

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



Report on the operating results in the area of sustainable development

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MESSAGE FROM THE GENERAL DIRECTOR

Dear friends!

Here is the corporate social report of the Byelorussian Steel Works for 2019. This is a universal document that contains a comprehensive range of information about the activities of our enterprise.



the 35th anniversary of the plant. The year was social responsibility, our plant received the colourful, with many bright events, industrial achievements and victories in prestigious awarded the Honorary Award for excellence in competitions. There were certain economic the quality management system and business difficulties, unique challenges and, at first glance, impossible tasks. But we solved all of them and achieved good results.

Specifically, despite the circumstances, with our united team, we managed to ensure the stable operation of the production and its because of the implemented social projects. We optimal load. By the end of 2019, BSW produced the maximum volume of steel over the past 7 years - 2.6 million tons. The production of rolled products has reached a record mark of 2.3 million tons over the 35-year-history of the plant. Together with the results of other workshops, this allowed exporting metal products worth \$ 1.16 billion to 65 countries of the world. It is also indicative that the share of innovative products in the total shipment professional, creative and sports competitions. volume exceeded 27 percent.

at prestigious republican and international competitions. Thus, BSW was recognized as a laureate of the 2019 CIS Prize for achievements in the field of product and service quality. The enterprise has become a leader among organizations with more than 3000 employees in the category "Production of industrial products". Thus, the plant became the only organization of the Commonwealth states that has been awarded three times in this category during 12 years of existence of the Prize. BSW was also recognized as a leader in such competitions as "The Best Exporter of the Year" and "The Best Products of the Republic of Belarus", "The Best Construction Product of the Year - 2019".

What was 2019 for BSW? It was the year of For achievements in the field of corporate EcoVadis gold medal. The enterprise was also effective quality management based on the best world practices – BSW became a laureate of the "Leader of the Year 2019" business award in the nomination "With a quality mark".

> Also, the past year will go down in history laid a new alley in the city, held interesting mass events, published books about BSW. At the initiative of the plant, our partners allocated funds for the arrangement of a modern workout area in Zhlobin. The team of BSW, the enterprises of the holding and the distribution network took an active part in charitable projects, lending a helping hand to those in need. Our employees have successfully approved themselves in

Tons of metal products produced and sold, 12 months of 2019 brought the plant success completed projects, victories in competitions, personal achievements - all this is created by hard work and dedication of our team consisting of thousands of metallurgists. All this is stated in the BSW social activity report presented to your attention. And we believe that this document will become not only a source of comprehensive information about the activities of our company, but also another brick in strengthening the bridge of understanding between the plant and the public.

> Best wishes, D. A. Korchik **General Director** OJSC "BSW — management company of "BMC" holding"





Open Joint-Stock Company "Byelorussian Steel Works – Management Company of "Byelorussian Metallurgical Company" Holding" (hereinafter referred to as BSW, enterprise, plant) is the largest enterprise not only in the Republic of Belarus, but also in Europe. It is a basic enterprise for the national steel-making. It has been among competent steelmakers for almost 35 years 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

BSW is situated in Zhlobin, 220 km away from Minsk, the capital of the Republic of Belarus. BSW is a modern mini-plant of the European level. 100% of the BSW shares belong to the state and transferred to management to the Ministry of Industry of the Republic of Belarus.

The total staff of BSW is 11702 people

Ministry of Industry:

- defines a set of annual objectives;
- makes compulsory one-time decisions;
- coordinate the strategy of the plant's development and investment projects.

BSW

- determines strategic growth priorities and approaches to achieve the objectives;
- makes administrative decisions;
- set the financial budget in its sole discretion.

Legal address of the enterprise (postal address), headquarters address:

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

"Byelorussian Metallurgical Company" Holding

The total staff of BMC holding is 20 320 people BSW is the parent company of the "Byelorussian Metallurgical Company" holding. The holding includes 22 enterprises (steelmaking, engineering, agricultural productions, etc.).

The main objectives of foundation of the holding are: use of the BSW possibilities for development of lame-duck enterprises, 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, enhancement of the export capacity, as well as the asset capitalization growth.

Description of the Key Structural Subdivisions

From the structural point of view, the plant consists of three main productions such as steelmaking, rolling and metalware shops, as well as subdivisions responsible for infrastructure and administrative issues of the enterprise.

Steelmaking production includes: drophammer plant, two electric-furnace melting shops and process vehicle shop.

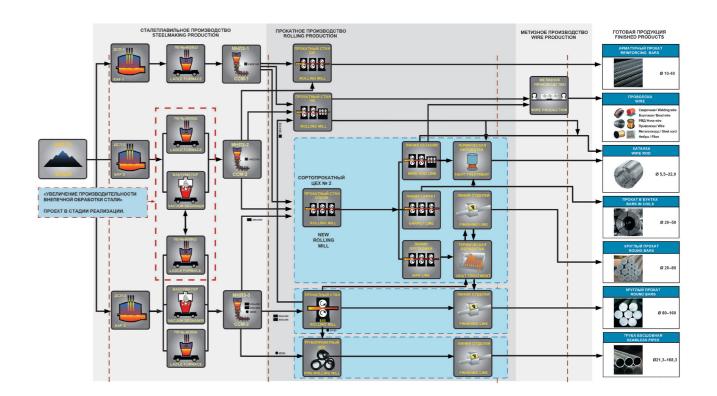
The rolling production consists of rolling shop No.1 having three cross-sectional rolling mills, long product rolling mill No.2 and pipe rolling plant.

Metalware production includes three steel wire shops and packing and draw die shop.

The plant's infrastructure is represented by shops responsible for repairing the steelmaking, power and mechanical equipment, shops providing the production process with media and electric power, and other subdivisions.

The field of the enterprise's activity includes production of continuously cast and hot-rolled billets; shaped bar, rolled steel bar, concrete reinforcing rolled products for RCC structures; tubular products; steel wire rod; metal cord; steel wire of various purpose, hot-wrought seamless pipes, and steel fibre.

In terms of marketable products, BSW is among five largest enterprises of the country.





Key Steps of Development Over the Past 10 Years

Date	Event
2010	 casting of the first batch of round billets 200 mm in diameter using the third steel billet continuous casting machine (CCM-3) in AFMS-2; conclusion of contract with Techcom company (Germany) for construction of the third lime burning furnace intended for lime burning; organization of a seminar on a new type of products "Perspectives to use steel fibre produced by BSW in the construction industry"; conduction of the public hearings of the Corporate Social Responsibility Report for 2009; in Frankfurt am Main, the third Belarusian investment forum took place, at which the "Memorandum on construction of the facilities for production of plate- and flat-rolled products" was signed by BSW and Danieli; completion of development and implementation in the management system of subsections "Energy Efficiency" according to SRB 1777, "Information protection management systems" according to ISO 27001.
2011	 the first International conference of the BSW suppliers was held; arrangement of the 9th meeting of the Quality Leader Club of CEE countries; conduction of the public hearings of the Corporate Social Responsibility Report for 2010; start of introduction of new management tools on rolling mill 850 in the long product rolling shop according to the international standard ISO/TS 16949; membership in the EFQM.
2012	- the second International conference of the BSW suppliers was held; - reconstruction of bead bronze-coated wire unit in SWM-1.
2013	 - according to the results of the expert assessment by EcoVadis (Michelin), achievements of BSW in 2012 in the social and environmental sectors exceeded the level set by Michelin for suppliers of the supply chain; - BSW became the Laureate of the Prize of the Ministry of Industry of the Republic of Belarus in the field of science and technology 2012; - Byelorussian Steel Works was awarded the title of the winner in the nomination "Best Investor and Exporter" among the enterprises of the city of Zhlobin and the Zhlobin region.
2014	 construction of the ion exchange unit IEU-3; reconstruction of electric arc furnace EAF-1 and dust and gas catcher DGC-1; reconstruction of the rolled section machine for billet casting (CCM-2)
2015	- commissioning of long product rolling shop No.2, a light-section mill for production of wire rod and concrete reinforcement in bundles.
2016	- achievement of the designed capacity of the light-section mill according to the results of monthly production (in November).
2017	 BSW received the Accreditation Certificate to act as a scientific institution based on the conclusion of the State Committee on Science and Technology of the Republic of Belarus and National Academy of Sciences of Belarus. the applied research laboratory for metallurgical and steel wire production technologies was established on the basis of the research center.

BSW:

2018

2019

won the 15th anniversary contest "Best Construction Product of the Year – 2018" and the contest "Best Goods of the Republic of Belarus – 2018";
received the diploma "Stable Quality";
submitted an application and entered the 2nd stage of the competition for the Government Award for Achievements in the Field of Quality of Products and Services (13.12.2018 the expert evaluation of BSW took place (2nd stage of the competition), and the results of the competition will be summed up in 2019);

- became the winner of the Republican Competition for the Award for Achievements in the Field of Energy Efficient Products and Technologies "The Leader of Energy Efficiency – 2018" in the nomination "Energy Efficient Technology of the Year";
- became the winner of the contest "Best Exporter of the Year" in the "Metallurgy" nomination

- according to the results of the assessment on social responsibility on the EcoVadis platform in 2018 and 2017, BSW is one of the top 5 best companies according to the results obtained: "General assessment. Environment. Professional experience and human rights. Honest business. Ecological stability".

became the laureate of the competition "The Best Goods of the Republic of Belarus" in the nomination «Products for Industrial and Technical Purposes» and was also awarded the

Diploma "Stable quality"; - confirmed the title of Laureate of the competition for the 2018 "Government of Belarus Prize for Achievements in Quality", and was also awarded a special award in the "Leadership" nomination for the management's contribution to achieving sustainable success of the organization;

received the EcoVadis gold medal for its achievements in the field of corporate social responsibility of BSW;

· supported a public initiative to lay an alley of 17 rowans in support of 17 Sustainable Development Goals;

confirmed the title of Laureate of the "Government Award for Achievements in the Field of Quality";

was awarded the prize of the Federation of Trade Unions of Belarus in the nomination "For significant contribution to the development of social partnership";

- was recognized as the leader in the "Metallurgy" nomination following the results of "The Best Exporter of 2018" competition held by the Belarusian Chamber of Commerce and

nonprestressed reinforcement for reinforced concrete structures of the S 500 class with a diameter of 10-36 mm was awarded the title of "The best construction product of the year

became a Laureate of the "Leader of the Year 2019" business award in the nomination "With a quality mark"



Geography and Range of Activity

other industrial enterprises of Belarus, it forms the delivery has become to such new countries as basis of national economic strength and security.

The marketing policy of OJSC "BSW management company of "BMC" holding" is aimed at keeping and active expansion of its presence on the existing markets, as well as at searching for new economically advantageous regions.

of BSW are supplied to 118 countries. The BSW trademark is well-recognized on the metal market.

In 2019, the product diversification on the markets of Algeria, Hungary, Serbia, Ghana, Iraq,

BSW is an export-oriented enterprise. Along with Japan, Ukraine was performed. The product Kenya, Uganda, Haiti, Libya, Azerbaijan.

> In 2019, the main export regions were Europe, Africa and Russia. Europe accounts for 50.2%, Russia – 17.7%, Africa – 15.1% of the total volume of exported metal products.

Such countries as Russia (specific weight in The export geography is vast; the metal products exports is 17.7%), Germany (9.7%), Egypt (8.6%), Israel (7.0%), Netherlands (6.9%), Lithuania (6.8%), Great Britain (5.0%), Poland (4.8%), Ukraine (4.2%), Italy (2.4%) became the largest countries importing the products of BSW in 2019.

Name of products	Product supply region in 2019
Cast billet	Middle East and Africa
Rolled metal products	America, Africa, Middle East, Europe, CIS, the Republic of Belarus
Seamless pipe	America, Middle East, Europe, CIS, the Republic of Belarus
Metal cord	Asia, America, Middle East, Europe, CIS, the Republic of Belarus
Brass-based wire rod	Asia, America, Middle East, Europe, CIS, the Republic of Belarus
Bead wire	Europe, CIS, the Republic of Belarus
Steel wire	Europe, CIS, the Republic of Belarus

Market Presence

In 2019, the product mix included: cast and round billet, blooms; reinforcing bars, including those in coils; wire rod; rolled structural, including those in coils; seamless pipes; metal cord; bead wire; brass-based wire rod; other steel За 2019 год wires and products made of wire. The main branches of industry requiring the BSW products are as follows: construction, car- and motor-building, gas продукция and oil producing, oil refining, tire and industrial-rubber branches. экспортировалась в 65 стран

Specification of Sales Geography



EUROPE

During 2019, metal products were supplied to 30 European countries. 25 of them are the members of the EU (during 2018 – 30 countries, 24 of them are the members of the EU). The main scope of delivery, i.e. 46.6% (275 956 thousand \$) of the total European export (591 861 thousand \$), belongs to Germany, the Netherlands and Lithuania.

AFRICA

During 2019, metal products were supplied to 16 African countries (during 2018 - 14 countries). More than a half of products delivered, i.e. 57.1% (101 200 thousand \$) of the total African export (177 344 thousand \$), belongs to Egypt.

MIDDLE EAST

During 2019, metal products were supplied to 5 countries of the Middle East such as Turkey, Jordan, Iraq, Lebanon and Israel (during 2018 – to 5 countries). 67.7% of products delivered (82 899 thousand \$) of the total Middle East export (122 525 thousand \$) belongs to Israel.

During 2019, metal products were supplied to 5 countries of the Southeast Asia such as India, Japan, China, Singapore and the Republic of Korea (during 2018 – to 5 countries).

AMERICA

During 2019, metal products were supplied to 6 American countries (during 2018 - to 9 countries). The main volume of products was supplied to the USA – 68.4% (18 239 thousand \$) of the total American export (26 655 thousand \$) to this region.

THE RUSSIAN FEDERATION

The volume of sales of metal products for 2019 amounted to 208 171 thousand US dollars (by 2018 – 92.6% in value terms). 34.1% (of Russian exports) of the supplied products is represented by reinforcing steel, 19.1% - by steel cord supplies, 26.3% - by seamless pipe supplies.

UKRAINE

The volume of sales of metal products amounted to 97.5% (49 316 thousand \$) of the total export of products to the CIS (50 597 thousand \$) in value terms. 79.0% of the supplied products is represented by reinforcing steel.



Primary Competitive Advantages of OJSC "BSW – Management Company of "BMC" Holding" at the International Market

- 1. The enterprise is included in TOP-50 "Major Steel-Producing Countries" according to Worldsteel Association, occupying 41th place leaving behind Luxembourg, Portugal, Oman, Algeria, Hungary, Serbia, Switzerland, Philippines, Greece.
 - 2. Registration of the BSW trademark in 71 countries.
 - 3. The integrated metallurgical enterprise working for output of products the greatest added value.
 - 4. Cost-efficient mini-plant with modern equipment and machinery. High equipment utilization ratio.
- 5. Strong managing team. Highly skilled technical staff. Stability of labour collective. Increased intensity of labour use.
- 6. Certified quality management system. Availability of conformance certificates for products are the evidence of the fact that the enterprise supplies its products meeting the consumer's requirements and provides additional benefits on the international market.
 - 7. Efficient quality control system at all stages of production.
- 8. Availability of corporate educational institutions "Zhlobin State Metallurgical College" and the training center for training and skill improvement of the personnel.
 - 9. Own research center.
 - 10. Branched commodity distribution network all over the world.
 - 11. Close bond between the transport logistics and production.
 - 12. BSW is the largest European producer of bead wire, a monopolist on the CIS market.
 - 13. The enterprise has the leading position in tire cord production in the world.
 - 14. Leading position in production of the wire for high-pressure hoses.
 - 15. Increase in the efficiency of the optical transfer function use.
 - 16. Innovation activity, investments in R & D.
 - 17. Intense advertising and exhibition activities.



Characteristics of Primary Consumers

The primary consumers of the BSW products consumers of metal cord. BSW has long lasting are machine-building enterprises, automakers, metalware, tire and pipe works, concrete product plants of the countries of near and far abroad and the Republic of Belarus. So, according to the results 2% in the world-wide metal cord production, 20% of 2019, 46.5% of metal products were used in the construction industry, 46.8% – in the metallurgical industry, 14.4% – in automobile and mechanical engineering, 1.2% - in oil and gas industry, and 1.1% – in industrial-rubber industry.

Due to metal product market specifics, constant fluctuation of prices, high competition from the global metallurgic corporations, protectionist measures, BSW establishes its sales policy proceeding from the market conditions and supplying products to those regions, which ensure the possibility to sell goods at the maximum price.

The plant has extensive business dealings with many enterprises and companies in the active partners of the enterprise. The first supplies CIS-countries and countries outside the CIS, as well as in the Republic of Belarus. The quality of other suppliers, BSW was recommended to apply: metal products enjoys the international acclaim. This tremendous success is a merit of the whole staff of the enterprise. The plant supports active partnership relations with machine-building enterprises, automakers, metalware, tire and pipe works, concrete product plants in the CIS and in the Republic of Belarus, including KAMAZ, MAZ, etc. The tire plants of Yaroslavl, Nizhnekamsk, Omsk, Voronezh, Kirov and Ukraine are among the firm new forms of interaction with its suppliers.

relationships with such metal cord consumers as GOOD YEAR, Pirelli, Michelin, Continental.

Among independent producers, BSW occupies in the European production of bead wire for the tire industry, and 25% in the production of wire for reinforcing the high-pressure hoses. If we do not take into account the own production of metal cord by world tire companies, the enterprise provides European tire manufacturers with metal cord by 25% and almost 50% with bead wire. BSW has been one of leaders among the suppliers of wire for reinforcing the high-pressure hoses on the European market since 1998. The international cooperation allows the plant to learn and adopt the practices of the best foreign enterprises.

Michelin Group (France) is one of the most of metal cord to this company began in 2001. Like

- Michelin quality manual;
- data acquisition system which allows to assess the level of products and supplies;
 - mutual commercial and technical purposes;
 - self-assessment;
 - annual meetings and audits;

Thanks to the experience gained in cooperation with Michelin Group, the plant was introduced

Business Approach



At a time when the Belarusian macroeconomy is experiencing hard times, the integrity of strategy, efficiency of its implementation and team cohesiveness play an important role in the plant 's achievement of positive results of its activity and business growth. For the purpose to determine weak points and to overcome them, the plant carries out a regular assessment of its activity and efficiency in achieving its financial and non-financial objectives.

Values, strategic principles and commitments for implementation of the Mission and Strategy of the enterprise are expressed in the BSW's corporate which is policy, all available to stakeholders.





SUSTAINABLE DEVELOPMENT POLICY

The goal of OJSC "BSW of Occupational Health and and high-tech manufacturing of metal products. Our business approach due to its openness, transparency, partnership, mutual respect for the interests of everybody concerned, is characterized by sustainable development, efficiency and responsible attitude to people and environment to preserve it equal possibilities without any for the next generations.

Our values are focused of the enterprise taking into account the approaches to the environment protection, enhance the contribution to energy efficiency, occupational safety and health, as well as maintenance of respectful and trust relations with all interested parties.

OJSC "BSW — management company of "BMC" holding" is aimed at establishment, support of sustainable social and environmental responsibility for the enterprise staff, supply chain and interested parties.

Fundamental values:

Staff

Sustainable approach of OJSC "BSW — management company of "BMC" holding" involves management, protection and development of human capital assets by means of:

— management company of Safety Assessment Systems company of "BMC" holding" is "BMC" holding" is safe, efficient according to standard OHSAS 18001 aimed at prevention of injuries, occupational diseases and accidents in the process of production activities which can adversely impact on health the and safety of the enterprise on personnel and contractors;

- compliance with legal obligations and ensuring the discrimination;
- on organizing the activities for improvement of the management systems certified professional degree;
 - employee engagement to

company of "BMC" holding" is committed to:

to adhere to the ethic social and environmental principles and and recognition of principles introduce the business practice according to the Ethics Code, anti-corruption rules of OJSC Against Corruption "BSW — management company of "BMC" holding".

Communities

OJSC "BSW — management company of "BMC" holding" keeps an open dialogue with local communities and with all interested parties and assumes an obligation to:

- assess economic, - continuous improvement environmental and social effects of its production activity;
 - and interested parties on the measures taken and results achieved based on its economic, environmental and social goals.
 - Environment, Natural and **Related Resources**

OJSC "BSW — management committed to:

- ensure constant reduction of impact on the environment in the process of production activity;
- taking into account impact of transport environment during transportation of the products, raw materials and materials;
- support of the environment protection management systems certified according to - enabling environment Standard ISO 14001 and energy according to Standard ISO 50001.

• Intellectual Property

OJSC "BSW — management achieving goals of the enterprise. company of "BMC" holding" complies with the current OJSC "BSW — management national and international laws and protects exclusive rights for intellectual property (industrial - offer our business partners properties: patent for inventions and utility models, trademark, research and development deliverables, know-how).

Reputation and Fight

OJSC "BSW — management company of "BMC" holding" believes that preservation and protection of reputation of an honest and reliable partner has great importance, therefore:

- does not accept corruption in any form, as it is a risk to the sustainable development of the enterprise;
- undertakes to carry out training of personnel and to - inform local communities inform on the facts of violation of the anti-corruption legislation of the Republic of Belarus and implemented measures for prevention of cases of corruption crimes and acts of illegal character.

Code of Ethics

Open Joint-Stock Company "Byelorussian Steel Works - management company of "Byelorussian Metallurgical Company" holding" is an export-oriented and socially responsible enterprise carrying out its business on the with consumers, suppliers, state and public basis of generally recognized principles and norms of international law, the United Nations Global Compact, standards and conventions of International labour organization and legislation of the Republic of Belarus.

