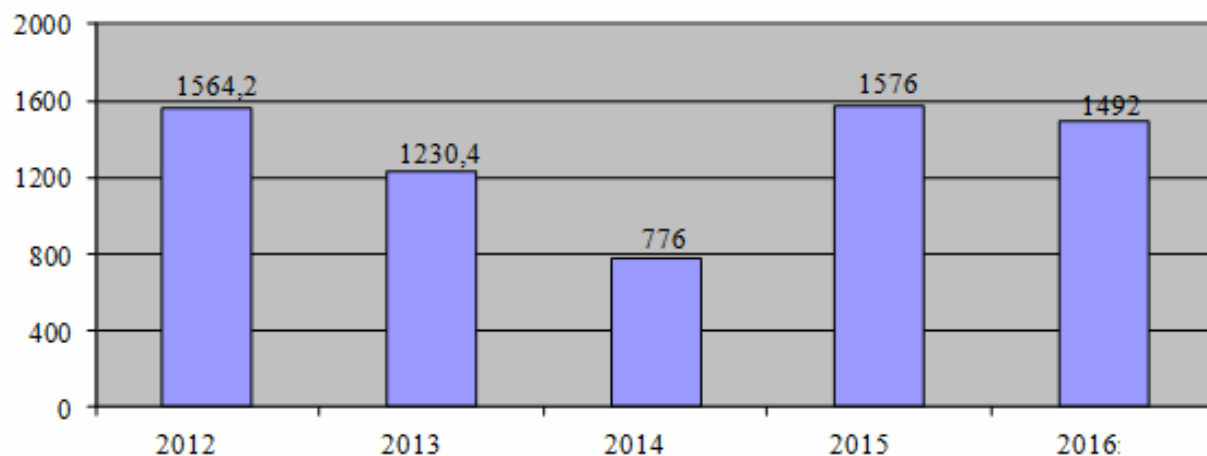
THE PLANT’S UTILITY FLUIDS ARE DRAINED OFF INTO THE TREATMENT FACILITIES MAINTAINED BY THE TOWN OF ZHLOBIN. POLLUTANT CONTENTS (HARD METALS, OIL PRODUCTS, SALT CONTENT) IN THE DISCHARGED FLUIDS WERE WITHIN THE ESTABLISHED LIMIT CONCENTRATIONS.

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

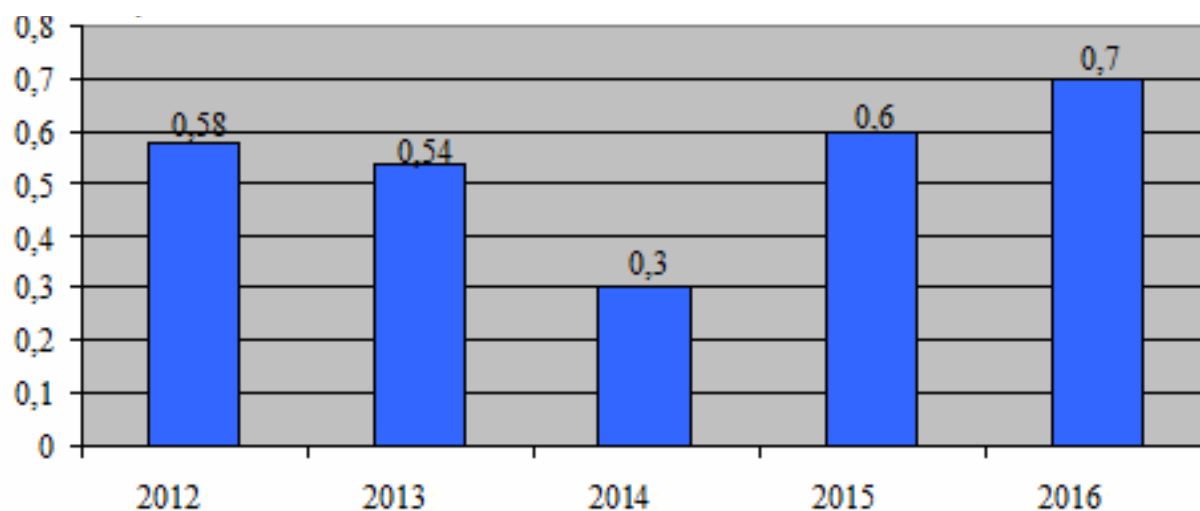
Description	2013	2014	2015	2016
Process water, [thou. m <sup>3</sup> /year]	1230,4	776,0	1576	1492
Drinking water consumption, [thou. m <sup>3</sup> /year]	648,2	637,3	646	645,9
Circulating water, [thou. m <sup>3</sup> /year]	277 043,3	319 832,9	377 375	365 928
Rainwater use, [thou. m <sup>3</sup> /year]	1259,7	1588,8	1 160	1576



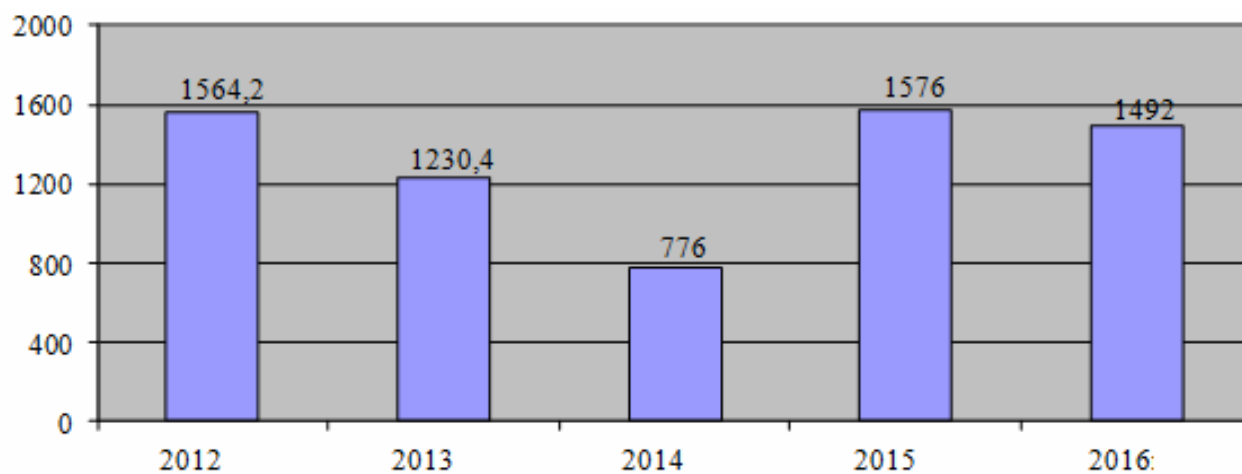
Industrial water consumption, thou. m<sup>3</sup>



Specific consumption of industrial water, m<sup>3</sup>, per, 1 t of steel produced



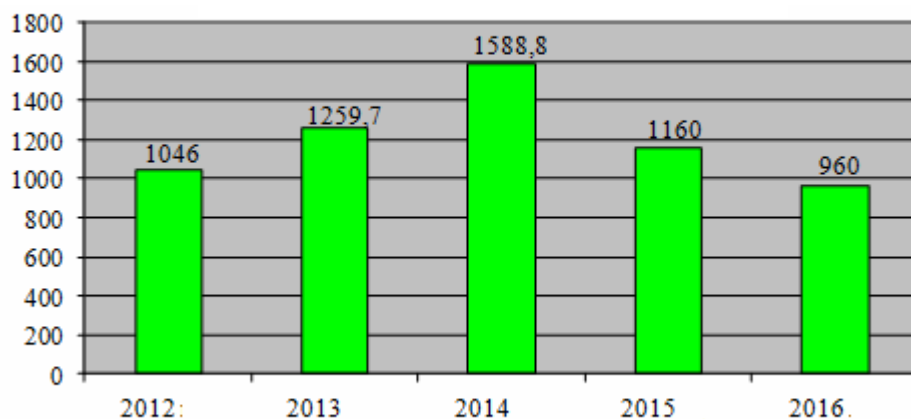
Specific consumption of industrial water, m<sup>3</sup>, per, 1 t of steel produced



## Environmental activity



Rain water use, thou. m<sup>3</sup>



### 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 REUSE 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.

DURING 2016 THERE WERE REGISTERED NO SPILLAGES OF CHEMICALS, OILS AND FUELS WHICH COULD HAVE AN ADVERSE EFFECT ON THE ENVIRONMENT AND PRESENT A POTENTIAL HAZARD TO THE SOIL, WATER, AIR, BIODIVERSITY AND HUMAN HEALTH.

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

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

**Y8** WASTE MINERAL OILS UNSUITABLE FOR PRELIMINARY 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 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;

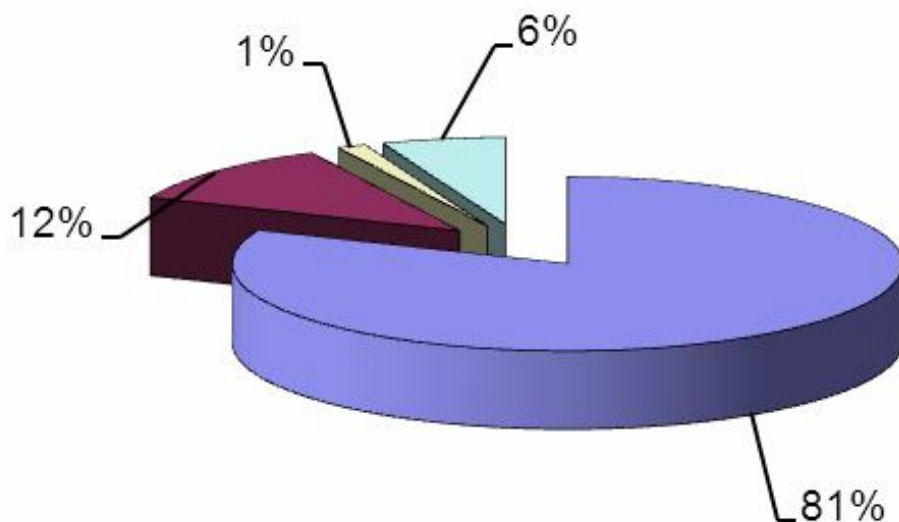
**Y34** ACID SOLUTIONS AND SOLID ACIDS.

THE LISTED WASTES ARE UTILIZED BY THE PLANT AS STIPULATED BY THE ENVIRONMENTAL LEGISLATION OF THE REPUBLIC OF BELARUS. THERE WAS NO EXPORT OR IMPORT WITH THESE GROUPS OF WASTES.

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.



Utilization of industrial wastes in 2016

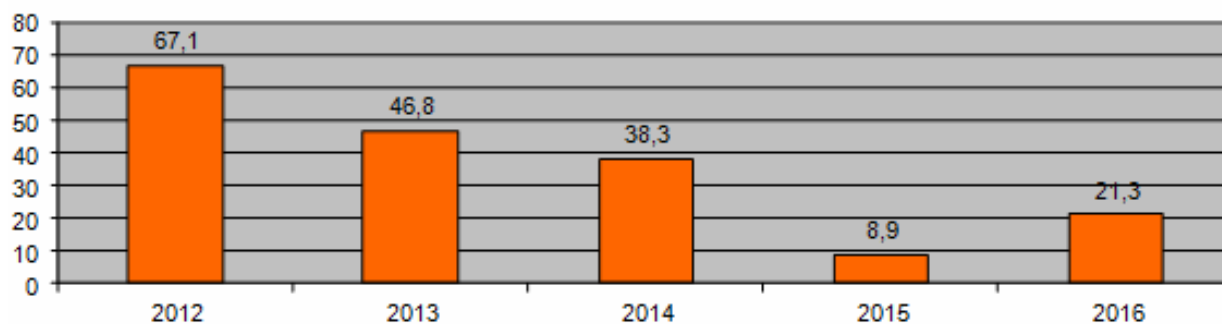


<span style="color: blue;">■</span> sold	<span style="color: maroon;">■</span> used	<span style="color: yellow;">■</span> buried	<span style="color: cyan;">■</span> stored
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Year	Sold, t	Used, t	Buried, t	Stored, t
2015	611 158,784	101 407,51	5 949	16 168,8
2016	533 988,9	75 002,0	8 932,128	39 049,5
	-77 169,884	-26 405,51	+2 983,128	-5 446,94

\* - CONSIDERING ALIENATION TO THE PROCESSING ENTERPRISE OF THE TOTAL AMOUNT OF ELECTRIC MELTING SLAG PREVIOUSLY ACCUMULATED AT **BSW**.

Production wastes allocation at special facilities, kg/t of steel



\* - SPECIFIC ALLOCATION (WASTE ROCK EXCLUDED), KG/T OF STEEL





## Environmental activity



### TRAINING

TO PROVIDE FOR AN ENHANCED EFFICIENCY OF ITS ECOLOGICAL ACTIVITIES, THE ENTERPRISE ARRANGES TRAINING COURSES ON ISSUES OF ENVIRONMENTAL PROTECTION AT ALL ADMINISTRATIVE LEVELS. EMPLOYEES' VOCATIONAL TRAINING IS CONTINUOUS AND IS EFFECTIVELY INTEGRATED INTO THE DAILY LABOUR ACTIVITIES THROUGHOUT THEIR CAREER. IT IS AIMED AT GRADUAL BROADENING AND ENHANCING OF PROFESSIONAL KNOWLEDGE AND COMPETENCE IN ENVIRONMENTAL AND INDUSTRIAL SANITATION ISSUES. TO ENSURE EFFICIENT ENVIRONMENTAL MANAGEMENT IN CONNECTION WITH THE PRODUCTION ACTIVITIES,

THE PLANT IDENTIFIED, DOCUMENTED AND FAMILIARIZED ITS EMPLOYEES WITH THEIR DUTIES, RESPONSIBILITIES AND POWERS.

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

FOR GUARANTEED OBSERVATION OF LEGAL AND OTHER REQUIREMENTS IN THE AREA OF ENVIRONMENT, THE PLANT

ENSURES ACCESS TO THE EXISTING REFERENCE LEGAL SYSTEM "CONSULTANTPLUS BELARUS NETWORK" AND INFORMATION SEARCH SYSTEMS "STROI-DOCUMENT" AND "STANDARD" FOR EACH EMPLOYEE.

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

### IMPROVEMENT OF ECOLOGICAL CULTURE OF THE PERSONNEL

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

TO IMPROVE THE COMMUNICATION 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 TECHNI-





CAL 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.

INFORMATION ABOUT ECOLOGICAL ACTIVITIES OF THE ENTERPRISE 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. INFORMATION ABOUT ECOLOGICAL ACTIVITIES OF THE ENTERPRISE AND THOSE CONCERNED WITH IMPROVEMENT OF THE ENVIRONMENTAL MANAGEMENT SYSTEM IS REGULARLY PUBLISHED IN THE CORPORATE AND REGIONAL MASS MEDIA AND THE REPUBLICAN “FOUNDRY AND METALLURGY” AND “STEEL” TRADE JOURNALS.

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

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

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

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

- PROVISIONS ON ENCOURAGING ENVIRONMENTAL ACTIVITIES. THIS REGULATORY DOCUMENT WAS INTRODUCED TO MOTIVATE THE PLANT’S EMPLOYEES TO ABIDE BY THE ENVIRONMENTAL REQUIREMENTS SET OUT IN THE LEGISLATION

OF THE REPUBLIC OF BELARUS, THE PLANT’S ECOLOGICAL STANDARDS AND OTHER REGULATIONS AND WAS INTENDED FOR ENHANCEMENT OF VIOLATORS’ RESPONSIBILITY AND ENCOURAGEMENT OF THE PLANT’S EMPLOYEES, ENGINEERS AND TECHNICIANS TO PROVIDE FOR COMPLIANCE WITH THE ABOVE DOCUMENTS.

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

BYELORUSSIAN STEEL WORKS TAKES ACTUAL STEPS TO PROVIDE FOR ENVIRONMENTAL PROTECTION AND IMPLEMENT ENVIRONMENTALLY SAFE TECHNOLOGIES AS WELL. TO MITIGATE ENVIRONMENTAL IMPACTS, OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING ANNUALLY INTRODUCES NEW ENVIRONMENTAL ACTIONS. UNDER THE ECOLOGICAL PROGRAM FOR 2016 THE PLANT PROVIDED FOR THE FOLLOWING:

- COMMISSIONING OF AN AUTOMATIC SYSTEM OF AIR EMISSION OF CONTAMINANTS FROM EAF1 EMS-1 (EMISSION SOURCE No.901);
- CONSTRUCTION OF A GAS PURIFYING SYSTEM WITHIN IMPLEMENTATION OF THE PROJECT “INCREASE OF SECONDARY METALLURGY CAPACITY IN EMS-2”;
- ARRANGEMENT FULFILLED TO IMPLEMENT THE PROJECT “COMPLEX RECONSTRUCTION OF GPS-3”, EMS-2;
- INVENTORY (RECORDING) OF FLORA OBJECTS;
- INTRODUCTION OF TECHNOLOGY OF CONTAMINATED QUARTZ SAND USE FOR PRECIPITATION OF FOAMED STEEL-SMELTING SLAG.

### EXPENSES FOR ENVIRONMENT PROTECTION AND MONITORING. ECOLOGICAL PAYMENTS

ANNUALLY, THE PLANT ASSIGNS CONSIDERABLE FUNDS TO ENVIRONMENT PROTECTION ACTIVITIES. MONEY IS INVESTED IN REPAIR, RECONSTRUCTION, AND MODERNIZATION OF ENVIRONMENTAL EQUIPMENT.

IN ITS ACTIVITIES, OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING PLACES SPECIAL EMPHASIS ON THE INTERACTION WITH THE STAKEHOLDERS – BOTH WITH SUPERVISING AUTHORITIES AND COMMUNITIES, CONSUMERS,



## Environmental activity



Current environmental expenses	Total, Br mln (at own costs)				
	2012	2013	2014	2015	2016*
<b>Total including:</b>	<b>196 458,6</b>	<b>224 910,1</b>	<b>294 069,7</b>	<b>384 701,1</b>	<b>38 146,4</b>
- protection and efficient use of water resources - total	76 051,1	100 583,7	133 432,1	177 936,3	18 641,4
including payments to other organizations for acceptance and waste water cleaning	27 536,2	34 080,4	43 475,0	70 440,8	5 902,1
- air basin protection, ozone layer and climate preservation	94 172,8	93 302,6	119 710,1	161 367,1	15 312,8
- protection of the environment from pollution with industrial wastes - total	24 557,8	29 072,3	38 296,0	42 863,9	9 971,0
including payments to other organizations for collection (stocking), acceptance, storage, burial, and neutralization of wastes	5 336,0	6 519,1	11 365,0	21 502,1	2 057,5
- protection and efficient use of land – total	—	—	—	—	—
Including recultivation of land	—	—	—	—	—
- for ecological rate setting, expertise and passport issue	136,9	243,2	234,5	589,4	21,1
- for ecological certification	78,0	—	—	45,5	5,1
- for ecological audit	17,0	94,1	59,6	—	—
- for ecological insurance	—	—	—	—	—
- for local monitoring	1 445,0	1 614,2	2 337,4	1 898,9	194,7
- others	—	—	—	—	—

### Current expenses

SUPPLIERS, AND CONTRACTORS. INFORMATION EXCHANGE IS ACCORDING TO THE DIAGRAM INCLUDED IN THE SECTION “INTERACTION WITH THE STAKEHOLDERS”.

### MEDIUM-TERM TARGETS OF THE COMPANY

IN ADDITION TO PRODUCTION FACILITIES EXPANSION, THE PLANT ALSO PLANS TO MODERNIZE ITS EQUIPMENT TO IMPROVE ENVIRONMENT SAFETY AND MITIGATE NEGATIVE ENVIRONMENTAL IMPACTS. INVESTMENT PROJECTS TO BE IMPLEMENTED BY OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING INCLUDE NOT ONLY NEW

PRODUCTION FACILITIES BUT ALSO INTRODUCTION OF THE WORLD’S BEST PRACTICES IN THE FIELD OF ENVIRONMENT SAFETY.

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

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



Indicator description	Total, Br mln	
	2015	2016*
AMOUNT OF DISCOUNT SET FOR THE ORGANIZATION FOR ECOLOGICAL PAYMENTS SUBJECT TO DECREASE OF ENVIRONMENT POLLUTION DUE TO ENVIRONMENT PROTECTION MEASURES UNDERTAKEN	12 089,4	1 753,519
AMOUNTS PAID TO COMPENSATE DAMAGE CAUSED BY VIOLATION OF THE ENVIRONMENT LAW (PENALTIES, CLAIMS, DAMAGE, ETC.)	47,5	0,231

#### Current expenses

Aspect Description	2013 payment, Br million	2014 payment, Br million	2015 payment, Br million	2016* payment, Br
Drinking and service water consumption	520,981	509,8	759,9	84,173
Sewage discharges	7,585	10,3	0	0
Air emissions from stationary and mobile sources	2 467,494	0	0	0
Waste disposal	10 235,84	7 369,3	2855,5	488,415
Waste storage	1 633,497	2 301,8	618,2	0,00085
Production and import of tare	0	0	0	0
Exemption from taxes to the amount of money used for environment protection Exemption from taxes to the amount of money used for environment protection	0	11 154,8	12089,4	1 753,519

#### Ecological payments in 2013-2016.

\*- the amount indicted in denominated Belarusian rubles

- INSTALLATION OF AN AUTOMATIC SYSTEM OF CONTROL OF HARMFUL EMISSION IN THE AIR FROM IPU 1,2 OF THE SCRAP YARD;
- COMPLEX RECONSTRUCTION OF DUST AND GAS COLLECTING UNIT OF EAF-3 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;
- CONSTRUCTION OF TREATMENT FACILITIES FOR SALINE WASTE WATER PROCESSING.



## Social activity

AS FAR AS THE SOCIAL SPHERE IS CONCERNED, THE STRATEGIC TARGET OF OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING IN THE SOCIAL AREA OF ITS ACTIVITY IS IMPROVEMENT OF THE CORPORATE SOCIAL RESPONSIBILITY SYSTEM WITH THE FOLLOWING BASIC PRINCIPLES: 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 ECONOMIC INTERESTS AND SOCIAL INTERESTS OF THE CIVIL SOCIETY INCLUDING THAT OF THE EMPLOYEES OF BYELORUSSIAN STEEL WORKS.

BSW CONSIDERS SOCIAL RESPONSIBILITY TO BE 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. BSW CONSIDERS SOCIAL RESPONSIBILITY TO BE 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.

# 2009

INTRODUCTION OF THE UNIFIED  
INTEGRATED CORPORATE  
CULTURE AT BSW

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 STAKEHOLDERS.

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

- CONFORMITY WITH THE LEGISLATION AND LEGAL NORMS OF THE REPUBLIC OF BELARUS;
- INVOLVEMENT OF ALL 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 THOSE OF THE COMMUNITY AND THE EMPLOYEES.

PRESERVATION OF LIFE, HEALTH AND HUMAN RIGHTS IS CONSIDERED BY THE COMPANY OF A HIGHER PRIORITY THAN ECONOMIC RESULTS OF PRODUCTION ACTIVITY.

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

IT IS ESSENTIAL FOR THE PLANT’S EMPLOYEES TO FEEL THEMSELVES 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 RESULTS, LEADERSHIP AND DYNAMIC DEVELOPMENT, INITIATIVE AND RESPONSIBILITY – ARE FORMULATED ON THE BASIS OF THE STAKEHOLDERS’, PRIMARILY EMPLOYEES’, OPINIONS.

### LABOR RELATIONS AND ADEQUATE LABOR

#### PERSONNEL MANAGEMENT POLICY

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

LONG-TERM STRATEGIC TARGETS OF THE COMPANY COR-



PORATE POLICY FOR PERSONNEL MANAGEMENT STIPULATE THE FOLLOWING:

- FORMATION OF A LABOR RELATIONS REGULATION SYSTEM AND DEVELOPMENT OF SOCIAL PARTNERSHIP BASED ON THE BALANCE OF INTERESTS OF THE PLANT AND ITS EMPLOYEES;
- IMPROVEMENT OF EMPLOYEES MOTIVATION SYSTEMS, ENSURING THE COMPETITIVE LEVEL OF THE EMPLOYEES' COMPENSATION PACKAGE CONNECTED WITH THE LABOR EFFICIENCY INCREASE, COLLECTIVE AND INDIVIDUAL RESULTS OF WORKING ACTIVITY;
- PERSONNEL DEVELOPMENT (SELECTION, RECRUITMENT, EVALUATION, TRAINING, PROMOTION) TO SUPPLY THE COMPANY SUBDIVISIONS WITH THE EMPLOYEES HAVING THE REQUIRED PROFESSIONAL AND QUALIFICATION CHARACTERISTICS;
- IMPROVEMENT OF THE LABOR SAFETY LEVEL, IMPROVEMENT OF SOCIAL AND LIVING CONDITIONS ON THE PRODUCTION SITE AND OFFERING SUPPLEMENTARY HEALTH IMPROVEMENT OPPORTUNITIES FOR THE EMPLOYEES AND THEIR FAMILY MEMBERS;
- DEVELOPMENT OF CORPORATE CULTURE, ENSURING OF SOCIAL STABILITY AND FAVORABLE MORAL AND PSYCHOLOGICAL CLIMATE IN THE WORKING TEAMS;
- DEVELOPMENT OF CORPORATE SOCIAL PROGRAMS.

### KEY PRINCIPLES AND APPROACHES

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

ALONGSIDE WITH DEVELOPMENT AND CONTINUOUS IMPROVEMENT, THE PLANT LINKS ITS SUCCESS TO THE WELL-CONSOLIDATED AND ACTIVE TEAM OF PROFESSIONALS. ONE OF THE MAIN TARGETS OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS CREATION OF A "PRIME CHOICE COMPANY" BASED ON HONESTY, DEDICATION, CREATIVE APPROACH, OPTIMISM AND SELF-IMPROVEMENT OF EACH EMPLOYEE. BUILDING UP OF OJSC "BSW – MANAGEMENT COMPANY

OF "BMC" HOLDING MANAGEMENT SYSTEM PRESUPPOSES INVOLVEMENT OF THE STAFF INTO DECISION-MAKING PROCESS, BUSINESS PROCESSES OPTIMIZATION, IMPROVEMENT OF PRODUCTION AND SOCIAL ACTIVITY OF THE COMPANY. HENCE, EACH PERSON FEELS OWN CONTRIBUTION INTO THE COMMON TARGET ACHIEVEMENT.

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

THE IMPLEMENTED PERSONNEL MANAGEMENT POLICY OF THE COMPANY BASED ON THE PRINCIPLE OF PARTNERSHIP RELATIONS OF AN INDIVIDUAL AND THE ORGANIZATION IS AIMED AT FORMING INTEGRATED CORPORATE SURROUNDINGS, PRESERVING WORK PLACES, SUSTAINING DECENT SALARY LEVEL, OPTIMUM REDISTRIBUTION OF LABOR RESOURCES CONTRIBUTES TO ENHANCEMENT OF 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.

HIGH EFFICIENCY OF THE "PERSONNEL MANAGEMENT" PROCESS IS CONFIRMED BY THE RESULTS OF RECERTIFICATION AND SUPERVISORY AUDITS OF QUALITY MANAGEMENT SYSTEM CONFORMANCE TO THE REQUIREMENTS OF ISO 9001:2008, STB ISO 9001-2009, ISO/TS 16949:2009, API Q1, CONDUCTED AT BSW IN 2016 BY REPRESENTATIVES OF NATIONAL AND INTERNATIONAL CERTIFICATION ORGANIZATIONS (GOSSTANDART OF THE RB, TÜV TÜRINGEN (GERMANY), CARES (GREAT BRITAIN), TÜV INTERNATIONAL (CZECH REPUBLIC), API (AMERICAN PETROLEUM INSTITUTE).



## Social activity



### PERSONNEL PROFILE

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 ECOLOGICAL PROGRAMS, PROJECTS AND ACTIVITIES IN THE AREA OF PERSONNEL MANAGEMENT. 95% OF THE WORKERS AND 99,5% OF MANAGERS WORKING AT OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ARE FROM LOCAL POPULATION

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

**30**

PORTION OF THE PLANT'S EMPLOYEES IN THE ECONOMICALLY ACTIVE POPULATION OF THE REGION OF THE PLANT'S OPERATION (%)

PORTION OF THE TOP MANAGERS OUT OF THE LOCAL POPULATION INCLUDING MEMBERS OF THE BOARD OF DIRECTORS AND LEAD SPECIALISTS EQUALS TO 100 PER CENT.

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS RESPONSIBLE IN ITS APPROACH TO SOLVING EMPLOYMENT ISSUES, COL-

LABORATES WITH STATE INSTITUTIONS, EMPLOYEE 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 CONDITIONS FOR THEIR PROFESSIONAL AND CAREER PROGRESS.

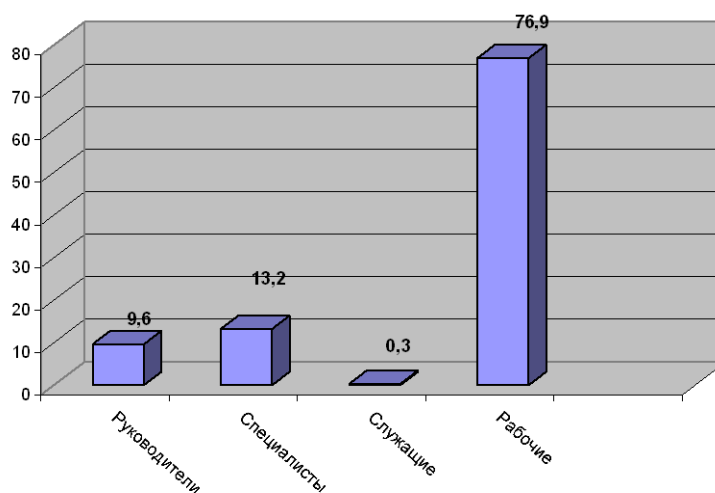
**30,7**  
OF THE EMPLOYEES  
HAVE HIGHER  
EDUCATION (%)

TOTAL AMOUNT OF THE PERSONNEL AS OF 31.12.2016 EQUALS TO 11 425 PEOPLE AND DECREASED AS COMPARED TO THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR BY 519 PEOPLE.