- 1. In the field of human rights:
- 1.1 supports and respects protection of internationally proclaimed human rights;
- 1.2 recognizes the inviolability of human rights and takes all necessary measures to ensure and protect them:
- 1.3 maintains a constant escalation process for timely response by means of systems "Direct telephone line", "One window", "Attention to a person", "Reception on personal questions", "Electronic reception of the General Director", etc.
 - 2. In the field of labour relations:
- 2.1 supports freedom of integration and real acceptance of the right to conclude collective agreements;
- 2.2 supports liquidation of all forms of forced and obligatory labour;
- 2.3 supports complete extermination of child labour;
- 2.4 supports liquidation of discrimination in labour and employment sector;
- 2.5 supports elimination of any form of harassment, exploitation, abuse or violence;
 - 2.6 aspires to provide competitive wages;
- 2.7 ensures compliance with working conditions, including working hours and overtime
 - 2.8 creates healthy and safe working conditions.
- 3. In the field of environment protection:
- 3.1 comply with environmental regulations and requirements during product development and manufacture, construction, reconstruction and expansion of production facilities;
- 3.2 contributes to the improvement of environmental culture of the staff and education of environmental awareness;
- 3.3 develops and implements resource-saving, low-waste, environmentally friendly technologies.

- 4. In the field of anti-corruption fight:
- 4.1 withstand to all forms of corruption, including extortion and bribery.

The company establishes its relationships organizations and other interested parties on the basis of the current legislation, as well as the rules of business conduct developed by the world community, taking into account the universal values.

Basic ethic principles are as follows:

- 1. Business is based on confidence and respect as the basis of constructive interrelation and assistance aimed at gaining of mutual benefit.
- 2. The parties involved in the business strive to minimize the costs and environmental impact arising in the course of joint business and to avoid conflicts of interest.
- 3. Business partners honestly and consistently fulfill the contractual obligations, openly and responsibly carry out the corporate management.
- 4. All commercial and technical information and operational data received during business relations are confidential and should not be advised to the third parties without a business partner's consent.
- 5. The company contributes to the social stability and development of the region in the construction of educational, medical, sports institutions, cultural centers, infrastructure development, improvement of the city, takes care of environmental protection, pays taxes and wages in a timely manner.
- 6. Punctuality, clear and timely implementation of commitments.
- 7. Rational use of own working time and time of interested parties.
- 8. Business style of clothing, corresponding to the main purpose of activity to maintain the image of a serious, reliable, stable company and respect for partners and colleagues.



Code of Ethics for Business Reconnaissance

The Code of Ethics for Business Reconnaissance is an integral part of the Code of Ethics of OJSC "BSW — management company of "BMC" holding".

Business reconnaissance means collection and analysis of information about the competitors (competition reconnaissance), protection of own information (industrial reconnaissance), as well as conduct of special operations (for example, protection of the public image of the enterprise and director, action against "black" PR, etc.).

The company employees shall not:

- Share any information (whether information is commercially sensitive or not) obtained by a trick or force with the competitor.
- Reveal in any form the compromising material on competitors.
- Intentionally reduce the significance of the competitor's business in the third party's eyes.
 - Offer and take bribes.
- Make dictaphone recording of conversation with an interlocutor without his permission.
 - Use listening devices.
- Deliberately mislead an interlocutor during negotiations.
- Act in contravention of an official position of the company.
- Distribute deliberately false and unconfirmed information.

- Seek for commercially sensitive information. The company employees shall:
- Follow the Ethical code while working on the Internet. Not represent falsely oneself to be another person or organization during collection of business information.
- When gathering information, not use illegal means infringing the rights of the other party (for example, phone eavesdropping or e-mail message wiretapping).
- Return confidential and private information obtained unintentionally and casually to its owner.
- Diligently perform daily functions, maintain the high level of professional skills, arrange work according to ethical norms and legislation in force.
- Cling to the corporate policy and its mission. Perform the imposed obligations to the full extent.
- During business meetings present only trustworthy and objective information including his affiliation to the organization.
- Follow the rules for dealing with confidential information.
- Act in full accordance with the norms prescribed by this Code of Ethics when working inside the company, conducting the negotiations and in all other situations.

Enterprise's Approach to Sustainable Development

Byelorussian Steel Works actively introduces principles of sustainable development into its business practice. 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 the BSW employees. The management and the employees of the plant carry out their activities 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 the key values such as truthfulness, sincerity and respect for mutual interests, and their obligatory fulfillment leads to mutual confidence, openness and transparency of relations. Confidence of interested parties 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 having a high added value;
- improvement of the export supplies structure in the direction of growth of the share of advanced refining products;

-improvement of environmental characteristics of the existing productions (introduction of environmentally-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 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 issues of selection, training and retraining of employees is provided.



Directions of the Strategy Implementation

strategy suppose achievement of an adequate level of living of the BSW employees, set conditions for the growth of industrial product output and determine the key parameters of social and economic (compared to 24.5% planned). development.

of products. During 2019, 12 types of innovative products were developed at the plant and documentation for production was agreed (18 types and 56 – in 2017). 768 615.434 thousand rubles awards and achievements:

Directions of realization of the plant development (367 286.829 thousand US dollars) were spent for manufacturing of innovative products in 2019. Specific weight of the innovative products in the total amount of shipments in 2019 equaled to 27.4%

Qualified employees having appropriate facilities, The enterprise continuously develops new types required knowledge, experience and professional training participate in development of new production processes and new types of products.

BSW maintains a high standard and keeps in of innovative products were developed in 2018, step with the times which is confirmed by multiple

Year	The winner of the following awards:
2001, 2004, 2007, 2015, 2018	"Award of the Government of the Republic of Belarus for Achievements in the Area of Production and Services Quality"
2001, 2004, 2007, 2011, 2016	"Award of the Ministry of Industry of the Republic of Belarus for achievements in the area of quality"
2007, 2011, 2019	"Award of the CIS for Achievements in the Area of Production and Services Quality"
2010-2019	"The Best Construction Product of the Year"
2002-2019	"Best Goods of The Republic of Belarus"
2001, 2003-2015	"Best Goods of The Republic of Belarus in the Market of the Russian Federation"
2007, 2008, 2009	"Best Quality Manager"
2008	"The 4th International Quality Tournament of Central and East-European Countries" in "Production of Industrial Engineering Application" nomination
2009, 2010, 2017, 2018	- "Brand of the Year" in "Socially Responsible Brand" nomination in the nominations "The Best Employer", "Active Social Position"; and "Professional Nomination, Goods And Services B2b" in the category "Brand-Export") - honorary diploma in "Active Social Position" nomination
2015-2018	"Power Efficiency Leader"
2010, 2014-2019	"The Best Exporter" in "Metallurgy" nomination

Award of the Ministry of Industry of the Republic of Belarus in the Area of science and Technology" Award of the Association of Foundrymen and Metallurgists of Belarus in
ward of the Association of Foundrymen and Metallurgists of Polarus in
he nomination "Best Innovative Project Introduced in the Foundry and Metallurgical Productions, Aimed at the Improvement of Product Quality, Energy- and Resource-Saving" ("Arrangement of Rolled Section Steel Production with Construction of Wire-Rod Mill", ("Construction of the Facility or Production of Rough Forged Axles in Mogilev")
aureate of the international Honor Mark "Commonwealth Star" in the nomination "The Best CIS Company"
European Quality Award (EQA) established by the European Foundation of Quality Management (EFQM), the level of "5 Stars Excellence Recognition"
Award for the high level of competence" within the framework of the nternational conference "Development of accreditation in the technical egulation"
OGMetr was recognized the best in the Republic of Belarus in the area of instrument calibration following the results of annual contest 'Competence-2014"
Presentation film "BMC. Holding as an orchestra" was a winner in the nomination "The Best Musical And Sound Accompaniment" at the fifth Moscow International Festival of Corporate Video-2016.
OGMetr quality system was commended by the Commission of European Cooperation for Accreditation within the framework of parity assessment of the National System for Accreditation of the Republic of Belarus; compliance of the plant's metrological provision procedures with requirements was confirmed.
The second-class honor obtained in the 14th international contest of energy- officient and resource-saving technologies and equipment.
aureate of the "Leader of the Year 2019" award in the nomination "With a Quality Mark".
A special award obtained for the best video production in the metallurgical industry of the Metal Vision 2019 competition at the Metal-Expo 2019 international exhibition. The video also won the IX Moscow International Corporate Video Festival in the special nomination "The Best Musical and Sound Accompaniment".
H V E P C S M E C M P M V C C N P T T T T T T T T T T T T T T T T T T

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

the plant management ensures development and realization of technical, production, and investment programs aimed at improvement of product quality making an actual contribution to sustainable development 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.

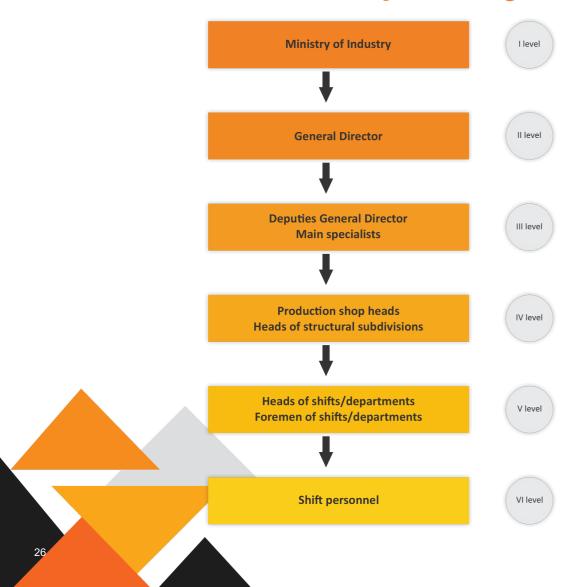
To improve product quality and ensure its competitiveness and improve the production technical level, the plant developed a longterm program of BSW development for 2017-2021; plans of research work, development (technological) activity are approved and fulfilled based on contracts and by the plant's own force.

Mainmeasuresforproduct quality improvement and production effectiveness growth are included

In accordance with the Corporate Policy, in annual special-purpose orders approved by the General Director and specifying the terms and responsible persons:

- No.1 "About improvement of business activity and investment programs";
- No.2 "About measures for improvement of quality and competitiveness of products (services rendered)";
- No.3 "About measures insuring safe labour conditions";
- No.4 "About measures ensuring fire safety of the plant, dormitory, social and cultural 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".

Organizational Structure of Sustainable Development Management



Business Ethics and Anti-corruption Management

local network of the UN Global Compact which is based on the principles of ethic and fair business. Such principles include strengthening of public safety A respect for the employee's right to join trade unions and Republic of Belarus "About subdivisions prohibition of discrimination of the employees, struggle against corruption in any occurrence.

The enterprise 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 and economic security is working "BMC" holding" considers fair competition to be a guarantee of realization of the right for free business activity. No legal actions were undertaken regarding the Organization in connection with resistance to competition.

In 2019 the plant continued to implement the requirements Directive No.1 11.03.2004 "About measures of implemented strengthening of public safety and discipline". Many times questions of labour discipline, compliance standards, and labour protection have been considered at the meetings of executive organs of the community, and personnel reports of the subdivision heads were heard. supplier selection are updated. To meet the requirements of To minimize business risks Directive No.1, indicators of and to fulfill functions of the labour discipline and compliance economic safety control, a prestandards, provision of labour contract check is performed to protection and industrial safety are included in the list of criteria contractors and agreements of manager work assessment: supplied for examination from

In 2008 BSW joined the contract termination is foreseen structural in case of their breach.

Following the Directive "About measures for and discipline", the law of the structural struggle against corruption" and supporting the principles a number of the UN Global Compact, doesn't the plant established a service admit corruption, bribery, and responsible for prevention of fraud. To ensure economic 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.

> effectively to exclude the possibility of committing illegal actions, including corruption, in relation to new employees and persons working in JSC BSZ - the management company of the BMK holding. All employees of the security service have higher vocational education.

BSW has developed and 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 control legitimacy of potential

subdivisions of the enterprise. implement of measures to prevent corruption

n 2019, 120 employees of BSW completed training regarding anticorruption management

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 Council for legal support the internal affairs bodies 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 anticorruption plan implementation is controlled by the anti-corruption commission which held 5 meetings in 2019. In accordance with the anti-corruption action plan, the Community annually carries out activities to identify, assess and reassess corruption risks, paying special attention to the risks characteristic of its activities. During 2019, at least 30 anti-corruption events were





being held on a quarterly basis.

Through information and training, the Community helps to raise the level of corporate culture and awareness of anti-corruption issues. In 2019, the in-house magazine posted 6 publications on anti-corruption issues.

The Community takes effective 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. Commemorative booklet containing main concepts and articles of the anticorruption law is placed on the internal website "info-BMZ" continuous access to which have more than 3,500 employees.

The Community ensures that employees who are public officials, as well as employees who are persons equated to public officials, are informed about the restrictions established by the legislation of the Republic of Belarus on combating corruption in relation to these persons. All employees of the Community 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. Commemorative booklet containing main concepts and articles of the anticorruption law is placed on the internal information website of OJSC "BSW" "infoBMZ" (issued to over 100 employees of the Community). In 2019, more than 120 employees underwent training provided by the Community on anti-corruption issues.

BSW strives to build long-term mutually beneficial relationships with customers and business partners, based on the principles of trust, honesty and fairness. The Community always fulfills its obligations and expects the same from its partners. The BSW is not only a supplier, but also a consumer of products, who, when interacting with contractors, is guided by the current and future needs and preferences of both parties. We are consistently working to improve product quality and strive to exceed the needs of consumers. The Community and employees of the Community do not accept or make illegal payments in any form, do not use unethical or unfair ways of influencing their partners or competitors, and assume that customers and business partners also maintain high standards of business ethics.

2019 Chronicle of Key Dates and Events

In January, BSW became a laureate of the competition "Best Products of the Republic of Belarus" in "Industrial and Technical Products" nomination and was also awarded the "Stable Quality" Diploma.

In February, the rolling section shop No. 2 produced the 2 millionth ton of products. The "milestone" batch of rolled products were exported to the Netherlands.

In February, the BSW trade union became the winner of the regional review competition for the title "The best primary trade union in 2018 among non-budgetary organizations with more than 500 employees".

On March 1, a new machine for the production of steel cord for oversized and extra-oversized tires was put into operation in the steel-wire workshop No. 2.

In March, following the results of the competition for the award of the Government of Belarus for achievements in the field of quality in 2018 BSW confirmed its title of laureate, and was also awarded a special award in the "Leadership" category for the leadership's contribution to the organization's sustainable success.

In March, BSW received the EcoVadis gold medal for its achievements in corporate social responsibility.

On April 22, BSW supported a public initiative to lay an alley of 17 rowans in support of 17 Sustainable Development Goals.

On April 24, BSW confirmed the title of laureate of the Government Award for achievements in the field of quality.

In May, the director general of BSW Anatoly Savenok and the chairman of the trade union of the enterprise, Aleksandr Koleda, were awarded the most prestigious prize of the Federation of Trade Unions of Belarus in the nomination "For Significant Contribution to the Development of Social Partnership".

On May 18, BSW underwent a reconstruction of the events of the first pioneer smelting of May 18, 1986.

In May, following the results of the contest "Best Exporter of 2018", held by the Belarusian Chamber of Commerce and Industry, BSW was recognized as the leader in "Metallurgy" nomination.

On May 27-28, for the first time at BSW, a competition for laboratory assistants of chemical analysis was held.

On June 7, BSW took over the Flame of Peace torch relay. The right to carry the torch through the territory of the enterprise was given to the Deputy Director General for Technical Development – the Chief Engineer N.N. Anelkin.

On July 19, BSW released a new image-building video about the enterprise and the people working at it. The presentation of the video took place on July 19 at a gala evening dedicated to honoring the best employees of the plant.

On August 9, the Minister of Industry of the Republic of Belarus Pavel Utyupin introduced the new Director General Dmitry Korchik to the staff of OJSC "BSW – management company of "BMC" holding". His appointment to this position





on July 29 was agreed by the Head of the State.

On August 16, the experts evaluated BSW as a finalist of the competition for the CIS Award for achievements in the field of quality.

On August 21, the 55 millionth ton of steel was smelted at BSW.

On September 10, nonprestressed reinforcement for reinforced concrete structures of the S 500 class with a diameter of 10-36 mm was awarded the title of "The Best Construction Product Of The Year – 2019". At once, three enterprises of the "BMC" holding were named the winners of the professional republican competition "The Best Construction Product Of The Year – 2019".

On October 3-4, BSW signed an agreement at the II Forum of the Regions of Belarus and Ukraine on cooperation for 2020 with Premiori LLC (Rosava PJSC).

October 15 – 35th anniversary of BSW.

On October 28, at the Second Open Eurasian Championship within the framework of World Skills Hi-Tech 2019, the BSW employees represented the country in two of the three competencies and won silver medals in each of them.

On November 12-15, at the International Industrial Exhibition "Metal-Expo'2019" BSW was awarded a cup for "The Best Exposition" and a diploma "For a highly professional organization of promoting products and services". The atlasreference book "Defects of steel billets and metal products" won a gold medal at the competition of publications of metallurgical companies and research organizations. The BSW's image-building video "Tell Me" was awarded a special award for the best video production in the metallurgical industry of the "Metal-Vision'2019" competition.

In November, the calibration laboratory of BSW was the first in the country to be accredited for compliance with the new GOST ISO/IEC17025-2019 standard.

On December 11, BSW became a laureate of the "Leader of the Year 2019" business award in "With a Quality Mark" nomination. The honorary award was presented to the enterprise for the excellence of work in the quality management system and business effective quality management based on the best world practices.

On December 18, the steel-wire workshop No. 1 passed the milestone of 2 million tons of metal goods. The anniversary ton, which was represented by the bead bronze-coated wire, was shipped to one of the plants of the NOKIAN TIRES company.

Participation in External Initiatives



OJSC "BSW – management company of "BMC" holding" has its representatives in different national organizations including the bodies of legislative power of all levels; this allows the plant to participate in law-making activity, have 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 for Quality Management (EFQM);

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 Interested Parties

List of interested parties					
Interested party	Sphere of interest	Exchange of information			
Ministry of Industry of the Republic of Belarus	Transparent management; achievement of the target indicators in the field of production, finance and economy; corporate responsibility; health and safety	General meeting of shareholders, periodic reporting and on request			
Foreign and leading banks of Republic of Belarus	An increase in the number of financial resources circulating through the bank; guarantee of return of allocated financial resources.	Reports and other documents confirming the solvency of the enterprise			
Control authorities	Compliance with legislation; monitoring of activities; permission; coordination of documents by types of activities; taxes to the budget.	Requirements; checks; consultation; meetings; reports; data on requests.			
Body of state and local authority	Compliance with legislation; the coordination of projects; permission to operate hazardous facilities; regulation of land, social, labor relations	State registration of objects, agreements on social partnership, verification, data on requests.			
Clients, consumers	Quality of products; practice of ethical business; ecological compatibility of products.	Meetings, visits to the enterprise, audits, forums, exhibitions, conferences			
Labour unions and social associations	Implementation of the current collective agreement, respect for human rights.	Trade Union conference of the labor collective, the Commission on labour disputes, meetings			
Employees and their families	Safe working conditions, career growth, vocational training, social guarantees and benefits	Surveys, meetings, web site "belsteel.com", direct phone line, the newspaper "Metallurg"			
Mass media	Reliable information about the activities of the company (compliance with legislation, relationships with suppliers, consumers, workers and residents of the region, local communities, authorities and supervisory bodies)	Press releases, website "belsteel.com", official groups on the Internet, interviews press conferences, visits, responses to inquiries			
Subcontractors, suppliers	Procedures for selecting suppliers, guidance for suppliers, compliance with corporate standards.	The procurement system of the enterpris public tenders, meetings, instructing contractors, joint meetings			
Non-industrial organization	Participation in joint projects, impact on the environment	Requests, claims, seminars, focus groups, social reports			
Educational and academic institutions	Providing job placement for young specialists, the possibility of conducting research and development projects, practical training.	Meetings, reports			
Local community	Ecological situation in the region, social investment.	Meetings, social projects, website "belsteel.com", social networks.			
Holding companies and subsidiaries	Allocation of financial resources, implementation of methodological	Meetings, written requests			

assistance in solving production issues

The long-term successful development of the enterprise is based on construction of confidential relations with the interested parties. BSW strives for active engagement of different groups of interested parties 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 interested parties, 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 interested parties adhering to the following approaches:

- compliance with the legislation of the Republic of Belarus, as well as the principles of the UN Global Compact;
 - engagement of all elements and participants of cooperation;
- 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, health care and welfare of the population and employees.

Interaction With the Civil Society

enterprise defining not only the appearance but history the plant was involved into construction creating industrial and social infrastructure of the town. The first facility built by BSW was the boiler districts, various sport and cultural facilities. house "Severnaya" commissioned in 1983.

educational schools, 9 nursery schools, 7 stores, a restaurant, a hotel, children's department for 120 the regional hospital. For a convenient highroad service, overhead crossing over the rail track was respect to the local communities. build 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 center with a skating rink and an aquapark. With the help of

Byelorussian Steel Works is a town-forming the BSW financing Sports game palace was built.

The town streets were renewed, convenient also the character of Zhlobin. Throughout its transport communication of the developing "metallurgic capital" is assured by 3 viaducts. Today Zhlobin is a rapidly developing town with modern

The plant's management realizes that Due to BSW, Zhlobin takes advantage of 5 social and economic stability in the region of its operation affects the long-term stability of business. That is why it is strategically expedient people and a surgical building for 240 patients of to abide by the corporate responsibility policy both with respect to the employees and with



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" conscientious and attractive employer.

of the enterprise on the community, the plant's image in the town". Annual multi-dimensional research is carried out with the purpose to study the opinion of the town's people within the region of the plant's operation as concerns the degree of the 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

Interaction With Mass Media

social and political worldview of the plant workers being a twoway channel of communication between the state and community. The mass media serve as a source of information about the events happening in the world, situations of nationwide importance and state of affairs at the local levels. Each year the departmental subscription to newspapers and magazines is organized and arranged in all departments communication of the enterprise to promptly inform the workers.

to interaction with the mass

presence in the information of comments and interviews space allows to strengthen with chief executive officers the BSW image in the eyes of of BSW which are published the outside audience and its in the republican and foreign employees. That's why the newspapers and magazines. plant pursues an information policy, working closely with communication with target the mass media of different level and direction. Forming its informational policy, the BSW aims at maximum coverage of the interested target environment. They have an groups and uses all possible channels: newspapers, journals, television, news tapes of BSW pays much attention information agencies, Internetresources. This comprehensive approach allows the plant maximum achieve effectiveness of this work.