GENDER COMPOSITION OF THE WORKERS HASN'T CONSIDERABLY CHANGED AS COMPARED TO 2015. AS OF 31.12.2016 BSW EMPLOYED:

- 72,5 % MEN;
- 27,5 % WOMEN.

PREVALENCE OF MALE EMPLOYEES IS DUE TO HARD AND VERY OFTEN DANGEROUS LABOUR CONDITIONS IN THE METALLURGICAL INDUSTRY.



Number of the employees by categories, %

YEAR	2010	2011	2012	2013	2014	2015	2016
NUMBER	12 463	12 376	12 447	11 896	11 747	11 944	11 495



DECREASE OF THE NUMBER OF EMPLOYEES IN 2016 WAS DUE TO OPTIMIZATION OF THE NUMBER OF THE STAFF.

CATEGORY	2010	2011	2012	2013	2014	2015	2016	Dev.
TOTAL NUMBER OF PEOPLE	12 463	12 373	12 447	11 896	11 747	11 944	11 425	-519
MANAGERS, PERS.	1159 (9,3%)	1190 (9,6%)	1 216 (9,8%)	1 226 (10,3%)	1 214 (10,3%)	1 184 (9,9%)	1 102 (9,6%)	-82
SPECIALISTS, PERS.	1793 (14,4%)	1790 (14,5%)	1 871 (15,0%)	1 883 (15,4%)	1 593 (13,6%)	1 585 (13,3%)	1 501 (13,2%)	-84
OFFICE WORKERS, PERS.	167 (1,3%)	158 (1,3%)	159 (1,3%)	164 (1,4%)	40 (0,3%)	35 (0,3%)	31 (0,3%)	-4
WORKERS, PERS.	9 344 (75,0%)	9 235 (74,6%)	9 201 (73,9%)	8 673 (72,9%)	8 900 (75,8%)	9 140 (76,5%)	8 791 (76,9%)	-349

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING HAS A WELL-BALANCED AGE COMPOSITION OF THE EMPLOYEES. THE MAIN CONTINGENT IS COMPOSED OF WORKERS AGED FROM 38,5 TO 42,0 HAVING THE REQUIRED KNOWLEDGE AND PROFESSIONAL SKILLS.

CATEGORY	2010	2011	2012	2013	2014	2015	2016
AVERAGE AGE OF THE EMPLOYEES, YEARS	39,7	39,9	40,0	40,4	39,6	39,3	39,3

MANPOWER TURNOVER IN 2016 EQUALED TO 4,2%.

YEAR	2010	2011	2012	2013	2014	2015	2016
MANPOWER TURNOVER, %	2,4	2,7	2,59	4,78	4,8	3,41	4,2

MORE THAN HALF OF THE PLANT'S EMPLOYEES HAVE HIGHER AND SPECIALIZED SECONDARY EDUCATION.

CATEGORY	UNIT	2010	2011	2012	2013	2014	2015	2016	Dev.
TOTAL NUMBER	PERS.	12 463	12 376	12 447	11 896	11 747	11 944	11 425	-519
HIGHER EDUCATION	%	25,1	25,5	27,0	28,5	29,9	30,1	30,7	
	PERS.	3 132	3 150	3 360	3 392	3 508	3 597	3 505	-92
SECONDARY TECHNICAL EDUCATION	%	26,0	26,3	26,0	25,5	24,9	25,1	24,9	
	PERS.	3 243	3 255	3 239	3 036	2 924	2 994	2 843	-151
SPECIALIZED SECONDARY EDUCATION	%		17,6	17,5	17,5	18,5	19,3	19,9	
	PERS.		2 174	2 179	2 085	2 169	2 306	2 273	-33
SECONDARY EDUCATION	%	48,9	30,6	29,5	28,5	26,8	25,5	24,5	
	PERS.	6 088	3 797	3 669	3 383	3 143	3 047	2 804	-243
CANDIDATES OF SCIENCE	PERS.	8	9	8	8	7	7	6	-1
POSTGRADUATES	PERS.	6	7	5	11	4	3	4	+1
UNDERGRADUATES	PERS.	18 (INC. 8 STUDYING)	16 (INCL. 4 STUDYING)	16 (INCL. 3 STUDYING)	19	35	39	21	-18





## Social activity



YEAR	2010	2011	2012	2013	2014	2015	2016
NUMBER OF YOUNG SPECIALISTS	111	113	166	143	251	338	184

# 184

NUMBER OF YOUNG  
SPECIALISTS HIRED TO  
BSW IN 2016

THE IMAGE OF A STRONG AND CONTINUOUSLY WORKING ENTERPRISE MAKES OJSC “BSW – MANAGEMENT COMPANY

OF “BMC” HOLDING ATTRACTIVE FOR POTENTIAL WORKERS AND SOLVES THE ISSUE OF THE PROSPECTIVE HUMAN RESOURCE PROVISION

IN 2016 THE PLANT SELECTED CANDIDATES AND RECRUITED 595

PEOPLE FROM THE RESIDENTS OF THE REGION TAKING INTO CONSIDERATION THE LEVEL OF THEIR COMPETENCE SO AS TO SATISFY ITS NEED IN PERSONNEL.

THE ENTERPRISE PUTS GREAT EMPHASIS ON RECRUITMENT AND ADAPTATION OF YOUNG SPECIALISTS. TAKING ACCOUNT OF THE PRODUCTION OUTPUT GROWTH RATE, THE PLANT PLACED 184 YOUNG SPECIALISTS IN 2016.

ORGANIZATION OF A METHODOLOGICAL WORK WITH YOUNG SPECIALISTS IS ONE OF THE PRIORITY DIRECTIONS OF THE ENTERPRISE PERSONNEL POLICY. AVAILABILITY OF CONSTANTLY DEVELOPING POTENTIAL OF THE PERSONNEL REPRESENTED BY YOUNG SPECIALISTS IS THE MOST IMPORTANT CONDITION OF THE MANAGEMENT SUCCESSION, ENHANCEMENT OF MANAGEMENT EFFICIENCY, ENSURING STABLE SOCIAL-ECONOMIC DEVELOPMENT OF THE PLANT. ONE OF THE MOST SIGNIFICANT EVENTS WITHIN THE SYSTEM OF WORK WITH YOUNG SPECIALISTS IS A SCIENTIFIC AND TECHNICAL CONFERENCE ANNUALLY HELD IN JULY.

THE PERSONNEL POLICY OF OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING IS AIMED AT DISCOVERING THE INDIVIDUAL POTENTIAL OF EACH EMPLOYEE AND ITS DEVELOPMENT IN COORDINATION WITH THE STRATEGIC GOALS. THE EXISTING EVALUATION SYSTEM ALLOWS THE PLANT TO DETERMINE COMPLIANCE OF EACH EMPLOYEE WITH THE POSITION OCCUPIED AND CREATE CONDITIONS FOR CARRYING-OUT EMPLOYMENT DUTIES MORE SUCCESSFULLY AND EFFICIENTLY. THE FOUNDING PRINCIPLES IN THE AREA OF THE PERSONNEL EFFICIENCY MANAGEMENT ARE OBJECTIVITY AND OPENNESS.

IN ORDER TO IMPROVE THE BASE REQUIRED FOR THE

PERSONNEL EVALUATION, 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 2016, 385 MANAGERS AND SPECIALISTS OF THE PLANT WERE ASSESSED IN TERMS OF FULFILLMENT OF THE GOALS SET.

IN ITS PRACTICAL ACTIVITY BSW RECOGNIZES INVIOABILITY OF THE HUMAN RIGHTS AND TAKES ALL 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: A DIRECT TELEPHONE LINE WITH THE PLANT’S TOP MANAGEMENT AND REPRESENTATIVES OF THE STATE AUTHORITIES, “SIGNAL” HOTLINE AND OTHERS, THE WORK OF WHICH IS PERFORMED ON A 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 BSW BECOMES ONE OF THE LEADING MANAGEMENT PRINCIPLES WHICH ALLOWS THE PLANT TO CREATE CONFIDENTIAL RELATIONS WITH ALL STAKEHOLDERS INCLUDING THE COMPANY EMPLOYEES.

WITHIN THE FRAMEWORK OF THE PERSONNEL MOTIVATION PROGRAM THE SOCIOLOGICAL SERVICE OF THE PLANT CAR-



RIED OUT A STUDY “DIAGNOSTICS OF THE SOCIAL AND PSYCHOLOGICAL CLIMATE AMONG THE LABOUR TEAMS OF THE PLANT”. THE RESULTS OF THE STUDY ALLOW US TO EVALUATE THE PSYCHOLOGICAL AND SOCIAL CLIMATE IN THE LABOUR TEAMS OF THE PLANT AS STABLE: THE OVERWHELMING MAJORITY OF EMPLOYEES ARE SATISFIED WITH THE WORK AND THE PLANT IN GENERAL. THE COMPLEX INDEX OF SATISFACTION IS 0,715. THIS INDEX IS WITHIN THE RANGE OF A HIGH LEVEL OF SATISFACTION AND CORRESPONDS TO THE TARGET VALUE PLANNED FOR 2016.

### THE EMPLOYEES' RIGHTS

OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING ADMITS INVIOABILITY OF THE HUMAN RIGHTS IN ITS PRACTICAL WORK AND TAKES ALL MEASURE POSSIBLE TO ENSURE AND PROTECT THEM.

BEING A SOCIALLY RESPONSIBLE ENTERPRISE BYELORUSSIAN STEEL WORKS CONSIDERS INTERESTS AND RIGHTS OF ITS EMPLOYEES BASED ON THE PRINCIPLES OF SOCIAL PARTNERSHIP. THESE PRINCIPLES ARE SPECIFIED IN THE MOST IMPORTANT DOCUMENT OF SOCIAL PARTNERSHIP REFLECTING INTERESTS OF ALL EMPLOYEES OF THE COMPANY – THE COLLECTIVE AGREEMENT. IN APRIL 2016 A TRADE UNION CONFERENCE OF THE EMPLOYEES OF THE ENTERPRISE WAS HELD WHICH SUMMARIZED THE RESULTS OF 2015 COLLECTIVE AGREEMENT FULFILLMENT AND ADOPTED AMENDMENTS AND CHANGES IN COLLECTIVE AGREEMENT FOR 2015-2018.

– DEVELOPMENT OF CONTRACTUAL RELATIONS BETWEEN THE ENTERPRISE AND ITS EMPLOYEES BEING PARTIES OF SOCIAL PARTNERSHIP;

– COORDINATION OF INTERESTS OF THE ENTERPRISE AND ITS EMPLOYEES IN DEVELOPING GENERAL PRINCIPLES OF REGULATION OF SOCIAL-LABOUR RELATIONS;

– PROVISION OF THE PERSONNEL WITH WORK PLACES AND WORK REMUNERATION IN COMPLIANCE WITH THE LABOUR CONTRACTS SIGNED, SOCIAL AND ECONOMIC RIGHTS ESTABLISHED BY THE EXISTING LAW OF THE REPUBLIC OF BELARUS;

– OBSERVANCE OF LABOUR AND PRODUCTION DISCIPLINE, LABOUR PROTECTION, INDUSTRIAL SAFETY AND PRODUCTION SANITATION REQUIREMENTS;

– ENHANCEMENT OF SOCIAL-LEGAL PROTECTION OF THE EMPLOYEES OF THE COMPANY;

– STABILIZATION OF THE SOCIAL-ECONOMIC SITUATION IN THE TEAMS AND SUBDIVISIONS OF THE ENTERPRISE.

BEING GUIDED BY THE PRINCIPLES OF THE UN GLOBAL COMPACT, BYELORUSSIAN STEEL WORKS CONSIDERS HUMAN RIGHTS PROTECTION AND ENSURING TO BE A PRIORITY RELATIVE TO ECONOMIC PERFORMANCE AND GUARANTEES THEIR FULFILLMENT.

OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING IS AGAINST ALL FORMS OF DISCRIMINATION AND BUILDS UP ITS ACTIVITY ON THE BASIS OF GENERALLY ACKNOWLEDGED PRINCIPLES AND NORMS OF THE INTERNATIONAL LAW, STANDARDS AND CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANIZATION, AND THE LAW OF THE REPUBLIC OF BELARUS. IN 2016 NO DISCRIMINATION WAS REGISTERED AT THE ENTERPRISE NEITHER BY GENDER AND NATIONALITY, NOT BY RELIGIOUS BELIEFS AND POLITICAL VIEWS; THERE WERE NO CASES OF FORCES OR CHILD LABOUR EITHER.

БМЗ, имеющий в своей структуре производства с повышенным уровнем опасности BSW HAVING DANGEROUS PRODUCTIONS IN ITS STRUCTURE BEARS RESPONSIBILITY FOR PRODUCTION FACILITIES SAFETY AS REGARDS THE EMPLOYEES AND THE COMMUNITY. THE PLANT ESTABLISHES HEALTHY AND SAFE LABOUR CONDITIONS BY REPLACEMENT OF OUTDATED EQUIPMENT AND TECHNOLOGIES AND IS GUIDED BY THE LABOUR PROTECTION LAW, INTERNATIONAL STANDARDS IN THE AREA OF PRODUCTION SAFETY AND PREVENTION OF OCCUPATIONAL DISEASES, AS WELL AS INTERNAL NORMATIVE DOCUMENTS. ISSUES OF EMPLOYEES' HEALTH AND SAFETY ARE GIVEN CONSIDERATION IN THE COLLECTIVE AGREEMENT.

THE PLANT ACKNOWLEDGES THAT ITS PRODUCTION ACTIVITY IS RELATED TO A NEGATIVE IMPACT ONTO THE ENVIRONMENT AND TAKES ALL POSSIBLE MEASURES TO MINIMIZE THIS INFLUENCE ON THE VITAL ACTIVITY OF THE POPULATION.

OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING GUARANTEES THE RIGHT OF TRADE UNIONS TO



## Social activity



CARRY OUT THEIR ACTIVITY FREELY, WITHOUT ANY LIMITATIONS, WITHIN THE FRAMEWORK SPECIFIED BY THE LAW. THE RIGHT OF THE EMPLOYEES AND THE TRADE UNION TO PARTICIPATE IN CONTRACTUAL REGULATION OF LABOUR RELATIONS IS REALIZED IN THE PROCEDURES OF PREPARATION AND SIGNING OF COLLECTIVE AGREEMENTS, IN THE EMPLOYEES' RIGHT TO PARTICIPATE IN ESTABLISHMENT AND IMPROVEMENT OF LABOUR CONDITIONS AND PRODUCTION ENVIRONMENT.

LEGAL REGULATION OF LABOUR RELATIONS AT OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS FULFILLED IN ACCORDANCE WITH THE CODE OF LABOUR OF THE REPUBLIC OF BELARUS AND THE COLLECTIVE AGREEMENT OF THE ENTERPRISE:

- LABOUR AGREEMENTS ARE SIGNED AND EMPLOYMENTS CONTRACTS ARE CONCLUDED CONSIDERING SUBSTANTIATION OF PRODUCTION, ORGANIZATIONAL, AND ECONOMIC REASONS;
- NOTIFICATION OF AN EMPLOYEE ABOUT WORK CONDITIONS CHANGE IS FULFILLED AN LEAST ONE MONTH PRIOR TO CONTRACT SIGNATURE;
- NOTIFICATION OF AN EMPLOYEE ABOUT EXPIRATION OF THE CONTRACT, ABOUT THE INTENTION TO EXTEND THE CONTRACT FOR A NEW PERIOD OR TERMINATE IT TAKES PLACE AT LIST ONE MONTH PRIOR.

BYELORUSSIAN STEEL WORKS STRIVES FOR PREVENTION OF LABOUR DISPUTES AND CONFLICTS, AND IF THEY OCCUR, PARTICIPATES IN OPEN DISCUSSIONS WITH EMPLOYEES ADMITTING MUTUAL RESPONSIBILITY OF THE PARTIES OF SOCIAL PARTNERSHIP. TO ENSURE EQUAL RIGHTS OF THE EMPLOYEES OF THE COMPANY AND OBSERVANCE OF THE LAW REPUBLIC OF BELARUS, A COMMITTEE IS ESTABLISHED TO RESOLVE LABOUR DISPUTES WHICH UNITES EQUAL NUMBER OF REPRESENTATIVES OF THE PLANT'S ADMINISTRATION AND LABOUR COLLECTIVES. THE AIM OF THE COMMITTEE IS A QUALIFIED EXAMINATION OF INDIVIDUAL DISPUTES BETWEEN INDIVIDUAL EMPLOYEES AND THE ADMINISTRATION AS REGARDS LABOUR RELATIONS. THE COMMITTEE PERFORMED ITS FUNCTIONS CONTINUOUSLY DURING THE YEAR ACTING AS AN ARBITRATOR. DURING 2016, 11 APPLICATIONS OF THE EMPLOYEES OF THE COMPANY WERE EXAMINED. BASED ON THE RESULTS OF THE EXAMINATION, 2 APPLICATIONS WERE SATISFIED, 1

APPLICATION WAS NOT AGREED UPON, 3 APPLICATIONS WERE DECLINED DUE TO GROUNDLESS REQUIREMENTS, 4 APPLICATIONS WERE WITHDRAWN FROM THE COMMITTEE BECAUSE THE ADMINISTRATION HAD RESOLVED THE MATTER BEFORE, AND AS PER 1 MORE APPLICATION, THE REQUESTS OF THE EMPLOYEE WERE SATISFIED.

IN ORDER TO OBSERVE AND ENSURE HUMAN RIGHTS, BYELORUSSIAN STEEL WORKS PAYS GREAT ATTENTION TO IMPROVEMENT OF THE LEVEL OF INFORMATION AWARENESS AND LEGAL COMPETENCE OF ALL EMPLOYEES WITHIN THE FRAMEWORK OF THE EXISTING SYSTEM OF CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT OF THE EMPLOYEES. OVER 85% OF THE EMPLOYEES TRAINED IN 2016 STUDIED BASIC FOUNDATION OF THE LAW IN THE AREA OF ECONOMIC, ENVIRONMENTAL, AND RESPONSIBILITY ISSUES.

ACCURATE AND STRICT OBSERVANCE OF THE HUMAN RIGHTS AND FREEDOMS IS THE BASIS OF THE UP-TO-DATE SOCIALLY RESPONSIBLE BUSINESS DIRECTED NOT ONLY TOWARDS GAINING PROFIT, BUT TOWARDS SUSTAINABLE DEVELOPMENT OF THE PLANT AND THE REGION IN GENERAL. OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING INTENDS TO CONTINUE FULFILLMENT OF THE REQUIREMENTS OF THE LAW AND INTERNATIONAL PRINCIPLES IN THE AREA OF SOCIAL RESPONSIBILITY IN FUTURE.

### PROFESSIONAL AND CAREER DEVELOPMENT

REALIZATION OF THE PERSONNEL POLICY BASED ON THE PRINCIPLES OF EQUALITY, JUSTICE AND AWARD DEPENDING ON PERSONAL SKILLS AND IRRESPECTIVE OF ORIGIN, AGE, GENDER, RACE, NATIONALITY AND RELIGION OF AN EMPLOYEE IS PERFORMED IN CONFORMITY WITH THE REQUIREMENTS OF THE EXISTING LEGISLATION OF THE REPUBLIC OF BELARUS, UNIVERSALLY ACKNOWLEDGED NORMS AND PRINCIPLES OF THE INTERNATIONAL LAW INCLUDING THE UN GLOBAL COMPACT AND THE CONVENTION OF THE INTERNATIONAL LABOR ORGANIZATION.

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ENSURES EQUAL POSSIBILITIES FOR ALL EMPLOYEES TO REALIZE THEIR POTENTIAL IN THE PROCESS OF THEIR WORKING ACTIVITY, FAIR AND UNBIASED ASSESSMENT OF THE WORK RESULTS, SELECTION OF THE PERSONNEL DURING RECRUITMENT AND CAREER PROMOTION ACCORDING TO THE PROFESSIONAL SKILLS AND KNOWLEDGE.



THE COMPANY SCALE ALLOWS THE EMPLOYEES TO REALIZE THEIR PROFESSIONAL AMBITIONS, GAIN NEW EXPERIENCE AND ENHANCE THEIR QUALIFICATION DEGREE. REALIZING THE APPROACHES IN SOCIAL SPHERE, THE COMPANY PLACES SPECIAL EMPHASIS ON THE INTERNAL HUMAN RECOURCES POTENTIAL DURING SELECTION AND APPOINTMENT OF MANAGERS AND SPECIALISTS.

IN ORDER TO IMPLEMENT THE LONG-TERM STRATEGY OF THE ENTERPRISE'S DEVELOPMENT, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING FORMED A MULTI-LEVEL PERSONNEL RESERVE OF THE MANAGEMENT. THE RESERVE IS MEANT FOR MEETING THE REQUIREMENT OF THE COMPANY IN MANAGEMENT EMPLOYEES HAVING A RANGE OF BASIC ADMINISTRATIVE COMPETENCE. IN ORDER TO DEVELOP THE COMPETENCE REQUIRED FOR A MANAGER AND CREATE A REAL PERSPECTIVE FOR PROFESSIONAL AND CAREER PROMOTION OF THE WORKERS, STAGED TRAINING OF HUMAN RESOURCES WAS ORGANIZED ACCORDING TO THE EXISTING SYSTEM. THE TRAINING PROGRAMS STIPULATE EDUCATION OF THE RESERVE FROM THE LEVEL OF A FOREMAN TO THE TOP-MANAGER LEVEL CONSIDERING THE SPECIFIC CHARACTER OF THE WORK FULFILLED ("YOUNG MANAGER SCHOOL" AND "MANAGEMENT SCHOOL"). THE PROGRAMS AND TRAININGS FOR DEVELOPING CORPORATE AND MANAGER COMPETENCE WERE AIMED AT THE PERSONNEL RESERVE AS A PRIORITY CATEGORY OF HUMAN RESOURCES. SPECIALISTS OF THE LEADING EDUCATIONAL ESTABLISHMENTS OF THE REPUBLIC OF BELARUS ARE ENGAGED IN THE TRAINING PROCESS UNDER BILATERAL CONTRACTS SIGNED. FOR THE ACCOUNTING PERIOD OVER 70% OF MANAGEMENT APPOINTMENTS FROM AMONG THE EMPLOYEES INCLUDED INTO THE WORKS PERSONNEL REGISTER AND CERTIFIED AFTER PASSING SUCH TRAINING TOOK PLACE.

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 ENRICH-

MENT OF 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 2016 TEMPORARY APPOINTMENTS TOOK PLACE IN ORDER TO INCREASE SPECIALISTS' QUALIFICATION, DETERMINE THEIR POTENTIAL ABILITIES FOR PUTTING INTO THE PERSONNEL RESERVE AS WELL AS FOR THE PURPOSE OF PROMOTING CAREERS OF THE YOUNG WORKERS HAVING HIGHER EDUCATION:

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 GAVE AN AVERAGE ESTIMATE REGARDING THE PROMOTION AND CAREER OPPORTUNITIES (THE SATISFACTION INDEX MADE UP 0,69 AGAINST 0,75 IN 2015).

#### 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 AT DIFFERENT STAGES OF LABOR ACTIVITY ORIENTATING AT LONG-TERM RELATIONS WITH THE PERSONNEL AND CONSIDERS EDUCATION TO BE AN INVESTMENT INTO THE HUMAN CAPITAL ASSETS.

IN THE PRESENT CONDITIONS OF A 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 POSSIBILITIES FOR OPTIMIZATION.

PERSONNEL QUALITY BECAME A DETERMINING FACTOR OF THE WORKS COMPETITIVE ABILITY. ENSURING PERSONNEL QUALITY IS ONE OF THE PRIORITY TARGETS OF THE CORPORATE SOCIAL

FACTOR	2010	2011	2012	2013	2014	2015	2016
NUMBER OF THE ROTATION PROGRAM PARTICIPANTS	56	103	152	84	63	59	58
PROMOTION TO A SPECIALIST POSITION							
- APPOINTMENT TO A MANAGER POSITION	20	29	71	23	36	12	18
- QUALIFICATION IMPROVEMENT	2	11	15	13	3	5	5
- QUALIFICATION IMPROVEMENT	34	63	66	48	24	42	35





## Social activity



**RESPONSIBILITY POLICY.** IT IS IMPOSSIBLE WITHOUT THE DEVELOPED INTERNAL TRAINING SYSTEM. GUIDED BY THE LABOR AND EDUCATION LEGISLATION, THE PROFESSIONAL EDUCATION SYSTEM IS CONTROLLED BY THE CORPORATE TRAINING CENTER.

BY CARRYING OUT AN EFFICIENT OPERATION OF THE CONTINUOUS PROFESSIONAL EDUCATION SYSTEM, THE TRAINING CENTER SOLVES THE FOLLOWING OBJECTIVES IN THE PERSONNEL MANAGEMENT SYSTEM:

- PROVIDING THE SUBDIVISIONS OF THE PLANT WITH PROFESSIONAL STAFF OF THE REQUIRED QUALIFICATION LEVEL;
- PROVIDING THE PERSONNEL SUPPORT OF INNOVATIVE PROCESSES;
- RETAINING AND DEVELOPMENT OF THE PROFESSIONAL POTENTIAL AND STAFF COMPETITIVE ABILITY;
- PROVIDING THE SUBDIVISIONS WITH A 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 OCCU-

PATIONS FROM AMONG THE RESIDENTS OF THE REGION OF THE PLANTS' ACTIVITY;

- 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. IN THE EDUCATION PROCESS BOTH TRADITIONAL FORMS AND MODERN EDUCATION TECHNOLOGIES ARE APPLIED.

THE MAIN FORM OF THE EDUCATION PROCESS ORGANIZATION IS DUAL THAT MEANS A WELL-BALANCED COMBINATION OF ACQUIRING THEORETICAL KNOWLEDGE AND PRACTICAL SKILLS.

A PARTICULAR ATTENTION IS PAID TO THE MODULAR EDUCATION TECHNOLOGY THAT LAYS STRESS BOTH ON ACQUIRING PARTICULAR KNOWLEDGE AND DEVELOPING THE PERSONNEL'S ABILITY FOR SELF-EDUCATION AND SELF-IMPROVEMENT.

EDUCATION AND DEVELOPMENT OF THE PERSONNEL IS CARRIED-OUT IN CONFORMITY WITH THE CURRENT AND PERSPECTIVE DEMANDS OF THE COMPANY.

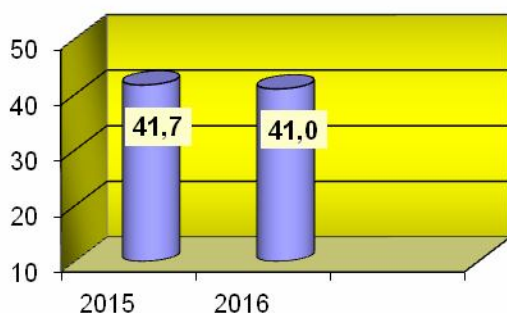
A DIFFERENTIAL APPROACH TO THE EDUCATION PROGRAMS FORMATION IS APPLIED DEPENDING ON A WORKER'S QUALIFICATION LEVEL. PROGRAMS OF CONTINUOUS PROFESSIONAL TRAINING STIPULATE STUDYING THE ISSUES OF SPECIAL TECH-

Item No.	DESCRIPTION	ANNUAL PLAN, PEOPLE	ACTUAL NUMBER, PEOPLE	FULFILLMENT %
1	IMPROVEMENT OF QUALIFICATION OF LEADING EMPLOYEES AND SPECIALISTS	225	238	105,8
2	IMPROVEMENT OF QUALIFICATION OF LEADING EMPLOYEES AND SPECIALISTS SERVICING FACILITIES CONTROLLED BY GOSPROMNADZOR.	458	487	106,3
3	TRAINING OF LEADING EMPLOYEES AND SPECIALISTS AND THEIR RESERVE	340	438	128,8
4	TRAINING OF WORKERS	3 466	3 855	111,2
	<b>TOTAL OF THE PLANT</b>	<b>4 489</b>	<b>5 018</b>	<b>111,8</b>



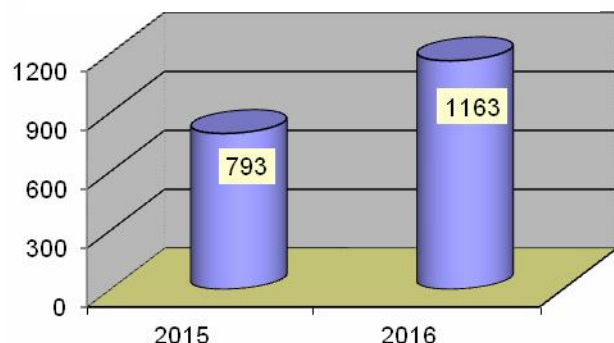
NOLOGIES, CIVIL, POLITICAL, ECONOMIC, SOCIAL AND CULTURAL HUMAN RIGHTS, REQUIREMENTS OF ENVIRONMENT PROTECTION SYSTEMS, QUALITY MANAGEMENT, LABOR AND INDUSTRIAL SAFETY, ENERGY SAVING ISSUES.

Number of academic hours per one employee



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 AT WORK PLACES.

Comparative diagram of qualification improvement by LE&S



5018 EMPLOYEES (44% OF THE TOTAL NUMBER OF THE STAFF) TOOK VARIED TYPES OF EDUCATION AND ACQUIRED NEW KNOWLEDGE IN 2016.

BYELORUSSIAN STEEL WORKS IS ALWAYS READY FOR THE DIALOG WITH THE STAKEHOLDERS REGARDING ISSUES OF IMPROVEMENT OF PROFESSIONALISM, SCHOLARSHIP AND EMPLOYEES' COMPETENCE DEVELOPMENT. NUMBER OF HOURS DEDICATED TO EMPLOYEES PROFESSIONAL TRAINING IN 2016 EQUALED TO 41,0 PER ONE EMPLOYEE.

1023 EMPLOYEES HAD TO IMPROVE THEIR QUALIFICATION IN 2016, ACTUAL NUMBER OF EMPLOYEES WHO IMPROVED THEIR QUALIFICATION EQUALED TO 1163 PEOPLE OR 113,7%.