> The enterprise's press service prepares and distributes among the journalists the press-releases about all significant events in the life of the enterprise.

The mass media shape the media. The enterprise's full actively assist in preparation

Speaking about effective audiences it is important to underline that the BSW pays much attention to introduction of the enterprise in the Internet operational efficiency, wide coverage of the audience, high reproducibility and availability.

During 2019, information about the activities of the Byelorussian Steel Works has been regularly posted on the news tapes of information agencies (BELTA, Ecopress, PRIME-TASS), specialized resources and regional media. So, during 12 months of 2019, based on the results of work, the BSW press service prepared and

sent more than 80 information materials for mass media, on the basis of which about 250 publications were made. 14 speeches of the heads of BSW for mass media were organized.

In 2019, BSW implemented a joint project with the "Metally Evrazii" [Metals of Eurasia] magazine (RF), within the of materials was published on the employees of the plant was implemented with the "Novy Dzen" [New Day] regional articles newspaper. Review considering the plant's activities were published on the pages achieved the best results in work

of the "Ekonomika Belarusi" [Economy of Belarus], "Znak kachestva" [Quality Mark], "Cherniye metally" [Ferrous Metals], "Lityo i metallurgiya" Metallurgy] [Casting and magazines. More than once, positive information about the activities of BSW was published free of charge on the tut. by portal. framework of which a series The main topics of the materials were the following: scientific various fields of the enterprise's activity, work of the enterprise activities. A joint project about in difficult international business conditions, expansion of sales achievements in markets, specialized competitions. The heroes of publications were also the employees of BSW, who

and public life of the enterprise.

An important role in awareness-building effort is played by the presence of official groups in social networks, the subscribers to which are not only the employees and residents of the region of presence, but also the journalists. So, during 12 months of 2019, more than 1100 information messages had been published in the plant's group on the "VKontakte" social network. The number of subscribers during the specified period increased by 2600 and currently stands at more than 8300 people. BSW has its own YouTube channel, which publishes video news of the enterprise on a weekly basis.

Interaction With Authorities

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, 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 find a solution of this 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,

OJSC "BSW - management company of extension of the plant's export policy, and "BMC" holding" builds up cooperation with all reconstruction of the steel-making production interested parties on the basis of the following were regularly discussed by the general director at his meetings with the representatives of Administration of the President of the Republic of Belarus, Minister of Industry, Chairman of Gomel Regional Executive Committee, etc.

The plant's management believes that participation of its representatives in the work culture, traditions, lifestyle and heritage of the 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 10 plant employees being elected to local regulatory bodies. Alongside with that, OJSC "BSW - management company of "BMC" management company of "BMC" holding" to holding" has not provided donations in favor of any political party or individual politicians.



Scientific and Technological Potential

OJSC "BSW – management company of "BMC" holding" is a supplier of competitive metal products of high quality which are manufactured on the basis of resource-saving, advanced and innovative process technologies meeting the world criteria of technological novelty.

3 main subdivisions of OJSC "BSW management company of "BMC" holding" are involved in creation of advanced and innovative process technologies, as well as new types of competitive metal products.

The Research Centre – the applied research laboratory for metallurgical and steel wire production technologies (RC-ARLM&SWPT) established in July 2017 on the basis of the research center of OJSC "BSW – management company of "BMC" holding".

responsible for carrying out scientific and research and development (technological) works in the production work, testing of new materials, service tools and new equipment. It organizes and performs Research, Development and Engineering using the plant's own resources with involvement of engineering and technical personnel of production shops, technical

management, design and reconstruction management, central plant laboratory. It is responsible for development, implementation and production of the new types of products and technologies for serial production. It participates in the reconstruction and modernization of the main and auxiliary equipment, is responsible for the development of technology at the plant in order to meet the demand of the market and production, provides technical support of the current technology, continuous improvement of technological processes, improvement of quality of the produced products.

RC-ARLM&SWPT studies and summarizes the achievements of science and technology in the field of metallurgical and metalware production, promotes their practical use, establishes and This structural division of the plant is implements promising plans for the development and deployment of the science-based types of products, high-efficiency technological processes, develops recommendations and organizational and technical measures for the performance of Research, Development and Engineering conducted by the research institutes and universities for the plant.

RC-ARLM&SWPT consists of 4 research laboratories:



- Steelmaking laboratory;
- Rolling production laboratory;
- Metalware production laboratory;
- Research laboratory.

The RC-ARLM&SWPT has 28 employees with higher education, including 1 Candidate of Technical Sciences and 12 Masters of Technical Sciences.

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. 1 candidate and 4 masters of technical science work here. The main TB structure includes: steelmaking, rolling and hardware services, scientific and technical department Scientific and Technical department includes a rationalization, invention and new technics 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 upgrade of the capabilities of the plant; determination of the reasons of defects and breaches of production modes.

The Design and Reconstruction Board (D&RB)

The design and reconstruction board (D&RB) is a division fulfilling the development of design documentation and supporting projects to provide operation, maintenance, and reconstruction of the plant's facilities and equipment. In 2017, OJSC "BSW - management company of "BMC" holding" was accredited by the State Committee on Science and Technology and National Academy of Sciences of Belarus as a scientific organization (certificate No.239 dated January 11, 2017).

According to the results of 2019, the BSW products have high competitive strength on the worldwide market outlets and are on one level with the best similar commodities. In 2019, the BSW mastered a number of innovative types of products in the following directions:

-insteelmaking production: blooms from carbon qualitative steel grades for further production of rough forged axles in OJSC "Minsk Motor Plant"; continuous cast ingot from steel grades which are new for OJSC "BSW - management company of "BMC" holding", for further production of seamless hot-rolled pipes for oil and gas industry, hot-rolled round bars in rods and in bundles for car manufacturing, hot-rolled rods of general and special purpose, etc.;



- in pipe-rolling production: seamless hotrolled pipes for oil and gas industry for further production of drill boring, pumping and casing pipes, perforating guns, etc.;

bundles (including with turning and thermal

treatment) for car manufacturing, precision

machinery industry, bearing production, etc.;

- in hardware production: new ultrahighstrength and ultra-strength constructions of metal cord and monochord (single filaments), multi-stranded constructions of metal cord for production of large-dimensioned and superlarge overall dimensional tires, mega-strong metal cord constructions for the world tyre manufacturers, modified brass coated metal cord, bead bronzecoated wire, wire for high-pressure hoses.



During 2019, 12 types of innovative products were put into serial production.

According Presidential Decree No.31 of the Republic of Belarus dated January 31, 2017 "Concerning development of the Republic of Belarus for 2016-2020" with the purpose of improvement competitive strength of the national economics

and taking into account its intensive innovative development, the state program of innovative development of the Republic of Belarus for 2016-2020 was adopted. Within this Program, OJSC "BSW – management company of "BMC" holding" reached 24.5% of the target indicator of «specific weight of the shipped innovative products in the total volume of the shipped products». For 2019 this indicator amounted to 27.3%.

Now BSW actively cooperates with the NAS of Belarus and scientific-research establishments of the Academy 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 "Bel GUT", EE GSTU named after P.O. Sukhoi", etc. which render a thorough assistance to the enterprise.

OJSC "BSW – management company of "BMC" holding" developed the partnership relations with scientific and research teams of NITU "MISiS", FGUP CNII Chermet 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.

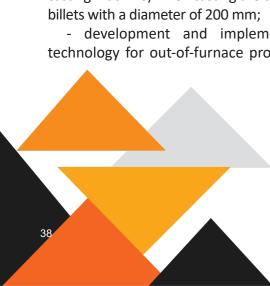
During last years, different joint technical projects were implemented with the above organizations:

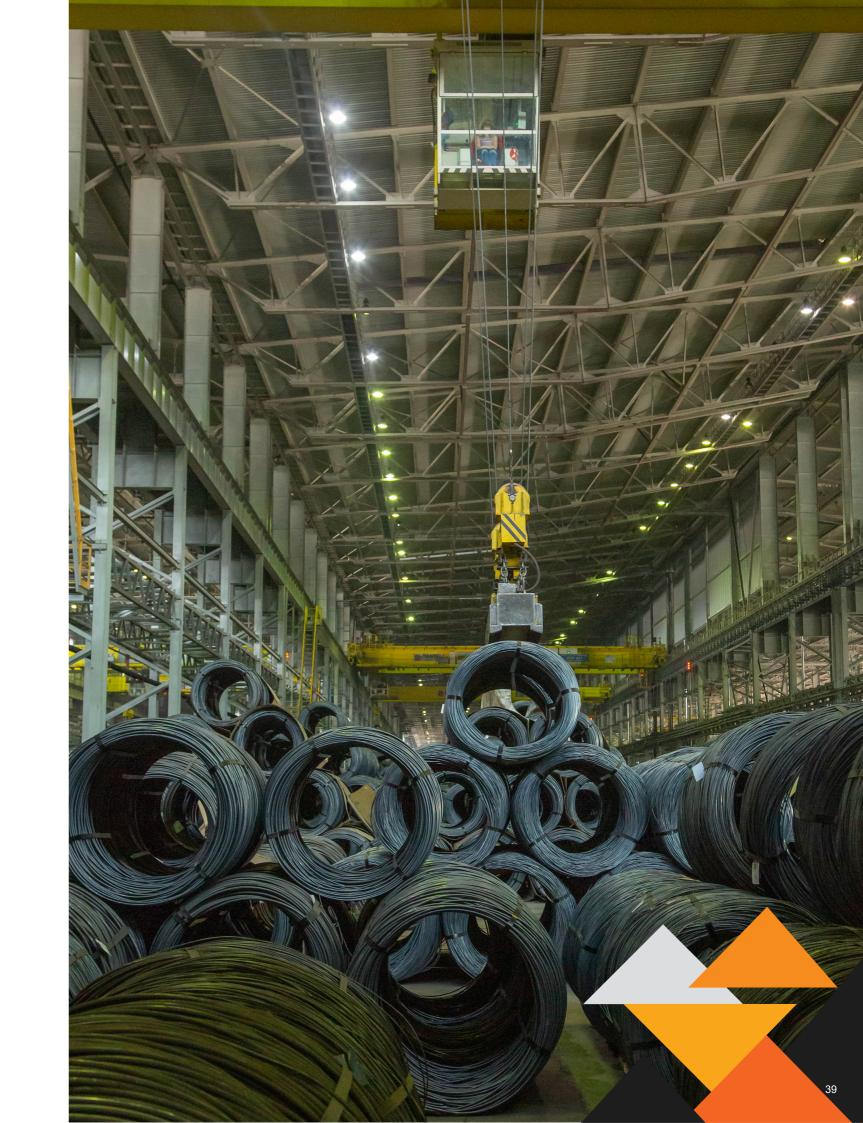
-increasing the productivity of CCM-3 (continuouscasting machine) when casting the continuously cast

- development and implementation of a technology for out-of-furnace processing of new steel grades after the implementation of the project "Increase in out-of-furnace treatment of steel in electric furnace shops-1, 2";

- improvement of the lining scheme and the state program of innovative refractory products of the RH-1 vacuum unit after the commissioning of the equipment under the project "Increase in out-of-furnace treatment of steel in electric furnace shops-1, 2";
 - development and implementation of a technology for the production of rolled structural steels for machine-building enterprises of the Republic of Belarus, taking into account the harmonization of European standards EN 10083, EN 10084 (State Scientific and Technical Enterprise "Machine-building and machinebuilding technologies" 2016-2020, sub-program "Machine-building technologies");
 - development and application of a technology for the production of wire rod made of steel microalloyed with boron, used in the production of fasteners in the automotive industry in the CIS and EU countries;
 - development and application of a technology for the production of round hot-rolled products of free-cutting steel grade 11SMn30 in accordance with DIN EN 10087;
 - development and application of a technology for the production of new designs of multi-strand cables and steel cord, including for the production of large off-the-road and extra-large off-the-road tires for "Belshina" OJSC;
 - development and improvement of a technology for the production of ultra-highstrength and ultra-strong structures made of steel cord, as well as monocord (monofilament) for the world's leading tire manufacturers;
 - development of a technology for the production of extra-strong steel cord structures for world tire manufacturers;
 - development of a technology for the production of steel cord with modified brass coating.

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), NokianTyres 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 Hydraulics Manufacturing Bel" in Orsha.









A strategic goal of the plant in the economic area is achievement of the 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 conduct strategy and its corporate ethics based on the principles of decency and justice, honesty in dealing with all partners and competitors.

Economic development of the plant means an 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 enterprise 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.

Financial-economic Activity

In 2019, OJSC "BSW — management company of "BMC" holding" worked in difficult conditions of shortage of current assets, owing to the high loan exposure.

In 2019, the main objective of the enterprise was a search of additional financing sources, maximum utilization of capacity and a growth in volumes of production and sales.

Active marketing work has been carried out, as well as close interaction with state administration bodies and banking institutions, and work on mobilization of internal reserves.

The comprehensive program of measures aimed at stabilization and development of production, reduction of production cost was prepared by the plant for counteraction to all negative processes happening at international markets. Strict control of fulfillment of the program at all levels gave a positive result. Economic effect of the measures directed towards production costs cutting was USD 140.3 million (USD 118.6 million in 2018). 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.

In order to obtain a reasonable expert opinion concerning the representation of the true results of financial accountability, an international independent auditing company carries out audits at OJSC "BSW" in accordance with the requirements of the International finance reporting standards (IFRS).

Top management is informed on production and financial-economic activity by means of monthly summary reviews, economic councils, and analytical reporting.

In order to improve the communication system, expand opportunities of interaction between the interested parties, ensure employees' individual development and sharing experiences, BSW

annually holds international scientific and technical conference "Metal". In addition to guests from CIS countries, specialists of Financial, Economic and Marketing Departments take the stage at the conference in the section "Economy and Finance". During the conference, its participants present their reports on the 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 as well as in the field of corporate social responsibility.

Economic Efficiency. Main Indicators

Revenue from sales of products amounted to Br 3000 million, which is 2.6 percent lower than the level of 2018. The cost of goods sold increased by 234.9 million rubles or by 8.5% and amounted to 2987.6 million rubles.

The increase in costs in 2019 was due to the increase in prices for raw materials and materials, depreciation in 2019 and the application of increasing coefficients to real estate and land taxes. So, in 2019 compared to 2018, the growth rate of prices in terms of national currency for the main raw materials and materials was the following: pig iron - 107.8%, pellets - 111.2%, additional materials - 100.9%.

Profitability of sold products in 2019 was "minus" 2.5% against "plus" 9.0% for the same period last year; return on sales "minus" 2.5% versus "plus" 8.0% in January-December 2018.

Sales of products, current and financial activities are unprofitable, but investment activities in 2019 brought some profit.

Loss from current activities amounted to Br 101.8 million against a profit of Br 227.0 million for the corresponding period last year.

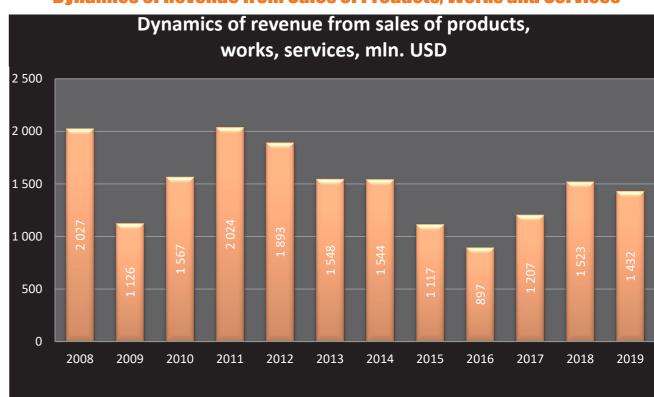
Loss from other current activities amounted to Br 26.9 million.

A profit in the amount of Br 20.0 million was received from investment activities.

A loss of Br 71.7 million was received from financial activities.

2509.5 thousand tons of products were shipped to consumers. 2620.8 thousand tons of steel were smelted, which is 5.9% more than in 2018. The return on sales was "minus" 2.5% against "plus" 8.0% in 2018. The foreign trade balance reached USD 506 million. The energy saving indicator is "minus" 8.7%, while the target indicator is "minus" 6.3%.

Dynamics of Revenue from Sales of Products, Works and Services



Revenue from sales of products, works, services in dollar equivalent for 2019 increased by USD 90.4 million compared to 2018, due to lower prices in foreign markets.

Profit

Loss in the amount of USD 35.8 million was received from sales of products in 2019 compared to a profit of USD 121.4 million in 2018. The company made incentive, compensatory and social payments, expenses on social insurance, etc., as well as the maintenance of objects of the non-production (social) sphere and expenses for the rehabilitation of children in the amount of USD 6.7 million (in 2018 - in the amount of USD 6.3 million).

Payments to the owner

In 2019, due to the loss received by the Company from financial and economic activities and the lack of a basis for calculating dividends, payments to the owner had not been transferred.

Taxes and mandatory payments

OJSC "BSW — management company of "BMC" holding" is a responsible taxpayer, ensuring the strengthening of the financial foundations of the state, and regularly pays taxes to budgets of all levels. The economic stability of the region of the company's activity and, in particular, the ability of regional and local authorities to develop the region's infrastructure depending on how timely and correctly the plant transfers taxes to the state. In 2019, the BSW paid USD 12.7 million of income tax (USD 11.6 million in 2018), USD 32.7 million (USD 30.2 million) of social security funds, and real estate tax – USD 9.7 million (USD 4.1 million).

Innovative Development

performance of the plant is the innovative and implemented the following major projects: updating and measures on reconstruction and modernization aimed at providing technical and technology base for production development. This will in turn enhance the economic benefits and environmental security.

OJSC "BSW — management company of "BMC" holding" has a long experience of work in foreign markets, availability of dealer network in various regions of the world that allowed the enterprise to gain the reputation of a reliable partner supplying hi-tech products.

OJSC "BSW — management company of "BMC" holding" invested Br 28 096 thousand (USD 13 434 thousand) in the construction, reconstruction and modernization of the existing production in 2019.

During 2019, the company introduced a number of technical and technological solutions

The main objective of OJSC "BSW — aimed at increasing the productivity of equipment, management company of «BMC» holding" is the quality of products produced, expanding the to develop and enhance its position in the range, reducing emissions into the atmosphere, world markets. The tool for increase in overall maintaining the existing production at a high level

> - Installation of a 75/125MVA transformer at the "Steel" substation. Introduced March 2019. As a result of realization of the project, a 75/125MVA transformer was installed at the "Steel" substation, which ensured a stable power supply and proper operation of the plant's equipment. The actual cost of the project is Br 2 778 thousand.

> - Modernization of the chemical line of the patenting unit No. 2. Introduced July 2019. According to the project, the outdated control complex for the patented workpiece was replaced with a new improved type of equipment, as a result of which a control system for the patenting unit was developed and implemented, including a system for a section's winding and unwinding. The actual cost of the project is Br 898 thousand.

> - Reconstruction of boiler room No. 2. Introduced May 2019. In the existing boiler room No. 2, a boiler with a steam capacity of 10 t/h was replaced by 2 boilers with a steam capacity of 25 t/h (one of which is a reserve one), which created the need for an additional amount of steam of the corresponding parameters for the technological needs of new equipment for out-of-furnace steel processing (vacuum apparatus RH and an evaporator).

(working boiler) was commissioned. The and re-equipment. equipment was supplied under the contract. In May 2019, the second start-up complex was its design capacity in 2022. commissioned, and a reserve boiler was installed.

- Modernization of a "Steel" substation with replacement of engineering networks. Introduced April 2019. According to the project, the electrical equipment of the substation was modernized, and new power cables were laid.

thousand.

- Installation of ultrasonic testing equipment. Introduced March 2019. Equipment for ultrasonic testing of rolled products was installed in the USD 5522.3 thousand. laboratory of physical and mechanical tests. The equipment for this facility is designed to assess main technological vehicles and equipment were the degree of macroscopic frequency of rental by the ultrasonic method in accordance with the requirements of the SEP 1927 standard. The actual cost of the project is Br 784.7 thousand;

- Plant for the production of gas cylinders in Orsha. In November 2019, a plant for the production of steel seamless cylinders was put into operation. The Cilinders-Bel LLC enterprise produces May and August 2019; seamless steel gas cylinders with a volume of 5 to 100 liters and an operating pressure of up to 450 bar, intended for the transportation and storage of compressed, liquefied and dissolved industrial pc. Delivered in December 2019: gases used in various industries. In addition, it is planned that the enterprise will provide services 6 pcs. Delivered in December 2019.

In September 2018, 1 start-up complex for the rental of cylinders, their diagnostics, repair

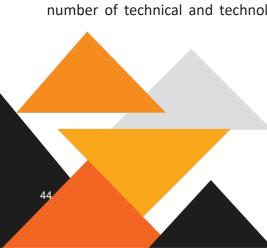
The production capacity is expected to reach

The products of Cilinders-Bel LLC are export-The actual cost of the project is Br 1 801 thousand. oriented. Simultaneously with the development of exports, the enterprise will ensure the production of import-substituting products, since there was no production of similar products on the territory of the Republic of Belarus.

The total volume of investments under the The actual cost of the project is Br 3514 project, within the framework of the concluded investment agreement, amounted to Br 24 610.3 thousand, including investments from OJSC "BSW management company of "BMC" holding" -

> In 2019, the following purchases of the carried out:

- purchase of BelAZ-7555N mining dump trucks, with a carrying capacity of 55 tons - 2 pcs. Delivered in April 2019;
- purchase of a bulldozer with a total weight of at least 65 tons. Delivered in December 2019;
- purchase of a heavy truck 2 pcs. Delivered in
- purchase of a MAZ vehicle (container truck) - 1 pc. Delivered in December 2019;
- purchase of a MAZ vehicle (soot truck) 1
- purchase of steel ladles 110 t in a quantity of





Enterprise's Risks

Investment Risks

investment Any project implementation is associated with certain organizational, technological and financial risks. However, OJSC "BSW management company of "BMC" holding" has sufficient experience in use of the process equipment and construction of new production facilities. That's why the 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 susceptible to changes due to makes it possible to minimize fluctuations in the metals market; any financial risks.

To mitigate and account for probable risk effects in businessplans, the Company carries out multi-optional calculations to identify the projects' financial performance and efficiency indicators against various variable factors (capital input amounts, product sale price, input costs, contract prices for equipment; debt-to-equity ratios).

The results of assessing the economic efficiency of

cost conditions prevailing at Code and a number of the laws during the implementation of projects, these cost conditions may change due to changes in the global economy. Under these conditions, it was very important and necessary to perform a reliability (sensitivity) analysis, the purpose of which is to assess the impact of possible consequences of changes in external factors on the efficiency of the project, as well as to determine the permissible and dangerous boundaries of these changes. When performing a sensitivity analysis, possible changes in the following main factors are considered, which have the most noticeable impact on economic performance:

- selling price as a factor most
- the value of production costs, depending on the level of prices for charge materials, energy resources and other materials and services used in the technological process;
- the size of investments, the amount of which depends to a large extent on the level of
- the ratio of share of equity and debt capital.

When performing a sensitivity projects given in the project analysis, the impact of changes were obtained under the basic in these factors on two main performance indicators is assessed - the simple payback period and the internal rate of return.

Legal Risks

enterprise is a participant of tax legal in raw materials prices are of relationships. Currently, the Tax significant influence on the

the time of preparation of regulating various taxes and fees the business plan. However, established at the republican and local level in Republic of Belarus, various tax laws and regulations are in effect and subject to frequent changes, additions, amendments. At that, the amendments are partly made for the benefit of taxpayers and partly – to their disadvantage. Similar situation observed in the field of tax administration. However, taken the state's attempt 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.

Due to complex updating of the Tax Code, there is a number of novelties, which simplified tax administration and ensured stability of the tax law, simplicity and clearness of legal regulations promoting economic activity.

In order to minimize the risks, the enterprise performs monitoring and analysis of changes in the tax law, evaluates and predicts the scope of potential impact of such changes on its activity, thereby the probability of tax risk formation is estimated as low.

Industry Risks

Metallurgic industry distinguished by its susceptibility to cyclic variations of prices for raw materials and steel. Demand for steel is determined by country-specific levels of economic development and Like any other economic consumption by major steelconsuming industries. Variations



of raw materials consumed by steel works are imported.

Due to boom-and-bust economy in the next years (2019-21) potential risks of cyclic price reduction being typical of the metal industry are constantly increasing. At the same time, there is an increase in global market prices for primary raw materials and consumables used by the plant, namely for scrap metal, cast iron, ferroalloys and electrodes. Reduction of prices for metal products and raw materials significantly affects the enterprise's operational activities and its financial performance.

BSW, occupying 0.1% of the global steel market, depends on the processes that occur within it. The main risks and dangers come to us from the outside. Unfortunately, at present the world market of ferrous metallurgy is unstable and is subject to such negative factors as:

1. Protectionism of national markets. Recently, the dominance of the protectionism of the metal market prevails in *China's*

Belarusian steel-making as most US and EU have recorded an unprecedented number of antidumping investigations in the steel sector. At the same time, the United States went further and decided to close its market for imports altogether (amendment 232 on security), in violation of the WTO rules of international trade. These factors negatively affect international steel trade in the world. Due to these restrictions, export-import flows change significantly.

The European Commission has revised the results of its investigation into the security measures imposed by the European Union in relation to the import of steel products. applied for each country, quarterly basis, rather than annually. Access to the residual quota for countries that have previously exhausted their country-specific quota only be allowed to the extent necessary to meet the demand.

2. Market Pressure from Excessive

protectionism and high import tariffs are forcing China to seek new markets by increasing steel exports. This fact, coupled with an oversupply in China, naturally worries other suppliers, who fear that China will flood the markets with cheap rolled metal in 2020.

Also, Iran, under pressure from US sanctions, is also forced to sell its billet volumes at discounted prices, which is changing the dynamics of the steel billet markets.

3. Metallurgical raw materials and materials. Iron ore prices hit a 5-year high following the tragic destruction of the Vale dam in Brazil, prompting many producers to switch to scrap steel. Accordingly, quotas will be Also, the tightening of emission standards in China since 2017 which will be provided on a has led to the fact that due to tight controls, hundreds of small





businesses have been closed. This caused a sharp increase in interest in the use of electric arc furnaces in steel production, which, in turn, led to an increase in prices for graphite electrodes, as the main raw material that has no other substitutes.

So, since July 1, 2019 the Government of the Russian Federation introduced regional quotas restricting the export of ferrous scrap outside the borders of the Eurasian Economic Union for a period of 6 months. It was also announced that since January 1, 2020 ferrous scrap metal will be exported exclusively through an exchange tender.

4. Slowdown in EU market activity. Lack of orders from the automotive sector continues to negatively impact overall demand. Delivery terms have been shortened, allowing European buyers to either delay purchasing decisions or only buy small quantities.

Country and Regional Risk-Большая часть производствен Production and business activities of OJSC "BSW management company of "BMC" holding" are largely dependent on cooperation with Russia. Such close interaction with a single independent region presents certain risks associated with differences in legislation and regulatory framework, which could affect sustainable development of the enterprise. 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. In order to minimize risks associated with interrupted raw materials supplies, it is essential to provide for availability of "winter buffer" reserves of such raw materials.

Industrial Safety, Labour Protection and Ecological Risks

We admit that metallurgy is a potential hazard to the environment and to the people since such production activities involve high-temperature processes, aggressive chemical environments, volatile byproduct emissions and require arrangements special 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 installation and setting up and modernization of special pollution-control equipment. Should critical concentrations set for industrial wastes be exceeded, the enterprise will have to pay fines. Possible tightening of the 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

Under the Decree of the President of the Republic freight forwarding by rail. of Belarus of June 6, 2011 No. 231 "On Certain Issues of Stimulating the Development of High-Efficiency to replenish working capital on a repayable Industries" in 2019, OJSC "BSW — management company of "BMC" holding" reimbursed interest for using bank loans in the amount of 5.2 million Belarusian rubles (upon receipt of funds).

received by BSW reduced the deficiency of the circulating assets and allowed the enterprise to use this source of assets for replenishment of own circulating assets – payment for raw materials and materials, payment of wages and

At the end of 2019, a budget loan was received basis within the framework of the Order of the President of the Republic of Belarus No. 254rp dated December 30, 2019 in the amount of USD 50 million, which as of the date of receipt of funds The above mentioned amount of state support is Br 105 180 thousand. This allowed the company to partially pay off its debts (to pay for electricity USD 16.6 million, to pay for raw materials and materials USD 33.4 million), to increase production volumes in the 1st quarter of 2020, incl. to increase the volume of export supplies.



Indirect Economic Impacts

The 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 location.

The BSW employees personally participate in charity actions. During the years of implementation of this objective, an effective mechanism of operative assistance to people has been developed.

In 2019, the plant's workers actively participated in the following charity actions: "All children are ours", "Do good", "They need your help", "Wishing tree" and others.

During the year, charity actions with participation of the BSW employees take place in educational and health care organizations of the city and the district. In 2019, the employees of the plant collected Br 38 400.00 for rendering charitable assistance. These funds were provided for surgical procedures and rehabilitation, purchase of expensive drugs to the needy including to children. A portion of the funds was transferred to Belarusian Peace Foundation, Belarusian Red Cross Society, Zhlobin social-pedagogical asylum and other organizations.

Factory workers do not stop helping the needy throughout the year. Thus, the trade-union committee and the management of the Byelorussian Steel Works presents New Year and Christmas gifts not only to the workers and their children, but also to pupils of social asylums and patients of nursing care hospitals.

Participation of the factory workers in the action of fund raising on purchase of school supplies "Kind September 1" became traditional. It should be noted that within the fund raising inside the enterprise, the workers organized a fund-raising campaign on their own initiative for those colleagues who have children of school age. In 2019, the factory workers collected Br 1056 in total within the framework of action "Kind September 1".

Realization of the scheduled activities had a favorable impact on the plant cooperation with the main groups of stakeholders: authorities, civil society, ecology community and employees. It helped to strengthen the 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 2020, the global metal products market is unstable, there is a decrease in prices, and, moreover, product prices are falling at a faster pace than prices for basic metallurgical raw materials.

The introduction of quarantine measures in connection with COVID-19 (since March and during the 2nd quarter, the production has been stopped, or the capacity utilization of the EU engineering and tire companies has been significantly reduced: Michelin, Continental, Goodyear, Pirelli, Apollo, Timken Polska, Volkswagen Group, etc. .) led to a significant decrease in orders for products of hardware production and rolled structurals.

The drop in oil prices caused problems in the oil and gas industry (a decrease in oil production and field development, as a result of a decrease in the use of associated materials), and led to a significant decrease in demand (orders) for seamless pipes.

These macro factors (falling prices, economic consequences of COVID-19) did not allow to obtain the required level of revenue, exports, improve the sales structure and ensure the Company's profitable operation.



Environmental Policy

that its production activity is related to a negative impact the environment and takes all possible measures to minimize this influence on the livelihoods of the population. The chief executives of BSW take certain steps to reduce environmental impacts and 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 largemodernization, paying particular attention to the increasing ecological requirements, which enables the plant to reduce pollutant air emissions and waste quantities generated.

The Byelorussian Steel Works is an enterprise which is guided by one of the priorities of the state policy—ensuring the environmental Implementation of the state policy is ensured by Environmental Management System (EMS). influence, taking into account appropriate marking.

The enterprise acknowledges The EMS is a part of the unified enterprise management system which is responsible for working out a systematic approach to the environment protection within the entire production activities of the plant and is integrated into quality management, labour safety and social responsibility processes.

The EMS is a tool enabling mitigate global climate change the enterprise to ensure regular monitoring and minimize the ecological impacts associated with the production activities in protection measures. the region of its location.

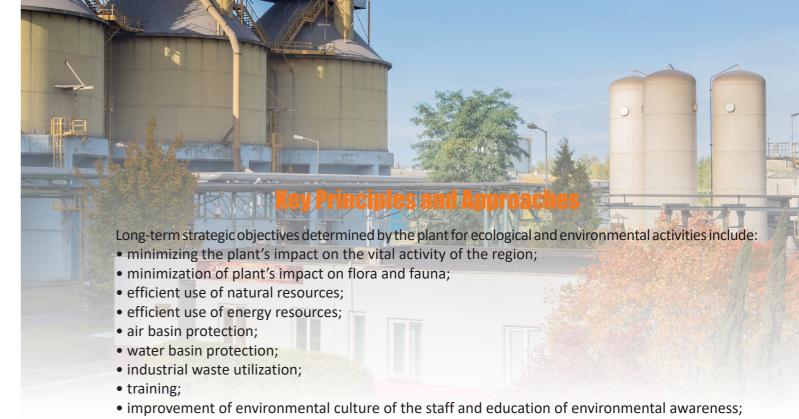
scale equipment and process a functioning Environmental Management System, identified enterprise number of ecological factors environmental influence and evaluated them by their significance. Also, the enterprise has established procedures for assessing risks associated with the environmental aspects share of products complying of activities, products and services within a certain area of application of the EMS, which it can control and which it can

planned or new developments or new and modified types activities, products and services in accordance with the methodology for assessing the significance of environmental aspects and risk assessment. To minimize the environmental impacts related to production activities of BSW and to reduce a man-caused load, the enterprise annually introduces new environmental

Efficiency of the environmental Within the framework of management system is ensured with the assistance and under the guidance of the top management. a The chief executives' position on ecological and environmental issues is presented in the enterprise's Corporate Policy and other regulatory documentation of the corporate management system.

BSW intends to increase the with the quality management system standards, provide its production with ecological quality and safety data and





- development and implementation of resource-saving, low-waste and environmentally safe technologies;
 - monitoring of emissions, hazardous wastes and assessment of workplaces;
- compliance with the environmental regulations and requirements during product development and manufacture, construction, reconstruction and expansion of production facilities;
 - emergency preparedness.

In its environmental protection activities, the enterprise adheres to the following approaches:

- compliance with the legislation of the Republic of Belarus;
- involvement of all units and participants of business processes;
- EMS upgrading;
- minimizing impacts in connection with expanding production activities;
- disclosure of full and precise information regarding the results of the Company's activities;
- raising personal responsibility;
- 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 the OJSC "BSW - management company of "BMC" holding" was certified for compliance with the requirements of standards ISO 14001:2015 and STB ISO 14001-2017. The requirements of ISO 14001:2015 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 14001-2017 cover design, development and 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 BSW as an ecologically responsible enterprise and improve interaction with the stakeholders on issues of ensuring compliance with ecological regulations and requirements.

In addition to the currently effective approved medium-term ecological programs, BSW provides for annual development and approval by respective

supervision authorities of ecological control programs 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, BSW takes into account its environmental impact and strives for minimization of its consequences as stipulated by international legal provisions on environmental protection 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 southeastern part of the city with due account for wind rose diagram. The established sanitary zone has the radius of 1000 m. 55% of the area between the enterprise's territorial borders and those of the sanitary zone are taken up by cultivated coniferous and hardwood forests and scrub vegetation. The nearest settlement (the village of Solonoye) is 1.075 km away from the enterprise's territorial borders. Residential buildings and districts of the town of Zhlobin are 3 – 3.5 kilometers away. The industrial site is located on plain surface lands, neutral in terms of smoke contents and spread of smoke jets towards the residential areas. Every year, the plant carries out certain actions to ensure air and water basin protection and reduction of land-buried industrial wastes.

Minimization of plant's impact on flora and fauna

The lignosa structure of the forest resources of the region includes around 70% of conifers, 27% of softwood, and 3% of hardwood. Dominating position belongs to the woodland of natural origin - 56.3%. Main forest forming species in the region is a pine-tree (68.5% of the forestcovered lands). As for the age structure, the medium-aged timber-stand prevail (49.2%). The young forest growth makes up 34.4%.

Resources of meadow vegetation are rather extensive. The region belongs to Polesko-Berezinsky region which is rich in meadows, and a part of which is represented by undulating flatlands formed by a system of flat terrace above

the flood-plains of the Berezina river and the Dnieper river. Cenosis is formed by sharp sedge which is often combined with manna grass (9.8%), more seldom with mire blobs (4.8 %). Sometimes it forms a pure thicket of a monodominant type.

Moor vegetation can be met on the topographic lows, on the lands with a constant excessive moistening. miscellaneous herbs of the mesohydrophytic row prevail in the grass stand (such types as Calliergongiganteum, Drepanocladusintermedius, Drepanocladusvernicosus, Drepanocladusaduncus, Aulacomniumpalustre).

The following types of vegetation dominate in the radius of approximately 2 km 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 roadside tree planting.

Woodlands belong to the subzone of coniferous lichenaceous suffrutescent forests. Such species of wood as a Scots pine (Pinus sylvestris) and silver birch (Betula verrucosa) grow on the forestcovered territory located to the north-east of the plant. The Scots pine (Pinus sylvestris) and the black alder (Alnus glutinosa) grow in the northwest area and the Scotch pines (Pinus sylvestris) - in the south-west.;

- Segetal vegetation is developed on the agricultural lands, sowed hayfields to the southeast and to the east of the plant, in Solonoe area, and to the south-west of the plant between the wood land and the Dobysna river.
- Residential vegetation grows in settlements, and in the areas with the housing development and utility facilities;
- 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 motherwort (Artemisiavulgaris), white clover (Trifoliumrepens), and couch-grass (Elytrigiarepens) among the ruderal types.

Description of the fauna of the territory concerned is given based on the literary data.

According to the literary data insects are represented by a typical faunistic composition.

Amphibia on the territory under study are met everywhere in plentiful and are

represented by three types: a brown frog territories one can run across a common heron (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 (Erinaceusconcolor), a pigmy (Sorexminutus), common shrew (Sorexaraneus), a root vole (Microtusoeconomus), a common vole (Microtusarvalis), and a striped fieldmouse (Apodemusagrarius).

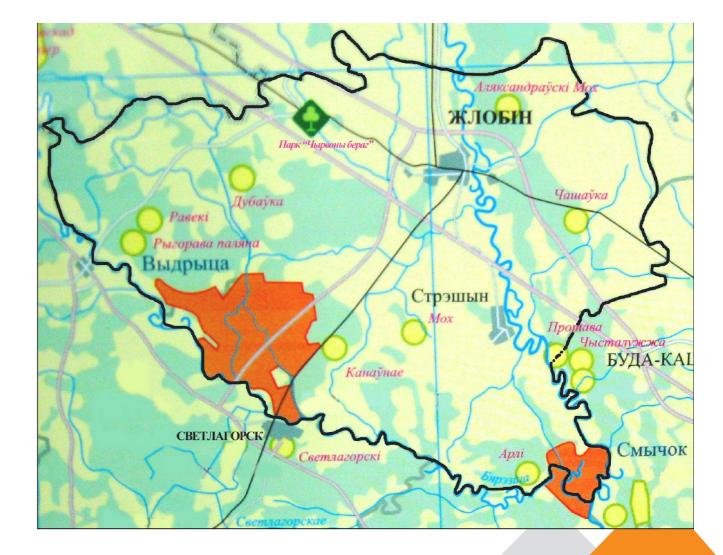
characterized by a small variety of species diversity. Main biotypes used by birds are open agricultural lands. Background types on agricultural lands are: rubetra), a gray wren-babbler (Sylvia communis), yellow hammer (Emberiza citrinella). On swampy

(Ardea cinerea). During spring migration, few migrating types of birds cross the territory in transit. Autumn migration is less expressed; the birds do not form large clusters.

The variety of mammals on this territory is not large and is not characterized by habitation of rear and protected species. A brown hare (Lepuseuropaeus), a common fox (Vulpesvulpes), and a wild hog (Susscrofa) are met here.

Special Protected Natural Areas (SPNA) of Zhlobin district are represented by a hydrological The ornithofauna of the territory under study is and landscape protected areas of local significance (Table 4), and by natural monuments of local and republican significance.

There are no special protected natural areas a sky lark (Alauda arvensis), a whinchat (Saxicola within the sanitary zone of the plant. The existing ones are located approximately at the distance of 12 km and more from the BSW site.



Name of SPNA	Total area, location of SPNA Organization in charge of operating managements		Distance from BSW, km
Landscape protected area of republican significance "Smychok"	2635 ha: 2060 – Zhlobin district 575- Rechitsa district	Zhlobin and Rechitsa District Executive Committees within its competence	32
Landscape protected area of republican significance "Vydritsa"	17560 ha: 7793 - Zhlobin district 9767- Svetlogorsk district	Zhlobin and Svetlogorsk District Executive Committees within its competence	20
Hydrologic reserved forest of local significance "Dubovka"	55 ha, the northern part of Radusha, Zhlobin district and borders with Volshedubsky canal	a, the northern part of sha, Zhlobin district and Earning Unitary Enterprise	
Hydrologic reserved forest of local significance "Alexandrovskiy mokh"	33 ha, located in the north-east part of Luvirnyansky forestry of Zhlobin forestry enterprise along the motor road Gomel-Zhlobin, 0.5 kilometers from Alexandrovka settlement	Zhlobin Forestry	12
Hydrologic reserved forest of local significance "Mokh"	31 ha, north-west part of Kosakovsky agricultural cooperative	Kosakovsky agricultural cooperative	17
Hydrologic reserved forest of local significance "Roveki"	100 ha, north-west part of Dvorishchanskoe forestry of Zhlobin Forestry	Zhlobin Forestry	29
Hydrologic reserved forest of local significance "Kanavnoe"	223 ha, consists of two sector sand located in the north-west part of Priberezinskoe forestry of Zhlobin Forestry and AEB "Vperyod"	MFE «Zhlobin Forestry» and DUE «Yaznach»	22
Hydrologic reserved forest of local significance "Orly"	97 ha, the southern part of Streshin forestry of the MFE "ZhlobinForestry"	Zhlobin Forestry	34
Hydrologic reserved forest of local significance "Rygorava Polyana"	54 ha, north-west part of Dvorishchanskoe forestry of Zhlobin Forestry	Zhlobin Forestry	35

green planting. At present, the area free from the main production site and the territory which buildings is completely green. For the most part, green spaces within the industrial site are environmental accounting. represented by conifers and hardwood trees. Besides, the plant's premises include some flower and amenity planting activities, to motivate the beds. The total green space area within the plant's employees, both morally and materially, industrial site amounts to 53.07 ha.

"Environment protection and sustainable use aesthetic improvement of the plant's appearance of natural resources", as well as with the aim to preserve the natural resources of the country and by the plant, the enterprise arranged a land upgrading the territory of the plant's activity, in improvement competition among the plant's shops 2016 the specialists performed work on accounting with announcement of results of the competition the species of wild fauna and flora on the plots of twice a year. The competition involves more than land near OJSC "BSW — management company 75% of the employees.