IN ORDER TO IMPROVE PROCEDURES OF EMPLOYEES TRAINING IN ANY NEW OR CHANGED PRODUCTION OPERATION INFLUENCING PRODUCT QUALITY AT THE TRAINING CENTRE AND DIRECTLY AT WORK PLACES AS WELL AS FOR AND INFORMING ABOUT THE CONSEQUENCES OF NON-CONFORMING PRODUCT QUALITY FOR CUSTOMER, MOTIVATION OF THE EMPLOYEES FOR ACHIEVEMENT OF THE TARGET PERFORMANCE AND FULFILLMENT OF THE PLANT'S STANDARD STP 840 –KSM 6.2. "HUMAN RESOURCES, 16 EXTERNAL AND INTERNAL AUDITS WERE HELD AT THE TRAINING CENTRE TOGETHER WITH STRUCTURAL SUBDIVISIONS TO CHECK CONFORMITY TO STP 840 - KSM – 6.2. 2013 "HUMAN RESOURCES".

### WORKERS TRAINING AT THE ENTERPRISE

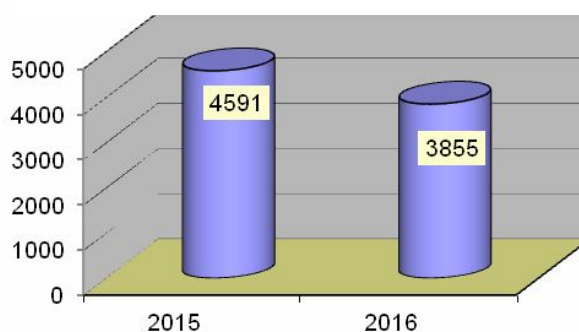
MAIN AIMS OF CONTINUOUS PROFESSIONAL TRAINING OF WORKERS (OFFICE WORKERS) ARE:

PROVISION OF STRUCTURAL SUBDIVISIONS WITH PROFESSIONALS OF THE REQUIRED LEVEL, PRESERVATION AND DEVELOPMENT OF PROFESSIONAL POTENTIAL AND COMPETITIVENESS OF THE STAFF;

EXCLUSION OF THE RISK FACTOR OF THE UNTRAINED EMPLOYEES, FORMATION OF THE EMPLOYEE RESERVE OF THE REQUIRED QUALIFICATION.

MAIN TASKS OF CONTINUOUS PROFESSIONAL TRAINING OF WORKERS (OFFICE WORKERS) ARE: ACHIEVEMENT OF THE AIMS OF CONTINUOUS PROFESSIONAL TRAINING OF WORKERS (OFFICE WORKERS).

Comparative diagram of the plant's employees training



CONTINUOUS PROFESSIONAL TRAINING OF WORKERS (OFFICE WORKERS) INCLUDES THE FOLLOWING TYPES: PROFESSIONAL TRAINING, RETRAINING, ADVANCED TRAINING, EDUCATIONAL COURSES.



## Social activity



### **RESULTS OF PROFESSIONAL TRAINING OF THE PLANT'S WORKERS IN 2016**

DETERMINATION OF PROFESSIONAL CORRESPONDENCE (THEORETICAL KNOWLEDGE, PROFESSIONAL SKILLS, AND COMPETENCE) FOR THE WORKERS WHO REACHED THE HIGHEST GRADES OR DUE TO SOME REASON HAD NOT IMPROVED THEIR QUALIFICATION DURING 4 YEARS OF PRACTICAL WORK, THE COMPANY ORGANIZED AND CARRIED OUT CERTIFICATION OF THE PROFESSIONAL LEVEL (GRADE).

THUS, 757 EMPLOYEES WERE CERTIFIED IN 2016 TO CONFIRM THEIR PROFESSIONAL LEVEL.

WORK TIME LOSSES DUE TO REPAIRS, PRODUCT SIZE CHANGE, EQUIPMENT FAILURES, PRODUCT QUALITY WORSENING LEAD TO GROWTH OF PRODUCTION COSTS, DECREASE OF LABOUR PRODUCTIVITY. THE TRAINING CENTRE WORKS OUT TRAINING PROGRAMS TOGETHER WITH DIVISION HEADS TO ELIMINATE AND PREVENT THE ABOVE.

IN 2016 OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING CONTINUED INTERNATIONAL COOPERATION IN EXPERIENCE AND KNOWLEDGE EXCHANGE IN THE AREA OF STEELMAKING PROCESSES WITH SPECIALISTS OF CORE ENTERPRISES AND COMPANIES OF NEIGHBOURING AND FAR FOREIGN COUNTRIES: DANIELI (ITALY), REPRESENTATIVE OFFICE OF SIEMENS IN THE REPUBLIC OF BELARUS, AND BSW TRADE FIRM 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: EDUCATIONAL ESTABLISHMENT "INSTITUTE OF QUALIFICATION UPGRADING AND RETRAINING ACCORDING TO NEW DIRECTIONS OF DEVELOPMENT OF TECHNOLOGY AND ECONOMICS OF BELARUSIAN NATIONAL TECHNICAL UNIVERSITY", STATE EDUCATIONAL ESTABLISHMENT "INSTITUTE OF QUALIFICATION UPGRADING AND RETRAINING OF MANAGERS AND INDUSTRIAL SPECIALISTS "INDUSTRY STAFF", EDUCATIONAL ESTABLISHMENT "GOMEL STATE UNIVERSITY NAMED AFTER F. SKORINA" AND BELARUSIAN STATE UNIVERSITY OF TRANSPORT, 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 PRODUCTION WITH HIGHLY QUALIFIED PERSONNEL, AFFILIATED DEPARTMENTS "METAL FORMING" AND "METALLURGY AND FOUNDRY ENGINEERING" OF GOMEL STATE TECHNICAL UNIVERSITY NAMED AFTER P.O. SUKLOI WORK AT THE PLANT. IN 2012 THE COMPANY STARTED TO IMPLEMENT A THREE-STAGE PROJECT AIMED AT ORGANIZATION OF GETTING THE SECOND STAGE OF HIGHER EDUCATION IN MATHEMATICS TAKING INTO CONSIDERATION THE SPECIFIC CHARACTER OF THE ROLLED SECTION AND PIPE PRODUCTION AT BYELORUSSIAN STEEL WORKS WITH ATTRACTION OF THE SCIENTIFIC POTENTIAL OF GTU NAMED AFTER P.O. SUKHOI AND MISIS.

ALONGSIDE WITH SOLVING THE ISSUES OF PERSONNEL QUALIFICATION IMPROVEMENT, THE COLLABORATION WITH HIGHER EDUCATIONAL ESTABLISHMENTS IS AIMED AT REACHING LONG-TERM STRATEGIC OBJECTIVES OF THE WORKS. THIS COOPERATION IS BENEFICIAL BOTH FOR EDUCATIONAL ESTABLISHMENTS AND OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING. THE PLANT OFFERS STUDENTS THE OPPORTUNITY TO UNDERTAKE MANUFACTURING PRACTICE AT THE ENTERPRISE. IN THE REPORTING YEAR, 693 STUDENTS UNDERWENT PRACTICAL TRAINING AT BSW. DURING THE MANUFACTURING PRACTICE THE STUDENTS ARE GUIDED BY EXPERIENCED WORKERS AND SPECIALISTS. DETAILED ACQUAINTANCE WITH THE PRODUCTION TAKES PLACE AT THE WORKING PLACE. A STUDENT CAN FEEL BEING A MEMBER OF THE WORKING TEAM, TRY HIS SKILLS AND ADOPT THE MENTORS' EXPERIENCE, THUS OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING OPENLY DEMONSTRATES ITS POTENTIAL EMPLOYEES THE POSSIBILITY OF ACQUIRING AN INTERESTING WORK AND PERSONAL REALIZATION.

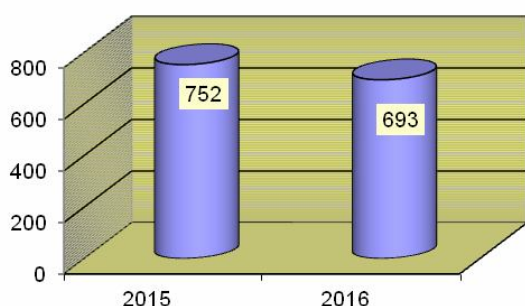
PRACTICAL TRAINING WAS ORGANIZED IN THE FOLLOWING SPECIALTIES: MACHINES AND METAL FORMING TECHNOLOGY; MACHINES AND CASTING TECHNOLOGY; STEELMAKING AND MATERIAL PROCESSING; ELECTRIC METALLURGY OF FERROUS AND NON-FERROUS MET-



ALS; ENGINEERING TECHNOLOGY; HYDRAULIC AND PNEUMATIC SYSTEMS OF MOBILE AND PRODUCTION MACHINES, PACKING PRODUCTION; TECHNICAL OPERATION OF POWER EQUIPMENT OF ORGANIZATIONS; INDUSTRIAL ELECTRONICS; INDUSTRIAL HEAT AND POWER ENGINEERING; ELECTRIC POWER SUPPLY; ECONOMY AND MANAGEMENT OF ENTERPRISES; MANAGEMENT; MARKETING; INFORMATIONAL SYSTEMS AND TECHNOLOGIES; LOGISTICS, ETC.

SOLVING MEDIUM-TERM STRATEGIC GOALS IN THE SPHERE OF TRAINING 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. PEAB FOR ORGANIZING THE COLLEGE ACTIVITY IN 2015 THE COMPANY SPENT USD872 THOUSAND OF ITS PROFIT. THE COLLEGE CONDUCTS TRAINING OF TECHNOLOGISTS FOR BASIC PRODUCTION SUBDIVISIONS FROM AMONG THE BEST REPRESENTATIVES OF THE REGION YOUNG GENERATION, WHO PASSED COMPETITIVE SELECTION ACCORDING TO THE EDUCATIONAL PROGRAMS COORDINATED WITH THE WORKS.

Comparative diagram of practical training of students of higher institutions, colleges, and SSEE



AT ALL TIMES CORPORATE SOCIAL DEVELOPMENT AND SOCIAL INVESTMENTS REMAIN SOURCES OF ENHANCING THE WORKS COMPETITIVE ABILITIES. POSSESSING MODERN EDUCATIONAL BASE AND HIGHLY-QUALIFIED SPECIALISTS, OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING MAKES ITS CONTRIBUTION IN THE DEVELOPMENT OF COMMUNITY HELPING WITH TRAINING OF QUALIFIED WORKERS FOR THE INDUSTRIAL ENTERPRISES OF THE TOWN, THE REGION, AND THE COUNTRY.

FORMATION OF THE REPUTATION OF THE MOST APPEALING EMPLOYER IS AN ESSENTIAL CONDITION FOR INVOLVEMENT OF CREATIVE, ACTIVE AND TECHNICALLY COMPETENT PERSONNEL IN THE PLANT OPERATION. BY RENDERING ASSISTANCE TO THE YOUNGER GENERATION IN RECEIVING MODERN EDUCATION AND STRENGTHENING THE MATERIAL AND TECHNICAL FOUNDATION OF THE REGION EDUCATIONAL ESTABLISHMENTS, BYELORUSSIAN STEEL WORKS CREATES OWN PROMISING PERSONNEL RESERVE. FOR THESE PURPOSES THE CORRESPONDING MEANS WERE DIRECTED TO PRE-SCHOOL EDUCATIONAL INSTITUTIONS, SCHOOLS, CREATIVITY CENTERS FOR THE KIDS.

SPECIAL EMPHASIS IS PLACED ON THE WORK REGARDING PUPILS AND STUDENTS VOCATIONAL GUIDANCE THAT IS CARRIED OUT ON A REGULAR BASIS WITH DIRECT PARTICIPATION OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING SPECIALISTS. WITHIN THIS COURSE A RANGE OF THE FOLLOWING PROGRAMS IS IMPLEMENTED:

- PUPILS PARTICIPATION IN "OPEN DAY" FEAST AT THE PLANT AND BASIC EDUCATIONAL ESTABLISHMENTS;
- EXCURSIONS TO THE PLANT'S MUSEUM;
- ORGANIZATION OF 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 TO BE AN ESSENTIAL FACTOR REQUIRED FOR ITS OWN DEVELOPMENT.

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 AND MADE UP 0,70 (SATISFACTION INDEX IN 2015 WAS AT THE LEVEL OF 0,71).





## Social activity



### MOTIVATION SYSTEM

#### MATERIAL STIMULATION

THE MAIN OBJECTIVE OF ONE OF THE STRATEGIC LINES OF THE COMPANY POLICY IS CONSTANT INCREASE OF PRODUCTIVITY 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.

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. ALL PAYMENTS AND BENEFITS GRANTED TO THE PLANT'S EMPLOYEES ARE DISTRIBUTED TO THOSE WORKING FULL TIME AND PART-TIME IN PROPORTION TO THE HOURS WORKED.

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.

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

AVERAGE ANNUAL SALARY AT THE ENTERPRISE MADE UP Br768.5 (USD386,4) IN 2016. AVERAGE SALARY OF WORKERS AND OFFICE EMPLOYEES MADE UP Br722 (USD 363) IN THE REPUBLIC OF BELARUS IN 2016, WHICH IS 6,5% LOWER THAN AT OJSC BSW.

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 EQUAL AWARD FOR EQUALLY VALUABLE LABOR.

SALARY ACCOUNTING IS MADE ACCORDING TO THE LEGIS-

LATION 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 Br239,42 (USD120,4) IN DECEMBER 2016.

THE PRINCIPLE OF EQUAL REMUNERATION OF EQUALLY VALUED LABOUR IS USED AT THE ENTERPRISE. THE TARIFF PART OF THE SALARY IS DETERMINED BASED ON THE MONTHLY TARIFF RATES ESTABLISHED BY THE UNIFIED WORKERS WAGE TARIFF SYSTEM OF THE EMPLOYEES OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING AND THE COLLECTIVE AGREEMENT IN CONFORMITY WITH JOB EVALUATION IN THE ORGANIZATION ACCORDING TO THE CATEGORIES AS FOLLOWS:

- AS FAR AS WORKERS ARE CONCERNED, IT IS DETERMINED BY MULTIPLYING THE FIRST TARIFF RATE BY THE TARIFF MULTIPLIER OF THE CORRESPONDING TARIFF RATE ESTABLISHED FOR A WORKER IN COMPLIANCE WITH THE GENERAL PROVISIONS OF THE UNIFORM WAGE-RATES AND SKILLS HANDBOOK BASED ON THE TARIFF-QUALIFYING CHARACTERISTICS OF THE WORKERS PROFESSIONS;

- AS FAR AS CLERKS ARE CONCERNED, IT IS CALCULATED BY MULTIPLYING THE FIRST TARIFF RATE BY THE TARIFF MULTIPLIER OF THE CORRESPONDING TARIFF RATE OF THE UNIFIED WAGE TARIFF SYSTEM ESTABLISHED FOR A WORKER WITH REFERENCE TO ITS POSITION;

- AS FAR AS MEN AND WOMEN ARE CONCERNED, ACCORDING TO THE WORK DONE OR POSITION HELD IN CONFORMITY WITH THE UNIFIED WAGE TARIFF SYSTEM AND COLLECTIVE AGREEMENT.

AVERAGE SALARY OF THE ENTERPRISE CLERKS IS 21,5% HIGHER THAN WORKERS' SALARY. AVERAGE SALARY OF THE MANAGEMENT IS 50,1 % 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

**386,4**  
AVERAGE ANNUAL SALARY  
AT THE ENTERPRISE  
IN 2016 (\$)



(SEPARATE STRUCTURAL SUBDIVISIONS) ACTIVITY EFFICIENCY, QUALITY OF THE PERFORMED WORKS (SERVICES), EFFICIENCY OF THE SET TARGETS AND OBJECTIVES FULFILLMENT.

#### **RELATION BETWEEN PAYMENTS TO THE TOP MANAGEMENT AND COMPANY'S EFFECTIVENESS**

STIMULATING PAYMENTS TO THE TOP MANAGEMENT ARE EFFECTED DEPENDING ON THE EFFICIENCY OF THE COMPANY PERFORMANCE AND FULFILLMENT OF THE SOCIAL-ECONOMIC DEVELOPMENT INDICATORS SET FORTH BY THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS.

WOMEN HAVE THE SAME SALARIES AND TARIFF RATES AS MEN, IF THEY OCCUPY EQUAL POSITIONS (HAVE SIMILAR PROFESSIONS).

WOMEN ARE GIVEN AND GUARANTEED THE SAME RIGHTS AS MEN AND HAVE ADDITIONAL BENEFITS AND GUARANTEES AIMED AT THEIR HEALTH AND MATERNITY PROTECTION.

THUS IT IS PROHIBITED TO USE WOMEN' LABOR IN:

- HEAVY OPERATIONS AND OPERATIONS WITH HARMFUL AND/OR HAZARDOUS LABOR CONDITIONS;
- JOBS RELATED WITH LIFTING AND MANUAL HANDLING OF WEIGHTS;
- SOME PROFESSIONS AND POSITIONS (STEELMAKER, STEELMAKER'S ASSISTANT, FARRIER, BATTERY ASSEMBLER, ETC.).

PREGNANT WOMEN ARE GIVEN EASIER JOBS EXCLUDING THE IMPACT OF HARMFUL AND/OR HAZARDOUS LABOR FACTORS BUT THEIR SALARY REMAINS EQUAL TO THE AVERAGE AMOUNT OF THEIR PREVIOUS SALARY.

A MOTHER (FARTHER) OF THREE OR MORE CHILDREN AGED UNDER 16 (OR HAVING A DISABLED CHILD AGED UNDER 18) ARE GIVEN ONE EXTRA DAY-OFF IN A WEEK AT HER/HIS REQUEST WHICH IS PAID FOR IN THE AMOUNT OF THE AVERAGE DAILY PAYMENT.

A MOTHER BRINGING UP TWO OR MORE CHILDREN UNDER SIXTEEN, IS GIVEN AN ADDITIONAL DAY-OFF A MONTH AT HER REQUEST; THIS DAY IS PAID FOR IN THE AMOUNT OF ONE BASIC PAYMENT.

A MOTHER BRINGING UP CHILDREN UNDER EIGHTEEN, IS

GIVEN ONE EXTRA DAY-OFF A MONTH AT HER REQUEST; THIS DAY IS NOT PAID FOR.

AVERAGE SALARY OF MEN AT THE ENTERPRISE IS 39.4 PER CENT HIGHER THAN THAT OF WOMEN. 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' LABOR IS PROHIBITED.

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 OF AN EMPLOYEE OF THE MAIN PRODUCTION IN USD IN 2016 EQUALED TO 106,8%, SALARY GROWTH RATE IN USD EQUALED TO 72,6%.

SO THE TOP MANAGEMENT OF THE ENTERPRISE ATTEMPTS TO RESTRAIN DROP OF THE WELFARE OF ITS EMPLOYEES.

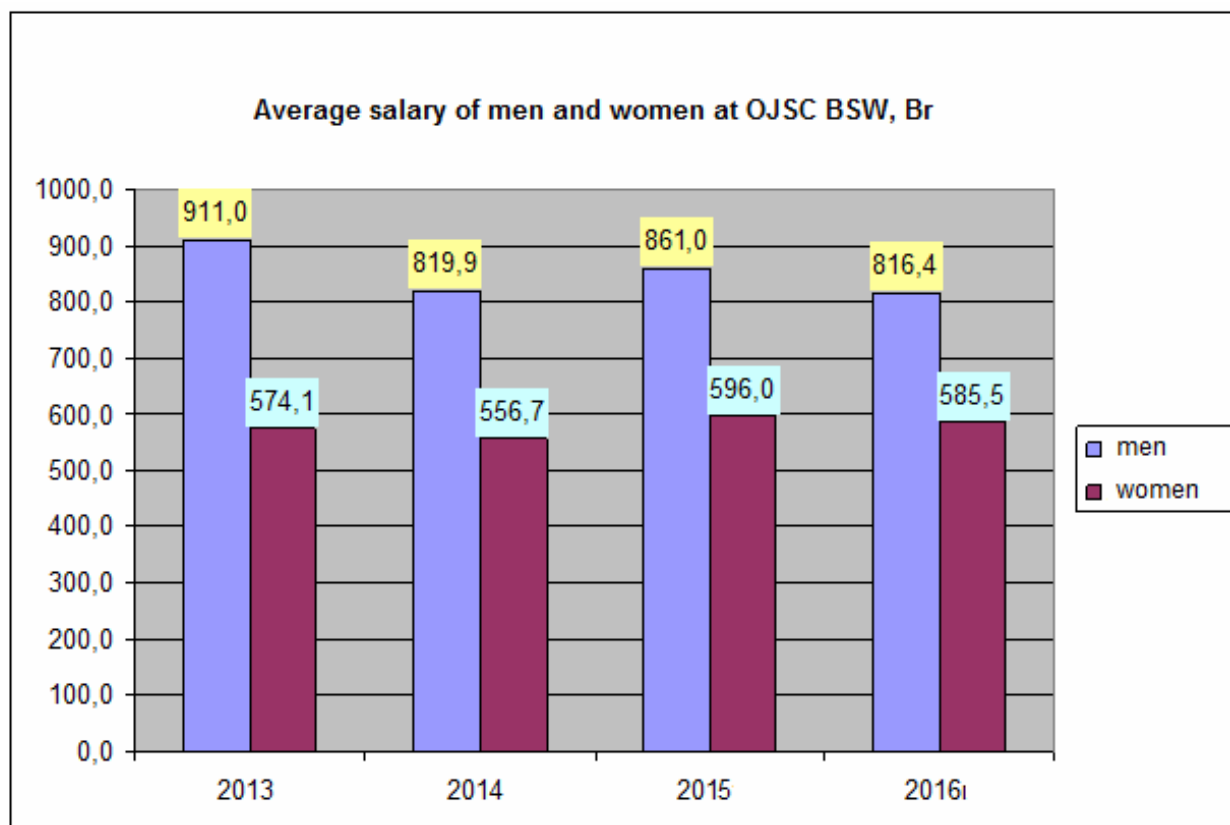
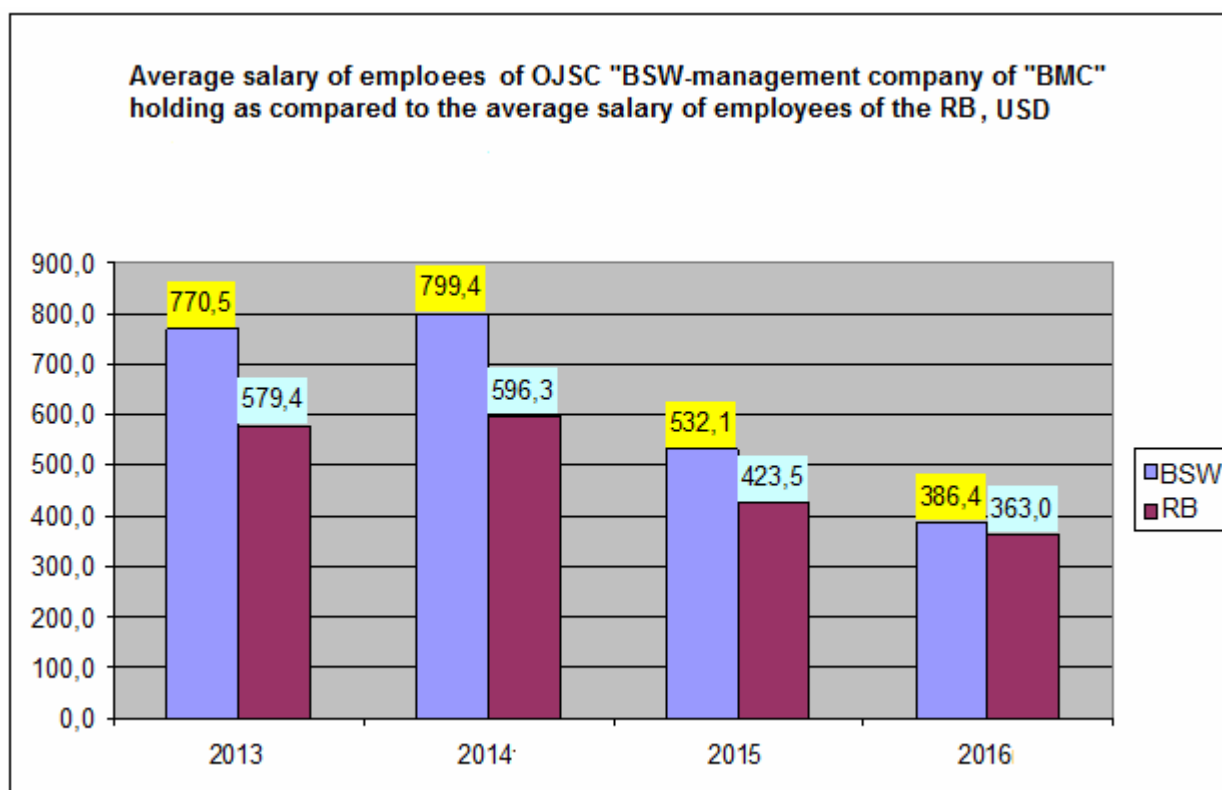
IT IS IMPORTANT THAT IN THESE CHALLENGING TIMES THE ENTERPRISE WORKED FOR DECREASING THE LABOR COEFFICIENT OF THE MANUFACTURED PRODUCTS. IN 2016 IMPLEMENTATION OF THIS APPROACH LEAD TO THE DECREASE OF THE LABOR COEFFICIENT OF THE OPERATIONS FULFILLED IN BASIC AND AUXILIARY SHOPS BY 41,2 THOU. N/H. THE ECONOMIC EFFICIENCY MADE UP OVER BR30,2 THOU.

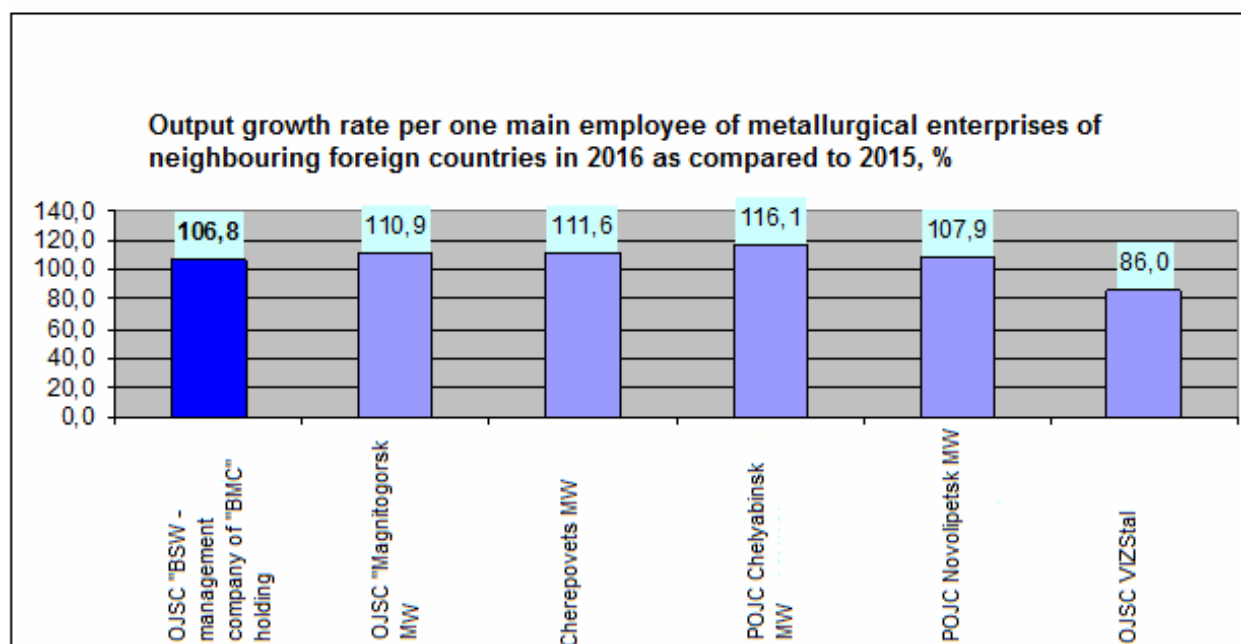
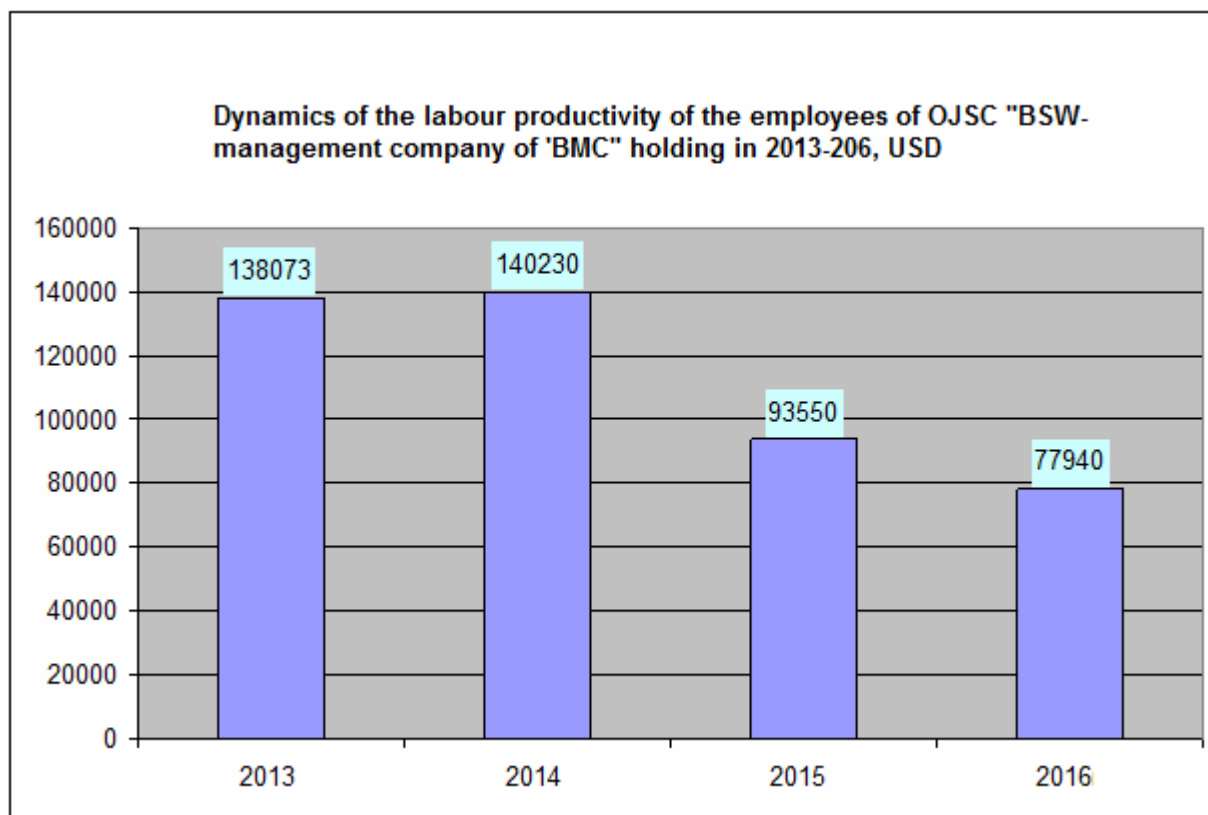
AS FAR AS THE SALARY LEVEL IS CONCERNED, THE PLANT TAKES A DECENT PLACE AMONG THE GROSS-OUTPUT-MAKING ENTERPRISES OF THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS, WHICH IS SHOWN IN THE BELOW DIAGRAM:

ALL TECHNICAL-ECONOMIC DEVELOPMENT PROGRAMS OF THE ENTERPRISE ARE WORKED OUT FOR ONE YEAR AND ARE REPORTED TO THE PERSONNEL. THE RESULTS OF THEIR IMPLEMENTATION ARE SUMMARIZED MONTHLY DURING A YEAR AND ARE REPORTED TO THE EMPLOYEES DURING FORUMS, MEETINGS AND IN THE PLANT'S NEWSPAPER "METALLURG".