There is no forest enterprise in Zhlobin Forestry. of "BMC" holding". By results of this work, all The plant's premises are a sort of a park with species of wild fauna and flora on the territory of is in continuous use of BSW are registered for

To encourage and expand land improvement to implement the Land Improvement Program, to Within the framework of the State program involve the personnel in activities connected with and that of the pre-school establishments run

Efficient use of natural resources

Major raw materials used for steel production in 2016-2019 were as follows:

Material	11-04	Quantity			
	UoM	2016	2017	2018	2019
Metal charge	t	2 512 142	2 678 616,54	2 858 263,8	3 024 217,36
Ferrous alloys	t	39 656	40 288,88	44 951	46 569,9
Electrodes	t	4 278,1	4 973,15	4 969,8	5 428,3
Slag-forming, deoxidizing and purifying mixtures	t	151 069	138 995,4	147 519,5	165 544,3
Carbonizers	t	33 286	50 998,8	90 507,2	92 324,3
Heat insulating materials	t	715	770	651,9	506
Fire-resisting materials	t	27 555	28 005,23	31 129,5	32 588

BSW used raw materials which were obtained from recycled or reclaimed wastes. The share of the recycled materials in the total amount of raw materials in 2016-2019 was as follows:

Material	UoM	Quantity			
		2016	2017	2018	2019
Ferrous scrap, scale	%	94,3	93,98	94	93,69
Refractory scrap	%	1,04	0,98	1	1,01
Electrodes	%	0,16	0,17	0,2	0,17
Lime stone and lime wastes	%	4,5	4,87	4,8	5,13





Efficient use of energy resources

BSW takes managerial and investment decisions on the basis of multi-variant retraining and advanced training on issues of scenarios of development taking into consideration the 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 international (ISO 50001:2011) and national (STB ISO 50001-2013) standard "Energy Management System. Requirements with guidance for use". The base for the development of the system approach to the energy saving is arranged on a clear documenting and control of interrelated processes significantly influencing on 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;
- 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;
- 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 plant developed an Energy Saving Action approaches. The Plan includes:

 actions providing for a comprehensive energy saving system;

- arrangements for employees' training, 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:

- initiatives related with introduction of powersaving 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.

The following activities have been envisaged:

- arrangements for employees' training, - maintaining of a corresponding level and retraining and advanced training on issues of energy saving and efficient use of resources;
 - improvements in the energy management

Due to the introduction of automated electric power accounting system (AEPAS), real-time monitoring of fuel and power resources (FPR) is maximum complete inventory of factors carried out with daily summing-up and corrective actions fulfillment. This form of monitoring 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, SAPR/3 and the plant's computer network. Information technologies of energy saving and energy security, the became a scientific and technical resource for decrease in costs, and, as a result, the means Plan, setting energy policy priorities and of receiving additional income. In 2019, the plant managed to preserve positive dynamics of reduction in the specific consumption of FPR by the main power-consuming productions.

> The total amount of power resources saved in 2019 was 1119055 GJ (1048706 GJ - in 2018).

> To increase involvement of the staff in the processes of power and resource saving, BSW 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 electricity consumption by reducing nitrogen and structural division of the plant from the view point argon losses. of power saving";

for power saving";

- active on-line window "Power saving proposals" in the Info-BMZ information system.

In 2019, the following projects related to power saving can be attributed to the most important use measures.

- 1. Reconstruction of boiler house No. 2 (2nd metal rolling in EAF-2. start-up complex)
- 2. Replacement of the turbocharger with a heat boiler of the mill 320 change in the compressed air supply scheme for KKC-1
- 3. Installation of a 10.8 Gcal heat exchanger with LED lamps). for the recycling circuit of the 850 mill and 8 Gcal in the heat supply scheme for the absorption refrigerating machines AFMS-2 and FMS-2 in order to increase the use of hot water of renewable load of the enterprise, but decreases negative energy resources
- 4. Optimization of KKC-1 operation (2). Reducing natural environment.

- 5. Optimization of steel smelting regimes Regulations "About awarding of the employees taking into account the increase in the volume of secondary steel processing.
 - 6. Control of the technological process of steelmaking in order to minimize energy losses.
 - 7. Saving natural gas in EAF-2 through rational
 - 8. Saving of specific electricity consumption for
 - 9. Replacing the convective bundle on the waste
 - 10. Introduction of energy efficient lighting devices (Replacement of fluorescent lamps

Use of secondary thermal power resources for the recycling circuit of EAF-3 with a change in 2019 made up 44.4% in the balance of boiler-furnace fuel.

> Saving of FPR not only reduces financial impact of the Company's activities on the

> Direct use of power from the primary sources in 2016-2019

Course	LIONA	Quantity				
Source	UoM	2016	2017	2018	2019	
Natural gas, total	ton of fuel oil equivalent	190 382	185 240	201 338	216 574	
new productions	ton of fuel oil equivalent	31 964	37 400	725	45 538	
old productions	ton of fuel oil equivalent	158 418	147 840	200 613	171 036	

Intermediate energy quantities obtained and consumed from non-renewable power sources in 2016-2019

Course	HoM	Quantity				
Source	UoM	2016	2017	2018	2019	
Electric energy	Megawatt- hour (GJ)	1 719 053 (6 188 591)	1 866 610 (6 719 796)	1 938 359 (6 978 092)	2062601 (7 425 363)	
Heat energy	Gcal	-13 848	-12 449	-13 648	-12 782	

Energy saved due to measures on energy usage reduction and efficiency improvement taken in 2016-2019

Dower recourse	LIONA	Quantity			
Power resource	UoM	2016	2017	2018	2019
Electric energy	Megawatt- hour	104 552	32 291	85 117	113 347
Natural gas	thous. cub. m	4 625	11 160	8 343	2 829

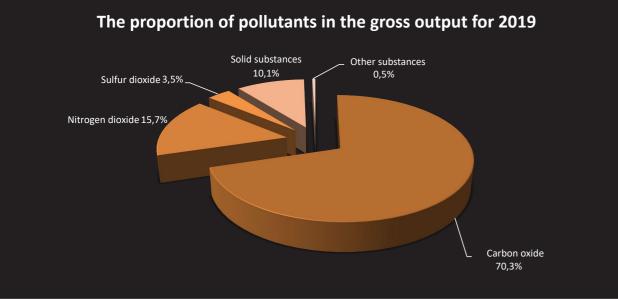


Air Basin Protection

Emissions of pollutants into the atmospheric air are sources of major negative environmental impacts at BSW. The enterprise operates 499 sources with permitted gross emissions of 11150.067215 tons per year. To minimize negative impacts, major sources of emissions are equipped with gas treatment plants, with their total number amounting to 128 units.

Vehicles owned by the enterprise include 202 units using various types of fuel out of which 151 vehicles run on diesel fuel, 51 - on gasoline. Unleaded gasoline (92-95 RON) and diesel containing 0.005% of sulfur are used as a fuel for vehicles.

Railway transport includes 9 locomotives running on diesel fuel. Railway transportation is only within the enterprise's premises; automotive vehicles are used for transportation within the borders of the enterprise's sanitary zone.

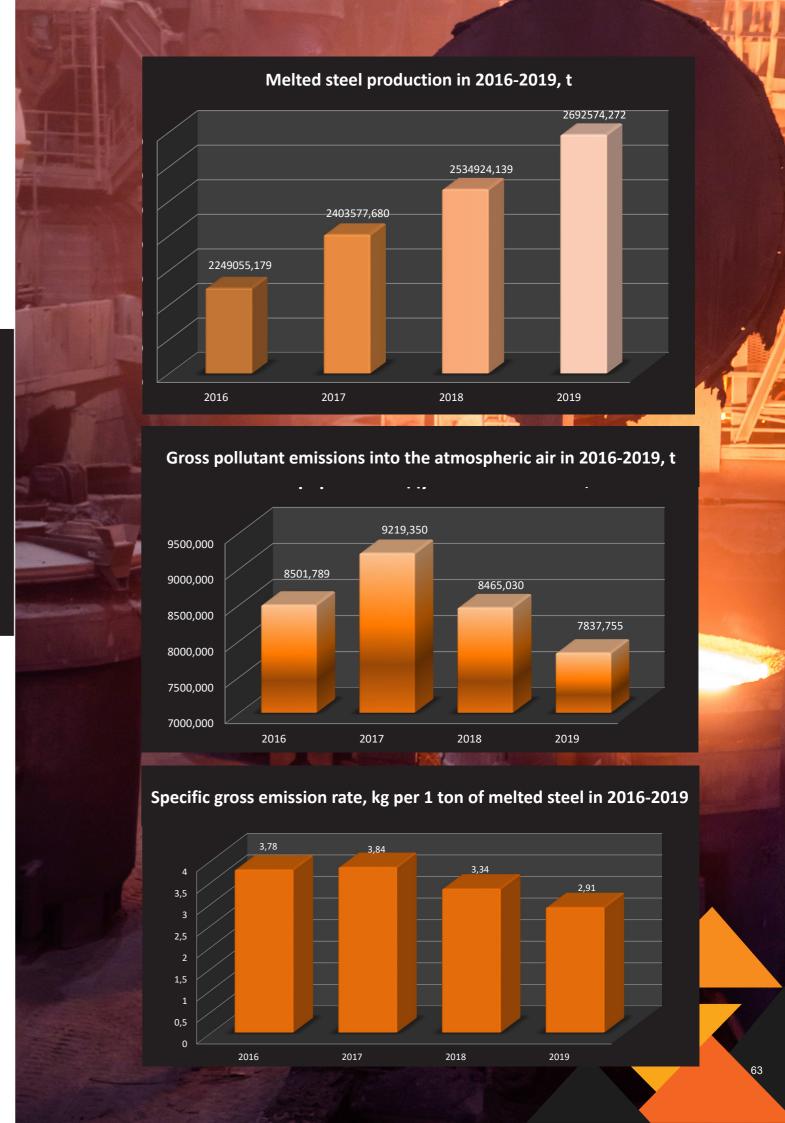


The proportion of pollutants in the gross output

Name of substance	А	ctual emiss	ions, [t/yea	Specific pollutant generation rate, [kg/t of melted steel]				
	2016	2017	2018	2019	2016	2017	2018	2019
Carbon oxide	6226,8	6546,83	6033,45	5506,795	2,8	2,8	2,4	2,05
Nitrogen dioxide, nitrogen oxide	1191,097	1203,112	1208,884	1236,715	0,53	0,48	0,5	0,46
Sulfur dioxide	324,8	326,8	285,608	271,488	0,32	0,14	0,12	0,1
Solid substances	728,3	1091,609	915,172	788,906	0,14	0,41	0,37	0,29
Total quantity of pollutants	8501,789	9219,39	8465,03	7837,755	3,9	3,9	3,4	2,91



Analyzing indicators of air pollutant emissions, it is necessary to point out that the gross emissions decreased by 7.4% (627.275 t) in 2019 as compared to 2018 that was due to the introduction of a number of measures to reduce emissions of pollutants into the atmospheric air.



Completion status; results, Measures aimed at reduction of ODS use reasons for non-completion of measures Transfer of refrigeration equipment Transfer of refrigeration equipment operating on R 22 with filling capacity of operating on R 22 with the total capacity 160 kg, to ozone-safe coolants of 160 kg to ozone-safe coolants Reduce the quantity of used ODS R22 by 4% to | The quantity of used ODS R22 was reduced by the level of 2016 7.99% (156.4 kg) to the level of 2016 Reduce the quantity of used ODS R22 by 5.5% | The quantity of used ODS R22 was reduced to the level of 2017 by 7.7% Reduce the quantity of used ODS R22 by 5.7% | The quantity of used ODS R22 was reduced

Data on introduction of measures aimed at reduction of ODS use in 2016-2019

to the level of 2018 by 8.6%

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, as well as to enhance the efficiency of the production processes result in reduced air emissions of greenhouse gases.

Decrease of harmful emissions into the air is ensured by implementation of investment projects aimed at modernization technical revamping, introduction of highly-efficient upto-date equipment and methods.

OJSC "BSW — management company of "BMC" holding" follows the existing law and norms of the international environmental 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 purpose of which is to protect health of people living in this area and employees of BSW.

54,4 27,2 27,2 0 0 0 0 0 0 R-22 13,5 24 R-12 350 0 175 R-114B2

Being a major greenhouse gases emitter, the 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 this Protocol by 2020. BSW provides for compliance with the

state requirements on reduction of consumption rates of ozone-depleting substances (ODS).

purchased, kg

The ozone-depleting substances at the enterprise are handled as established in the license "For the activities associated with environmental impacts", and, precisely, in the part of this license where

Data on ODS handling activities in 2016-2019

the amount

used, kg

amount of residues

at the end of year, kg

ODS quantities used within the enterprise are constantly decreased.

"Rules for handling of ozone-depleting substances" are set out.

Residuals at the

beginning of year, kg

ODS

name

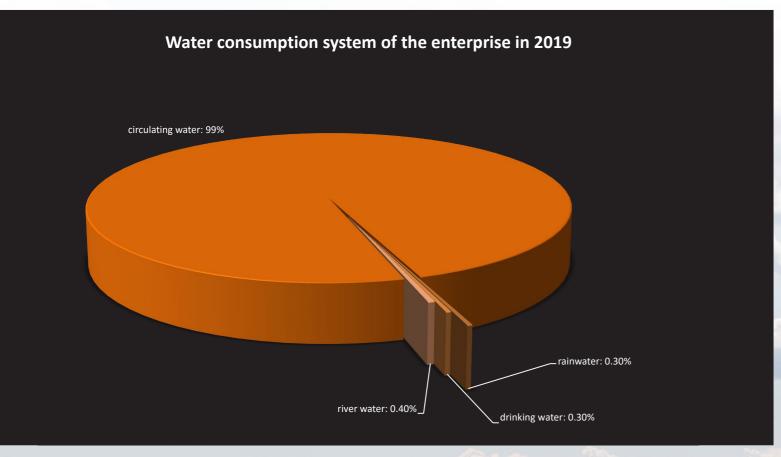


Water Basin Protection

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 length from source to mouth is 1182 kilometers. The annual runoff of the Dnieper equals to 1,261,440,000 m3. The annual water intake by BSW amounts to 0.12% of the river flow.

The plant introduced a circulating water system to supply its key users – process equipment. Water from the surface sources (the Dnieper) is used to compensate the irrevocable losses in the equipment cooling systems. Water from the artesian wells is used for the household and drinking needs.



To reduce the consumption of water drawn off from the Dnieper, the enterprise uses rainwater collected and treated at special areas.

Name	2016	2017	2018	2019
Process water consumption [thous. m3/year]	1 492,0	1 692,7	2 108,7	1643,1
Drinking water consumption [thous. m3/year]	1 109,1	1 099,8	1 309,4	1327,7
Circulating water [thous. m3/year]	365 927,9	369 808	378 522	399640,1
Rainwater use, [thous. m3/year]	959,9	1 019,6	817	1038

Results of the measures taken to reduce water resource consumption in 2019:

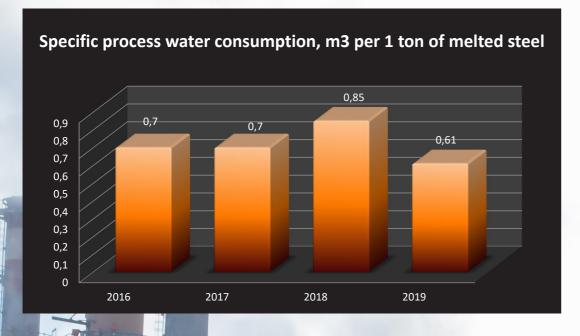
- increase in rainwater use was 221 thous.m3 as compared with 2018;
- reduction in process water consumption was 465.6 thous.m3 as compared with 2018;
- increase in drinking water consumption was 18.3 thous.m3 as compared with 2018;
- increase in circulating water was 21118 thous.m3 as compared with 2018.

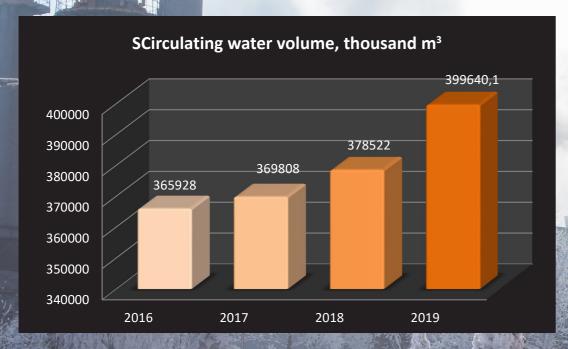
Process effluents generated by the plant are discharged into the treatment facilities located at the plant's treatment divisions and returned into the production for further recycling.

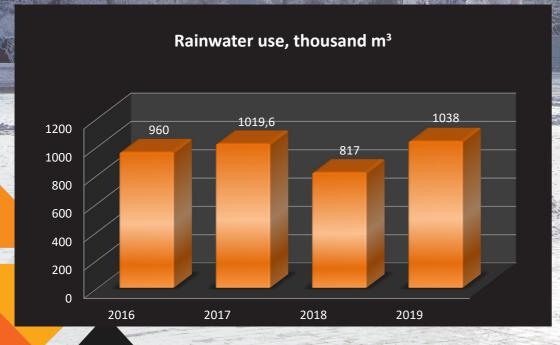
The plant's utility fluids are drained off into the treatment facilities maintained by the town of Zhlobin. Pollutant contents (hard metals, oil products, salt content) in the discharged fluids were within the established limit concentrations.

There are no water objects significantly affected by the production activities of the plant.



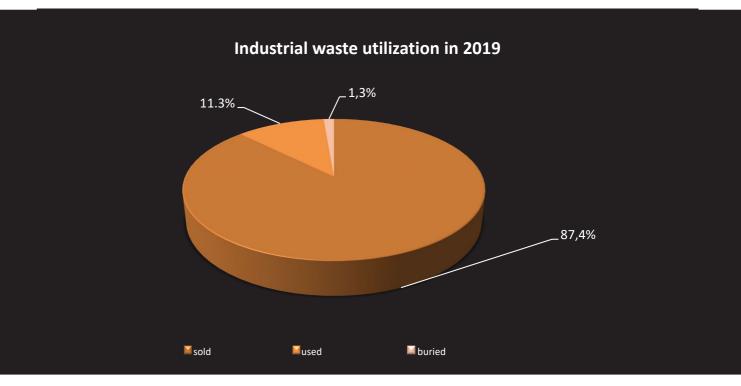




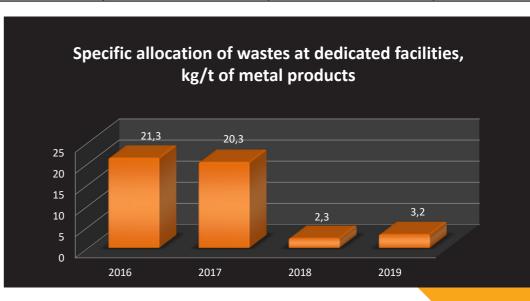


Industrial Waste Utilization

Current technologies of metal production are inevitably associated with the generation of various wastes, which belong to different hazard classes. This is a major aspect leading to the environmental pollution. The enterprise provides for strict compliance with all requirements associated with wastes utilization and disposal and seeks to limit pollutant discharges, ensure re-use of natural resources and wastes reclamation. Depending on the hazard class of wastes and their physical properties, the enterprise defined stringent requirements at each of the industrial wastes utilization stages (generation, collection, transportation, storage, handling and use), minimizing possible environmental impacts.



	2018	2019	
Sold, t	1 176 460	618 253	-558 207
Used, t	81 570	79 764	1 806
Buried, t	6 253	9 078	+2 825



During 2019, 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 BSW are associated with generation of the following wastes, corresponding to wastes groups as set out in the 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 processing of photographic materials;
 - Y17 Wastes generated from metal and plastic surface machining;
 - Y31 Lead and lead compounds;

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 Company is capable to dispose of its production after it is no longer in active use.

Training

In order to improve efficiency of its ecological activities, the enterprise arranges training courses on issues of environmental protection at all administrative levels. The 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 the 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 are arranged for managers, technicians and operational personnel on issues of ecological safety and environmental protection. They are performed according to annual vocational training plans and programs.

To guarantee observance of legal and other requirements in the area of environment, the plant ensures access to the existing reference legal system "YUSIAS 7.0" and information search systems "Stroydokument" and "Standard" for each employee. For general data on the training activities refer to the section "Social responsibility".



Improvement of Ecological Culture of the Personnel

BSW uses its employees' to implementation of strategic knowledge and experience in objectives and introduction of 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 BSW employees arrange lectures for the youth and training activities on ecological requirements and aspects for subcontracted personnel, carrying out works on the enterprise's premises.

To improve the communication system, expand opportunities of interaction between the interested parties, ensure employees' individual development and sharing experiences, BSW annually holds international scientific and technical conference "Metal". In addition to participants from CIS countries, the specialists of the Company took the stage at the conference in the section in environmental actions and "Energy and Ecology". During the conference, its participants present their reports on the topics of current interest and exchange their experience with regard employees' ecological culture the above-said documents.

steadily expanding production areas as well as in the field of corporate social responsibility.

activities of the enterprise those concerned with improvement of the environmental management system is regularly published in the corporate and regional mass media and the republican trade journals "Casting and Metallurgy" and "Steel".

Toevaluatetheenvironmental impacts, the enterprise holds public hearings, inviting representatives of supervision authorities, general public and the plant's employees to participate in them.

has initiated such actions itself several times.

approach to improvement of

plant developed and implemented:

- Provisions on tear tags recent developments in the and prevention of violations with regard to environmental protection and occupational sanitary, which are introduced Information about ecological to enhance preventive work on precautionary, advisory and control functions for the purposes of environmental protection. Activities prevent environmental infringements are carried out with the use of notice tear tags;
 - Provisions on encouraging the 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 The enterprise takes part regulations and was intended for enhancement of violators' responsibility and encouragement of the plant's employees, To provide for a systemic engineers and technicians to provide for compliance with the

Development and Implementation of Resource-saving, Low-waste, Environment-friendly Technologies

BSW takes actual steps to provide for environmental protection and implement environmentfriendly technologies as well. To mitigate environmental impacts, BSW annually introduces new environmental actions.

The most significant activities introduced in 2019 aimed at reducing the adverse environmental impacts include the following:

- transfer of refrigeration equipment operating at R22 with the filling capacity of 133.3 kg to ozonesafe refrigerants;
- arrangement of an irrigation system (water supply for additional cooling of the air flow) of external fans of the UTV emulsion stations in accordance with the developed project «Modernization of the emulsion cooling station at the fine drawing segment»;
- the amount of pollutant emissions has been reduced in relation to 2018: CO - by 56.98 tons per year, NOx - by 25.86 tons per year.



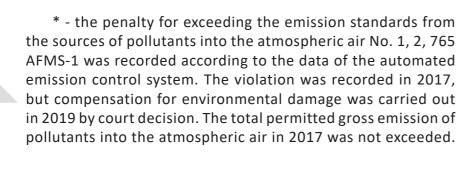
Expenses on Environment Protection and Monitoring. Environmental Payments

Annually, the plant provides considerable funds to environment protection activities. The funds are invested in repair, reconstruction, and modernization of environmental equipment.

Current expenses in 2019, thous. rubles

	nses	Amon	g them		
Name of the indicator	Current environmental expenses	Material costs	Labour costs	Payment for environmental services	Overhaul costs of fixed assets intended for environmental protection
Environmental expenses – total, including:	29781,6	23527,7	6232,9	10135,9	2
air basin protection, ozone layer and climate preservation	15955,3	14807,1	1131,9	7,7	
collection and treatment of waste water	11089,1	8613,6	2470,8	8809,7	2
waste management and prevention of their harmful effects on the environment	2415,8	107,0	2308,8	1292,1	
protection and rehabilitation of land, surface and ground waters				5,5	
ensuring radiation safety of the environment				2,6	
other areas of activities in the field of environmental protection	321,4		321,4	18,3	

Name of the indicator	total, thous. rubles			
Name of the indicator	2018	2019		
Amount of discount set for the organization for ecological payments subject to decrease of environment pollution due to environment protection measures undertaken	2 146,9	2 171,000		
Amounts paid to compensate damage caused by violation of the environment law (penalties, claims, damage, etc.)	0	1 180,67265, among them 1 179 142,65*		



Ecological payments in 2016-2019

Name of the aspect	2016 payment, thous. rubles	2017 payment, thous. rubles	2018 payment, thous. rubles	2019 payment, thous. rubles
Drinking and process water consumption	84,173	96,269	114,694	102,0
Sewage discharges	0	0	0	0
Air emissions from stationary and mobile sources	0	0	0	0
Burial of wastes	488,415	533,643	410,283	585,000
Waste storage	0,00085	0,00063	0,0005	0
Exemption from taxes to the amount of money spent on carrying out the environment protection activities	1 753,519	2 053,009	2 146,9	2 171,0

In its activities, BSW places a special emphasis on the interaction with the stakeholders such as supervising authorities, communities, consumers, suppliers, and contractors. Information sharing is performed according to the scheme included in the section «Management, responsibilities and interaction with the stakeholders».

Medium-term Targets

In addition to production facilities expansion, environmental impacts associated with the BSW BSW plans to modernize its equipment to production activities. improve environment safety and mitigate negative environmental impacts. Investment negative environmental impacts include: projects to be implemented by OJSC "BSW management company of "BMC" holding" include not only new production facilities but commercial measurement of atmospheric also introduction of the world's best practices pollutant emissions from EAF-3 of AFMS-2 in the field of environment safety.

Within the framework of the investment program, the plant also identified a number with installation of a roof hood to reduce fugitive of actions aimed at improvement of emissions through aeration skylights. ecological situation and mitigation of negative

Major actions aimed at mitigation of the

- Introduction of the automated emission control system followed by organization of (emission sources No.14 and No.914).
- Comprehensive renovation of DGC-3 of EAF-3
- Modernization of DGC-2 of EAF-2.





As far as the social sphere is concerned, the assumed obligations and their fulfillment; strategic target of the BSW activity is improvement of the corporate social responsibility system with the following basic principles: respect for social equality and responsibility, non-discrimination, ensuring safe working conditions, maintaining employees' health, creating positive socialpsychological climate in the working team along with keeping reasonable balance of the plant's economic interests and social interests of the civil Byelorussian Steel Works.

integral part of the business conduct strategy and its corporate ethics based on the principles of decency and justice, honesty in dealing with all thing is creation of a strong corporate culture. partners and competitors.

company of "BMC" holding" is guided by the enterprises of the republic. Since 2009 following principles:

- Republic of Belarus;
- business processes;
- disclosure of full and precise information regarding the results of its social activity;

- 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 BSW of a higher priority than economic results of production activity.

Employees' loyalty and satisfaction is a crucial society including that of the employees of the factor that influences business stability. The personnel relations priorities are improvement BSW considers social responsibility to be an of the employees' social well-being, building up clear communication channels, raising the degree of personnel awareness and the most important

It is essential to give the plant's employees In its social activity OJSC "BSW – management a sense of belonging to one family, the largest elements of a single integrated corporate - compliance with the legislation of the culture have been introduced at the plant. Two of them are the Corporate Policy and Code - involvement of all units and participants of of Ethics. Their major values are respect and cooperation, efficiency and results, leadership and dynamic development, initiative and responsibility which are built on opinions of - enhancement of responsibility for the stakeholders, primarily employees.

Personnel Management Policy

Respect for human rights is key to ensuring the sustainable development of BSW. The enterprise has based its activities on the universally recognized human rights and fundamental freedoms.

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 corporate policy for personnel management prescribe the following:

- formation of a labour relationship regulating system and development of social partnership based on the balance of interests of the plant and its employees;
- improvement of worker motivation systems, ensuring the competitive level of the employees' compensation package connected with the labour efficiency increase, collective and individual results of working activity;
 - personnel development (selection, recruitment, evaluation, training, promotion) to supply the BSW
 - subdivisions with the employees having the required professional and qualification characteristics;
 - improvement of the labour safety level, improvement of social and living conditions on the production site and offering optional 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 labour 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 assumes 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 labour recourses 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, STB ISO 9001, IATF 16949, API Q1, conducted at BSW in 2018 by representatives of national and international certification organizations (Gosstandart of the RB, TUV Turingen (Germany), CARES (Great Britain), TUV International (Czech Republic), API (American Petroleum Institute).

Personnel Profile

productive activity region and leading specialists is 100%. is aware of its economic and social obligation to the society its approach to solving influencing on it by ensuring the employment issues, cooperates high level of social security and with favorable working conditions for its employees, realization ecological programs, projects Contributing to and activities in the area of of professional and personal personnel management. 95.0% capabilities of its employees, of the workers and 99.5% of the managers working at OJSC conditions for their professional "BSW – management company and career progress. of "BMC" holding" are from local population.

makes about 30 %. Portion of previous year by 47 people.

OJSC "BSW – management the top managers from the local company of "BMC" holding" population including members is the largest employer in its of the board of directors and

BSW is responsible in state institutions, employee unions and other organizations in regulating efficient social and labour and related relations. disclosure enterprise creates

As of December 31, 2019, the total amount of the personnel The segment of the plant equals to 11 702 people and employees in the region decreased as compared to the economically active population corresponding period of the

95.0% of local population work at the enterprise



Year	2015	2016	2017	2018	2019	2018
number of employees	11 944	11 495	11 577	11 749	11 702	11 749

Number of employees by categories, %

Name of category	2015	2016	2017	2018	2019	Deviation
Overall number, persons	11 944	11 425	11 577	11 749	11 702	-47
Managers, persons	1 184 (9,9%)	1 102 (9,6%)	1 090 (9,4%)	1 074 (9,2%)	1 078 (9,2%)	+4
Specialists, persons	1 585 (13,3%)	1 501 (13,2%)	1 489 (12,9%)	1 508 (12,8%)	1 527 (13,0%)	+19
White collar workers, persons	35 (0,3%)	31 (0,3%)	29 (0,2%)	28 (0,2%)	28 (0,2%)	-
Workers, persons	9 140 (76,5%)	8 791 (76,9%)	8 969 (77,5%)	9 139 (77,8%)	9 069 (77,6%)	-70

The main work force is composed of workers aged from 38.0 to 42.0 having the required knowledge and professional skills

Name of category	2015	2016	2017	2018	2019
Average age of the employees, years	39,3	39,3	39,6	39,7	40,2
Managers	41,9	42,3	42,5	42,9	43,2
Specialists	39,2	39,3	39,6	39,7	40,3
White collar workers	37,9	38,6	37,6	38,3	39,5
Workers	39,0	39,3	39,3	39,4	39,8

Gender composition of the workers hasn't considerably changed as compared to 2016. As of December 31, 2019, BSW employed:

- 72.3% men;
- 27.7% women.

Prevalence of male employees is due to hard and very often dangerous labour conditions in the metallurgical industry.

Manpower turnover equaled to 2.5% in 2019.

Year:	2015	2016	2017	2018	2019
Turnover of employees, %	3,41	4,2	3,2	2,5	2,5



More than half of the plant's employees have higher and specialized secondary education.

Name of category	UoM	2015	2016	2017	2018	2019	Deviation
Overall number	persons	11944	11425	11577	11749	11702	-47
Higher advection	%	30,1	30,7	31,1	31,6	31,6	32,5
Higher education	persons	3597	3505	3596	3718	3718	3 800
Specialized secondary	%	25,1	24,9	25,3	25,2	25,2	25,0
education	persons	2994	2843	2929	2957	2957	2 925
Professional-technical	%	19,3	19,9	19,9	20,3	20,3	20,3
education	persons	2306	2273	2310	2386	2386	2 379
Cooperdom coducation	%	25,5	24,5	23,7	22,9	22,9	22,2
Secondary education	persons	3047	2804	2742	2688	2688	2 598
Candidates of Sciences	persons	7	6	6	4	4	4
Ph.D. candidates	persons	3	4	4	5	5	3
Candidates for a ster's degree	persons	39	21	52	63	63	80 (among them, 6 persons study now)

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 2019, the plant selected candidates and recruited 519 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 a great emphasis on recruitment and adaptation of young specialists. Taking into account the rates of productivity output growth, the plant employed 142 young specialists in 2019.

year	2015	2016	2017	2018	2019
The number of young specialists	338	184	344	219	142

Organization of a methodical work with young specialists is one of the priority directions of the enterprise personnel policy. Availability of constantly developing potential of the personnel represented by young specialists is the most important condition of the management succession, enhancement of management efficiency, ensuring stable social-economic development of the plant. One of the most significant events within the System of work with young specialists is a scientific and technical conference 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 the job competence of each employee and create conditions for discharge of 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 its practical activity, BSW recognizes the inviolability of human rights and takes all necessary measures to ensure and protect them. Guided by the approaches of the UN Global Compact 142 young specialists were employed by BSW in 2019 in the sphere of human rights, OJSC "BSW – management company of "BMC" holding" seeks to prevent possible conflicts of interests of the employees, managers and the plant. Principles of avoidance and settlement of competing interests are given in the plant's Code of Ethics. By preventing conflicts of interests, the Company seeks to improve the efficiency of its activity, create the atmosphere of trust and openness in the relationships with the persons concerned, enhance the business image and reputation of the enterprise.

The working tools for preventing possible conflicts are as follows: a direct telephone line with the plant's top management and representatives of the state authorities 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 is one of the leading management principles that allows the plant to create confidential relations with all stakeholders including the plant employees.

The Employees' Rights

These principles are specified in the most and guarantees their fulfillment. important document of social partnership reflecting interests of all employees of the builds up its activity on the basis of generally enterprise – the Collective Labour Agreement.

Agreement are as follows:

- development of contractual relations between the enterprise and its employees being the parties of social partnership;
- coordination of interests of the enterprise and its employees in developing general principles no cases of forces or child labour either. 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

Being a sustainable enterprise, BSW Compact, the Byelorussian Steel Works considers respects the employees' interests and rights promoting and protecting the human rights to be based on the principles of social partnership. a priority relative to the economic performance

BSW is against all forms of discrimination and acknowledged principles and norms of the The purposes of the Collective Labour international law, standards and conventions of the International Labour Organization, and the law of the Republic of Belarus. In 2019 no discrimination was registered at the enterprise neither by gender and nationality, nor by religious beliefs and political views; there were

> BSW comprises production operations with an increased threat level. It is responsible for safety and security of production facilities for its workers and local population. The plant creates 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 regulations. The issues of employees' health and safety are considered in the Collective Labour Agreement.

> BSW acknowledges that its production activity is related to a negative impact on the environment and takes all possible measures to minimize this influence on the livelihoods of the population.

> The enterprise guarantees the right of trade unions to carry out their activity freely, without any limitations, within the framework prescribed 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 labour agreements, in the employees' right to participate

in establishment and improvement of labour. The purpose of the committee is a qualified conditions and production environment.

"BSW – management company of "BMC" holding" is fulfilled in accordance with the Code of Labour of the Republic of Belarus and the Collective as an arbitrator. In 2019, 4 applications were Agreement of the enterprise:

- labour agreements and work contracts are before consideration, 1 denied. concluded taking into account the production, organizational, and economic reasons;
- notification of an employee about change of work conditions is fulfilled at least a month prior to entering into the contract;
- notification of an employee about expiration of the contract, intention to extend the contract later than a month before this occurs.

Byelorussian Steel Works strives to prevent labour disputes and conflicts, but if they occur, BSW participates in open discussions with employees admitting mutual responsibility of the human rights and freedoms is the basis of parties of social partnership. To ensure the equal rights of the employees and comply with the law of the Republic of Belarus, the special committee sustainable development of the plant and the was established to resolve labour disputes which unites equal number of representatives of the plant's administration and labour collectives. area of social responsibility.

examination of individual disputes arising between Legal regulation of labour relations at OJSC individual employees and the administration and concerning the labour relations. In the course of the year, the committee continuously worked submitted: 2 – partially satisfied, 1 – withdrawn

For the implementation and enforcement of human rights, the Byelorussian Steel Works gives the highest priority 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 for a new period or terminate it, is performed not employees. 85.7% of the employees trained in 2018, studied the fundamentals of legislation in the area of economic, environmental, and social responsibility.

Accurate and rigorous compliance with the the up-to-date socially responsible business aimed not only at gaining profit, but also at region as a whole. BSW remains committed to the law and international principles in the





Training and Education

company of "BMC" holding" considers its personnel as its major asset and takes the relevant measures regarding its preservation and development by creating conditions for professional growth and education. The Byelorussian is carried out by the regular staff Steel Works grants the right to professional education at different stages of labour activity to all its employees by aiming at long-term relations with the personnel, and considers the training to be an investment into the human capital assets.

BSW aims at searching for current sales markets, futuristic are appointed from among technologies, cost-saving reserves and other possibilities for optimization within a highly competitive environment.

The quality of the staff became a determining factor for competitive capacity of the enterprise. Ensuring the staff quality is one of the priority targets of the corporate Social Responsibility Policy. It is impossible without the developed internal training system. Guided by the labour and education legislation, the professional education system is controlled by the plant with professional staff of the corporate Training Center.

The total area of the Training Center is 2600.4 sq. m. For training activities, the Training Center has equipped rooms and workshops 1663.8 sq. m. in area for personnel

OJSC "BSW – management training for professions in electro-metallurgy, rolling and metal goods production, professions under the for jurisdiction of Gospromnadzor, and professions for maintenance of process equipment.

> Ongoing professional training of the Training Center consisting of seven foremen of vocational training, one senior foremen, 12 engineers for staff training who are responsible for 22 business subdivisions, as well as by adjunct professors and industrial training instructors.

The adjunct professors the executive employees and specialists of the plant who have higher or secondary specialized education relevant to work. The are appointed from among the highly-skilled workers with work experience of at least 3 years.

By ensuring 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 required qualification level;
- providing the human support of innovative processes; - retaining and development of the professional potential and staff competitive ability;
- providing the subdivisions with an executive staff pool having a developed corporate and management competence;
- organizing the of the specialists, management staff of the personnel is carriedand their pool;
- -creating the system of tutorship and sharing of knowledge;

- improvement of the forms and methods of training, introduction of advanced methods educational (development of the remote electronic system of modular training "LearnBMZ" with the subsequent allocation on the internal plant's site); about 200 training elements of the modular training system were developed; training elements in the plant's automated system Learn are available from each PC. They provide practical assistance teachers in preparation for lessons, and to trainees in preparation for current and final academic assessment;

- formation of an employee pool by trades among the residents of the region;
- arrangement of experience industrial training instructors and knowledge sharing when rendering the educational services to organizations and enterprises of our republic, near and far-abroad countries.

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 wellbalanced combination acquiring theoretical knowledge and practical skills.

A particular attention is paid to the modular education technology that focuses both on acquiring the particular knowledge and developing the personnel's ability for self-education and selfimprovement.

Education and development out in conformity with the current and perspective demands of the enterprise.

differential approach of to the education programs training of workers. It performs formation is applied depending on a worker's qualification level. Programs of continuous professional training stipulate studying the issues of special technologies, civil, political, economic, social and cultural human rights, requirements of environment protection systems, quality management, labour and industrial safety, energy saving issues.

The Training Center improving constantly its methodological support

continuous professional adaptation of the education program content to the priorities of social and economic development of the enterprise. Over 300 education programs were developed and updated by the staff of the Training Center and specialists of the enterprise.

The educational process one trainings with the use of process equipment, computer technologies, problem-

simulation games, educational video films about the main plant jobs, etc.

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.

In 2019, 5809 people involves simulators, one-on- were covered by continuous professional education, including the training of executive employees and based learning, professional specialists and professional skill competitions, business training in working professions.



In 2019, 1707 executive employees and specialists (72% of the total number of the staff) acquired new knowledge.



In-enterprise training of workers

Continuous professional training of workers (white collar workers) includes professional training, retraining, advanced training, educational courses.

4102 workers underwent continuous professional training in 2019, which amounted to 46.3% of the total number of workers.

Of the total number of workers who completed the training, 98.30 % of the staff was trained directly at the enterprise, and only 1.7 % – in educational institutions of the Republic of Belarus.

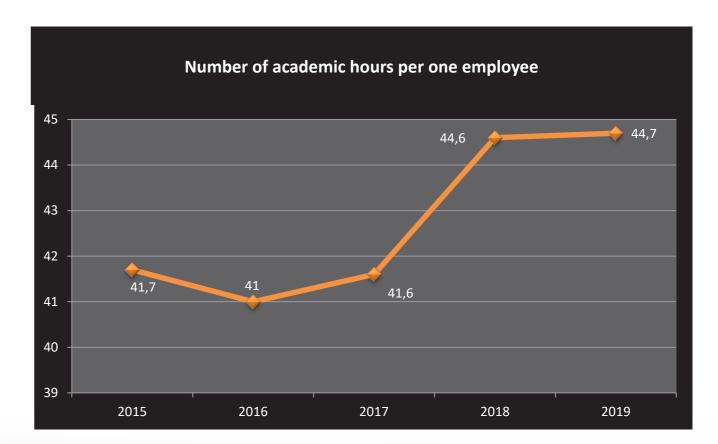


Training at the enterprise

Training at third-party educational institution

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 develops training course programs in cooperation with the division heads to eliminate and prevent such situations.

During 2019 year, 502 358 academic hours were spent on the professional training of the staff, that is 44.7 hours per one worker.



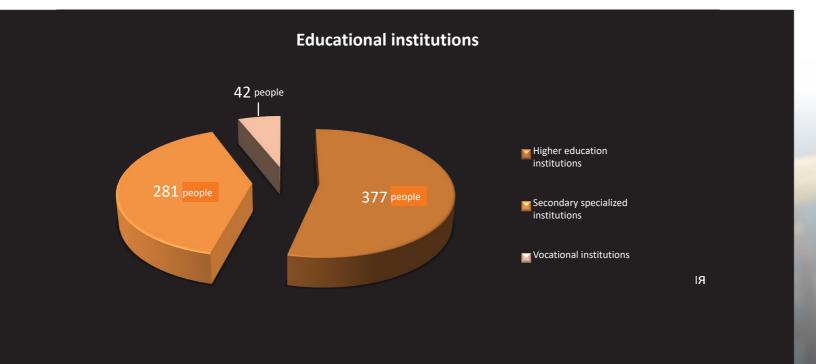


In 2019, BSW continued its international cooperation in sharing with experience and technological university "MISiS" (Moscow), knowledge about steelmaking processes with specialists of core enterprises and companies of countries near and far abroad: Higher School Institution". representative office of Siemens LLC in the Republic of Belarus, Chermet in Moscow (Russia), and Abiroy training company (Russia).

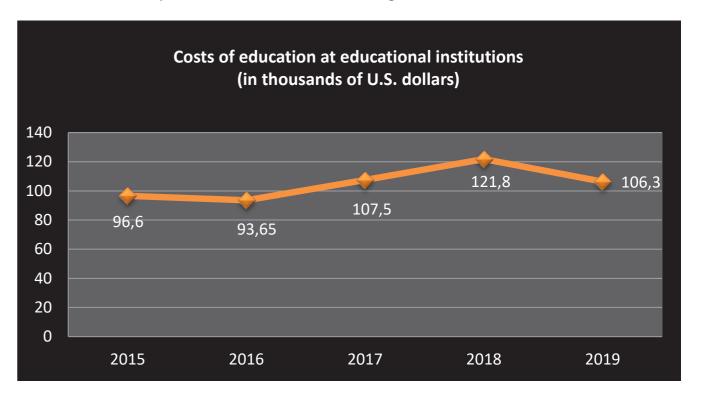
In the area of professional training, BSW builds up long-term relations with a number of leading educational establishments having recommended themselves in rendering of educational services. Among them are qualification upgrading and retraining according to new directions of development of technology 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 Belarusian state university of transport, people from educational institutions: federal educational establishment of higher

professional training "National research Centre of innovation management of Belarusian State University, "Republican

Alongside with solving the issues of personnel qualification improvement. the cooperation with higher educational establishments is aimed at reaching long-term strategic objectives of the enterprise. BSW offers students the opportunity to undertake manufacturing practice at the enterprise. During the manufacturing practice the educational establishment "Institute of students are guided by experienced workers, directing officials 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 BSW openly demonstrates its potential employees the possibility of acquiring an interesting work and personal realization. So in 2019, practical state university named after F. Skorina" and training was adopted and organized for 700



Every year, to improve the competence of executives and specialists in educational institutions of the Republic of Belarus and CIS, funding is allocated according to the annual program for training the staff of the enterprise, as can be seen from the diagram:



At all times, the corporate social development and social investments remain the sources of improving the works competitive abilities. Having a modern training facility and highly trained professionals, OJSC "BSW – management company of "BMC" holding" contributes to the society development by assisting in preparation of the trained staff for industrial enterprises of the city, region, country.