## Social activity



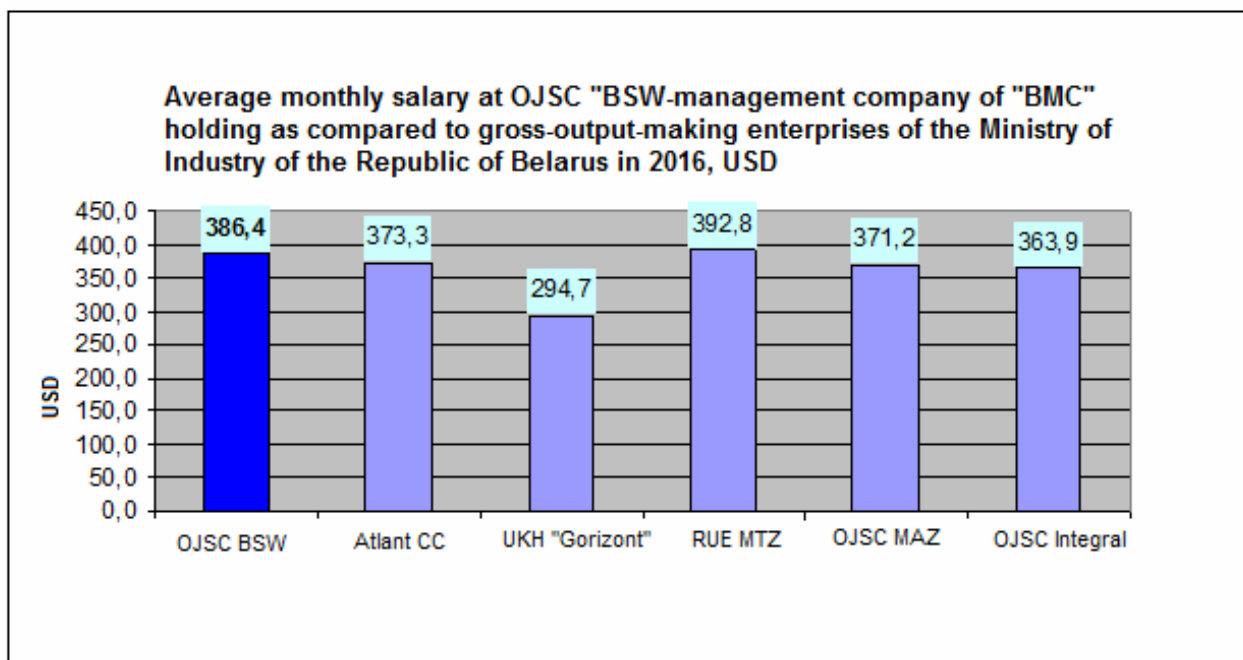


Note: Calculation if fulfilled in the national currency \*) in USD





## Social activity



### NON-FINANCIAL INCENTIVES

A SIGNIFICANT ELEMENT OF THE ENTERPRISE CORPORATE CULTURE IS THE SYSTEM OF NON-FINANCIAL INCENTIVES OF THE EMPLOYEES WHICH COMPRISES SOCIAL-PSYCHOLOGICAL, STAFF AND PROFESSIONAL ASPECTS.

BYELORUSSIAN STEEL WORKS PAYS SPECIAL ATTENTION TO STIMULATION AND PERSONNEL INTEREST IN SAVING OF MATERIAL AND ENERGY RESOURCES, GROWTH OF PRODUCTION EFFICIENCY, ENHANCEMENT OF RESPONSIBILITY FOR THE QUALITY OF PRODUCTS MANUFACTURED, IMPROVEMENT OF THE PRODUCTION EFFECTIVENESS AS WELL AS DEVELOPMENT OF CREATIVE ACTIVITY WITH THE HELP OF 30 TYPES OF THE PRODUCTION COMPETITIONS AND CONTESTS HELD IN INDIVIDUAL AND COLLECTIVE FORMS ("BEST IN PROFESSION", "BEST SHOP", "BEST CANTEEN", "BEST IN PROFESSION AMONG PRIVATE UNITARY ENTERPRISES", "PROFESSIONAL OLYMPUS", "BEST INNOVATOR OF THE YEAR", "BEST YOUNG SPECIALIST", CONTEST OF PLANT TEAMS AND STRUCTURAL SUBDIVISIONS OF THE WORKS IN CONFORMITY WITH THE SYSTEM "BE AWARE OF A HUMAN!", ETC.)

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

385 EMPLOYEES OF OUR ENTERPRISE WERE AWARDED LETTERS OF COMMENDATION AND THANKED OFFICIALLY BY OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IN 2016. SERVICES OF THE PLANT'S EMPLOYEES WERE ALSO APPRECIATED AT THE DISTRICT, REGIONAL, AND NATIONAL LEVEL



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 – MANAGEMENT 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 2016 CONTAIN THE BEST PICTURES DRAWN BY THE FUTURE METALLURGISTS CHOSEN ACCORDING TO THE RESULTS OF THE REGIONAL CONTEST AND PHOTOS OF THE WOMEN WORKING AT THE PLANT.

THE POSSIBILITY OF PROFESSIONAL EDUCATION AND IMPROVEMENT OF WORKERS' QUALIFICATION IS OF A PARTICULAR IMPORTANCE FOR MOTIVATION OF THE STAFF. PROFESSIONAL TRAINING ORGANIZED AND CARRIED OUT AT THE ENTERPRISE BY THE TRAINING CENTER ENSURES EXECUTION OF THE THREE MOTIVATING FUNCTIONS:

- PRODUCTION-ECONOMIC (COMPANY COMPETITIVE ABILITY GROWTH, ENHANCEMENT OF THE QUALITY OF DUTY PERFORMANCE AND MANUFACTURED PRODUCTS);
- ADMINISTRATIVE (PROVIDING WITH QUALIFIED PERSONNEL, ITS FORMATION, REPRODUCTION, ADAPTATION AND PERSONNEL DEVELOPMENT);
- SOCIAL-CULTURAL (PERSONALITY SOCIALIZATION, PROVISION OF OCCUPATION, SOCIAL CONFIDENCE, OFFERING EQUAL OPPORTUNITIES FOR PROFESSIONAL AND CAREER DEVELOPMENT).

BYELORUSSIAN STEEL WORKS PUTS PARTICULAR EMPHASIS ON SUSTAINING FAVORABLE SOCIAL-PSYCHOLOGICAL

CLIMATE IN THE WORKING TEAM, ORGANIZATION OF PROFESSIONAL CELEBRATIONS, SPORT AND CULTURAL EVENTS FOR THE EMPLOYEES, THEIR FAMILY MEMBERS AND THE POPULATION OF THE REGION (SEE SECTION "SOCIAL PACKAGE OF BENEFITS AND GUARANTEES FOR THE STAFF"). THE APPROACHES IN PLANNING OF THE CORPORATE EVENTS ARE DETERMINED BASED ON THE ANALYSIS OF THE RESULTS OF ANNUAL INTEGRATED STUDY OF SOCIAL-PSYCHOLOGICAL CLIMATE OF THE WORKING TEAMS OF THE COMPANY.

#### SHORT-TERM TARGETS IN THE AREA OF SOCIAL RESPONSIBILITY

ACHIEVEMENT OF THE FOLLOWING LEVEL OF THE MAIN TARGET VALUES RELATED WITH THE COMPANY SOCIAL-ECONOMIC DEVELOPMENT IS SCHEDULED FOR 2017:

- TRAINING OF THE EXECUTIVE EMPLOYEES AND SPECIALISTS, PERS — 1346
- WORKERS PROFESSIONAL TRAINING, PERS. — 3525
- GENERAL SATISFACTION OF THE PERSONNEL, % MIN — 72
- PERSONNEL TURNOVER, %, MAX — 45

#### 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 ARE NOT DANGEROUS TO EMPLOYEES' HEALTH AND HUMAN DIGNITY.

**385**

NUMBER OF EMPLOYEES AWARDED LETTERS OF COMMENDATION AND OFFICIAL APPRECIATION OF BSW IN 2016



## Social activity



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.

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 EN-

TERPRISE SYSTEM OF LABOR PROTECTION AND INDUSTRIAL SAFETY TO THE REQUIREMENTS OF THE STANDARDS.

IN MARCH 2016, REPRESENTATIVES OF NORM-TEST LTD. — PARTNER OF TÜV THÜRINGEN E.V. (MINSK), BODY FOR CERTIFICATION OF SYSTEMS AND PERSONNEL, CARRIED OUT THE FIRST SUPERVISORY AUDIT TO CONFIRM THE CERTIFICATES OF CORRESPONDENCE OF THE LABOUR PROTECTION AND INDUSTRIAL SYSTEM CORRESPONDENCE WITH THE REQUIREMENTS OF OHSAS 18001:2007. 9 STRUCTURAL DIVISIONS WERE INSPECTED DURING THE AUDIT. NO NON-CONFORMITIES WERE DETECTED BASED ON THE RESULTS OF THE AUDIT AND NO PROTOCOLS WERE ISSUED.

IN NOVEMBER 2016, REPRESENTATIVES OF THE STATE EDUCATIONAL ESTABLISHMENT "THE REPUBLICAN INSTITUTE OF HIGHER SCHOOL" — A CERTIFICATION BODY — FULFILLED A SUPERVISION AUDIT OF THE SYSTEM OF ENVIRONMENT AND INDUSTRIAL SAFETY MANAGEMENT TO EVALUATE ITS COMPLIANCE WITH THE REQUIREMENTS OF THE STATE STANDARD STB 18001-2009 "SYSTEMS OF LABOUR PROTECTION CONTROL. REQUIREMENTS". DURING THE AUDIT, 33 DIVISIONS WERE INSPECTED. NO NON-CONFORMITIES WERE DETECTED BASED ON THE RESULTS OF THE AUDIT. THE CERTIFICATION BODY WILL EXTEND THE VALIDITY OF THE CERTIFICATE OF THE LABOUR PROTECTION AND INDUSTRIAL SAFETY SYSTEM CONFORMITY FOR 3 MORE YEARS.

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 JOINT 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 ACKNOWLEDGING THE CONFORMITY WITH THE INTERNATIONAL STANDARDS CHARACTERIZES THE ENTERPRISE AS A RELIABLE PARTNER, INCREASES ITS PRESTIGE, AND THE PRODUCTS COMPETITIVE ABILITY.

IMPLEMENTATION OF THIS SYSTEM ALLOWED OUR PLANT TO:



- DECREASE THE COSTS DUE TO A MORE EFFICIENT USE OF LABOR RECOURSES; 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 LA-

BOR PROTECTION AND INDUSTRIAL SAFETY MANAGEMENT AND ADJUSTS IT IN ACCORDANCE WITH THE REQUIREMENTS OF INTERNATIONAL STANDARDS. THIS ALLOWS CONSIDERABLE REDUCTION OF THE PRODUCTION COSTS DUE TO LOWERING THE SPECIALISTS INCAPACITATION RELATED WITH ACCIDENTS, OCCUPATIONAL ILLNESSES, EMERGENCIES AND FIRES.

IN 2016 INVESTMENTS OF OJSC «VSW – MANAGEMENT COMPANY OF «BMC» HOLDING INTO THE LABOR PROTECTION MADE UP Br2 442 014 .

IN 201 INVESTMENTS OF OJSC “VSW – MANAGEMENT COMPANY OF “BMC” HOLDING INTO THE LABOR PROTECTION MADE UP Br2 442 014 DENOMINATED.

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

### IMPROVEMENT OF LABOR CONDITIONS

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

THESE MEASURES HELPED US TO IMPROVE LABOR CON-

# 2,4

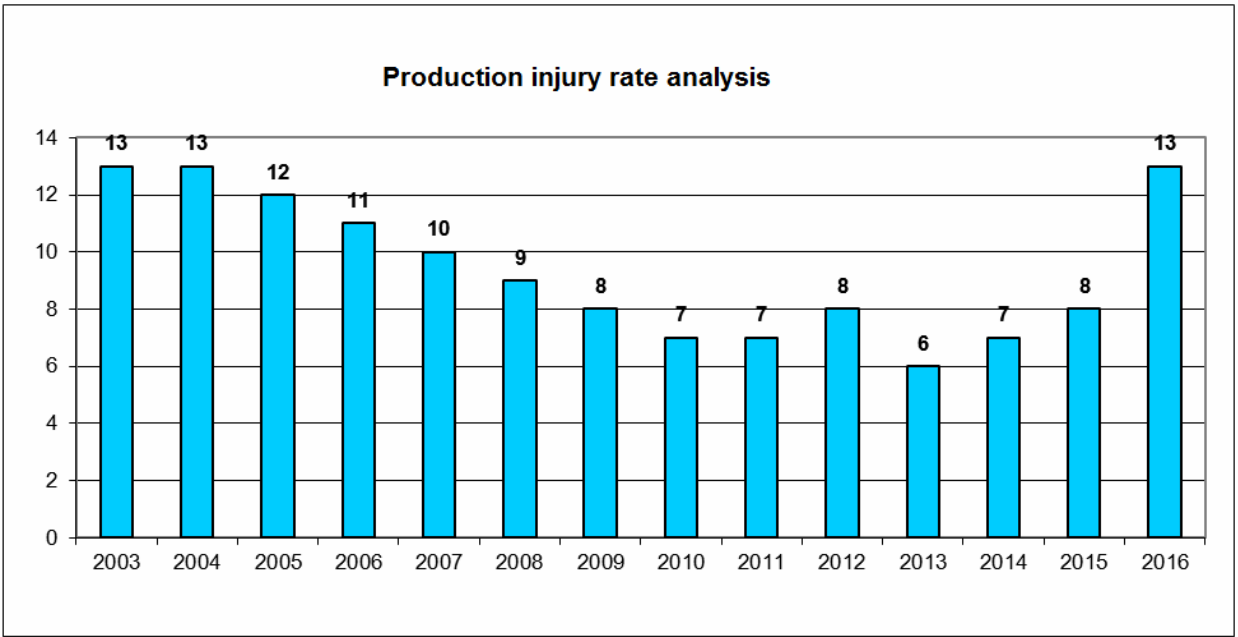
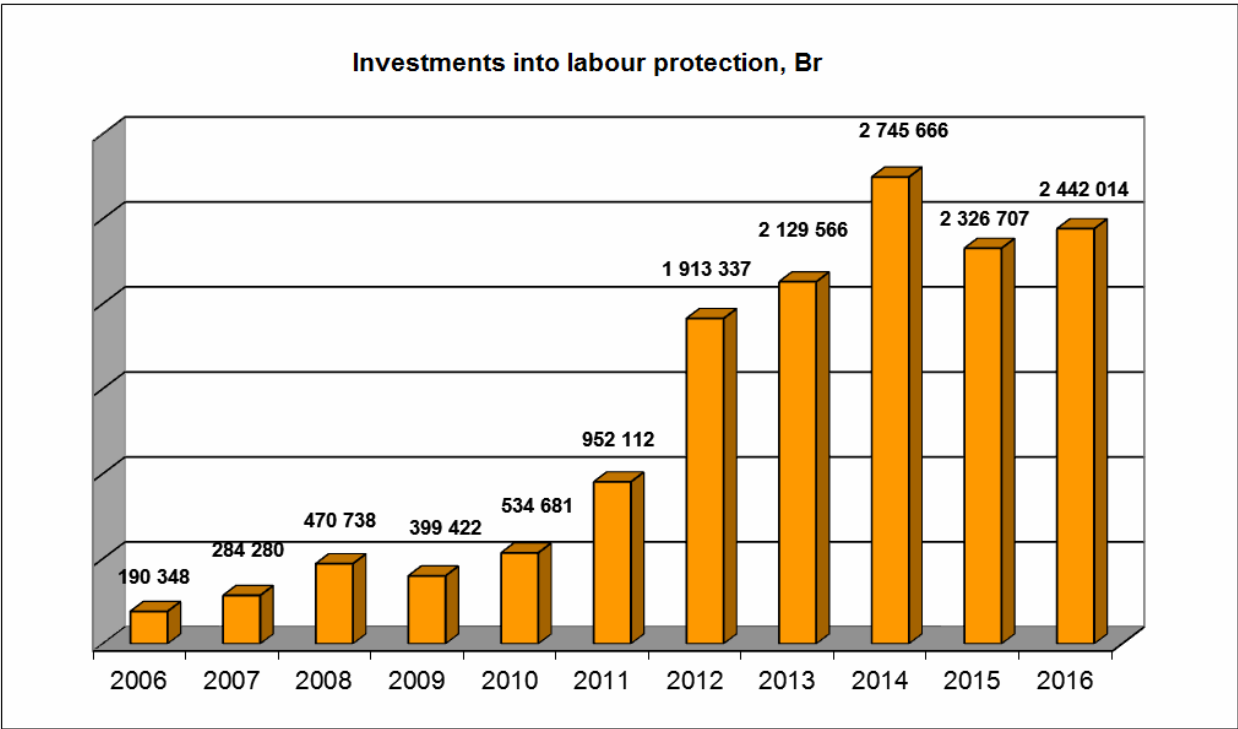
INVESTMENTS IN PROVISION  
OF SAFE AND HEALTHY LABOUR  
CONDITIONS IN 2016

ITEM No.	INDICATOR	2013	2014	2015	2016
1	NUMBER OF RECORDED ACCIDENTS	6	7	8	13
2	NUMBER OF THE INJURED INCLUDING:	6	7	8	13
	MORTAL	0	0	0	1
	SEVERE	2	2	1	2
	GROUP	0	0	0	0
3	FREQUENCY COEFFICIENT, Fc	0,44	0,64	0,71	1,2
4	GRAVITY COEFFICIENT, Gc	35,8	57	43,6	21,15
5	WASTED DAYS OF WORKING ABILITY	179	399	349	275

Production traumatism indicators



# Social activity





**31**

NUMBER OF IMPLEMENTED MEASURES DIRECTED TOWARDS ENSURING LABOUR SAFETY AND IMPROVEMENT OF LABOUR PROTECTION CONDITIONS.

EVERY YEAR THE PLANT WORKS OUT A PLAN OF MEASURES PROVIDING FOR LABOR SAFETY AND LABOUR CONDITIONS IMPROVEMENT. IN 2016, THE PLANT IMPLEMENTED 31 MEASURES. DUE TO THE MEASURES TAKEN, WORKING CONDITIONS OF 289 (390 IN 2015) EMPLOYEES WERE IMPROVED.

BYELORUSSIAN STEEL WORKS 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 OBSERVANCE 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 THE PLANT. IN ACCORDANCE WITH THE PROVISIONS OF THE COLLECTIVE AGREEMENT THE EMPLOYEES ARE TIMELY PROVIDED WITH FREE CERTIFIED WORKING CLOTHES AND SHOES, PERSONAL PROTECTIVE AND HYGIENIC EQUIPMENT, UNDERGO A PERIODICAL MEDICAL INSPECTION. SOME CATEGORIES OF WORKERS ARE PROVIDED WITH MILK.

### TRAINING AND COMPETENCE EVALUATION

AN INTEGRAL PART OF THE 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.

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

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.

IN ORDER TO FULFILL THE EDUCATIONAL TRAINING OF THE PERSONNEL THAT SERVICES AND OPERATES HIGH-RISK FACILITIES, THE CORPORATE TRAINING CENTER WAS AUDITED TO CHECK ITS CONFORMITY WITH THE NATIONAL LEGISLATION AND RECEIVED THE CONSENT OF THE DEPARTMENT FOR SUPERVISION OF SAFE OPERATION IN INDUSTRIAL AND ATOMIC POWER ENGINEERING OF THE MINISTRY OF EMERGENCY SITUATIONS 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 STAKEHOLDERS 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 A TWO-STAGE PUBLIC CONTROL.

AT THE FIRST STAGE, DAILY CONTROL OF OBSERVANCE 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 473 PERSONS INCLUDES REPUTABLE EMPLOYEES SELECTED BY THE WORKING TEAM MEMBERS BY OPEN VOTING.

THE EXECUTIVES' ACTIVITIES AND THEIR AUTHORITIES REGARDING THE CONTROL OF COMPLIANCE WITH THE LABOR PROTECTION LEGISLATION ARE REGULATED BY DECREE No.179 OF THE MINISTRY OF LABOR AND SOCIAL SECURITY OF THE REPUBLIC OF BELARUS "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 FED-



## Social activity



ERATION 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".

За 2016 год проведено 52 324 проверки соблюдения законодательства о труде и охране труда, в ходе которых выявлено 46 459 нарушений, по результатам проверок выдано 29 875 рекомендаций, рассмотрено 508 обращений по охране труда.

**52 324**

NUMBER OF INSPECTIONS IN  
STRUCTURAL DIVISIONS OF BSW  
REGARDING FULFILLMENT OF LABOUR  
LEGISLATION AND LABOUR  
PROTECTION LAW.

IS CARRIED OUT BY 22 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. 2.04.2003.

DURING 2016, 52 324 INSPECTIONS WERE CARRIED OUT TO CHECK OBSERVANCE OF THE LABOUR PROTECTION LAW, IN THE RESULT, 29 875 RECOMMENDATIONS WERE ISSUED AND 508 REQUESTS RELATED TO LABOUR PROTECTION WERE CONSIDERED.

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 30 PUBLIC COMMISSIONS INCLUDING REPRESENTATIVES OF THE STRUCTURAL SUBDIVISIONS MANAGEMENT. THEIR ACTIVITY IS SPECIFIED BY THE DECREE OF PRESIDUM OF THE BELARUSIAN TRADE UNIONS FEDERAL COUNCIL No. 59 DD. 24.04.2003.

DURING 2015, 50 166 INSPECTIONS WERE CARRIED OUT TO CHECK OBSERVANCE OF THE LABOUR PROTECTION LAW, IN THE RESULT, 56 121 NON-CONFORMITIES WERE DETECTED, AND 3 737 RECOMMENDATIONS WERE ISSUED, 772 REQUESTS RELATED TO LABOUR PROTECTION.

FOR STIMULATION AND IMPROVEMENT OF PERSONAL RESPONSIBILITY OF THE EMPLOYEES FOR OBSERVANCE OF SAFE LABOR RULES AND NORMS, A CORRESPONDING LOCAL NORMATIVE-LEGAL ACT STIPULATES MATERIAL INCENTIVES OF EMPLOYEES WHO HAVE NO VIOLATIONS OF THE REQUIREMENTS OF LABOR AND FIRE SAFETY, AND INDUSTRIAL SANITARY. BESIDES, 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, LABOUR AND SOCIAL PROTECTION, RESCUE SERVICE, CIVIL PROTECTION, ETC.

FOLLOWING THE PRINCIPLES OF SOCIAL RESPONSIBILITY IN ADDITION TO OBLIGATORY INSURANCE, THE EMPLOYER SIGNED AN AGREEMENT WITH PROMTRANSINVEST LTD. "ABOUT VOLUNTARY 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.

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 2017:

- PREVENT THE OCCUPATIONAL TRAUMATISM GROWTH BY 8% AS COMPARED TO THE LEVEL OF 2016;
- PROVIDE FOR ADDITIONAL SAFETY OF LABOR FOR WORKERS OF THE SHOPS, PERS. – 94;
- IMPROVE PRODUCTION ENVIRONMENT OF WORKERS OF THE SHOPS, PERS. – 181;
- IMPROVE SANITATION AND HOUSEHOLD CONDITIONS FOR THE EMPLOYEES, PERS. – 108;
- IMPROVE DRINKING CONDITION OF WORKERS OF THE SHOPS, PERS. – 35

### HEALTH PROTECTION

HEALTH PROTECTION OF THE PLANT'S EMPLOYEES IS THE



MOST IMPORTANT INTEGRAL 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 THE STRATEGY AND TACTICS IN THE AREA OF HEALTH PROTECTION IS STATED IN THE COMPREHENSIVE PROGRAM "HEALTH-2016" 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 AND PROMOTION OF A HEALTHY LIFESTYLE.

THE MAJOR ITEMS OF THE WORKS SOCIAL POLICY AND THE "HEALTH -2016" ARE: ENHANCEMENT OF THE PREVENTIVE MEDICAL AID LEVEL; ORIENTATION OF THE MEDICAL AID SYSTEM AT INCREASING THE AMBULATORY SEGMENT EFFICIENCY; COMPLIANCE OF THE ON-SITE WORK PLACES WITH THE TECHNOLOGICAL AND SANITARY-HYGIENIC NORMS; IMPROVEMENT OF ECOLOGICAL EVENTS AND ENVIRONMENTAL PROTECTION NORMS; DEVELOPMENT OF THE PLANT PERSONNEL'S STRONG ORIENTATION AT HEALTHY LIFESTYLE AND CREATION OF CONDITIONS FOR IMPROVEMENT OF THE LIFE QUALITY.

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 USD681 THOUSAND FOR MEDICAL CENTER FINANCING IN 2016.

THE CLINIC OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING INCLUDES: 9 FIRST-AID STATIONS, A POLY-

CLINIC FOR 250 VISITS PER SHIFT (TOTAL AREA EXCLUDING CORRIDORS, AUXILIARY AND OTHER ROOMS) EQUALS TO 2386,1 SQ.M). IT COMPRISES: RECEPTION, THERAPY, DEPARTMENT FOR DAILY STAY FOR 20 BEDS, PHYSIOTHERAPEUTICS DEPARTMENT (INCLUDING EXERCISE THERAPY ROOM, MECHANOTHERAPY, INHALATORIUM, THERAPEUTIC MASSAGE ROOM, AND LAZAR THERAPY), CLINICODIAGNOSTIC LABORATORY (WITH CLINICAL AND BIOCHEMICAL DEPARTMENTS TO FULFILL CLINICAL AND BIOCHEMICAL INVESTIGATIONS), X-RAY DIAGNOSTICS ROOM, WS DIAGNOSTICS, CENTRALIZED STERILIZATION DPT., FUNCTIONAL DIAGNOSTICS ROOM (ELECTROCARDIOGRAPHY, SPIROGRAPHY, HOLTER MONITORING, SMAD CARDIAN MD TO MONITOR THE LEVEL OF ARTERIAL BLOOD PRESSURE, INVESTIGATION OF CEREBRAL HAEMODINAMICS), MEDICAL CERTIFICATE REGISTRATION ROOM, ROOM FOR PRELIMINARY EXAMINATION, SPECIAL DOCTORS' ROOMS: NEUROLOGIST, TRAUMATOLOGIST, OPHTHALMOLOGIST, OTOLARYNGOLOGIST, UROLOGIST, DERMATOLOGIST.

THE MEDICAL DEPARTMENT IS THE BASIS OF MEDICAL SERVICE OF THE ENTERPRISE. MODERN MEDICAL EQUIPMENT AND HIGH PROFESSIONALISM OF MEDICAL WORKERS ALLOW INVESTIGATION WITH LABORATORY, FUNCTIONAL, AND INSTRUMENTAL DIAGNOSTICS. DOCTORS OF NARROW SPECIALTIES RENDER A WIDE RANGE OF MEDICAL SERVICES.

THE CLINIC IS EQUIPPED WITH STATE-OF-THE-ART EQUIPMENT AND ITS MATERIAL – TECHNICAL BASE IS CONTINUOUSLY IMPROVED. MEDICAL SERVICE CAN BE RENDERED WITH TEMPORARY INTERRUPTION OF PRODUCTION ACTIVITY. IN 2016 THIS FORM OF MEDICAL CARE WAS USED BY MORE THAN 97 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 136 PEOPLE INCLUDING: 31 DOCTORS, 81 – MEDICAL PERSONNEL WITH SECONDARY SPECIALIZED EDUCATION AND 19 PARAMEDICAL SPECIALISTS.

71 % OF DOCTORS HAVE QUALIFICATION CATEGORIES. 74 % OF THE PARAMEDICAL PERSONNEL ARE ATTESTED FOR CATEGORIES.



## Social activity



THE CLINIC HAS 7 SHOP THERAPEUTIC STATIONS SERVING APPROXIMATELY 2017 PEOPLE EACH.