BSW ensures the right of the employees to education and considers its employees' intellectual potential and professionalism to be an essential factor required for its own development.



Motivation System

Material stimulation

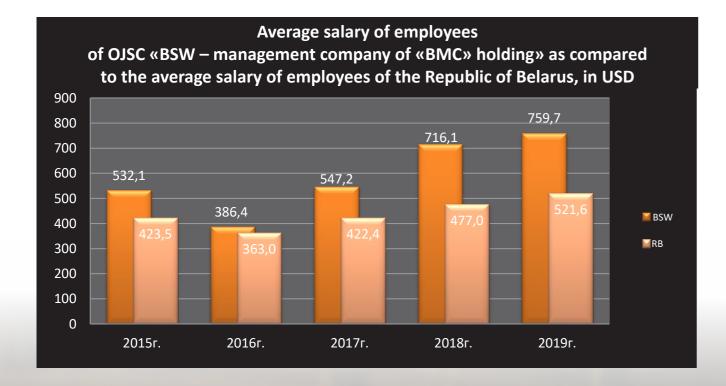
The main objective of one of the strategic lines of the enterprise policy is constant increase of productivity and quality of the personnel labour, efficient application of the existing norms and wage systems aimed at manufacturing high-quality competitive products based on the rational use of each worker's labour potential and enhancing personnel welfare gains.

One of the most precise indicators of the plant's social policy effectiveness is a 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 all employees.

In order to achieve unity of interests of all categories of workers in insuring high final results of the enterprise production and commercial operations in general based on accounting and encouragement of labour contribution of every division and a single worker, the enterprise developed the bonus scheme for labour stimulation.

Average annual salary at the enterprise made up 1588.9 rubles (\$759.7) in 2019. The average salary of workers and office employees made up 1090.9 rubles (\$521.6) in the Republic of Belarus that is by 1.5 times lower than the average salary at BSW. In 2019, the average salary of the BSW staff was increased by 9.0% in comparison with the average salary in 2018.





Salary accounting is performed in conformity with the law of the Republic of Belarus. The enterprise realizes the following principle: the accrued salary of a worker, who fully completed the labour hours and working norms, cannot be lower than the established amount of the minimal salary in the Republic of Belarus that made up 330 rubles (\$154.8) in December of 2019.

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 BSW and the collective labour 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 professions;
- As far as office workers 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 labour agreement.

Average salary of the office workers is by 25.5% higher than workers' salary. Average salary of the management is by 40.3% higher than workers' salary. This correlation is explained by the complexity of the performed obligations stipulated by the job descriptions as well as the organization (separate structural subdivisions) activity efficiency, quality of the performed works (services), efficiency of the set targets and objectives fulfillment.

Stimulating payments to the top management are effected depending on the efficiency of the enterprise 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, the use of women's labour is prohibited in:

- heavy operations and operations with harmful and/or hazardous labour 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 labour 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 0.1 of basic payment.

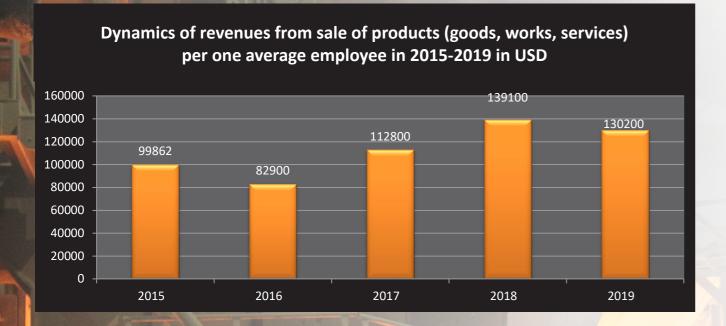
A mother bringing up children under eighteen, is given one extra day-off a month at her request; this day is not paid for.

Average salary of men at the enterprise is by 28.7% higher than that of women. Difference

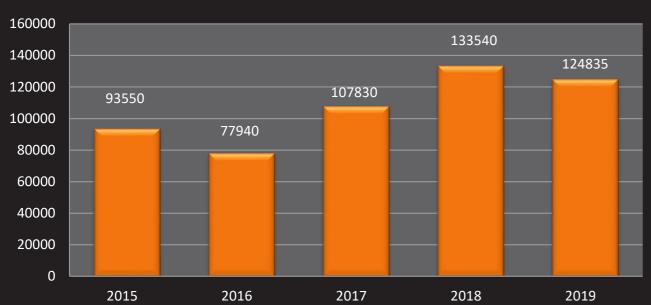
between the average salary of women and the average salary of men is explained by the increased payment for the heavy service work, works with harmful and dangerous labour conditions, where women's labour is prohibited.

Planning of labour remuneration expenses is based on the salary level reached and the output per one employee. Alongside with the labour productivity growth, the average salary increase is planned accordingly.







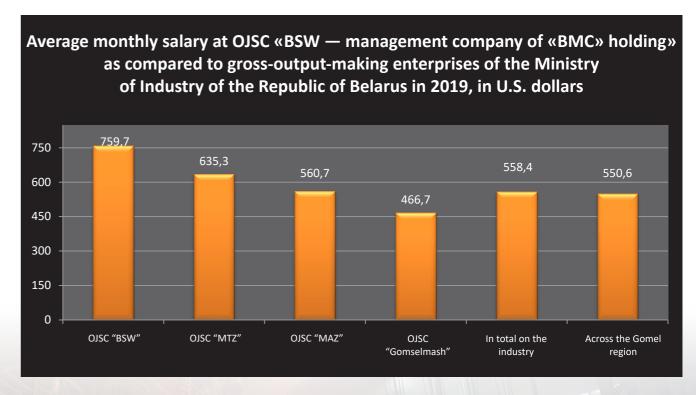


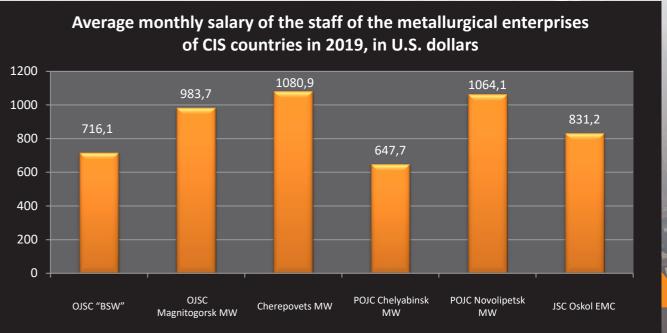
The salary growth rate in USD equaled to 106.1%. The ratio of labour productivity growth rate at the revenue in 2019 was 0.89.

The enterprise worked for decreasing the labour coefficient of the manufactured products. In 2019 implementation of this approach lead to the decrease of the labour coefficient of the operations fulfilled in basic and auxiliary shops by 20.4 thousand standard hours. The economic efficiency made up over 40.3 thousand rubles (19.3 thousand U.S. dollars).

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.

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".





Non-financial incentives

BSW has established and continues successfully developing the personnel incentive system aimed at increase in efficiency, labour quality, rational use of labour potential and strengthening of the worker's welfare. With the purpose to achieve high results of production and economic activities of the enterprise, as well as to develop a creative initiative of the workers, a wide range of moraleboosting incentives are used: entering on board of honour, awarding of certificate of honour, celebration in honour of winners of the industrial competitions, contents, etc.

Book of Honour

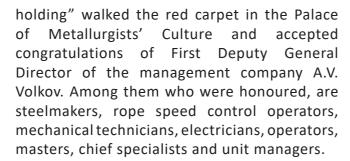
Entering in the Book of Honour is one the most prestigious awards. Traditionally, the workers who are honoured to entered in the Book of honour, are awarded with a certificate, sign "Honored Worker of BSW" and cash bonus. Becoming a labour veteran of BSW, metallurgists who were entered in the Book of Honour and retired, monthly receive labour agreement.

In 2019, the names of BSW workers who made a significant contribution to the production and economics of enterprise, were entered in the Book of Honour. The record of labour glory of the Byelorussian Steel Works was supplemented by the names of the senior foreman for repair and maintenance of electrical equipment of the compressor section A.I. Zyatikov and the steel caster of the electric steel-making shop-1 Yu.V. Ivanin.

Awards and Recognition Board

On the eve of professional metallurgist day, the collective of thousands celebrate in the honor of workers who became an example to follow over the years of work at the enterprise. Their portraits and names are placed on the Awards and Letters of acknowledgment. Recognition Board of BSW.

In July of 2019, thirty workers of OJSC "BSW - management company of "BMC"



For greater public information of plant workers and guests of the enterprise about its best representatives, two Honour Awards and Recognition Boards were established: one is located in engineering building No. 2 of plant management, and the second one, duplicating the content of the former, is located in the Palace of Metallurgists' Culture. In addition to this, Walks of Fame with photos of the best workers who made a significant contribution to the production development, are located on the plant territory.

Labour dynasty

The plant organizes celebration in honor of an additional payment prescribed by the collective labour dynasties whose representatives are thirdgeneration workers of the Belarusian metallurgy. In 2019, the Tsapko family were awarded with the honorary title "Labour dynasty of BSW". Assignment of an honorary title is approved by the order of the CEO with delivery of the diploma and a cash bonus to the head or the member of a dynasty having the greatest labour experience on the gala night devoted to the Metallurgist Day.

Rewarding with the state awards, Certificates of honor and Letters of acknowledgment

The important element of corporate culture of the enterprise is the system of moral encouragement of workers including social and psychological, personnel and professional aspects. In 2019, 869 employees of the plant were awarded with Certificates of honor and

Industrial competitions

Industrial and other types of competitions are held for improvement of quality indicators in production, professional development of personnel and work without injuries. These competitions are organized in 2 directions: production and commercial activities of the enterprise based on the financial and economic indicators, as well as thematic competitions. During 2019 year, 32 types of industrial competitions were held at the



enterprise. Among them are competitions among the producing and non-productive departments, "The best in profession" (the results are summed up once a guarter), "The winner of youth award", competition according to the system "Attention to the Person!" (the results are summed up once a simply, it unites people in one united team. year), "Competition of the teams of workshops on landscaping and land improvement" (the results are summed up twice a year by the Metallurgist Day and by the New Year).

Festive ceremony of delivery of awards for professionalism, high achievements in work, public, sports and cultural life "Professional Olympus" is especially significant event for plant workers. In 2019, the celebration in honour of workers were arranged in traditional and special nominations "Quality Leader", "Man of Business", "Innovation of the Year" and others.

Information on carrying out and results of industrial competitions and contests is placed on the plant information stands, photo reports, the newspaper "Metallurg", TV program of "BSW News", the external and internal websites of the enterprise, social networks.

System "Attention — to the Person!"

For improvement of moral and psychological climate in the labour collective, the system

"Attention — to the Person!" has been functioning at the enterprise since April of 2005. It doesn't directly involve the production achievements. It is aimed at creating a healthy microclimate, education of a sense of solidarity, mutual aid. Put

In different years, the various structural divisions of the plant became winners of a competition in this system. In 2019, the staff of the pipe rolling plant is recognized as the leader.

The trade-union committee of OJSC "BSW management company of "BMC" holding" participates actively in the work of the system "Attention – to the Person!" by providing the funds for gifts for the retired workers, the newlyweds, plant workers who became parents and so forth. In 2019, they all began to be congratulated not only on the infoBMZ internal website, but also in the plant's community in VKontakte.







as year-round advertizing of the enterprise. Each self-respecting company presents to the partners and clients such souvenir products. In a highly competitive market conditions, the competition for a nail on the client's or partner's wall is a difficult task with a high rate. Actually, the possibility to gently remind itself and a chance to prove that you are better in calendar creative than your competitors are at stake.

At the same time the single companies think of the fact that the given exclusively marketing tool can be filled with the social content too. For this purpose, it is necessary to approach to creating a corporate calendar not as to a simple order of the souvenir products. So, since 2010, BSW has been organizing a presentation of annual corporate women and children calendars. Pages of children calendars are illustrated with pictures in which from the children's viewpoint the ideas about BSW are reflected.

The best pictures of the growing-up metallurgists selected in 2019 following the results of the regional competition "I Want to Be a Metallurgist" and the photo of the workers of the enterprise who passed a casting on participation in the photographic projects are presented in editions of 2020.

Professional training organized and carried out at the enterprise by the Training Center ensures execution of the three motivating functions:

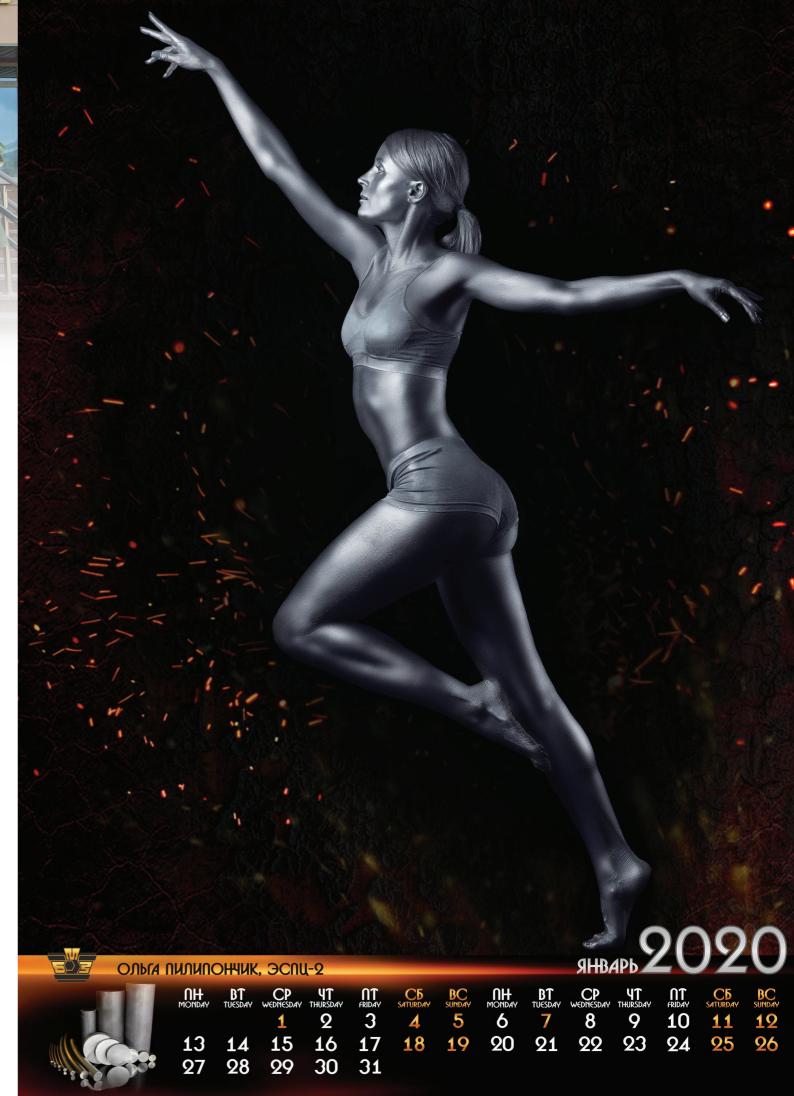
- Production-economic (Company competitive ability growth, enhancement of the quality of duty performance and manufactured products);
- Administrative (providing with qualified personnel, its formation, reproduction, adaptation and personnel development);
- Social-cultural (personality socialization, provision of occupation, social confidence, offering equal opportunities for professional and career development).

Byelorussian Steel Works focuses 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 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 enterprise.

Short-term Targets in the Area of Social Responsibility

Achievement of the following level of the main target values related to social-economic development of the enterprise is scheduled for 2020:

- training of the executive employees and specialists: 1538 people
 - professional training of workers: 2484 people
- general satisfaction of the personnel: at least 72%
- personnel turnover: no more than 4.2%





Information and Communication

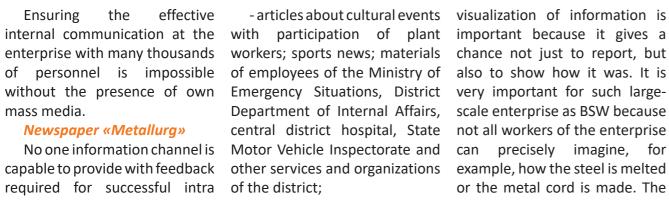
the effective Ensuring internal communication at the enterprise with many thousands of personnel is impossible mass media.

Newspaper «Metallurg»

capable to provide with feedback required for successful intra organizational communication, except for the corporate readers. edition. It allows any worker, irrespective of his job position about the results of the BSW in the personnel hierarchy, to raise the concerning issue for discussion by the management or provide suggestions for an of the enterprise.

The newspaper is published 1 time a week. It helps the 7500 people have been the employees to learn not only about work of other links of the enterprise but also to understand their role in common process of production. All materials presented on pages of the newspaper can be conditionally divided into the following theme groups:

- the news concerning social and political life of the country Gomel region. The veterans are and the region;
- significant events from life of the free-of-charge by the trade plant (signing of the contracts, operational performance, repairs, reconstruction, victories enterprises of the holding in various competitions);
- the materials devoted to employees of the enterprise;



- letters and appeals of

For raising public awareness work, data on the current outputs are published. For developing a clear idea of the situation in metallurgy, each "The world of steel".

For several years more than subscribers of the newspaper "Metallurg". In 2019, the circulation of the newspaper was over 8500 copies. It means that the plant newspaper comes practically to each family of the plant workers. It is distributed not only in the region of production activity of the enterprise, but also across - information on the most subscribed to the newspaper union committee. The corporate newspaper is delivered to the by subscription. Newspaper "Metallurg" regularly presents information about their activity, memorials, achievements.

TV program «BSW News»

The city channel "Nuance" regularly broadcasts a weekly program "BSW News". The main advantage of plant television is an opportunity to quickly distribute objective information

important because it gives a chance not just to report, but also to show how it was. It is scale enterprise as BSW because not all workers of the enterprise can precisely imagine, for example, how the steel is melted or the metal cord is made. The television helps to eliminate these gaps. The BSW executives appear in the broadcast of program "BSW News".

Considering the current trends of the media space development, BSW focuses on Internet resources in its increase of overall performance Saturday publication has news foreign information policy. This channel has a number important advantages: wide audience, efficiency of distribution, ease of access and simple reproducibility. To achieve the maximum efficiency when distributing the image information, the press service of BSW closely interacts with the leading news agencies and the Internet portals of the country.

Promotion of the enterprise on social media

Considering the current among its readers too. They are trends of use of social networks as an effective channel for information distribution among the youth audience, BSW has intensified its efforts to develop thematic communities of the enterprise.

> Now the Byelorussian Steel Works is presented on such social networks as Odnoklassniki, VKontakte, Facebook (news are updated in English), Twitter, Plus. google, Telegramm - Belsteel. There is a channel on the largest video hosting YouTube.

In 2019, 8500 people became its subscribers. The plant news, to wide audience. In this case, announcements and photos are



quickly posted in this group. The the modern resource of the competitions are held to increase the number of subscribers. Besides a regularly updated news feed, the theme group contains the thematic photo albums and various sections allowing to achieve the most effective feedback. According to the statistics of the enterprise, news in it are viewed by users not only from the region of the BSW operation, but also from such countries as Ukraine, Russia, Germany, China and the USA.

Internet activity

BSW is represented on the network by four different resources: the website www.belsteel. com, the site of the plant's newspaper "Metallurg" – www. metallurg.belsteel.com, internal website – infoBMZ, and by 3 thousand employees of the thematic communities on social media. Each of them is focused on a certain target audience and the inside information to the performs various functions.

www.belsteel.com has been

international level addressed to the wide audience of users. It contains not only useful information but also serves as a communicative channel for the purpose of strengthening the BSW image. Since the majority of business partners of BSW are foreign companies, the website is presented in two versions: in Russian and English languages.

The internal website infoBMZ is intended for use only by the staff of the enterprise. The website provides an access to the archive of the plant newspaper "Metallurg", the corporate leading republican publications special-purpose and the periodical publications. There is a link to the plant electronic library. The internal site is visited enterprise each day. The main function of infoBMZ is to provide BSW workers whose workplaces The corporate website are equipped with PC. In the sections of the resource, any functioning since 2003. It is expert can find the necessary

e-documentation which is accurately sorted by sections: quality, labour protection, ecology, economy, personnel.

The site of the newspaper «Metallurg» www.metallurg. belsteel.com contains the archive of the newspaper, photos of the employees of the enterprise, etc. The information is updated twice a week. To provide feedback to readers, there are sections on the site where you can leave your comments or ask a question.

Working according to the Principles of the UN Global Compact, OJSC "BSW management company of "BMC" holding" provides a free access to information, develops external communications and confirms the readiness for open dialogue with the interested parties.



Labour Protection and Ensuring 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. Labour safety and health are the key priorities of the corporate labour protection management system. Realizing its mission, the enterprise ensures the employees' labour protection, takes measures for reduction of accidents risks and occupational diseases, strives for creation and sustaining of such labour conditions that are not dangerous to employees' health and human dignity.