208 325 PEOPLE VISITED THE CLINIC IN 2016. 77,0 % OF THE TOTAL NUMBER OF VISITS WERE RELATED TO DISEASES. DURING 12 MONTHS OF 2016, MEDICAL ASSISTANTS WORKING AT MEDICAL ROOMS FULFILLED 496 866 PRE-SHIFT AND PRE HAUL MEDICAL EXAMINATIONS. 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 AT 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 13952 EMPLOYEES INCLUDING 10100 PEOPLE OBLIGED TO PASS MEDICAL EXAMINATION AND 2296 WOMEN WERE THOROUGHLY EXAMINED IN 2016. A SINGLE PROFESSIONAL DISEASE WAS DETECTED. DUE TO DISPENSARY GROUP CHANGE 179 PEOPLE WERE RECOMMENDED A MORE

ADEQUATE EMPLOYMENT.

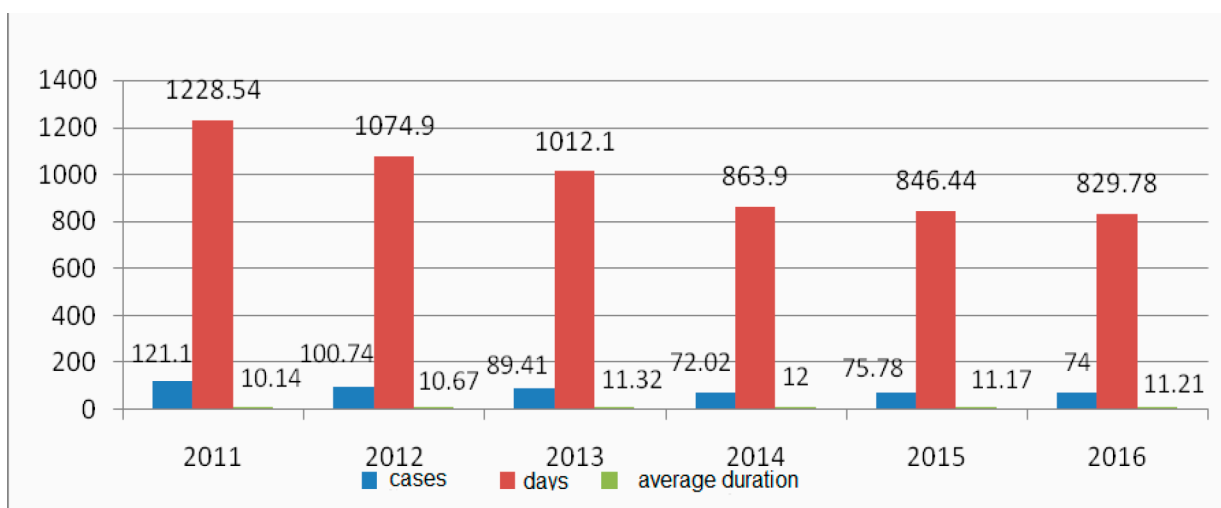
A LOCAL COMPUTER NETWORK IS AVAILABLE AT THE MEDICAL DEPARTMENT. IN 2009, E-DOCTOR SOFTWARE WAS INSTALLED AND HAS BEEN USED IN OPERATION; AN ELECTRONIC AMBULATORY PATIENTS' CARDS ARE MAINTAINED. AN ELECTRONIC MAIL IS AVAILABLE. THE MEDICAL DEPARTMENT IS CONNECTED TO CORPORATE NETWORK OF THE ENTERPRISE AND IS EQUIPPED WITH THE PROGRAMS: PERSONNEL, LOTUS-NOTES, CONSULTANT +, WORKING CLOTHES, AND SAP. INFOBMZ SITE HAS A "MEDICINE" SECTION WHERE INFORMATION ABOUT MEDICAL DEPARTMENT WORK, FORMATION OF A HEALTHY WAY OF LIVING, MEDICAL ARTICLES, AND PRESENTATIONS ARE LOCATED.

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 2016 PROCEEDS FROM PAID MEDICAL SERVICES MADE UP 27268.

### EFFECTIVENESS OF MEDICAL AND HEALTH PROMOTION PROGRAMS

MEANS INVESTED IN THE COMPANY EMPLOYEES' HEALTH, MEDICAL SERVICE QUALITY ENHANCEMENT AND IMPLEMENTATION OF MODERN TREATMENT METHODS TOGETHER WITH SUCCESSFUL REALIZATION OF THE EMPLOYEES' HEALTH





PROMOTION PROGRAM IN SANATORIUMS AND VACATION HOUSES ALLOWS US TO SUSTAIN THE POSITIVE DYNAMICS OF LOWERING THE EMPLOYEES' DISEASE.

IN THE RESULT OF PREVENTION AND EARLY DETECTION OF DISEASES, INDICATORS OF THE EMPLOYEES' HEALTH IMPROVED AT OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING AS WELL AS QUALITY OF THEIR LIFE. DISEASES WITH TEMPORARY DISABILITY MADE UP 829,78 DAYS PER 100 EMPLOYEES IN 2016, WHICH IS 16,66 DAYS LESS THAN IN 2015. SINCE 2011, THE DISEASE LEVEL OF BSW EMPLOYEES DECREASED FROM 1228,54 TO 829,78 DAYS PER 100 OF EMPLOYEES OR BY 32,46%.

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING TAKES PART IN IMPLEMENTATION OF THE NATIONAL PROGRAM OF DEMOGRAPHIC SAFETY AIMED AT IMPROVEMENT OF THE CONDITION OF PREGNANT WOMEN AND THOSE WHO GAVE BIRTH TO CHILDREN, PREPARATION FOR CHILDBIRTH AND UPBRINGING.

SPECIALISTS OF THE MEDICAL CENTRE DIRECTLY PARTICIPATE IN A PURPOSEFUL SANITARY EDUCATIONAL WORK RELATED TO PREVENTION OF TUBERCULOSIS AND AIDS.

SINCE 2010, PROGRAM "HEALTH @ WORK" OPERATES AT BYELORUSSIAN STEEL WORKS REALIZED WITHIN THE FRAMEWORK OF THE PROJECT OF BELARUSIAN RED CROSS "HIV PREVENTION IN THE LABOUR FIELD". AIM OF THE PROJECT: IMPROVEMENT OF HIV PREVENTION MEANS IN LABOUR FIELD AND IMPROVEMENT OF EFFICIENCY OF THEIR IMPLEMENTATION, AS WELL AS SOLVING OF EMPLOYEES' PROBLEMS RELATING TO MAINTENANCE OF REPRODUCTIVE HEALTH, ARRANGEMENT OF EVENTS RELATING TO DISEASE PREVENTION, FORMATION OF A RESPONSIBLE BEHAVIOR AND ADEQUATE ATTITUDE TO PEOPLE HAVING HUMAN IMMUNODEFICIENCY VIRUS.

"HEALTH @ WORK" PROGRAM ALLOWS THE PLANT'S EMPLOYEES TO REALIZE THE IMPORTANCE OF THE PROBLEMS RELATING TO HIV-INFECTION AND TIMELY PROTECT THEIR HEALTH.

BSW DEVELOPED A POLICY OF COUNTERACTION TO HIV-INFECTION SPREAD APPROVED BY THE GENERAL DIRECTOR. EVERY YEAR, AN ANNUAL PLAN OF MEASURES TO PREVENT HIV-INFECTION IS DEVELOPED AT THE ENTERPRISE. A SEP-

ARATE ANNUAL PLAN IS DEVELOPED AT THE PLANT'S HOSTEL FOR SINGLE PEOPLE TO PREVENT HIV /AIDS.

DURING 2016 BYELORUSSIAN STEEL WORKS ARRANGED A NUMBER OF EVENTS UNDER THE PROGRAM "HEALTH @ WORK" WERE ARRANGED 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, THE PALACE OF CULTURE, STRUCTURAL DIVISIONS AND MEDICAL CENTER AS WELL AS INFORMING OF THE EMPLOYEES VIA MASS MEDIA.

WHEN HIRING NEW EMPLOYEES, THEY ARE INFORMED ABOUT THE "HEALTH @ WORK" PROGRAM. SPECIALISTS OF THE PANT MEDICAL DEPARTMENT PARTICIPATE IN THE WORK OF THE DISTRICT INTERAGENCY COMMITTEE FOR PREVENTION OF HIV/AIDS AND VENEREAL DISEASES.

WITHIN THE FRAMEWORK OF IMPLEMENTATION OF THE REGIONAL ACTION TIMED TO THE WORLDWIDE DAY OF AIDS PREVENTION A REPRESENTATIVE OF BYELORUSSIAN STEEL WORKS PARTICIPATED IN THE SEMINAR – WORKSHOP "ORGANIZATION OF INFORMATION-EDUCATIONAL WORK DEDICATED TO HIV/AIDS PREVENTION AT ENTERPRISES, ORGANIZATIONS, AND INSTITUTIONS OF ZHLOBIN DISTRICT" ON THE BASIS OF ZHLOBIN DISTRICT ORGANIZATION OF BELARUSIAN RED CROSS.

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

RATING OF THE MEDICAL CENTER WORK IN 2016 IS POSITIVE AND IS AT THE HIGH LEVEL OF 0,70 (IN 2015 THE SATISFACTION INDEX WAS 0,68).

### **SOCIAL PACKAGE OF BENEFITS AND GUARANTEES OF THE EMPLOYEES**

SUPPORTING SOCIAL DEVELOPMENT OF THE EMPLOYEES AND LOCAL COMMUNITY, BYELORUSSIAN STEEL WORKS FOLLOWS THE PRINCIPLES OF A RESPONSIBLE BUSINESS PRACTICE





## Social activity



# 2,5

THE AMOUNT OF FINANCING OF SOCIAL PROGRAMS IN 2016 (\$ MLN)

FORMULATED IN THE UN GLOBAL COMPACT AND OTHER INTERNATIONAL ACTS.

OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING REAL-

IZES THAT IN PRESENT DAY BUSINESS CONDITIONS SUSTAINABILITY OF AN ENTERPRISE IS DETERMINED NOT ONLY BY THE ECONOMIC EFFICIENCY FACTORS, BUT BY PARAMETERS OF EFFECTIVENESS OF THE CORPORATE SOCIAL POLICY AS WELL.

LONG-TERM BUSINESS STABILITY DEPENDS ON THE SOCIAL-ECONOMIC STABILITY OF THE REGION OF THE ENTERPRISE’ OPERATION. CORPORATE SOCIAL RESPONSIBILITY POLICY IN RESPECT OF OWN EMPLOYEES AND LOCAL COMMUNITIES IS A STRATEGIC DIRECTION OF THE ENTERPRISE’ ACTIVITY. EMPLOYEES ARE THE MAIN RESOURCE OF THE COMPANY FOR OBTAINING COMPETITIVE BENEFITS. LONG-TERM BUSINESS STABILITY DEPENDS ON THE SOCIAL-ECONOMIC STABILITY OF THE REGION OF THE ENTERPRISE’ OPERATION. CORPORATE SOCIAL RESPONSIBILITY POLICY IN RESPECT OF OWN EMPLOYEES AND LOCAL COMMUNITIES IS A STRATEGIC DIRECTION OF THE ENTERPRISE’ ACTIVITY. EMPLOYEES ARE THE MAIN RESOURCE OF THE COMPANY FOR OBTAINING COMPETITIVE BENEFITS.

THE PLANT INVESTS CONSIDERABLE RESOURCES IN FORMATION OF AN INTERESTED, RESPONSIBLE PERSONNEL, IMPROVEMENT OF LABOUR CONDITIONS, AND PROVISION OF SOCIAL PROTECTION TO THE EMPLOYEES.

THE SOCIAL POLICY OF THE ENTERPRISE PROMOTES MAINTENANCE OF COMPETITIVE BENEFITS OF THE COMPANY, FORMS A HIGHLY-QUALIFIED TEAM OF EMPLOYEES ABLE TO WORK EFFICIENTLY IN THE CONDITIONS OF A TOUGH COMPETITION.

FB IN 2016 OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING FULFILLED SOCIAL PROGRAMS BASED ON THE COLLECTIVE AGREEMENT IN ACCORDANCE WITH THE BUDGET FOR THE SOCIAL AREA AT THE EXPENSE OF OWN ASSETS OF THE PLANT AND SOCIAL INSURANCE FOUNDATION OF THE REPUBLIC OF BELARUS. IN 2015 OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING CONTINUED TO FULFILL ITS OBLIGATIONS OF THE MAIN DIRECTIONS OF SOCIAL PROGRAMS IN SPITE OF A COMPLICATED ECONOMIC SITUATION IN 2015, THEIR FINANCING MADE UP USD3,2 MILLION.

PRIORITY DIRECTIONS OF OJSC “BSW – MANAGEMENT

COMPANY OF “BMC” HOLDING SOCIAL POLICY ARE:

- CREATION OF FAVORABLE CONDITIONS FOR THE WORKERS AND THEIR FAMILIES FOR SOLVING ALL THE WELFARE ISSUES: TREATMENT AND MEDICAL SERVICE, SAVING OF REPRODUCTIVE HEALTH, HEALTH IMPROVEMENT AND VACATIONS, PROMOTION OF HEALTHY LIFESTYLE STANDARDS, IMPROVEMENT OF LIVING CONDITIONS AND CULTURAL SERVICE;
- RENDERING OF SOCIAL AND VOLUNTARY SUPPORT FOR PENSIONERS, THE DISABLED, CHILDREN, THE COMPANY EMPLOYEES HAVING LARGE FAMILIES;
- OFFERING OF A SPONSORSHIP AND BENEFICENT AID FOR SPORT ORGANIZATIONS AND ORGANIZATIONS REPRESENTING OTHER SPHERES OF SOCIAL LIFE;
- OFFERING OF A WIDE SCOPE OF QUALITY SERVICES FOR THE INHABITANTS OF THE TOWN AND SURROUNDING AREA BY THE SOCIAL SERVICES.

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 TO BE 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 USD807 PER EMPLOYEE IN 2015.

THE COMPANY SOCIAL SPHERE EXPENDITURES AT THE EXPENSE OF PROFIT EQUALED TO USD 3,2 MILLION INCLUDING:

- MEDICAL SERVICE USD0,9 MLN
- METALLURGICAL COLLEGE USD 0,9 MLN;
- HOSTELS USD 0,3 MLN;
- PALACE OF CULTURE OF METALLURGISTS USD 0,1 MLN;
- OTHERS (MUSEUM, CANTEENS)USD 1,0 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 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 STAKEHOLDERS IN THE TOWN OF ZHLOBIN AND REGION. AT PRESENT BYELORUSSIAN STEEL 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 2016, 1847 PEOPLE HAD REST THERE (1670 PEOPLE IN 2015).

EVERY YEAR 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.

HEALTH PROMOTION OF THE EMPLOYEES AND THEIR FAMILY MEMBERS IS FULFILLED OUT OF PROFIT AND SOCIAL INSURANCE ASSETS. IN 2016, 124 VOUCHERS WERE RECEIVED FROM THE SOCIAL INSURANCE ASSETS. 183 PEOPLE HAD REST AT HEALTH RESORTS AND SANATORIUMS OF THE TRADE UNION FEDERATION AT 25% DISCOUNT.

FOR HEALTH PROMOTION AND SUMMER REST OF THE EMPLOYEES’ CHILDREN IN 2016 THE PLANT BOUGHT 920 VOUCHERS AND SPENT Br551700,00 OUT OF THE PLANT’S PROFIT.

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. 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 AT THE MEETINGS OF THE TRADE UNION ACTIVISTS, 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 A 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. 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.

DURING SCHOOL VOCATIONS A TRADITIONAL NEW YEAR CHILDREN’S TOURNAMENT IN MINI-FOOTBALL WAS HELD IN THE CENTER. SPORT CONTEST “THE FATHERLAND DEFENDER” WAS ALSO HELD IN 6 KINDS OF SPORT AMONG YOUTH TEAMS OF THE ENTERPRISES OF “BYELORUSSIAN METALLURGICAL COMPANY” HOLDING AND THE PLANT’S STRUCTURAL DIVISIONS, AS WELL AS XXVIII INTERNATIONAL LIGHT-ATHLETICS RACE DEDICATED TO THE DAY OF METALLURGISTS PARTICIPATED BY 259 SPORTSMEN INCLUDING ATHLETES FROM RUSSIA AND THE UKRAINE.

THE COMPANY EMPLOYEES SUPPORT THE HONOR OF THE ENTERPRISE AT THE COMPETITIONS OF VARIOUS LEVELS; SOME OF THEM ARE ACTING PARTICIPANTS OF THE NATIONAL TEAMS OF THE REPUBLIC OF BELARUS. PLANT’S BASKETBALL TEAM IS A MEMBER OF THE NON-PROFESSIONAL BASKETBALL LEAGUE OF



## Social activity



THE REPUBLIC OF BELARUS, PLANT'S VOLLEYBALL PLAYERS MAKE THE BASIS OF THE TEAM PLAYING IN THE 1ST LEAGUE OF THE REPUBLIC OF BELARUS.

PRIORITY WORK DIRECTIONS OF THE SPORT AND RECREATION CENTER ARE:

- ORGANIZATION OF SPORT AND HEALTH PROMOTION AS WELL AS MASS SPORT WORK AT OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING;
- STRENGTHENING THE COMPANY EMPLOYEES' HEALTH, ENHANCING THEIR WORKING EFFICIENCY, STRESS RESISTANCE, HEALTHY LIFESTYLE PROMOTION;
- SATISFACTION OF THE COMPANY EMPLOYEES' NEEDS FOR SYSTEMATIC SPORT AND PHYSICAL CULTURE ACTIVITIES, THE EMPLOYEES' HEALTH PROMOTION, FORMATION OF PHYSICALLY DEVELOPED AND HEALTHY CITIZENS;
- ENGAGING CHILDREN AND TEENAGERS IN REGULAR SPORT ACTIVITIES.

MAIN FORM OF INVOLVING EMPLOYEES IN SPORT ACTIVITIES IS ANNUAL ALL-THE-YEAR-ROUND SPORT CONTEST. IN 2016 THE COMPANY ARRANGED 61 EVENTS PARTICIPATED BY 2455 PEOPLE.

# 1858

NUMBER OF PARTICIPANTS  
OF THE ALL-YEAR-ROUND  
SPORT CONTEST  
IN 2016

THE MAIN FORM OF ENGAGEMENT OF THE EMPLOYEES IN SPORT ACTIVITY IS THE ALL-YEAR-ROUND SPORT CONTEST.

NUMBER OF PEOPLE PARTICIPATING IN THE XIII CONTEST IN 2016 EQUALED TO 1858 PEOPLE.

PLANT'S TEAMS TOOK PART IN THE FOLLOWING SPORT EVENTS:

- DISTRICT SPORT CONTEST AMONG ENTERPRISES OF THE TOWN OF ZHLOBIN (1ST PLACE);
- LIGHT ATHLETIC RELAY RACE DEDICATED TO THE VICTORY DAY (1ST PLACE);
- RUNNING IN THE FESTIVAL MINSK POLO MARATHON (30 EMPLOYEES OF THE PLANT).

IN ORDER TO ORGANIZE THE WORKERS' LEISURE TIME AND PROMOTE HEALTHY LIFESTYLE AMONG EMPLOYEES AND THEIR FAMILY MEMBERS 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, LOGOISK, AND OTHERS.

ENGAGING THE COMPANY EMPLOYEES INTO SPORT ACTIVITIES CONTRIBUTES TO BOTH THEIR HEALTH-IMPROVEMENT AND FORMING SPECIFIC CORPORATE SPIRIT OF THE ENTERPRISE THAT HELPS TO SOLVE THE MOST CHALLENGING PRODUCTION PROBLEMS.

THE TRADE UNION COMMITTEE OF THE ENTERPRISE PLAYS A SIGNIFICANT ROLE IN REALIZATION OF THE POLICY OF A HEALTHY LIFESTYLE AT BYELORUSSIAN STEEL WORKS. BR73841,00 WERE SPENT FOR ORGANIZATION OF SPORT ACTIVITY FROM THE TRADE UNION BUDGET. SEASON TICKETS FOR HOCKEY MATCHES AND SWIMMING POOL MEMBERSHIP CARDS AT SDC OF ZHLOBIN (BR30390,00) WERE BOUGHT BY THE TRADE UNION COMMITTEE.

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 25 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. IT IS TRUE TO CONSIDER THE PALACE OF CULTURE OF METALLURGISTS TO BE THE CENTER OF MASS, CULTURAL AND EDUCATIONAL WORK DIRECTED TOWARDS SATISFACTION OF SPIRITUAL AND CULTURAL NEEDS OF ALL CATEGORIES OF CITIZENS

IN 2015 DANCE SHOW "CHANCE" WAS GIVEN THE TITLE OF A CLASSIC GROUP. 16 CREATIVE TEAMS AND AMATEUR ASSOCIATIONS WORK AT THE PALACE OF CULTURE: 8 FOR GROWN-UPS AND 8 FOR CHILDREN WHICH UNITE 670 PEOPLE (568 OF THEM ARE CHILDREN). 6 COLLECTIVES WERE GIVEN THE HONORABLE TITLE OF "PEOPLE'S" AND "CLASSIC": IN 2015 DANCE SHOW "CHANCE" WAS GIVEN THE TITLE OF A CLASSIC GROUP.





29 of November the staff of Steel Wire Shop № 2 achieved designed capacity of small section wire mill for monthly production ahead of time: the workers of brigades №№1,3 produced 57 500th tons of rolled product for particular customers' orders.



## Social activity



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, KARAOKE SHOWS, ETC.

THE PALACE OF CULTURE DOES NOT ONLY CHEER 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.

19 CREATIVE TEAMS AND AMATEUR ASSOCIATIONS WORK AT THE PALACE OF CULTURE: 8 FOR GROWN-UPS AND 11 FOR CHILDREN WHICH UNITE 700 PEOPLE (620 OF THEM ARE CHILDREN). 6 COLLECTIVES WERE GIVEN THE HONORABLE TITLE OF "PEOPLE'S" AND "CLASSIC".

ALL EVENTS HELD AT THE PALACE OF CULTURE ARE INTER-RELATED AND DIRECTED TOWARDS REALIZATION OF CERTAIN PROGRAMS OF AN ENLIGHTENING, AESTHETIC, ENTERTAINMENT CHARACTER FOR VARIOUS AUDIENCE AND AGE CATEGORIES.

# 6186

NUMBER

OF PARTICIPANTS

OF CULTURAL MASS EVENTS

388 EVENTS WERE HELD IN THE PALACE OF CULTURE IN 2016 ENGAGING 6186 PEOPLE: AMONG THEM 3608 CHILDREN AND 275 PLANT'S EMPLOYEES.

DURING 2016 A NUMBER OF CULTURAL MASS EVENTS WERE ORGANIZED DEDICATED TO DIFFERENT HOLIDAYS INCLUDING PROFESSIONAL ONES.

-SOLEMN EVENTS DEDICATED TO THE 20TH ANNIVERSARY OF THE COPYING CENTRE, 15TH ANNIVERSARY OF THE CHIEF METEOROLOGICAL ENGINEER'S DEPARTMENT (JANUARY), 25TH ANNIVERSARY OF STEEL WIRE SHOP No.2 (MARCH), 20TH ANNIVERSARY OF THE TMS (JUNE), 5TH ANNIVERSARY OF THE RESEARCH CENTRE OF BSW (AUGUST), CEREMONIAL AWARDING OF THE WINNERS OF THE "PROFESSIONAL OLYMPUS" (FEBRUARY), AN EVENT DEDICATED TO THE WOMEN'S DAY "WOMEN, LOVE, SPRING", CONCERTS DEDICATED TO THE MILITIA DAY (MARCH), MEDICAL WORKER' DAY (JUNE), VICTORY DAY (MAY), INDEPENDENCE DAY, METALLURGISTS' DAY (JULY), TEACHER'S DAY (SEPTEMBER), MOTHER'S DAY, EL-

DERLY PEOPLE DAY, PLANT'S BIRTHDAY (OCTOBER), AGRICULTURAL WORKERS' AND PROCESSING INDUSTRY WORKER'S DAY (NOVEMBER), ETC.

AMATEUR ACTORS OF THE PALACE OF CULTURE TOOK PART IN THE FESTIVE PROGRAM DEDICATED TO THE DAY OF UNITY OF RUSSIAN AND BELARUSIAN PEOPLE, EVENTS TIMED TO THE DAY OF BELARUSIAN WRITTEN LANGUAGE IN THE TOWN OF ROGACHYOV, ETC.

ON THE DAY OF CHILDREN'S DEFENSE, DANCE SHOW TEAM "SHANS" PARTICIPATED IN THE REQUIEM MEETING ORGANIZED AT THE MEMORIAL TO CHILDREN – WAR VICTIMS IN THE SETTLEMENT OF KRASNY BEREG. AMATEUR DRAMA TEAM "VIADUK" AND DANCE SHOW TEAM "SHANS" TOOK PART IN THE FESTIVE FAIR "LESSONS OF HANDICRAFT" HELD IN THE ESTATE OF KOZEL-POKLEVSKY IN KRASNY BEREG ORGANIZED WITHIN THE EC/PROON PROJECT "ASSISTANCE TO LOCAL DEVELOPMENT IN THE REPUBLIC OF BELARUS". TEAMS OF THE PALACE OF CULTURE PRESENTED THEIR CREATIVE PROGRAMS IN THE TOWN OF RECHITSA, ROGACHYOV, AND OTHER TOWNS OF GOMEL REGION.

IN MARCH 2016, A VERY BRIGHT AND ORIGINAL PROGRAM "NICE PANCAKE FESTIVAL" WAS ORGANIZED. CITIZENS AND GUESTS OF ZHLOBIN BECAME DIRECT PARTICIPANTS OF A DRAMATIZED SHOW WITH GAMES, CONTESTS, AND COMPETITIONS.

A GREAT EMPHASIS OF ITS ACTIVITY IS PLACED BY THE PALACE OF CULTURE ON WORK WITH CHILDREN. THUS, A TRADITIONAL SONG AND DANCE FESTIVAL "CHRISTMAS MUSIC STAIRCASE" WAS SUCCESSFULLY HELD IN JANUARY 2016. OVER 200 CHILDREN TOOK PART IN IT. ENTERTAINING DANCE PROGRAMS FOR CHILDREN, CONCERTS WITH PARTICIPATION OF MEMBERS OF CHILDREN'S GROUPS OF THE PALACE OF CULTURE ARE ALWAYS IN DEMAND WITH THE CITIZENS. TRADITIONALLY A CONCERT OF CHILDREN'S COLLECTIVES "A RADIANT SUN – A PRESENT TO MY MUM" WAS ORGANIZED ON MARCH 8 DEDICATED TO THE WOMEN'S DAY. IN APRIL-MAY AMATEUR GROUPS OF THE PALACE OF CULTURE PRESENTED THEIR SUMMARY PROGRAMS TO THE ATTENTION OF SPECTATORS BASED ON THE RESULTS OF THE "SCHOOL YEAR" AND IN JUNE A CONTEST PROGRAM "PRINCESS OF THE FAIRYLAND" WAS HELD.

A BIG WORK WAS DONE BY SPECIALISTS OF THE PALACE OF CULTURE TO ARRANGE VACATIONS RICH IN CONTENT. ENTERTAINING DANCE PARTIES WERE ORGANIZED FOR CHILDREN: BIRTHDAY PARTIES, "IN SEARCH FOR TREASURES", "FUNNY





ADVENTURES OF MINIONS”, “ABOUT ETIQUETTE - SERIOUSLY AND JUST FOR FUN”, “WE ARE PIRATES”, A PERFORMANCE “A CHAINED WOLF OR A MAGIC SEAL”, ETC.

ORGANIZATION OF FAMILY PARTIES SERVES TO STRENGTHEN FAMILY VALUES AND UNITY. CONTEST FOR FAMILIES “JANUARY CARNIVAL”, “FATHER’S DAUGHTERS” AROUSED A GREAT INTEREST. IN 2016, A NEW GAME PROGRAM FOR FAMILY REST WAS ARRANGED: A QUEST JOURNEY “ALONG THE MAGIC PATHWAYS”. OPENING OF A CAFÉ “ARTOSHK” ALLOWED ARRANGEMENT OF REGULAR ENTERTAINMENT PROGRAMS: “IN THE COUNTRY OF UNLEARNED LESSONS”, “CORPORATION OF MIRACLES” “DAUGHTERS-MOTHERS”, BIRTHDAY PARTIES FOR CHILDREN “ENIKI-BENIKI” ETC. SINCE OCTOBER 2016, A SCHOOL FOR EARLY DEVELOPMENT OF CHILDREN FROM 2-4 YEARS OLD “OSTROVOK” (LITTLE ISLAND) STARTED ITS WORK. WORK OF THE SCHOOL IS AIMED AT HARMONIOUS DEVELOPMENT OF CHILDREN: THEIR COGNITION, INDEPENDENCE, DESIRE FOR LEARNING, AND DEVELOPMENT OF THEIR CREATIVE POTENTIAL.

PARTICIPATION IN CONTEST AND FESTIVALS HELPS AMATEUR GROUPS OF THE PALACE OF CULTURE TO RAISE THE LEVEL OF THEIR PROFESSIONAL SKILLS. WITHIN THE FRAMEWORK OF THE YEAR OF CULTURE, THE TRADE UNION FEDERATION OF BELARUS MADE SPECIAL MENTION OF WORK OF THE BRASS BAND AND VOCAL GROUP “ALORE” ON NOVEMBER 24. IN JANUARY, “ALORE” GROUP TOOK PART IN THE NATIONAL TRADE UNION CREATIVE CONTEST OF WORK TEAMS “NEW NAMES OF BELARUS-2016”. IN JULY, DANCE GROUP “CRYSTAL” WON THE GRAND PRIX OF THE YOUTH MUSIC FESTIVAL “WE ARE UNITED - WE ARE YOUNG” IN THE TOWN OF MIKASHEVICHY. IN FEBRUARY, EXEMPLARY FOLK SONG GROUP “SKOMOROSHINA” BECAME THE WINNER OF THE REGIONAL CONTEST PRIZE “A RUSSIAN PORTRAIT IN BELARUSIAN INTERIOR”. IN APRIL, A SOLOIST OF THE VOCAL GROUP “FANTAZYORY” BECAME THE 1ST CLASS WINNER IN THE NOMINATION “SOLO SINGING” OF BELARUSIAN FESTIVAL OF CHILDREN’S HUMOUR “YUMORINKA” (MINSK), IN OCTOBER THE SOLOISTS OF THE GROUP TOOK PART IN THE II INTERNATIONAL FESTIVAL-CONTEST OF MUSICAL CREATIVE ACTIVITY “NEW STYLE” (MINSK) AND WON THE 1ST CLASS DIPLOMA IN THE NOMINATION “VOCAL SINGING” AND THE 1ST CLASS LAUREATE DIPLOMA. IN NOVEMBER, THEY PARTICIPATED IN THE IV OPEN CONTEST “CHRYSTAL LYRE” (MINSK) AND OCCUPIED THE 2ND PLACE IN THE NOMINATION “VOCAL SINGING (JUVENILES)”.

EXEMPLARY VARIETY DANCE GROUP “FEIERVERK” (FIREWORKS) TOOK PART IN NATIONAL PATRIOTIC ACTION OF THE TUF OF BELARUS “WE ARE TOGETHER” (THE TOWN OF SVETLOGORSK), IN THE INTERNATIONAL FESTIVAL “DANCE OF EUROPE” (MINSK) AND BECAME THE 1-CLASS WINNER IN THE NOMINATION “CHILDREN DANCE”, IT WAS AMONG THE THREE FINALISTS OF BELARUSIAN CHAMPIONSHIP IN SPORT BALLROOM DANCES (MINSK).

THE CREATIVE TEAM OF THE PALACE OF CULTURE IN IN CONSTANT SEARCH FOR NEW FORMS OF ORGANIZATION OF LEISURE OF THE CITIZENS. ITS ACTIVITY COMPLETELY JUSTIFIES ITS HIGH MISSION. BEING THE CENTRE OF 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.

### **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.

AS OF 31.12.2016, THE LIST OF EMPLOYEES IN NEED OF IMPROVEMENT OF THEIR LIVING CONDITIONS CONTAINED 766 PEOPLE (31.12.2015 - 723 PEOPLE), 188 FAMILIES ARE WAITING FOR A ROOM IN A FAMILY HOSTEL (31.12.2015 - 229 FAMILIES). DURING 201, 127 EMPLOYEES WERE REGISTERED AS NEEDED ACCOMMODATION AND 181 ARE WAITING FOR A PLACE IN A HOSTEL. 42 PEOPLE WERE TAKEN OFF THE BOOK DUE TO THE RECEIPT OF A FLAT AND 222 DUE TO THE RECEIPT OF A PLACE IN A HOSTEL.

THE PLANT’S BALANCE INCLUDES 6 FAMILY HOSTELS WITH 726 FAMILIES (OR 2316 PEOPLE DWELLING IN THEM) AND ONE HOSTEL FOR SINGLE PEOPLE WITH 328 DWELLERS. LIVING CONDITIONS OF THE HOSTELS ARE CONSIDERABLY IMPROVED BECAUSE OF CAPITAL REPAIRS HELD IN ACCORDANCE WITH THE SCHEDULES AND MODERNIZATION OF UTILITIES AND HEAT POINTS RESULTING IN REDUCTION OF MUNICIPAL PAYMENTS.

THE HOUSING DEPARTMENT CONSIDERS EMPLOYEES APPLICATIONS RELATED TO LIVING ISSUES. THE HOUSING COMMITTEE CARRIED OUT 19 INSPECTIONS OF LIVING CONDITIONS OF THE EMPLOYEES.

FOR MAINTENANCE OF LIVING-MUNICIPAL FACILITIES \$325



## Social activity



Description	2015	2016
Payments for birth of a child (lump sum allowance)	172 women Material assistance 206 200 000 allowances 3 307 804 200	187 women Mat. assistance 0 allowances 390 391,09
Payment for nursing a child under 3	514 women 13 975 949 530	477 women 1 627 284,19
Payments for purchasing school uniform	277 020 000	37 107,00
Providing one day-off	277 848 000	2 490,60
The means for children's health improvement	vouchers 6 461 789 070	vouchers 555 979,68
Payments for the families raising the disabled children under 18	73 children Material assistance 18 250 000 allowances 986 461 090	72 children Mat. assistance 2 160,00 allowances 114 607,25

### *Arrangements for the workers' families support*

292 WERE SPENT IN 2016.

FOR MAINTENANCE OF LIVING-MUNICIPAL FACILITIES \$325  
292 WERE SPENT IN 2016.

### **SUPPORT OF LARGE FAMILIES**

IMPLEMENTATION OF THE PURPOSEFUL SOCIAL SUPPORT OF EMPLOYEES OF OJSC "BSW-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, AND 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 TO INCREASE THE STATUS OF FAMILIES AND IMPROVE THEIR LIFE QUALITY. ACCORDING TO THE PROVISION REGARDING HEALTH-IMPROVEMENT AND SANATORIUM-RESORT THERAPY AT OJSC "BSW – MANAGEMENT COMPANY OF "BMC"

HOLDING, FAMILIES ARE PROVIDED PRIVILEGED AND PARTIALLY PAID VOUCHERS TO SAN-

ATORIUMS 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 THE MOTHERS WHO HAVE MORE THAN THREE CHILDREN.

### **SOCIAL SUPPORT OF UNEMPLOYED PENSIONERS, INVALIDS AND OTHER CATEGORIES OF PEOPLE NOT SUFFICIENTLY PROVIDED FOR**

BUSINESS INITIATIVES HAVE GREAT IMPACT ON THE PROCESSES OF SOCIAL DEVELOPMENT IN THE COUNTRY AND THEIR RESULTS CHANGE THE PUBLIC IDEAS OF THE LIVING QUALITY NORMS. A PENSIONER, WHO RECEIVES A CORPORATE PENSION IN ADDITION TO THE STATE ONE, IS BETTER PROTECTED WHEN HE/SHE GETS OLD. WORK WITH VETER-

# 51 699

AMOUNT OF SUPPLEMENTS PAID BY  
BSW TO NON-WORKING PENSIONERS  
IN 2016 (BR)



ANS, 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.

THERE ARE MORE THAN FIVE FORMS AND DIRECTIONS OF RENDERING SOCIAL SUPPORT WHICH WERE USED BY OVER 1000 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 DEPENDING ON THE RECORD OF SERVICE AND AWARDS. IN 2016 THESE SUPPLEMENTS MADE UP Br790 557,05.

THE FINANCIAL AID IS PROVIDED IN CONNECTION WITH RETIREMENT. IN 2016 THE AMOUNT OF THIS AID WAS Br51 699,44.

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.

A MATERIAL AID IS RENDERED TO THOSE EMPLOYEES WHO HAVE DISABLED CHILDREN. IN 2016 THIS AID AMOUNTED TO Br2160.

A SPECIAL PLACE IN THE SOCIAL PROGRAM IS OCCUPIED BY PROVISION OF THE UNEMPLOYED PENSIONERS WITH TREATMENT IN THE PLANT'S CLINIC, 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.

### SOCIAL PARTNERSHIP

IN ORDER TO IMPROVE MORAL AND PHYSIOLOGICAL CLIMATE OF THE WORK TEAM, SOLVING THE ISSUES REGARDING THE COLLABORATION COORDINATION OF THE MANAGEMENT AND

ORGANIZATIONS REPRESENTING THE INTERESTS OF VARIOUS CATEGORIES OF THE EMPLOYEES, THE WORKS IMPLEMENTED «BE AWARE OF A HUMAN!» SYSTEM SINCE APRIL 2005.

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING CREATES THE SOCIAL PARTNERSHIP SYSTEM THAT IS A FOUNDATION FOR MUTUALLY BENEFICIAL COOPERATION IN COLLABORATION WITH THE TRADE UNION ORGANIZATION AND OTHER SOCIAL ORGANIZATIONS.

SUSTAINING A CLOSE RELATIONSHIP WITH THE MANAGEMENT, THE PUBLIC ORGANIZATIONS COUNCIL CONDUCTS ITS ACTIVITY AT THE ENTERPRISE. IT ACTS IN THE INTERESTS OF THE EMPLOYEES FORMING AN ACTIVE PUBLIC POSITION OF EACH WORK TEAM MEMBER.

THE COUNCIL INCLUDES THE REPRESENTATIVES OF:

- TRADE UNION ORGANIZATION;
- PRIMARY ORGANIZATION OF "BELARUSIAN REPUBLICAN YOUTH UNION" PUBLIC ASSOCIATION;
- VETERAN'S UNION;
- PRIMARY PUBLIC ORGANIZATION "BELARUSIAN WOMEN' UNION";
- INTERNATIONAL SOLDIERS' ORGANIZATION;
- YOUNG SPECIALISTS' UNION;
- FOREMEN UNION;
- PHYSICAL CULTURE TEAM'S UNION.

IN ORDER TO ENSURE THE EFFICIENT REALIZATION OF THE EMPLOYEES' RIGHTS AND ESTABLISH CONFIDENTIAL RELATIONS WITH ALL STAKEHOLDERS, THE PUBLIC ORGANIZATIONS COUNCIL KEEPS AN ACTIVE COLLABORATION WITH THE REPRESENTATIVES OF THE REGIONAL SOCIAL SERVICE CENTRE; REGION AND DISTRICT LAW ENFORCEMENT AGENCIES; CENTRAL REGIONAL; HOSPITAL AND CLINIC OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING; LEGAL SERVICES OF THE COMPANY AND THE REGION.

### THE TRADE UNION ORGANIZATION

OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING ESTABLISHES A MUTUALLY BENEFICIAL RELATIONSHIP AND DEVELOPS A COLLECTIVE AGREEMENT WITH THE TRADE UNION ORGANIZATION BASED ON THE NORMS AND



## Social activity



# 96,5

TRADE UNION MEMBER-  
SHIP OF THE PLANT'S  
EMPLOYEES (%)

PRINCIPLES OF THE TARIFF  
AGREEMENT CONCLUDED  
BETWEEN BELARUSIAN  
PROFESSIONAL UNION OF  
INDUSTRIAL WORKERS,  
BELARUSIAN PROFES-  
SIONAL UNION OF METAL-

WORKERS, 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 A SYSTEM OF THE EMPLOYEES' COMPREHENSIVE SOCIAL PROTECTION.

THE PLANT RECOGNIZES THAT THE OBJECTIVE OF THE TRADE UNION IS NOT LIMITED TO PROTECTING THE EMPLOYEES' RIGHTS AND INFLUENCING LABOR RELATIONSHIPS. IT IS ALSO A CERTAIN INDICATOR OF THE PUBLIC MOOD. THE TRADE UNION EXPRESSES THE WORKING TEAMS' REACTION TO THE SOCIAL AND ECONOMIC POLICY IMPLEMENTED BY THE ENTERPRISE AND CONTRIBUTES TO ITS TIMELY ADJUSTMENT. THE DIALOGUE OF THE MANAGEMENT AND REPRESENTATIVES OF THE WORKING TEAMS IS ESPECIALLY IMPORTANT TO BE ESTABLISHED IN THE SITUATION WHEN THE WORKS, AS A PART OF THE WORLD FINANCIAL AND ECONOMIC SYSTEM, EXPERIENCES DIFFICULT TIMES AND SEEKS FOR THE OPPORTUNITIES TO ENHANCE THEIR EFFICIENCY.

IN THEIR PRACTICAL ACTIVITY THE PARTIES ARE GUIDED BY THE PRINCIPLES OF SOCIAL PARTNERSHIP, SUCH AS LEGAL EQUALITY OF THE PARTIES, COMPLIANCE WITH THE LEGISLATION NORMS, CONSIDERING REAL OPPORTUNITIES FOR PERFORMANCE OF THE ASSUMED OBLIGATIONS, OBLIGATORY FULFILLMENT OF THE ARRANGEMENTS AND RESPONSIBILITY FOR THE OBLIGATIONS ASSUMED.

THE TRADE UNION ORGANIZATION OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING UNITES 11 054 PEOPLE THAT IS 96,5% 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.

BASED ON THE RESULTS OF THE CONTEST OF BELARUSIAN TRADE UNION OF INDUSTRIAL EMPLOYEES, PRIMARY TRADE UNION ORGANIZATION OF OJSC «BSW-MANAGEMENT COMPANY OF «BMC» HOLDING CONFIRMED THE TITLE OF THE BEST IN 2015 (SIMILAR TO 2014).

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, COMPENSATIONS AND OTHER PRIVILEGES. THE COLLECTIVE AGREEMENT STIPULATES VARIOUS FORMS OF FINANCIAL PAYMENTS, BONUSES, AWARDS FOLLOWING THE RESULTS OF THE WORK DURING THE YEAR, FOR THE SERVICE RECORD, SUMS OF THE BONUSES FOR A HIGH QUALIFICATION, PROFESSIONAL SKILL AND OTHERS, SETS GUARANTEES AND PRIVILEGES FOR THE FAMILIES WITH CHILDREN. BESIDES, NO PERSON IS LEFT ALONE IN A CHALLENGING LIFE SITUATION; THIS AID IS ALSO STIPULATED BY THE MAIN DOCUMENT OF THE EMPLOYEES' TEAM.

IN ORDER TO COMPLY WITH THE COLLECTIVE AGREEMENT, IN 2016 THE TRADE UNION COMMITTEE FINANCED THE FOLLOWING:

- ALLOWANCES TO PARENTS FOR THE BIRTH OF A CHILD -Br37620,00
- NEW YEAR'S PRESENTS FOR CHILDREN AND EMPLOYEES Br93254,76
- CULTURAL EVENTS Br332893,34
- SPORT EVENTS Br73841,00
- PRESENTS FOR THE EMPLOYEES' JUBILEES Br26459,08
- PRESENTS FOR THE RETIRING EMPLOYEES Br37243,89





• SUPPORTING OF VETERANS Br419,98

MATERIAL SUPPORT Br197010,68

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 AGREEMENT 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 FILLED IN 2016.

CHARITY AND SPONSORSHIP IS ONE OF THE ACTIVITIES OF THE WORKS. BEING AN ACTIVE MEMBER OF THE CHARITABLE CAMPAIGN "TRADE UNIONS – TO CHILDREN" IN 2016 IT GRANTED Br6898,48 TO:

- ZHLOBIN DEPARTMENT OF EDUCATION, SPORT, AND TOURISM;
- ZHLOBIN REGIONAL SOCIAL SERVICE CENTRE;

– ZHLOBIN PRIMARY ORGANIZATION OF BELARUSIAN ASSOCIATION OF ASSISTANCE TO DISABLED CHILDREN AND YOUNG PEOPLE;

–BELARUSIAN ASSOCIATION OF WEAK-SIGHTED PEOPLE;

– ESTABLISHMENT "OLYMPIC RESERVE CENTER OF THE TOWN OF ZHLOBIN";

– OTHER ORGANIZATIONS.

ONE OF THE PRIORITY DIRECTIONS OF THE TRADE UNION ACTIVITY IS CREATING CONDITIONS FOR FULL-FLEDGED PHYSICAL AND MORAL DEVELOPMENT OF THE EMPLOYEES AND YOUNGER GENERATION. THE TRADE UNION COMMITTEE OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IS THE FOUNDER OF THE OLYMPIC RESERVE SPORT SCHOOL FOR CHILDREN AND YOUNG PEOPLE (ORSSCYP) AND THE CHILDREN'S CLUB "FAKEL" ATTENDED BY OVER 520 CHILDREN. THE CHILDREN ARE PROFESSIONALLY TRAINED BY 10 COACHES.

PUPILS OF THE SPORT SCHOOL FOR CHILDREN AND YOUNG PEOPLE BECAME WINNERS AND AWARDEES OF CHAMPIONSHIPS AND COMPETITIONS OF THE REPUBLIC OF BELARUS.



29 of May ice-hockey club "Metallurgist-Zhlobin" celebrated tenth anniversary.



## Social activity



THIS YEAR 3 PUPILS BECAME CANDIDATES TO MASTERS OF SPORTS OF THE REPUBLIC OF BELARUS; 1 PUPIL BECAME A MASTER OF SPORTS OF THE INTERNATIONAL LEVEL, 9 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.

THE TRADE UNION COMMITTEE SPENT Br10000,00 IN 2016.

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.

IN ORDER TO IMPROVE ORGANIZATION OF LEISURE RICH IN CONTENT AND SATISFY NEEDS OF THE EMPLOYEES, TRADE UNION MEMBERS OF OJSC 'BSW-MANAGEMENT COMPANY OF "BMC" HOLDING, AND MEMBERS OF THEIR FAMILIES IN INFORMATIONAL, INTELLECTUAL, CULTURAL, AND MORAL DEVELOPMENT, THE TRADE UNION LIBRARY AND TRADE UNION CLUB "FAKEL" WERE REORGANIZED IN A LEISURE CENTRE IN FEBRUARY 2016.

THE TRADE UNION LIBRARY CONTAINS 36047 BOOKS (36189 BOOKS IN 2015). THE LIBRARY IS A UNIQUE ONE BECAUSE THE PLANT'S EMPLOYEES, THEIR CHILDREN, AND CITIZENS OF ZHLOBIN AND STUDENTS CAN ALWAYS FIND THE REQUIRED LITERATURE, OR THEIR REQUEST FOR A CERTAIN BOOK CAN BE ACCEPTED, AND THEY MAY GET A PROFESSIONAL ADVICE.

Br27097,54 FROM THE TRADE UNION BUDGET WERE SPENT FOR PURCHASING NEW LITERATURE AND FOR SUBSCRIPTION OF OVER 2000 VETERANS TO PERIODICALS. THE LIBRARY NUMBERS OVER 3258 REGULAR READERS. DURING THE PREVIOUS YEAR THE NUMBER OF VISITS TO THE LIBRARY EQUALED TO 2993 (35367 IN 2015), AND 87016 BOOKS WERE GIVEN OUT (106161 IN 2015).

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 LIBRARY'S ACTIVITY, PROMOTE BELLES-LETTRES LITERATURE AND REPLENISHMENT OF THE BOOK STOCK DURING

2016, THE LIBRARY PREPARED AND CARRIED OUT 40 THEMATIC INFORMATION-EDUCATIONAL EVENTS: INFORMATION LESSONS "AGE OF ANXIETY AND ERRORS", "UNUSUAL MUSEUMS", GAME PROGRAMS "MERRY VOCATIONS", "IN THE LAND OF UNLEARNED LESSONS", LITERATURE GAMES AND QUIZZES "WHEN YELLOW COINS FALL FROM TWIGS", "WHAT IS MORE PRECIOUS THAN GOLD" "IN THE LAND OF A MERRY CHILDHOOD", "A ROUND DANCE AT THE WINTER GATES", EXCURSIONS FOR PRESCHOOL AND PRIMARY SCHOOL PUPILS TO THE LIBRARY, ARRANGEMENT OF THEMATIC BOOKSHELVES AND EXHIBITIONS.

158 CHILDREN STUDY AT THE TRADE UNION CLUB "FAKEL" IN THE FOLLOWING DIRECTIONS:

- SPORT AND HEALTH IMPROVEMENT (CALISTHENICS, GENERAL PHYSICAL TRAINING);
- VISUAL AND DECORATIVE AND APPLIED ARTS ("MASTERILKA", "RUKODELNYI TEREMOK" (FANCYWORK LITTLE TOWER)).

LESSONS ARE CARRIED OUT FREE OF CHARGE. TEACHERS AND PARTICIPANTS OF THE LEISURE CENTRE PREPARED AND CARRIED OUT MORE THAN 80 VARIOUS EVENTS IN 2016.

THE ROLE AND INFLUENCE OF THE TRADE UNION ORGANIZATION AT THE ENTERPRISE IS SIGNIFICANT. BUT THE ASSESSMENT OF ITS ACTIVITY IN 2016 GIVEN BY THE EMPLOYEES DURING A COMPLEX INVESTIGATION OF THE SOCIAL AND PSYCHOLOGICAL CLIMATE IN THE TEAMS OF STRUCTURAL DIVISIONS WAS A LITTLE LOWER THAN BEFORE: INDEX OF SATISFACTION WITH THE TRADE UNION WORK EQUALED TO 0,66 (IN 2015 – 0,71).

### PRIMARY ORGANIZATION OF ROO «BELAYA RUS»

IN ORDER TO INTEREST PLANT'S EMPLOYEES IN ACTIVE PARTICIPATION IN THE LIFE OF THE COUNTRY, ENGAGE THEM IN SOLVING OF ACTUAL CHALLENGES OF DEVELOPMENT OF BELARUS AND SOCIETY ON THE BASIS OF FREE CONSOLIDATION, A PRIMARY ORGANIZATION OF BELAYA RUS ASSOCIATION WAS ESTABLISHED AT THE ENTERPRISE IN 2009. TODAY THE ORGANIZATION NUMBERS 274 BSW EMPLOYEES.

IN ORDER TO FULFILL AIMS AND GOALS OF THIS PUBLIC ORGANIZATION, MEMBERS OF THE PLANT'S PRIMARY ORGANIZATION APPLY THE FOLLOWING METHODS:



- COOPERATE WITH STATE ORGANS, COMMUNITY, AND OTHER EMPLOYEES' ASSOCIATIONS IN ALL DIRECTIONS OF THEIR ACTIVITY;
- PARTICIPATE IN PREPARATION AND CONDUCTING OF ELECTIONS;
- CARRY OUT EDUCATIONAL, INFORMATIONAL, CULTURAL, AND SPORT ACTIVITY AT THE ENTERPRISE ACCORDING TO THE PROCEDURE ESTABLISHED BY THE LAW OF THE REPUBLIC OF BELARUS. AT PRESENT, BELAYS RUS HAS MANY USEFUL AND GOOD DEEDS TO ITS CREDIT: CHARITY AND SOCIAL ACTS AIMED AT SUPPORT OF YOUNG SPECIALISTS AND FAMILIES, VETERANS AND DISABLED PEOPLE; IT POPULARIZES HEALTHY WAY OF LIVING, AND CULTIVATES PATRIOTISM.

TO TEACH CIVIL LIABILITY, CONSCIOUSNESS, CULTIVATE LOVE FOR THE MOTHERLAND IS POSSIBLE ONLY BY PERSONAL EXAMPLE AND BY CERTAIN DEEDS. PEOPLE FOLLOW THOSE ONES WHO SHOW INITIATIVE AND DO REAL WORK. THUS, ONE OF THE FIRST MEMBERS OF THE PLANT'S PRIMARY ORGANIZATION OF RSA "BELAYA RUS" SERGEI MIKHAILOVICH BORSHCHOV, BSW VETERAN, PRINTED A 24-VOLUME EDITION "THE GREAT PATRIOTIC WAR OF 1941—1945" AT HIS OWN EXPENSE. THE BOOKS WERE ISSUED BY THE MINISTRY OF DEFENSE OF THE REPUBLIC OF BELARUS AND PRESENTED TO THE HISTORICAL DEPARTMENT OF GSU NAMED AFTER F. SKORINA. THERE IS NO DOUBT THAT SUCH PRESENT HELPS THE YOUNG GENERATION NOT TO FORGET ITS HISTORY AND ALWAYS DISTINGUISH TRUTH FROM FICTITIOUS FACTS.

IN AUGUST 2016, YOUNG ACTIVISTS OF THE ORGANIZATION PARTICIPATED IN A SPECIAL MISSION: THEY HELPED CITIZENS OF THE TOWN OF ROGACHYOV TO PREPARE FOR THE DAY OF BELARUSIAN WRITTEN LANGUAGE. ON BSW BIRTHDAY (OCTOBER 15) THE PLANT'S PRIMARY ORGANIZATION OF RSA "BELAYA RUS" CARRIED OUT A TRADITIONAL ACTION "I AM PROUD OF MY PLANT!" AND HANDED OUT SYMBOLIC PRESENTS AT THE PLANT'S ENTRANCES.

IN 2016, MEMBERS OF "BELAYA RUS" ARRANGED REGULAR VISITS TO PATIENTS OF KIROVSKY NURSING HOSPITAL. FESTIVE PROGRAMS WERE ORGANIZED AND PRESENTS FOR THE INVALIDS AND SINGLE ELDERLY PEOPLE LIVING AT THE ESTABLISHMENT WERE GIVEN ON THE NEW YEAR'S DAY, CHRISTMAS, EASTER AND OTHER SIGNIFICANT DATES AND HOLIDAYS.

IT IS WORTH MENTIONING THAT IN 2016 MEMBERS OF "BELAYA RUS" ACTIVELY PARTICIPATED IN THE CAMPAIGN FOR ELECTION TO THE HOUSE OF REPRESENTATIVES OF

THE NATIONAL ASSEMBLY OF THE REPUBLIC OF BELARUS: 27 PEOPLE WERE SUPERVISORS, WORKED IN DISTRICT AND LOCAL ELECTORAL COMMITTEES, IN THE INITIATIVE GROUP SUPPORTING BSW EMPLOYEE — MAIN SPECIALIST FOR STEELMAKING VYACHESLAV IVANOVICH DIACHENKO WHO WON THE ELECTIONS.

NOWADAYS, "BELAYA RUS" HAS BECOME A REAL CONSTRUCTIVE PUBLIC FORCE: BIG AND SMALL DEEDS USEFUL FOR THE SOCIETY AND NEEDED BY PEOPLE HELPED IT TO GAIN AUTHORITY WITH PEOPLE AND STRENGTHEN ITS IMAGE.

### 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 STAKEHOLDERS 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:

- CIVIL FORMATION, SPIRITUAL AND ECOLOGICAL EDUCATION OF THE YOUTH;
- SUPPORT OF RESEARCH AND TECHNOLOGY CREATIVITY;
- YOUTH COOPERATION AND CREATIVE POTENTIAL DEVELOPMENT;
- HEALTHY LIFESTYLE AND TOURISM DEVELOPMENT;
- IMPROVEMENT OF THE YOUTH SOCIAL SECURITY PROTECTION.

TRADITIONAL MEETINGS OF YOUNG SPECIALISTS TO EXCHANGE WORK EXPERIENCE WITH THE YOUTH AND REPRESENTATIVES



## Social activity



SENTATIVES OF:

- STATE AUTHORITIES;
- REGIONAL, TOWN VETERANS' UNIONS OF GOMEL REGION;
- YOUNG EMPLOYEES OF THE ENTERPRISES INCLUDED IN "BYELORUSSIAN METALLURGICAL COMPANY" HOLDING;
- PRIMARY ORGANIZATIONS OF BELARUSIAN REPUBLICAN YOUTH UNION, ESTABLISHMENTS, ORGANIZATIONS AND ENTERPRISES OF THE REGION OF ACTIVITY OF BYELORUSSIAN STEEL WORKS;
- YOUTH OF THE INDUSTRIAL ENTERPRISES OF THE REPUBLIC OF BELARUS AND CIS COUNTRIES AS PART OF SCIENTIFIC AND TECHNICAL CONFERENCES.

INFORMING AND ENGAGING OF YOUNG EMPLOYEES OF THE PLANT IN REALIZATION OF THE STATE YOUTH POLICY OF THE REPUBLIC OF BELARUS IS CARRIED OUT USING ALL AVAILABLE MEANS OF MASS MEDIA: CORPORATE, REPUBLICAN, REGIONAL NEWSPAPERS AND OTHER SOURCES OF INFORMATION.

HAVING THE PRIORITY RIGHT REGARDING THE REALIZATION OF THE "YOUTH" PROGRAM, THE WORKS PRIMARY ORGANIZATION OF BELARUSIAN REPUBLICAN YOUTH UNION PREPARES PHOTO-REPORTS, POSTERS, INFORMATION MATERIALS REFLECTING THE ISSUES OF REALIZATION OF THE STATE YOUTH POLICY.

AT PRESENT THE ORGANIZATION HAS 1584 MEMBERS OR 49,3 % 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 2016 WERE CHARITABLE CAMPAIGNS FOR COLLECTING OF VOLUNTARY CONTRIBUTIONS FOR:

- THE ACTION "DO GOOD" DEDICATED TO THE INTERNATIONAL DAY OF DISABLED PEOPLE;
- "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:

- "LET'S PREPARE A SCHOOL BAG FOR A FIRST FORMER" AIMED AT PREPARATION OF CHILDREN FROM POOR FAMILIES FOR THE SCHOOL YEAR BEGINNING;
- "BSW YOUTH – TO VETERANS". VETERANS AND PARTICIPANTS OF THE GREAT PATRIOTIC WAR RECEIVED CONGRATULATIONS AND PRESENTS, THEY WERE ASSISTED IN IMPROVING OF LIVING CONDITIONS;
- BEADS MUSEUM "FLOWERS OF THE GREAT VICTORY" – A MOBILE MUSEUM EXPOSITION INCLUDING MUSEUM PIECES SHOWING HEROISM OF BELARUSIAN PEOPLE AND REFLECTING HISTORY OF LIBERATION FROM FASCIST INVADERS. A ROUND TABLE "DIALOG OF GENERATIONS" WAS ORGANIZED FOR THE YOUNG PEOPLE TO HEAR STRAIGHT FROM VETERANS' LIPS ABOUT THE BLOODY WAR AND MAPPED UP FURTHER PLANS FOR PATRIOTIC MOVEMENT DEVELOPMENT.
- "WE – TO CHILDREN" – AID TO ZHLOBIN DISTRICT CENTER OF CORRECTIVE AND DEVELOPING TEACHING AND REHABILITATION IN PURCHASING OF STATIONARY;

THE FOLLOWING PATRIOTIC ACTIONS AND ACTIONS TO SUPPORT HEALTHY LIFESTYLE WERE ARRANGED:

- "STOP! AIDS"
- MOTOR RACE "BY FATHERLAND ROADS";
- CYCLE RACE "MEMORY FOREVER";
- BRYU MEMBERS PARTICIPATED IN THE ELECTION TO THE HOUSE OF REPRESENTATIVES OF THE NATIONAL ASSEMBLY OF THE REPUBLIC OF BELARUS.

EFFECTIVENESS OF THE ORGANIZATION ACTIVITY IS EVIDENCED BY ITS ACHIEVEMENTS AND AWARDS WON IN 2016:

- NIKITA SAMSONOV, 2-CATEGORY ENGINEER OF THE TECHNICAL DEVELOPMENT DEPARTMENT, BECAME THE WINNER OF THE DISTRICT STAGE OF THE REPUBLICAN PROJECT "100 IDEAS FOR BELARUS" WITH THE REPORT "REPLACEMENT OF THE EXISTING LIGHTING BY LED LIGHTING IN BSW ENGINEERING BUILDING No.1";
- ILYA GORELIKOV WON THE 1ST PLACE AT THE USHU-SANDA OPEN CUP OF GOMEL REGION;
- KVN TEAM "VSE V STALI" BECAME THE CHAMPION OF



THE 30TH JUBILEE SEASON OF KVN MOGILYOV LEAGUE;

– BSW EMPLOYEE RUSLAN BURYUKOV (GAS WELDER) OCCUPIED THE 2ND PLACE AND ANDREI KAPUSTIN (TURNER) WON THE 3RD PLACE IN THE REGIONAL CONTEST OF PROFESSIONAL SKILL PARTICIPATED BY 12 ENTERPRISES OF THE REGION.

### VETERANS' UNION

THE ORGANIZATION UNITES 2796 EX-EMPLOYEES AND PRESENT-TIME PENSIONERS, WHO MADE THEIR CONTRIBUTION INTO ESTABLISHMENT AND DEVELOPMENT OF THE BELARUSIAN STEEL INDUSTRY.

THE ENTIRE 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 AWARDS TO THE BEST YOUNG SPECIALISTS PARTICIPATING IN SCIENTIFIC AND TECHNICAL CONFERENCES.

IT HAS BECOME A TRADITION TO RENDER MATERIAL SUPPORT

TO VETERANS, VISIT THEM AT HOME, CONDUCT 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 Br17905,35 FROM ITS FUND TO THE VETERANS UNION FOR DIFFERENT ARRANGEMENTS AND OVER Br21990,00 TO SUBSCRIBE VETERANS TO THE PLANT'S NEWSPAPER "METALLURG".

THE ORGANIZATION MEMBERS DON'T STAND ASIDE OF MASS EVENTS, SUCH AS WORKS-WIDE OLYMPICS IN VARIOUS KIND OF SPORT; AMATEUR TALENT GROUPS COMPETITION "SONG AND WORK GO SIDE BY SIDE"; CAMPAIGNS FOR PROVIDING MATERIAL SUPPORT TO LOWER-INCOME FAMILIES, HANDICAPPED CHILDREN, VISITING EVENING PARTIES, CONCERTS, HOCKEY MATCHES OF THE FAVORITE TEAM IN THE ICE PALACE.

### WOMEN'S UNION

IN 2004 ON THE BASIS OF A FREE UNION THE WORKS WOMEN ESTABLISHED A PRIMARY ORGANIZATION "BELARUSIAN WOMEN'S UNION" PUBLIC ASSOCIATION. THE ORGANIZATION UNITES 1378 PEOPLE OR 30% OF THE WOMEN WORKING AT THE ENTERPRISE. THE ORGANIZATION IS HEADED BY A PRESIDIUM CONSISTING OF 15 WOMEN –





## Social activity



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 STRENGTHENING SOCIAL JUSTICE AND PROTECTION OF THE POPULATION, DEFENDING WOMEN'S INTERESTS AND RIGHTS, INCREASING A WOMAN'S ROLE IN SOCIAL, ECONOMIC, PUBLIC AND CULTURAL LIFE.

THE UNION PRIORITY ACTIVITIES ARE:

- WOMAN AND PRODUCTION,
- WOMAN AND FAMILY,
- HEALTHY LIFESTYLE,
- ORGANIZATIONAL AND INFORMATIONAL WORK.

THE ORGANIZATION HAS A SIGNIFICANT WORK EXPERIENCE AND VARIES OUT MANY GOOD AND USEFUL ACTIVITIES. THEY ARE: PROPOSALS TO THE COLLECTIVE AGREEMENT, SOLVING PROBLEMS TOGETHER WITH THE TOWN AUTHORITIES, MEETINGS WITH INTERESTING PEOPLE.

MEMBERS OF THE WOMEN'S UNION PARTICIPATE IN IN-

SPECTING THE PRODUCTION CULTURE AND LABOR CONDITIONS; ACTIVITIES FOR MATERNITY AND CHILDHOOD PROTECTION, CHILDREN HEALTH IMPROVEMENT AND STRENGTHENING OF THE FAMILY, TAKE PART IN CHARITY CAMPAIGNS.

THE WOMEN' UNION CLOSELY COOPERATES WITH THE REGIONAL SOCIAL SERVICE CENTRE. WOMEN OF THE WORKS RECEIVE QUALIFIED LEGAL AND PSYCHOLOGICAL ASSISTANCE; THERE ARE A TRUST TELEPHONE LINE AND A YOUNG FAMILY CLUB; TEACHER EDITIONS, BOOKLETS AND BROCHURES REGARDING THE ISSUES OF CHILD UPBRINGING AND WOMEN'S ISSUES ARE DEVELOPED AND GIVEN OUT TO THE PLANT'S WOMEN. IN COLLABORATION WITH THE CENTER CAMPAIGNS "DO GOOD", "THEY SHOULD NOT CRY" AND "A SCHOOL BAG" – TO COLLECT CLOTHES AND SCHOOL ACCESSORIES FOR CHILDREN FROM LOW-INCOME FAMILIES. THE WOMEN' UNION TELLS THE STORIES ABOUT THE WOMEN WITH ACTIVE LIFE STAND, WHO UNSPARINGLY DEVOTE A LOT OF TIME TO SOCIAL LIFE, ON THE PAGES OF NEWSPAPER "METALLURGIST" AND TV CHANNEL "NUANCE". THE UNION CONTINUOUSLY ENCOURAGES THE WORKS WOMEN'S INITIATIVE IN THE SOCIAL LIFE SPHERE, MAKE REGULAR PROPOSALS REGARDING THE ISSUES OF HEALTH, LABOR SECURITY AND CONDITIONS, PROMOTING

HEALTH OF WOMEN AND THEIR CHILDREN, PRODUCTION AND WELFARE CULTURE; TAKES CARE OF THE FAMILY STRENGTHENING, PROTECTION OF MATERNITY AND CHILDHOOD, LOW-INCOME FAMILIES OR FAMILIES WITH MANY CHILDREN, RAISING HANDICAPPED CHILDREN. IN ITS ACTIVITY THE WOMEN' UNION APPLIES MODERN TECHNOLOGIES. REGULAR SOCIOLOGICAL STUDIES ON DIVERSE SUBJECTS ARE HELD. THE SITE OF THE WOMEN' UNION WAS CREATED IN THE WORK- WISE COMPUTER NETWORK "INFO-BMZ"



*16 of December plant primary organization OC "Belorussian Union of Women" was admitted as a winner of the Republic competition festival of primary and region organizations of this association.*





### UNION OF SOLDIERS-INTERNATIONALISTS

89 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 YOUTH ORGANIZATIONS GIVING ASSISTANCE IN PATRIOTIC EDUCATION OF THE GROWING GENERATION.

THE WORKS SOLDIERS-INTERNATIONALISTS ANNUALLY TAKE ACTIVE PARTICIPATION IN:

- REGIONAL FESTIVAL OF AFGHAN SONGS AND EVENTS DEDICATED TO THE DAY OF MEMORY OF SOLDIERS-INTERNATIONALISTS;
- 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.

WORK OF THIS PRIMARY ORGANIZATION HAS ALWAYS BEEN CONSIDERED EXEMPLARY. ITS MEMBERS ARE THE MOST COURAGEOUS PEOPLE, TRUE TO ONE’S DUTY AND HONOUR UNITED BY AN ACTIVE AND NOT INDIFFERENT LEADER. IN 2016, SERVICES OF THE CHAIRMAN OF THE UNION OF SOLDIERS-INTERNATIONALISTS WERE MARKED WITH MEDAL “FOR ALLEGIANCE TO OATH” ESTABLISHED BY OFFICERS’ UNION OF RUSSIA.

### UNION OF YOUNG SPECIALISTS

OVER 350 YOUNG SPECIALISTS WORK AT BYELORUSSIAN STEEL WORKS. THE UNION CONSIDERS ALL THE ISSUES RELATED WITH YOUNG EMPLOYEES: THEIR ADAPTATION AT THE PRODUCTION, PROFESSIONAL GROWTH, RESEARCH AND TECHNOLOGY ACTIVITY, LABOR-SAVING WORK. AN IMPORTANT PART OF THE WORK IS ENHANCING BUSINESS AND



*In 2016 the chairman of plant primary organization Alexandr Vasilevich Sintsov was rewarded with medal “For oath of allegiance” established by Union of Officers of Russia.*

CREATIVE ACTIVITY OF THE YOUTH, ORGANIZING SCIENTIFIC AND TECHNICAL CONFERENCES, YOUNG EMPLOYEES’ PARTICIPATION IN SUCH FORUMS HELD AT OTHER ENTERPRISES, EXCHANGE OF EXPERIENCE.

JULY 7-8, AN INTERNATIONAL SCIENTIFIC AND TECHNICAL CONFERENCE OF YOUNG SPECIALISTS “METAL-2016” WAS HELD. STUDENTS OF SEE GOMEL ENGINEERING INSTITUTE OF THE MES OF THE RB, STU NAMED AFTER P.O. SUKHOI, BSTU, BELGUT, BRU, YOUNG EMPLOYEES OF INDUSTRIAL ENTERPRISES OF BELARUS, RUSSIA, AND THE UKRAINE GATHERED TOGETHER: OJSC RHP, OJSC “URALSTAL”, OJSC “MAGNITOGORSK HARDWARE – CALIBRATION PLANT “MMK-METIZ”, “MZ DNEPROSTAL”, OJSC ‘BELTSVET-MET”, OJSC “NOVOLIPETSK METALLURGICAL PLANT”, NOVOKRAMATORSK ENGINEERING PLANT, OJSC “BELORETSK METALLURGICAL PLANT”, OJSC “MOGILYOV METALLURGICAL PLANT”, OJSC “MINSK BEARING PLANT”..

TOTAL 157 PEOPLE PARTICIPATED IN THE CONFERENCE. 140 REPORTS WERE MADE IN ITS 12 STRUCTURAL GROUPS. EMPLOYEES OF OJSC BSW-MANAGEMENT COMPANY OF “BMC” HOLDING TOOK 11 FIRST PLACES, 3 SECOND PLACES AND 8 THIRD PLACES. A TOURNAMENT IN BOWLING, AN EXCURSION TO THE SETTLEMENT OF KRASNYI BEREG WAS ORGANIZED WITHIN THE FRAMEWORK OF THE CONFERENCE TO VISIT A MEMORIAL COMPLEX ESTABLISHED AT THE PLACE OF CHILDREN CONCENTRATION CAMP. OUR GUESTS ALSO

## Social activity

HAD AN OPPORTUNITY TO GET ACQUAINTED WITH THE PLANT OPERATION DURING THEIR VISIT TO THE PRODUCTION AND THE PLANT'S MUSEUM. A ROUND WORK TABLE WAS ORGANIZED FOR THE LEADERS OF THE DELEGATIONS TO DISCUSS THE TOPIC "A SYSTEM OF WORK WITH YOUNG EMPLOYEES AT THE ENTERPRISE".

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 THE PLANT.

### 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 DISCUSSIONS AND DEVELOPS RECOMMENDATIONS REGARDING THE ENHANCEMENT OF THE FOREMEN ROLE; PARTICIPATES IN THE ACTIVITIES FOR ORGANIZING PROFESSIONAL, IDEOLOGICAL AND ECONOMIC TRAINING OF FOREMEN; CONSIDERS THE ISSUES OF LABOR AND MORAL EDUCATION OF THE WORKERS, STRENGTHENING LABOR AND PERFORMANCE DISCIPLINE, PROMOTING THE YOUNG WORKERS RESERVE.

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 JUNE, 13TH ALL-YEAR-ROUND SPORT COMPETITION OF 2015-2016 ENDED. 29 STRUCTURAL DIVISIONS OF THE PLANT TOOK PART IN IT AND TOTAL NUMBER OF PARTICIPANTS

WAS 1850 PEOPLE. IN FEBRUARY 2016, 10TH YOUTH CONTEST "FATHERLAND DEFENDER" WAS HELD. IT UNITED 165 PEOPLE (11 TEAMS), AND IN JULY A LIGHT ATHLETICS RELAY RACE FOR THE CUP OF THE GENERAL DIRECTOR DEDICATED TO THE METALLURGISTS' DAY TOOK PLACE. 15 COMBINED TEAMS OF THE PLANT'S STRUCTURAL DIVISIONS CAME TO THE START. THE PLANT'S TEAM TOOK PART IN THE TOURIST GATHERING ORGANIZED BY PRIORBANK CC.

### MONITORING OF PUBLIC OPINION ABOUT EFFECTIVENESS OF SOCIAL PROGRAMS

RESULTS OF SOCIAL PUBLIC POLLS ARE AN INTEGRAL PART OF THE SYSTEM OF INFORMATION SUPPORT OF THE ACTIVITY OF OJSC "BSW - MANAGEMENT COMPANY OF "BMC" HOLDING. HIGH QUALITY OF INVESTIGATIONS ENSURING A RELIABLE REPRESENTATION OF THE PLANT'S EMPLOYEES' OPINION IN VARIOUS MATTERS, ALLOWS US TO SPEAK ABOUT THE RESULTS ACHIEVED AS HAVING SCIENTIFIC SIGNIFICANCE AND USEFUL IN PRACTICE. REGULARLY HELD PUBLIC POLLS HELP TO PROVIDE FOR EFFICIENT WORK OF THE FEEDBACK MECHANISM BETWEEN THE PLANT'S MANAGEMENT AND ITS EMPLOYEES; AND WIDE USE OF THEIR RESULTS HELP TO STUDY DIFFERENT PROCESSES AND EVENTS DEEPER AND DEVELOP MOST REASONABLE MANAGERIAL DECISIONS.

TOTAL NUMBER OF SOCIOLOGICAL QUESTIONINGS OF DIFFERENT DIRECTIONS AND DURATION ARRANGED IN 2016 WAS 9. NUMBER OF PARTICIPANTS EQUALED TO 2812 EMPLOYEES AND 532 CITIZENS OF THE REGION. ONE OF THE KEY DIRECTIONS OF SOCIOLOGICAL STUDIES HELD AT THE PLANT IS ANNUAL MONITORING OF THE SOCIAL-PSYCHOLOGICAL CLIMATE IN THE EMPLOYEES TEAMS OF THE ENTERPRISE HELD SINCE 2006. IT HELPS TO FULFILL A COMPARATIVE ANALYSIS OF THE PERIOD STUDIED, TO DETERMINE DYNAMICS OF CHANGES AT THE PLANT IN GENERAL AND IN SEPARATE STRUCTURAL DIVISIONS IN PARTICULAR. 1325 EMPLOYEES OF THE MAIN AND AUXILIARY SHOPS OF THE ENTERPRISE TOOK PART IN THE STUDY (11,1% OF THE TOTAL NUMBER OF THE STAFF). ACCORDING TO THE RESULTS OF THE SOCIOLOGICAL ANALYSIS, TOTAL SATISFACTION OF THE EMPLOYEES CORRESPONDS TO A HIGH LEVEL (Isat.=0,715 OR 72%). THIS INDICATOR HAS BEEN WITHIN THE HIGH LEVEL OF SATISFACTION DURING FIVE YEARS WHICH ALLOWS US TO SPEAK ABOUT A STABLE SOCIAL AND PSYCHOLOGICAL CLIMATE IN THE TEAM OF OJSC "BSW - MANAGEMENT COMPANY "BMC" HOLDING.





1 of March it was 25 years from the commissioning day of steel cord production building №2 (SWS-2) – the third construction stage of BSW.



## Responsibility for the goods produced

STRIVING TO BE ONE OF THE BEST SUPPLIERS OF STEEL TO IMPROVE CUSTOMER'S SATISFACTION, TO ENSURE PRODUCTION OF QUALITY FOODS, GUARANTEE GOOD SERVICE, REDUCE THE RISK OF FAILURES DURING OPERATION, BSW CONTINUOUSLY IMPROVES MANAGEMENT OF ITS PRODUCTION PROCESSES.

IT USES VARIOUS METHODS IN SEARCH FOR NEW IDEAS: FAILURE MODE AND EFFECT ANALYSIS (FMEA), BRAIN ATTACK, 8D, 5 WHYS, BENCHMARKING, SWOT – ANALYSIS, ETC. THE FOLLOWING IS TAKEN INTO CONSIDERATION IN RISK ASSESSMENT: PRODUCT CHARACTERISTICS (IN PARTICULAR, ITS CONTENT, PACKING, STORAGE CONDITIONS, DESIGN OF THE GOODS, MARKING), AND USER'S MANUAL.

IN SOME CASES THE PRODUCT REQUIREMENTS ARE STRICTER THAN THOSE SET IN THE TECHNICAL DOCUMENTATION OF NATIONAL AND INTERNATIONAL ASSOCIATIONS OF PRODUCERS AND STANDARDIZATION ORGANIZATIONS. ALL THESE FACTS PROVIDE FOR RESPONSIBILITY FOR PRODUCTION OF SAFE AND QUALITY PRODUCTS MEETING THE REQUIREMENTS AND EXPECTATIONS OF CUSTOMERS.

TO CONFIRM HIGH QUALITY OF ITS PRODUCTS BSW HAS CERTIFICATES OF CONFORMITY OF ITS QUALITY MANAGEMENT SYSTEM ACCORDING TO SUCH RECOGNIZED INTERNATIONAL STANDARDS AS ISO/TS 16949 AND API Q1.

BOTH PRODUCERS AND SUPPLIERS OF RAW AND AUXILIARY MATERIALS BELONG TO PERSONS RESPONSIBLE FOR DEFECTS (HAZARD) OF THE GOODS, THAT IS WHY, BSW HELPS ITS SUPPLIERS TO DEVELOP. FOR EXAMPLE, IN 2011 BSW INTRODUCED CHANGES IN CONTRACT REQUIREMENTS TO SUPPLIERS. ONE OF THE OBLIGATORY REQUIREMENTS IN RESOLVING QUALITY ISSUES IS USAGE OF 8D PROCESS OF SOLVING OF SUPPLY QUALITY ISSUES.

THIS PROCESS HAS ACQUIRED A REPUTATION OF ONE OF THE MOST EFFICIENT TOOLS FOR RESOLVING QUALITY PROBLEMS OF THE SUPPLIER PRODUCTS IN THE WORLD PRACTICE.

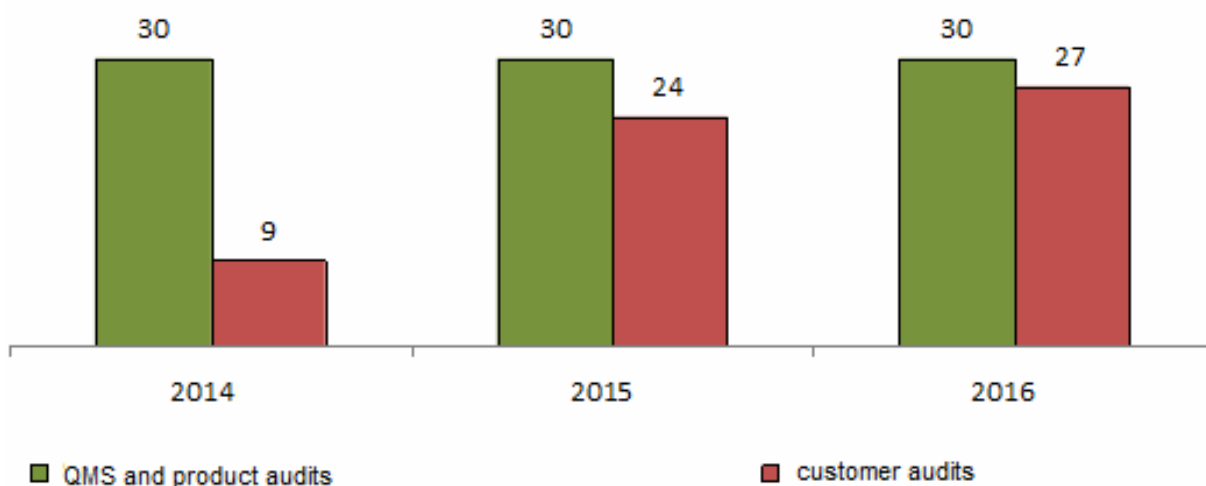
INTRODUCTION OF THE PROBLEM SOLVING PROCESS DEVELOPED ON THE BASIS OF THE 8D METHOD (SYSTEM EXCLUSION OF A PROBLEM) WILL ALLOW SUPPLIERS TO MEET BSW REQUIREMENTS TO MANAGEMENT OF CORRECTIVE AND PREVENTIVE MEASURES ENTIRELY.

### GENERAL

PRODUCTS MANUFACTURING AND PACKAGING ARE SAFE FOR HUMAN HEALTH AND ENVIRONMENT.

THE PLANT'S DIRECTOR GENERAL AND ITS DEPUTIES ENSURE FULFILLMENT OF THE FOLLOWING ASPECTS, AS REGARDS PRODUCT RESPONSIBILITY:

### Audits of independent certification bodies and customers



External audits





- ENSURING OF SECURITY AND HEALTH OF CUSTOMERS WHEN IN CONTACT 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 RESPONSIBILITY ASPECTS ARE OUTLINED IN:

- CORPORATE POLICY;
- DOCUMENTATION OF THE CORPORATE MANAGEMENT SYSTEM LISTED IN THIS SECTION;
- CODE OF ETHICS.

### PRODUCT LIFE CYCLE

STRUCTURALLY, OJSC "BSW – MANAGEMENT COMPANY 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, AND ONE – A FOUR-STRAND MACHINE FOR 250x300, 300x400 MM BILLETS.

THE HIGH-TECH ROLLING PRODUCTION IS REPRESENTED BY A MODERNIZED SMALL-SECTION ROLLING MILL 320, WIRE ROD MILL 150, DUO REVERSE ROLLING MILL 850 WITH A SET OF EQUIPMENT FOR PRODUCTION OF ROLLED SECTIONS, STRUCTURAL SHAPES, WIRE ROD FOR VARIOUS APPLICATIONS, AND REINFORCING STEEL. IN MILL 320 METHODS OF PRODUCTION OF REINFORCING STEEL AGAINST STANDARDS OF GERMANY, HOLLAND, GREAT BRITAIN, FINLAND, SWEDEN, NORWAY, AUSTRIA, POLAND, AND RUSSIA HAS BEEN MASTERED AND CERTIFICATION OF THESE TYPES OF PRODUCTS BY THE NATIONAL AUTHORITIES OF THESE COUNTRIES HAS BEEN CARRIED OUT; SLITTING PROCESS WITH DIVIDING OF A BAR INTO SEVERAL STRANDS HAS BEEN DEVELOPED AND MASTERED AND THIS IS A NEW AND PERSPECTIVE DIRECTION IN THE ROLLING TECHNIQUE.

ON SEPTEMBER 25, 2015 COMMISSIONING OF A SMALL-SECTION MILL FOR PRODUCTION OF WIRE ROD AND ROLLED SECTION WITH SPECIAL PROCESSING (SRS-2) TOOK PLACE. ITS CONSTRUCTION STARTED IN 2012 AFTER SIGNING OF A CONTRACT WITH DANIELI (ITALY) IN OCTOBER 2011. THE DESIGNED CAPACITY OF THE NEW MILL IS 700 THOUSAND TONS PER YEAR WITH THE POSSIBILITY TO INCREASE THE FINISHED PRODUCT OUTPUT TILL 1 MILLION TPY. THIS PROJECT WILL ALLOW THE PLANT TO BALANCE ITS PRODUCTION OF STEEL WITH IN-DEPTH PROCESSING AND INCREASE THE OUTPUT OF HARDWARE PRODUCTS. IN NOVEMBER 2016, ROLLING SHOP No. 2 REACHED THE DESIGNED MONTHLY PRODUCTION. OUTPUT OF ROLLED SECTION IN 2016 EQUALED TO 484 270 TONS.

JUNE 2007 WITNESSED COMMISSIONING OF A SEAMLESS PIPE MILL. THE KEY EQUIPMENT OF THE PIPE MILL IS A PIPE ASSEMBLY INCLUDING A ROTARY PIERCER, A



## Responsibility for the goods produced



4-STAND PQF® (PREMIUM QUALITY FINISHING) AND A REDUCING-SIZING MILL. THE MILL OPERATES WITH THREE TYPES OF BILLET EXTERNAL DIAMETER 140MM, 160MM, AND 200MM. THE KEY EQUIPMENT WAS SUPPLIED BY SMS MEER (GERMANY). THE DESIGNED CAPACITY OF THE PIPE MILL IS UP TO 250 THOUSAND TONS PER YEAR DEPENDING ON THE PRODUCT RANGE. THE SHOP INCLUDES FURNACES, ROLLING MILLS, BILLET AND BATCH SAWS, THE REQUIRED FINISHING LINES, TRANSPORTATION SYSTEMS OPERATING WITHIN THE SHOP, AND AUXILIARY EQUIPMENT. SINCE COMMISSIONING OF THE PIPE MILL PRODUCTION OF MORE THAN 250 TYPES OF PIPE PRODUCTS OF VARIOUS RANGES HAS BEEN MASTERED.

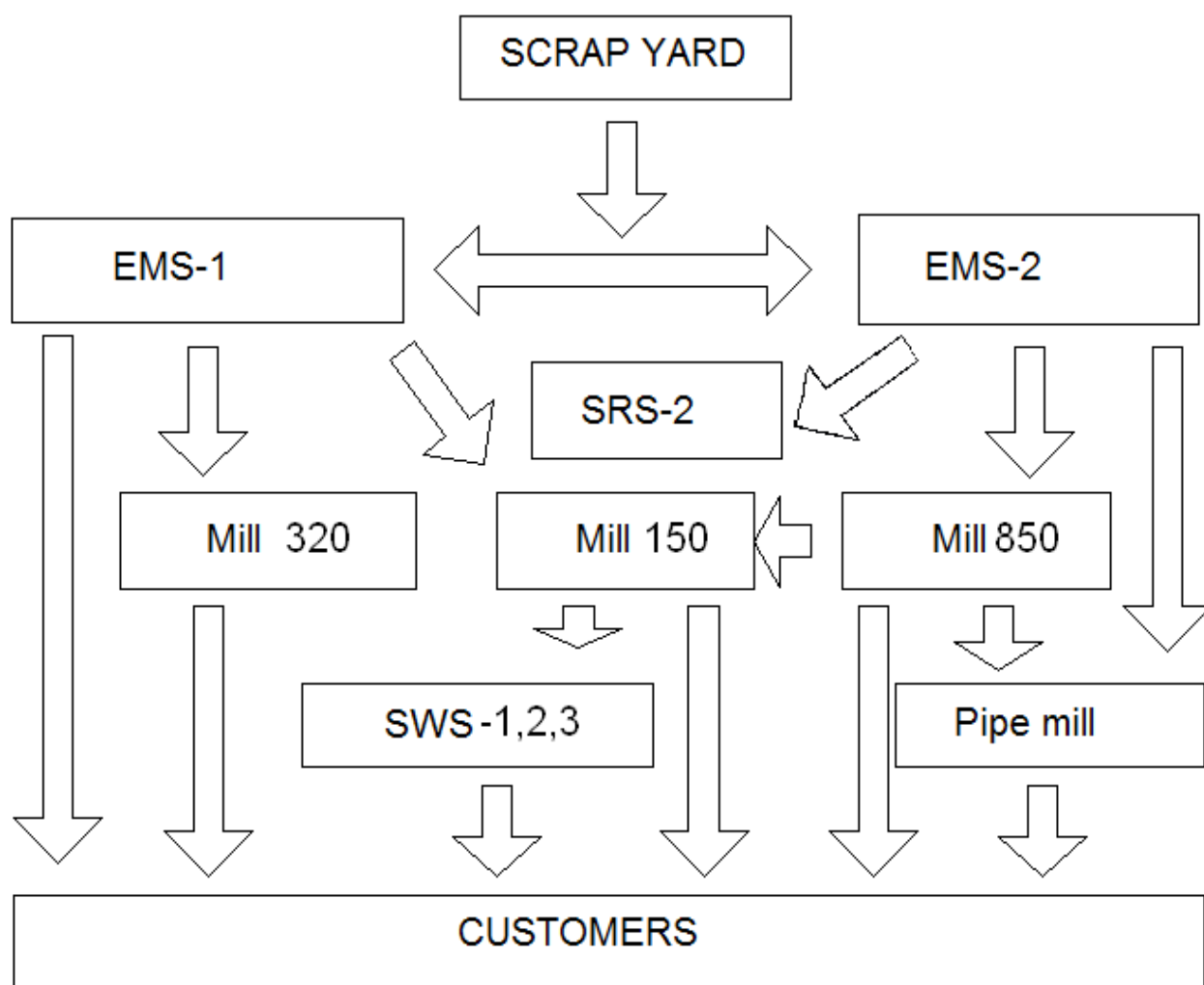
PIPES PRODUCED BY THE PLANT ARE USED IN ENGINEERING, OIL AND GAS PRODUCTION, CONSTRUCTION INDUSTRY, AND MUNICIPAL ENGINEERING.

PIPE QUALITY MEETS THE REQUIREMENTS OF RUSSIAN AND FOREIGN STANDARDS: GOST, DIN, ASTM, API 5L, API CT, AND EN. PRODUCTS MEETING COMPLEX REQUIREMENTS OF THESE STANDARDS ARE SUPPLIED AT THE CUSTOMER'S REQUEST.

PIPE QUALITY AT DIFFERENT STAGES OF THE PRODUCTION PROCESS IS CONTROLLED WITH:

LASER WALL THICKNESS MEASURING UNIT "LASUS", TWO EDDY-CURRENT SURFACE DEFECT DETECTION DEVICES, AN ULTRASONIC UNIT FOR LONGITUDINAL DEFECT DETECTION ON THE PIPE SURFACE AND BODY, HYDRAULIC TEST OF PIPE TIGHTNESS WITH THE PRESSURE OF UP TO 600 BAR.

HARDWARE PRODUCTION IS COMPOSED OF THREE STEEL WIRE SHOPS, AND A DIE AND TARE SHOP.



*Scheme of the main production cycles*



STEEL CORD PRODUCTION IS A MOST COMPLICATED SCIENCE-INTENSIVE PROCESS WHICH PRESUPPOSES PRODUCTION OF BRASS-COATED STEEL WIRE DIAMETER 0.15 MM OUT OF CAST BILLET SIZE 250x300 MM, CAPABLE OF SUSTAINING HIGH MECHANICAL LOADS. THE PLANT IS THE MAIN SUPPLIER OF SUCH WORLD-RECOGNIZED TIRE MANUFACTURES AS CONTINENTAL, MICHELIN, GOODYEAR, BRIDGESTONE, ETC.

ANOTHER IMPORTANT HARDWARE PRODUCT ENJOYING KEEN DEMAND IS THE WIRE FOR HIGH-PRESSURE HOSES (HOSE 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. TO SATISFY REQUIREMENTS OF THE CONSUMING COMPANIES, PLANT'S SPECIALISTS DEVELOPED A WIDE RANGE OF HOSE WIRE TYPES NOT FORESEEN BY THE PROJECT INCLUDING HIGH-TENSILE AND SUPER HIGH-TENSILE WIRE.

THE RANGE OF WIRE PRODUCTION OUTPUT IS NOT LIMITED BY THE ABOVE MENTIONED 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, RAILWAY AND AUTOMOTIVE TRANSPORT SHOPS, AND OTHER AUXILIARY DEPARTMENTS.

### CUSTOMERS' HEALTH AND SAFETY

MAIN CUSTOMERS OF OJSC "BSW – MANAGEMENT COMPAY OF "BMC" HOLDING ARE MACHINE-BUILDING AND MOTOR-CAR CONSTRUCTION ENTERPRISES, HARDWARE, TIRE, PIPE AND REINFORCED CONCRETE STRUCTURE PLANTS OF THE NEIGHBORING AND FAR-AWAY COUNTRIES AND THOSE OF THE RB.

THE PLANT 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 IMPORT OF PRODUCTS WHICH ARE NOT CERTIFIED FOR THE COMPLIANCE WITH THE REQUIREMENTS OF THEIR NATIONAL STANDARDS.

# 60

CONFORMITY CERTIFICATES FOR  
PRODUCTION OF VARIOUS TYPES OF  
BSW PRODUCTS IN 2016

PRODUCTION CERTIFICATION IN COMPLIANCE WITH THE REQUIREMENTS OF NATIONAL AND INTERNATIONAL STANDARDS WAS COMMENCED AT THE ENTERPRISE IN 1991, AND HAS BEEN SUCCESSFULLY PERFORMED THEREAFTER. QUALITY AND SECURITY OF BYELORUSSIAN STEEL WORKS PRODUCTS COMPLYING WITH THE REQUIREMENTS OF THE NATIONAL STANDARDS OF ITS CUSTOMERS IS CERTIFIED BY CONFORMITY CERTIFICATES ISSUED IN RUSSIA, BELARUS, THE USA, AND MOST OF EU COUNTRIES. FOLLOWING THE RESULTS OF 2016 THE ENTERPRISE HOLDS 60 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, 4 TIMES A YEAR).

CONFIDENCE IN THE STABLE QUALITY OF WIRE PRODUCTION IS ENSURED BY THE QUALITY MANAGEMENT SYSTEM EXISTING AT THE ENTERPRISE AND CERTIFIED FOR THE COMPLIANCE WITH STANDARD ISO/TS 16949:2009.

QUALITY MANAGEMENT SYSTEM IN THE HARDWARE PRODUCTION IS APPROVED BY THE REPRESENTATIVES OF WIRE CONSUMING COMPANIES: MICHELIN (FRANCE), CONTINENTAL (GERMANY), BRIDGESTONE (ITALY), GOODYEAR (LUXEMBOURG), EATON (THE USA, GERMANY), MANULI (ITALY), PARKER (ITALY), DIESSE RUBBER (ITALY), ALFAGOMMA (ITALY), KNAPHEIDE GMBH HYDRAULIC HOSES WERK THUERINGEN (GERMANY),



## Responsibility for the goods produced



JSC KORDINANT (RUSSIA), ETC., WHICH PERFORM THE COUNTERPARTY AUDITS.

THE CENTRAL PLANT LABORATORY IS ACCREDITED FOR THE COMPLIANCE WITH ISO/MEK 17025 REQUIREMENTS SINCE 2009 (BY DAkkS, GERMAN CERTIFICATION BODY). AN ACCREDITATION CERTIFICATE VALID TILL 16.12.2019 WAS RECEIVED IN 2014.

IN 2011 BELMET HANDELGESELLSCHAFT M.B.H. (LINZ, AUSTRIA), REPRESENTATIVE OF OJSC "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING IN EC COUNTRIES AND IN ACCORDANCE WITH REACH REGULATION No. EC 1907 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 DO NOT EMIT SUBSTANCES 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 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, AND 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 ARE 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.

### 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 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 2006, A PERMIT TO USE THE "CE" MARK ON STRUCTURAL STEEL ROLLED SECTION WAS RECEIVED.

### MARKETING COMMUNICATIONS

MARKETING ACTIVITY OF BSW REFERS TO THE COMPETENCE OF THE MARKETING BOARD.

AIM OF BSW ADVERTISING CAMPAIGN IS TO FORM ITS NAME AND PRESTIGE TO OCCUPY AND STRENGTHEN ITS MARKET POSITION; STIMULATE SALES, IMPROVE EFFECTIVENESS AND VOLUME OF SALES.





### MEANS OF PRODUCT PROMOTION:

1. ADVERTISING IN MASS MEDIA (PRESS, TV, RADIO, INTERNET, PRESS-CONFERENCES, PUBLIC SPEECHES). BSW REGULARLY PUBLISHES ADVERTISEMENTS AND REFERENCE MATERIALS IN JOURNALS AND NEWSPAPERS OF THE RB AND RF: "MERCURY", "BELARUSIAN EXPORTERS", "DELO", "STEEL", "KRUGOZOR SEGODNYA" "NOVY DZEN" "RESPUBLIKA", "GOMELSKAYA PRAVDA" "STROITELNAYA GAZETA" "STROIKA", "ZNAK KACHESTVA" "METALIINFORM", "INFORMOBZOR, ETC. A CONCEPT OF A VIDEO FILM "OUR BUSINESS - BSW" WAS DEVELOPED ABOUT COMMISSIONING OF AN IRON KITCHEN UTENSILS PRODUCTION LINE AT OJSC "ZAVOD "LEGMAH" AND SHOOTING WAS ORGANIZED TOGETHER WITH STV AND ITS SHOOTING WAS ORGANIZED TOGETHER WITH STV. NEW PRESENTATIONS AND DISTRIBUTION ADVERTISING MATERIALS WERE ISSUED: CATALOGUES OF PIPE, ROLLED SECTION, HARDWARE AND CONSUMER PRODUCTS, ADVERTISING LEAFLETS FOR ALL TYPES OF PRODUCTS MANUFACTURED, LEAFLETS FOR CUSTOMERS WITH CONTACT INFORMATION OF THE PLANT AND CDN. A DICTIONARY OF METALLURGICAL TERMS, A CATALOGUE OF PRODUCT PACKING, A PERSONAL ORGANIZER, AND A BOOKLET ABOUT BSW WERE DESIGNED.

2. EXHIBITIONS, FAIRS, FORUMS (ONE OF THE KEY LINKS IN THE SYSTEM OF ADVERTISING MEASURES THAT SERVE A CROSSING POINT OF A LARGE NUMBER OF SELLERS AND CUSTOMERS AT A CERTAIN PLACE AND AT A CERTAIN TIME). IN 2016 BSW PARTICIPATED IN 10 INTERNATIONAL EXHIBITIONS AND FAIRS IN BELARUS, RUSSIA, AND FAR FOREIGN COUNTRIES: XV INTERNATIONAL EXHIBITION OF PIPING, PIPES, WIRE, CABLES, AND HARDWARE PRODUCTS, TECHNOLOGIES AND EQUIPMENT FOR THEIR PRODUCTION "TUBE 2016, WIRE 2016"; INTERNATIONAL EXHIBITION OF FOUNDRY "LITMETExpo-2016"; "BELARUSIAN INDUSTRIAL FORUM -2016"; XX INTERNATIONAL SPECIALIZED EXHIBITION OF POWER- AND ENERGY SAVING"; INTERNATIONAL UNIVERSAL FAIR "SPRING IN GOMEL"; III FORUM OF BELARUSIAN AND RUSSIAN REGIONS; INTERNATIONAL WHOLESALE EXHIBITION-FAIR "KULTBYTHOZTOVARY"; INTERNATIONAL INDUSTRIAL EXHIBITION "METALEXPO-2016"; INTERNATIONAL ENGINEERING EXHIBITION; INTERNATIONAL EXHIBITION OF BUILDING INDUSTRY "THE BIG 5 SHOW".

3. PRODUCT SALE PROMOTION (SPECIAL CONDITIONS FOR REGULAR CUSTOMERS);
4. SALES BY CATALOGUES;
5. ELECTRONIC TRADE
6. DIRECT MAIL;
7. DIRECT SALES (PROMOTION OF GOODS INCLUDING THEIR ORAL PRESENTATION TO SALE WHILE SPEAKING WITH POTENTIAL BUYERS);
8. ANNUAL REPORTS OF THE COMPANY;
9. ADVERTISING CONSTRUCTIONS IN THE NATIONAL AIRPORT IN MINSK;
10. SHOOTING OF FILMS-PRESENTATIONS;
11. ALLOCATION OF AN ADVERTISEMENT TRAILER ON THE LED SCREEN OF THE PALACE OF CULTURE OF METALLURGISTS AND IN OKTYABRSKAYA SQUARE IN MINSK;
12. BSW ADVERTISEMENTS AT INTERNATIONAL AND NATIONAL SPORT COMPETITIONS IN HOCKEY, VOLLEYBALL, WEIGHT LIFTING, ETC.
13. EVERY YEAR BSW PARTICIPATES IN THE NATIONAL TOURNAMENT "BEST EXPORTER OF THE YEAR".
14. SPONSORSHIP AND CHARITY: BSW TOOK PART IN SUCH IMPORTANT FOR GOMEL TRIGON EVENT AS GOMEL ECONOMIC FORUM – 2015".

### MUTUALLY BENEFICIAL COOPERATION WITH CUSTOMERS

OUR CUSTOMER BASE WAS FORMED ON THE BASIS OF A LONG-TERM WORK OF BSW AND CUSTOMERS TAKING INTO ACCOUNT RELIABILITY OF A COMPANY (CHECKED BY THE ECONOMIC SECURITY BOARD), ITS ABILITY TO PAY, AND FULFILL THE OBLIGATIONS TAKEN, POSSIBILITY TO WORK IN THE MARKET IN DIFFERENT CONDITIONS (BOTH IN THE FALLING MARKET AND DYNAMICALLY DEVELOPING MARKET). A LIST OF PERMANENT CUSTOMERS WAS APPROVED TAKING INTO CONSIDERATION THE EXPERIENCE ACQUIRED IN STEEL SALES. BASED ON THE TASK SET AND THE RESULTS ACHIEVED, THEY ARE IDENTIFIED AS: A JOINT VENTURE,



## Responsibility for the goods produced



A TRADE FIRM, A DISTRIBUTOR, A TRADER, AN END USER.

WORK WITH CUSTOMERS IS ORGANIZED IN COMPLIANCE WITH THE CODE OF BUSINESS ETHICS OF OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING.

OPERATION OF ANY COMPANY IS SIGNIFICANTLY INFLUENCED BY AVAILABILITY OF COMPETITION. IT MAKES THE COMPANY DETERMINE ACTUAL NEEDS OF CERTAIN BUYERS AND FORM A PRODUCT RANGE MEETING THEIR REQUIREMENTS MOST COMPLETELY.

RELATIONS WITH COMPETITORS ARE DESCRIBED IN THE CODE OF BUSINESS SURVEY WHICH IS A PART OF THE CODE OF ETHICS OF OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING.

COMPETITIVE (BUSINESS) SURVEY IS A VERY IMPORTANT FUNCTION OF UP-TO-DATE MANAGEMENT AND THE KEY CONDITION OF BUSINESS DYNAMIC DEVELOPMENT. THE AIM OF THE COMPETITIVE SURVEY IS CONTRAPOSITION TO STRONG SIDES OF COMPETITORS AND USE OF THEIR WEAK SIDES, ITS TASK IS TO ANALYZE THE INFORMATION ACQUIRED AND ON ITS BASIS CREATE DATA USEFUL FOR DEVELOPING A MANAGEMENT DECISION.

ORGANIZATION OF MEETINGS, CUSTOMER QUESTIONNAIRES, DISCUSSION OF PROBLEMS WITH PARTNERS ALLOW THE COMPANY TO FIND EFFECTIVE WAYS OF RESOLVING CURRENT AND FUTURE CHALLENGES, REALIZE POSSIBLE DIRECTIONS OF DEVELOPMENT AND PRODUCT IMPROVEMENT.

CUSTOMER QUESTIONING IS ONE OF SUCH TASKS. QUESTIONING IS CARRIED OUT AS REGARDS THE ASSESSMENT INDICATORS WHICH ARE MOST IMPORTANT FOR CUSTOMERS: CONDITIONS OF PRODUCT PAYMENT, PRODUCT PRICE, PRODUCT SUPPLIES, PRODUCTION PLANNING, AND PRODUCT QUALITY. SUBJECTS OF THE COMMODITY DISTRIBUTION NETWORKS AND BSW PRODUCT END USERS ON GLOBAL OUTLETS (EUROPE, AMERICA, MIDDLE EAST, AFRICA, SEA, CIS, AND BELARUS) ARE QUESTIONED.

### **CUSTOMERS' SATISFACTION WITH PRODUCTS OF STEELMAKING, ROLLING, PIPE AND HARDWARE PRODUCTIONS**

CUSTOMERS' QUESTIONNAIRES ANALYSIS PERFORMED

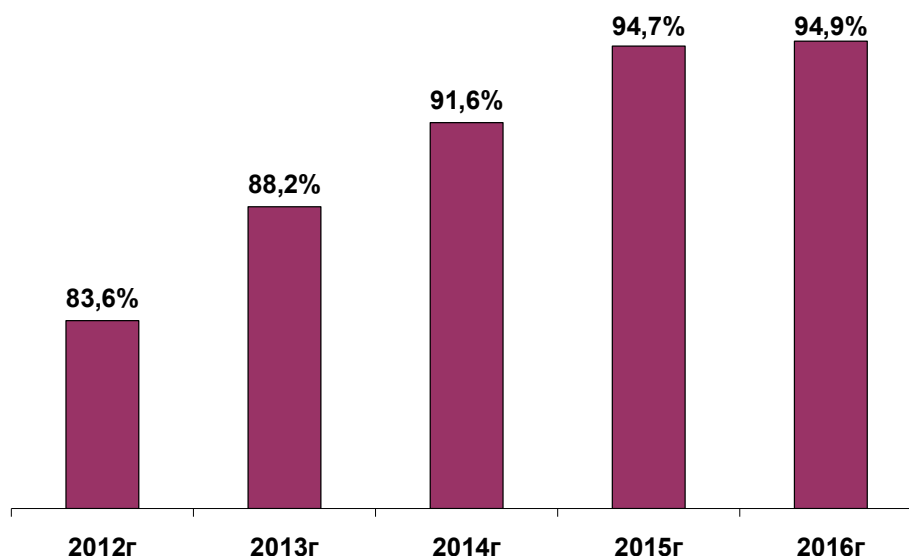
PROVES THEIR LOYALTY TO BSW TRADE MARK. PROPOSALS EXPRESSED BY OUR CUSTOMERS ARE EXAMINED BY THE CORRESPONDING SERVICES OF THE PLANT AND CORRECTIVE ACTIONS ARE DEVELOPED IF REQUIRED TO PREVENT CUSTOMER CLAIMS FOR THE CURRENT PERIOD AND IMPROVE CUSTOMER SATISFACTION IN FUTURE. THE MARKETING BOARD CARRIES ON FEEDBACK WITH CUSTOMERS. THE AIM OF CUSTOMER QUESTIONING IS TO STUDY MARKET REQUIREMENTS FOR NEW TYPES OF PRODUCTS. THE TECHNICAL BOARD ANALYZES THE POSSIBILITY OF MANUFACTURE THE PRODUCTS SPECIFIED BY CUSTOMERS. WHEN QUESTIONING IS COMPLETED, THE CUSTOMERS ARE INFORMED ABOUT THE ABILITY OF BSW TO PRODUCE THE NEW TYPES OF PRODUCTS.

TO SELL PRODUCTS BY MEMBERS OF THE COMMODITY DISTRIBUTION NETWORK, WE ORGANIZE MEETINGS WITH END USERS, PARTICIPATE IN EXHIBITIONS, SIGN ANNUAL CONTRACTS, AND PARTICIPATE IN BONUS SYSTEMS OF LARGE CUSTOMERS. WE DISTRIBUTE COMMERCIAL PROPOSALS AND TAKE PART IN TENDERS. MORE FLEXIBLE AND ATTRACTIVE TERMS OF PAYMENT FOR PRODUCT ARE DEVELOPED. EACH CUSTOMER'S ORDER IS GIVEN AN INDIVIDUAL APPROACH AND A PROFESSIONAL, QUALITY, AND OPERATIVE RESPONSE IS PROVIDED FOR EACH INQUIRY.

DURING QUESTIONING CUSTOMERS SPECIFIED THE MOST IMPORTANT PROJECTS WHERE BSW PRODUCTS WERE USED: OIL COMPANIES OJSC LUKOIL, OJSC NK “ROSNEFT”. OHSC “TATNEFT”, NFK “SALYM PETROLEUM”, RUE PA “BELORUSNEFT”, “KAZMUNAIGAZ”, BUILDING OF A STADIUM FOR THE WORLD FOOTBALL CHAMPIONSHIP IN KALININGRAD, PARTICIPATION IN FULFILLMENT OF A STATE ORDER FOR DELIVERY OF REBARS TO PRODUCE AIRFIELD PLATES FOR THE MINISTRY OF DEFENSE OF THE RF, CONSTRUCTION OF STADIUMS “DYNAMO”, “CSKA”, “LUZHNIKI”, BUILDING No.2 OF THE SMU NAMED AFTER M.V. LOMONOSOV, SCANIA-CENTRE (BALTIC STATES), LIDL SUPERMARKETS (BALTIC STATES), NATIONAL THEATER, NATIONAL LIBRARY, BRIDGES IN NORWAY, MOTOR HIGHWAY S8 WALICHNOWY – LUBARTÓW, S17 DĄBROWICA - LUBARTÓW, STRENGTHENING OF THE SEA PIER SWINUŚCIE – SZCZECIN; ADMINISTRATIVE BUILDINGS BUSINESS, PARK A4, KATOWICE (STAGE 2), IMPRESSIO II WROCLAW, DĘBOWE TARASY, KATOWICE (STAGE 3); RECONSTRUCTION AND REPAIR OF BRIDGES IN BALTIC STATES AND SCANDINAVIA: VIA DANE RIVER



### CUSTOMERS' satisfaction



IN KLAIPEDA, BRIDGE NEAR THE SMALL FERRY AT KURSK SPIT, ELBE HARMONIA; BUILDING STUTTGART 21; NOVOPORONEZH APS, OBJECTS OF WINTER OLYMPIC GAMES IN SOCHI, MOSCOW CITY BUSINESS CENTRE, AND BELAES, MINSK UNDERGROUND.

IN AUGUST 2014 THE FIRST SOCIAL RESPONSIBILITY AUDIT WAS HELD AT OJS "BSW – MANAGEMENT COMPANY OF "BMC" HOLDING. THE AUDIT FOR CONFORMITY TO THE CODE OF ETHICS OF PIRELLI GROUP SUPPLIER (ITALY) WAS PERFORMED BY THE SECOND PARTY – A REPRESENTATIVE OF BUREAU VERITAS (THE UKRAINE) WITHIN THE FRAMEWORK OF THE REQUIREMENTS OF THE INTERNATIONAL STANDARD OF SOCIAL RESPONSIBILITY SA 8000.

DURING THE AUDIT, THE CURRENT ACTIVITY OF THE PLANT IN THE AREA OF LABOUR PROTECTION, ENVIRONMENT, INDUSTRIAL SAFETY, PERSONNEL MANAGEMENT WERE ANALYZED AND PRODUCTION AREAS, HOUSEHOLD ROOMS, CANTEENS, AND AID POSTS WERE ASSESSED, AND EMPLOYEES WERE QUESTIONED.

AT PRESENT GLOBAL CUSTOMERS OF OJSC "BSW – MANAGEMENT COMPAY OF "BMC" HOLDING MORE AND MORE OFTEN RAISE THE TOPIC OF OBSERVANCE OF THE 10 PRINCIPLES OF THE UN GLOBAL COMPACT (LIQUIDATION OF ALL FORMS OF FORCED AND OBLIGATORY LABOUR, COMPLETE EXTERMINATION OF CHILD LABOUR,

AND LIQUIDATION OF DISCRIMINATION IN THE AREA OF LABOUR AND EMPLOYMENT, ETC.).

### MUTUALLY BENEFICIAL COOPERATION WITH SUPPLIERS

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

BSW 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.

- RESULTS OF MASS REGULAR SUPPLIES WITHOUT RECLAMATIONS OR CLAIMS;
- COMPLIANCE CERTIFICATES FOR THE MANAGEMENT SYSTEM AND PRODUCTS OF THE SUPPLIER;
- SUPPLIER OBLIGATIONS TO RESPECT THE RIGHTS AND FREEDOMS OF THE CITIZENS IN COMPLIANCE WITH THE PRINCIPLES OF THE UN GLOBAL COMPACT;
- SUPPLIER CONSENT TO FOLLOW BSW SUPPLIER QUALITY MANUAL.



## Responsibility for the goods produced



THE ACTIVITY OF SUPPLIERS IS ASSESSED ACCORDING TO THE FOLLOWING CRITERIA:

- OBSERVANCE 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.

SO AS TO DEVELOP PARTNERSHIP RELATIONS AND IMPROVE QUALITY OF THE DELIVERED PRODUCT BY DEVELOPMENT OF THE MANAGEMENT SYSTEM WITH THE ACCEPTABLE SUPPLIERS ACCORDING TO THE BULLETIN OF SUPPLIERS ASSESSMENT FOR THE PREVIOUS PERIOD, SPECIALISTS OF THE COMPANY PERFORM SUPPLIER AUDITS.

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



11 of November according to results of 22th International industrial exhibition «Metall-Expo 2016» BSW was rewarded with a Cup “For the best exposition” and Diploma “For high-professional management of products and services promotion”.





*In annual republic competition "The Year product" steel wire rod from construction steel was admitted as the best construction product of 2016.*



### Organization's medium-term targets

THE FOLLOWING KEY TARGETS OF ECONOMIC AND SOCIAL DEVELOPMENT OF THE ORGANIZATION ARE PLANNED FOR 2017:

#### 1. PRODUCTION, FINANCES, AND ECONOMICS:

1.1 SALES PROFITABILITY IN INDUSTRY, MIN., %	1,9
1.2 EXPORT OF GOODS AS COMPARED TO THE LEVEL OF 2016, MIN., %	114,0
1.3 DECREASE OF THE LEVEL OF EXPENSES FOR PRODUCT MANUFACTURING, WORK, SERVICES (RESOURCE SAVING), MIN. BY, %	-1,6
1.4 POWER SAVING INDICATOR, %	-5,0
1.5 FINISHED PRODUCT STOCK NORM, %, MAX.	30,0

#### 2. QUALITY

2.1 LEVEL OF REJECTS DUE TO PRODUCTION SHOPS, MAX., %	SET IN ORDER No.2
2.2 LEVEL OF NON-CONFORMING PRODUCTS, MAX., %	SET IN ORDER No.2
2.3 LEVEL OF EXPENSES DUE TO DEFECTS PER Br1000 OF MARKETABLE PRODUCTS, MAX., %	5,94
2.4 CUSTOMER SATISFACTION ASSESSMENT, MIN., %	
- STEELMAKING	95,3
- ROLLING	94,4
- PIPE PRODUCTION	94,3
- STEEL CORD AND STEEL WIRE PRODUCTION	95,6
2.5 LEVEL OF CLAIMED PRODUCTS TOTAL FOR THE PLANT, MAX., PPM	SET IN ORDER No.2

#### 3. ENVIRONMENT

3.1 VOLUME OF PRODUCTION WASTES ALLOCATION IN THE ENVIRONMENT AVERAGE TO 2016, %	TO BE INCREASED BY 2,0%
3.2 VOLUME OF WATER REMOVAL FROM SURFACE SOURCES AS COMPARED TO THE LEVEL OF 2016, %	TO BE DECREASED BY 4,0%

#### 4. LABOUR PROTECTION AND INDUSTRIAL SAFETY

4.1 OCCUPATIONAL INJURY NOT TO EXCEED THE LEVEL OF 2016	TO BE DECREASED BY 8,0%
4.2 PROVISION OF ADDITIONAL SAFETY FOR THE EMPLOYEES OF THE SHOPS, PEOPLE	94
4.3 IMPROVEMENT OF LABOUR ENVIRONMENT FOR THE EMPLOYEES OF THE SHOPS, PEOPLE	181
4.4 IMPROVEMENT OF SANITARY-HOUSEHOLD CONDITIONS FOR THE EMPLOYEES OF THE SHOPS, PEOPLE	108
4.5 IMPROVEMENT OF DRINKING WATER CONSUMPTION FOR THE EMPLOYEES OF THE SHOP, PEOPLE	35

#### 5. SOCIAL RESPONSIBILITY

5.1 TRAINING OF EXECUTIVES AND SPECIALISTS, PEOPLE	1457
5.2 PROFESSIONAL TRAINING OF WORKERS, PEOPLE	2678
5.3 GENERAL SATISFACTION OF THE PERSONNEL, MIN., %	72,0
5.4 EMPLOYEE TURNOVER, MAX., %	4,45

**List of abbreviations used**

API	American Petroleum Institute – a nongovernmental organization in the US performing investigations in the oil and gas sector.
GRI	Global Reporting Initiative– an independent commercial organization which mission is development and worldwide distribution of unified principles of reporting in the area of sustainable development prima facie with the help of Sustainable Development Reporting Guidelines. The organization was established in 1988; its headquarters location is Amsterdam; it is managed by international experts of different organizations worldwide.
EFQM	European Foundation of Quality Management
ISO	International Organization for Standardization
OHSAS	Occupational health and safety management system
SA 8000	Social Responsibility 8000 international standard
BSW	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 of Metallurgists
EAF	Electric Arc Furnace
CJSS	Children-junior sport school
EC	European Community
UWRB	Unified wage rate book
ZMF	Zhlobin meat factory
HB	Housing board
Info-BMZ	Information-reference system of the plant
kg	kilogram
CMS	Corporate management system
PC	Purpose courses
MAZ	Minsk Automotive Plant
MISIS	Moscow Institute of Steel and Alloys
CCM	Billet continuous casting machine
mln	million
bln	billion
mm	millimeter
HS	Health service
MTZ	Minsk tractor plan
IFRS	International financial reporting system

## ANNEX

NAS	National academy of science
NP	National parkk
OIIIIP	Information & Ideological Work department
UNO	United Nations organization
LPD	Labour protection department
ISD	Industrial safety department
ODS	Ozone depleting substances
QMD	Quality management department
GCP	Dust and gas collecting plant
MPC	Maximum permissible concentration
PA	Production Association
RB	Republic of Belarus
LE&S	Leading employees and specialists
RF	Russian Federation
CM	Council of Ministers
MM	Mass media
YSC	Yung specialists council
CIS	Commonwealth of Independent States
SRS	Section rolling shop
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 standard
e.f.t.	Ton of equivalent fuel
Thou.	thousand
FER	Fuel and energy resources
EP&ISB	Environment protection and industrial sanitation board
SHC	Sports and health complex
CEE	Central and East Europe
EMS	Electric melt shop





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<b>Customer Health and Safety</b>		
G4-PR1 PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES FOR WHICH HEALTH AND SAFETY IMPACTS ARE ASSESSED FOR IMPROVEMENT	PRODUCT RESPONSIBILITY. CUSTOMER HEALTH AND SAFETY	
G4-PR2 TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES DURING THEIR LIFE CYCLE, BY TYPE OF OUTCOMES	PRODUCT RESPONSIBILITY. CUSTOMER HEALTH AND SAFETY	
<b>Product and Service Labeling</b>		
G4-PR3 TYPE OF PRODUCT AND SERVICE INFORMATION REQUIRED BY THE ORGANIZATION'S PROCEDURES FOR PRODUCT AND SERVICE INFORMATION AND LABELING, AND PERCENTAGE OF SIGNIFICANT PRODUCTS AND SERVICE CATEGORIES SUBJECT TO SUCH INFORMATION REQUIREMENTS	PRODUCT RESPONSIBILITY. PRODUCT MARKING WITH APPROPRIATE INFORMATION	
G4-PR4 TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELING, BY TYPE OF OUTCOMES	PRODUCT RESPONSIBILITY. PRODUCT MARKING WITH APPROPRIATE INFORMATION	
G4-PR5 RESULTS OF SURVEYS MEASURING CUSTOMER SATISFACTION	PRODUCT RESPONSIBILITY. MUTUALLY ADVANTAGEOUS COOPERATION WITH CUSTOMERS	



## 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 IN THE AREA OF SUSTAINABLE DEVELOPMENT FOR 2016. 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 OR MAIL TO:

37 PROMYSHLENNAYA STR., 247210 ZHLOBIN, GOMEL REGION WITH THE MARK «SOCIAL REPORT -2016».

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"/>	PRODUCT RESPONSIBILITY	<input type="checkbox"/>
PARTICIPATION OF THE REPUBLICAN SCIENTIFIC POTENTIAL	<input type="checkbox"/>	PLANT PROFILE	<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,	<input type="checkbox"/>	SOCIAL ACTIVITY	<input type="checkbox"/>
STAKEHOLDERS ENGAGEMENT	<input type="checkbox"/>	INTERACTION OF PARTIES	<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?

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## 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?

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

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THANK YOU FOR COOPERATION!

## Notes