Using dangerous industrial facilities in the production process, the enterprise management bears responsibility for conservation of the employees' life and health. The existing labour protection and industrial safety management system is built according to the requirements of Belarusian legislation and considering international practices.

Labour protection service of the plant bases its activity on the priorities of the international regulations. Labour protection management of the enterprise is based on the key international standard of labour safety OHSAS 18001 "Occupational health safety assurance systems" and national standard STB 18001 "Labour protection management systems. Requirements".

As before, the key strategic aims of OJSC "BSW - management company of "BMC" holding" in the area of labour protection are as follows:

- Continuous improvement of efficiency of labour protection in accordance with the requirements of OHSAS 18001:2007 and STB 18001-2009;
- Constant control of risks related to implementation production processes, of the preventive and corrective actions directed towards prevention of occurrence of occupational diseases and injuries in production;
 - Labour 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 labour 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 the certification bodies carry out the external audits to check the compliance of the enterprise system of labour protection and industrial safety with the requirements of the standards.

In April 2019, the representatives of Norm-Test Ltd. – partner of TÜV Thüringene.V (Minsk), body for certification of systems and personnel, carried out the surveillance audit to confirm the certificates of correspondence of the labour protection and industrial system compliance with the requirements of OHSAS 18001:2007. As a result of the audit, one protocol of nonconformity was issued, and the non-conformity was eliminated during the audit.

In December 2019, the representatives of the state educational establishment "Belarusian State Institute of Standardization and Certification" – a certification body - fulfilled a re-certification 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, 18 divisions were inspected. Based on the audit results, one aspect for improvement was identified.

According to audit results, the compliance of the system of environment and industrial safety management at BSW with the international standard OHSAS 18001:2007 and state standard STB 18001-2009.

After the standards were implemented at the enterprise, we accept contemporary, universally acknowledged international safety technologies. This allows BSW to speak the same language with its international partners and organize cooperation more effectively. Currently, the enterprise needs to confirm the availability of the certified labour protection management system in many cases for signing joint contracts. It is evident considering western partners' mentality. Availability of the certificate acknowledging the conformity with

the international standards characterizes the decreasing the basic risk types related with the enterprise as a reliable partner, increases its prestige, and the products competitive ability.

Implementation of this system allowed BSW to: population and consumers;

- Decrease the costs due to a more efficient related with injuries and morbidity;
- Improve legal safety, guarantees of correspondence to the changing legislative labour improvement of conditions and reduction of safety requirements;
 - Minimize the risk of judicial punishment;
- enterprise productive activity;
- Improve the enterprise image on product and labour markets as well as in the eyes of government authorities as a socially responsible organization;
 - Aim the management team at detecting and

negative impact of the production activity and the released products on the health of its employees,

- Simplify the system approach to problem use of labour recourses; diminish the expenses solving, achieve greater responsibility, more distinct distribution of responsibilities;
 - Increase the labour productivity due to unproductive time and labour waste.

BSW continuously improves the system - Respect the interests of the parties - the of labour protection and industrial safety employer and working team in the process of the management and adjusts it in accordance with the requirements of international standards. This allows a considerable reduction of the production costs through a decline in losses of labour capacity of specialists related with accidents, occupational illnesses, emergencies and fires.





Improvement of labour conditions

Working conditions for 2956 employees were improved in 2019

BSW does not only increase its production capacity and industrial product output from year to year, but carries our continuous and purposeful activity to create and improve safe working conditions. A large amount of work to remove outdated equipment from production and installation of advanced equipment meeting all international requirements of labour safety is carried out within the Program of technical revamping.

These measures helped us to improve labour conditions of the employees to a considerable extent and decrease impact of dangerous and hazardous production factors.

Every year the plant works out a plan of measures providing for labour safety and labour conditions improvement. In 2019, the plant implemented 61 measures (in 2018

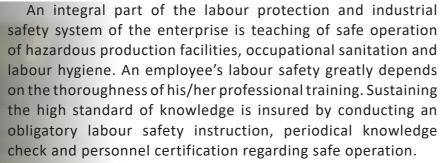
- 37). Due to the measures taken, working conditions of 2956 (2793 in 2018) employees were improved.

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 labour safety requirements.

Obligations of the employer in providing for safe and healthy labour conditions are stipulated in the section "Labour Protection" of the Collective Agreement of the enterprise. 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.

In 2019, BSW invested 3 million 577 thousand 689 Belarusian rubles in provision of the safe and healthy conditions.

Training and Competence Evaluation



Dynamic development of labour 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 labour protection.

In order to carry out educational activities to train the members of the staff who maintain and operate potentially dangerous and dangerous facilities, the training center, in accordance with the current legislation of the Republic of Belarus, has undergone an examination and received the permission of the Department for Supervision of Industrial Safety of the Ministry of Emergency Situations of the Republic of Belarus (Gospromnadzor) for the right to assess the knowledge of persons who, in accordance with the requirements of technical normative legal acts and normative legal acts, are responsible for organizing and ensuring the safety of works at the controlled dangerous production facilities and other high-risk facilities.

Social Control for Observance of Human Rights in the Area of Labour Protection

All stakeholders including the of compliance with the legislation employees are actively involved in the process of managing the labour protection and industrial safety two-stage public control.

At the first stage, daily control of observance of the legislation of the Republic of Belarus in the sphere of labour protection, ensuring the employees right No. 59 dd. 24.04.2003. to safe labour and health maintenance is fulfilled by the inspections were carried out public service of health and safety executives. The service the labour protection law. of public executives consisting As a result, 71 019 violations reputable employees selected related to labour protection by the working team members were considered. by open voting.

The executives' activities improvement and their regarding the control of compliance with the labour safe labour rules and norms, a protection legislation are corresponding local regulation of labour for workers of the regulated by Decree No.179 stipulates of the Ministry of Labour incentives of employees who and Social Security of the have no violations of the environment of workers of Republic of Belarus "About requirements of labour and the procedure of public fire safety, and industrial control of the compliance sanitary Besides, with the labour protection Safety column functions in the legislation carried-out by the persons authorized to control system "Info BMZ" (internal an organization employees' protection" 28.11.2008 and the Articles of concerning Association of the Belarusian protection and industrial Federation of Trade Unions. safety, as well as the following The executives proceed to journals: "Labour Protection", individual work after taking "Industrial Safety", "Labour a special training course at and the private unitary enterprise "Educational-Methodic Center of Gomel Regional social responsibility in addition Trade Unions".

and checking operating safety organization in conformity with local regulations is carried out by representatives of the structural subdivisions management. Their activity is specified by the Decree of Presidium of the Belarusian

During 2019, 65 189 to check the observance of persons includes were found, and 448 requests

> For stimulation and of personal authorities responsibility of the employees for observance of the material plant's information-reference site). It includes and updates of workers of the workshops dd. national and local regulations 854 persons. the labour Social Protection", "Rescue Service", etc.

Following the principles of to obligatory insurance, the At the second stage the control employer signed an agreement

with Promtransinvest Ltd. "About voluntary insurance of civil responsibility of the employer for its employees' health and system. BSW created a system of a 9 public commissions including life injury". According to the agreement, beside insurance cases anticipated by obligatory insurance every employee of BSW was additionally insured Trade Unions Federal Council 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 social-economic development of the enterprise (in the sphere of labour protection and industrial safety) is scheduled for 2020:

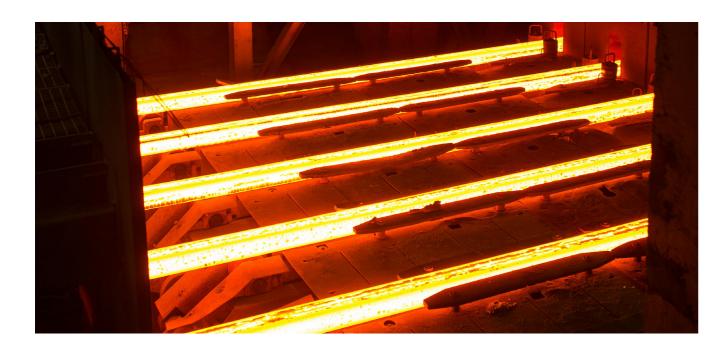
- reduction of work-related fatalities, injuries, illnesses by 11% as compared to the level of 2019;
- provide for additional safety workshops – 448 persons;
- improve production the workshops – 336 persons;
- improve sanitation and Labour household conditions for workers of the workshops -1351 persons:
 - improve drinking condition

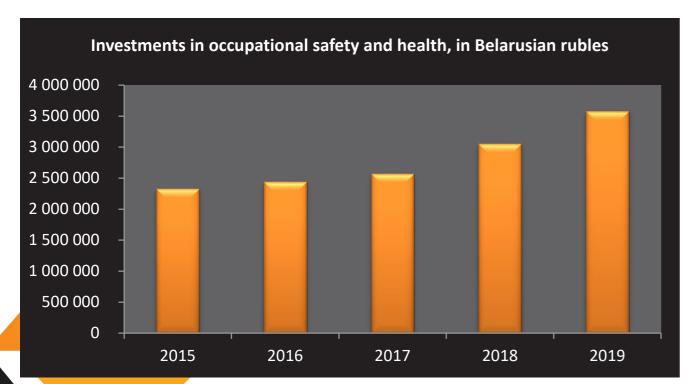


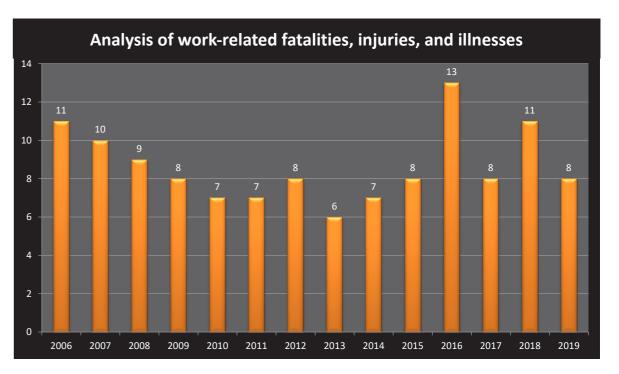


Indicators of work-related fatalities, injuries, and illnesses

No.	Indicators	2016	2017	2018	2019
1.	Quantity of recorded accidents	13	8	11	8
2.	Quantity of the injured, including:	13	8	12	8
	fatal	1	0	0	
	severe	2	3	4	4
	group	0	0	1	0
3.	Frequency factor, Ff	1,2	0,65	1,01	0,82
4.	Severity rate, Sr	21,15	30,86	31,9	31,3
5.	Quantity of days when work capacity is lost	275	216	351	282







Health Protection

the most important integral part of the social policy of OJSC "BSW - management company of the plant personnel's strong orientation at of "BMC" holding".

The plant medical prophylactic assistance improvement of the life quality. provided to the employees is organized in accordance with the state program of ambulatory facilities aimed at bringing medical assistance assistance to the population and fulfills the close to the employees and rendering medical tasks related with health protection, medical and sanitary support of the production process, disease prevention and follow-up care, and center financing: ensures cooperation of the plant's divisions in solving issues of labour 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 "Plans on detailed measures to prevent death at OJSC "BSW — management company of "BMC" holding" for 2020" which coordinates the interaction of the administration, medical community and consumer facilities, trade union in the area of disease and injury prevention and promotion of a healthy lifestyle.

The major measures of the social policy and plan are as follows: 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

Health protection of the plant workers is norms; improvement of ecological events and environmental protection norms; development healthy lifestyle and creation of conditions for

> BSW develops and improves its own medical assistance to the citizens of the town and region.

BSW spent the following sums for medical

in 2015 - 1 390 992.36 rubles

in 2016 – 1 354 677.42 rubles

in 2017 – 1 966 504.79 rubles

in 2018 – 2 605 135.96 rubles

in 2019 – 2 645 673.93 rubles

The industrial hospital includes: 8 first-aid temporary incapacity for work, disability and stations, 4 of which work 24/7; a polyclinic for 250 visits per shift (the total area excluding corridors, auxiliary and other premises) equals to 2386.1 sq.m). It comprises: reception; 2 staff, industrial safety board, members of the shifts); 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, determination vibration sensitivity, audiography), medical certificate registration room, room for preliminary examination, special doctors' rooms: neurologist, traumatologist, ophthalmologist, otolaryngologist, urologist, dermatologist. Modern conditions have been created for sterilisation of medical instruments and consumables.

The industrial hospital is the basis of medical service of the enterprise. Modern medical equipment and high professionalism of medical workers allow to carry out surveys on laboratory, functional, and instrumental diagnostics. Doctors of narrow specialties render a wide range of medical services.

The hospital is equipped with state-of-theart equipment and its material-technical base is continuously improved. Medical service can be rendered with temporary interruption of production activity, which allows to maintain the level of labour productivity and save resources of the social security fund. Treatment and physiotherapeutic procedures are rendered close to the production process.

The personnel of the industrial hospital consists of 147 people including: 36.5 doctors, 85 medical workers with secondary specialized education and 18 junior medical specialists. 78.8% of doctors (subject employees) have qualification categories. 72.5% of the paramedical personnel are attested for categories.

The industrial hospital has 7 shop therapeutic stations serving approximately 2258 people each. 186 061 people visited the industrial

hospital in 2019. 77.1% of the total number of visits were related to diseases, including consultations and monitoring; 22.9% were preventive medical examinations.

All types of medical examinations are used for coverage of able-bodied population with preventive medical check-up and screening for detection of pathologies which are the most significant in terms of death rate (circulatory diseases, neoplasms, infections). During a compulsory medical examination, check-ups are carried out as part of medical examination of the population. Persons who are subject to follow-up care, are registered for regular medical check-up.

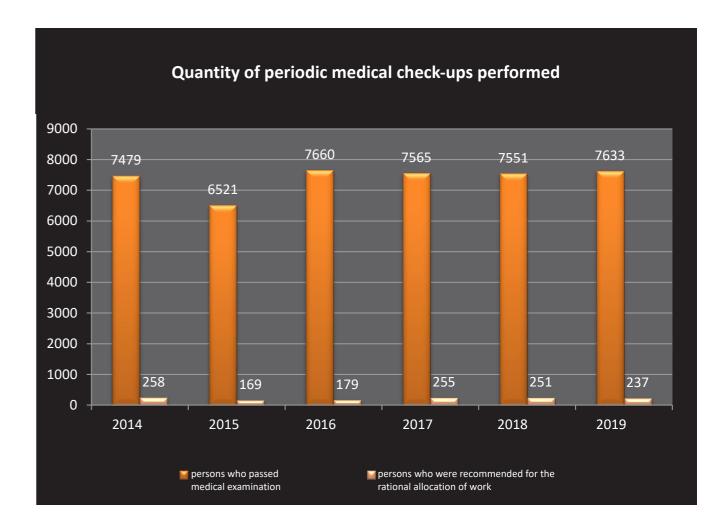
Arrangements have been made for early detection of cancer related diseases. The industrial hospital takes an active part in implementation of screening programs (breast cancer and prostate cancer screening). The tumor markers for early detection of oncopathology are purchased at the enterprise's expense.

on laboratory, functional, and instrumental HIV screening assessment is carried out (in diagnostics. Doctors of narrow specialties 2019, a total of 14 152 analyses were carried out).

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. Conducting medical examinations makes it possible to immediately identify contraindications for working with harmful and hazardous industrial factors and take measures to prevent their impact, which prevents the development of occupational diseases and helps prevent industrial injuries. Also, 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.

As part of this work, in 2019, 8727 employees of the plant and unitary enterprises, as well as veterans of BSW, passed in-depth medical examinations, which amounted to 99.6% of the subjects. Among them, 7179 people underwent mandatory medical examinations of workers. One occupational disease was revealed.

A local computer network is available at the industrial hospital. 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 industrial hospital is connected to corporate network of the enterprise and is equipped with the programs: Personnel, Lotus-Notes, YUSIAS, Overalls, 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.

With the pervasiveness of chronic diseases, the demand for more effective treatments is increasing. This problem can be solved only on condition that the main emphasis is placed on disease prevention and promotion of a healthy lifestyle.

The staff of the industrial hospital in cooperation with the BSW management team arrange and take measures on disease prevention and promotion of a healthful lifestyle. The Collective Agreement includes provisions for compulsory passing of the medical examination by the BSW workers. There are some incentive measures for workers who regularly pass the medical examinations and leading a healthy life without cases of temporary incapacity to work.

There are health promoting schools: "Person. Lifestyle. Health." "Measures for arterial

hypertension prevention", "Addiction prevention". Articles on a healthful lifestyle promotion and prevention of socially significant diseases are published and updated in the mass media (newspaper "Metallurg") and on the website "Info BMZ". Stands on a healthful lifestyle promotion are arranged in structural subdivisions and enterprise dormitories.

A number of measures to monitor the health condition of workers, first of all, suffering from cardiovascular diseases, are taken directly in the shops of the enterprise. These measures are taken both during a pre-shift medical examination, and in the form of selective control examinations by medical assistants of the health centers. If necessary, the worker is sent to the shop therapist for correction of the assigned therapy.





BSW established 8 health centers, 4 of which provide emergency health services on a round-theclock basis. Each health center is equipped with all required equipment (an electrocardiograph, defibrillator, glucometer, portable alcohol tester) and pharmaceutical drugs for delivery of healthcare services. There are 2 ambulance cars for uninterrupted service of health centers. The medical staff of the health centers are trained to respond to medical emergencies by immediate care. Practical courses for training these skills are regularly carried out followed by pass-fail exams (quarterly). Medical assistant-narcologist checks workers for alcohol on breath, measure their blood pressure, carries out preventive work with persons registered at drug addiction and psychiatric clinics, weekly (within a mobile group of the enterprise) and at random during the shift. For fight against alcohol intake and prevention of occupational injuries, medical assistants perform pre-shift and pre-driving medical examinations.

The medical assistant and therapists (7 shop therapeutic centers) work directly in their assigned shops to monitor the health condition of workers. Besides, to monitor the efficiency of allocated therapy, medical assistants observe for a group of patients having a high risk of heart diseases and physical disability, a low adherence

to treatment and avoiding regular medical checkups. Lists of this category of persons specifying the purpose and frequency rate of examinations are submitted to medical assistants of health centers by shop medical service. The medical assistants examine the workers during their shift (information about the results of such examination is recorded in the examination sheet which is submitted to the shop medical service for logging, analysis and taking measures). If needed, the medical assistants render assistance and (or) send the workers to the industrial hospital for correction of the assigned therapy.

Doctors of the industrial hospital take measures to prevent circulatory diseases, including at the stage of scheduled medical examinations. Doctors of any specialities measure blood pressure at the initial consultation. During medical examination of the population, the primary focus is on a group of workers at the age of 40-59 years.

A positive thing in seasonal disease prevention is the possibility for employees to have a voluntary anti-flu vaccination free of charge.

Medical services are demanded not only by the plant workers, but also by the citizens of the region. In 2019 proceeds from paid medical services made up 2 645 673.93 rubles.

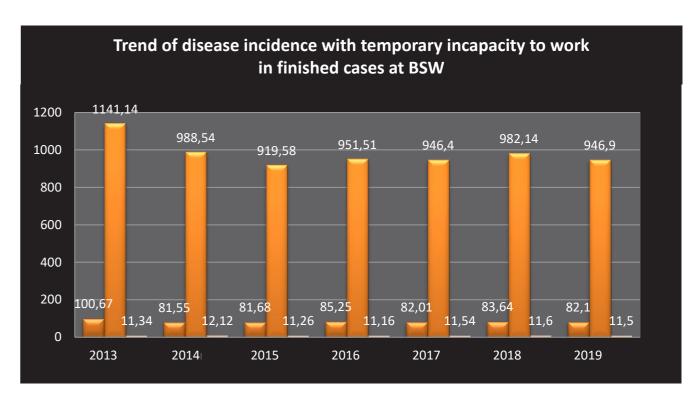
Effectiveness of Medical and Health Promotion Programs

Funds invested in the BSW 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 to sustain the positive dynamics of lowering the employees' disease.

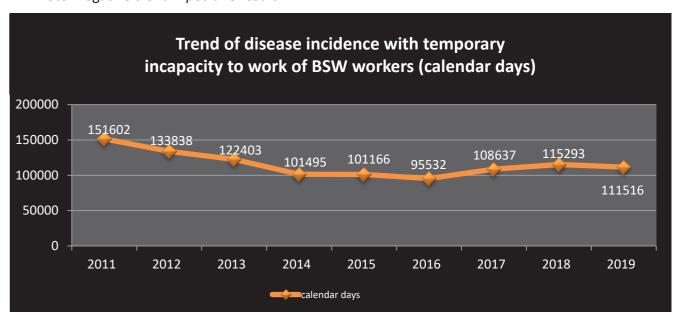
As a result of prevention and early detection of diseases, indicators of the employees' health and quality of their life improved. Since 2011, the level of diseases with temporary incapacity to work of BSW employees decreased from 1228.5 to 946.9 calendar days per 100 employees or by 22.9%. And in absolute days by 26.4%.

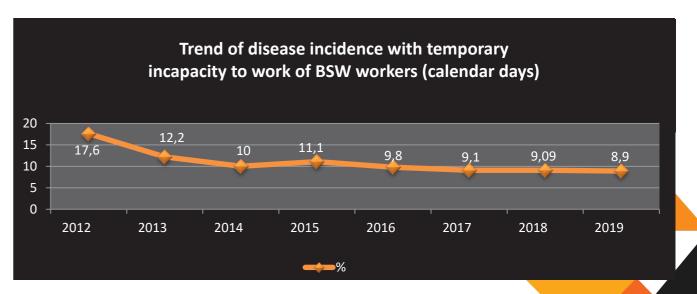
Diseases with temporary incapacity to work made up 946.9 days per 100 employees in 2019, which is 3.59% less than in 2018 (982.14 calendar days per 100 employees).



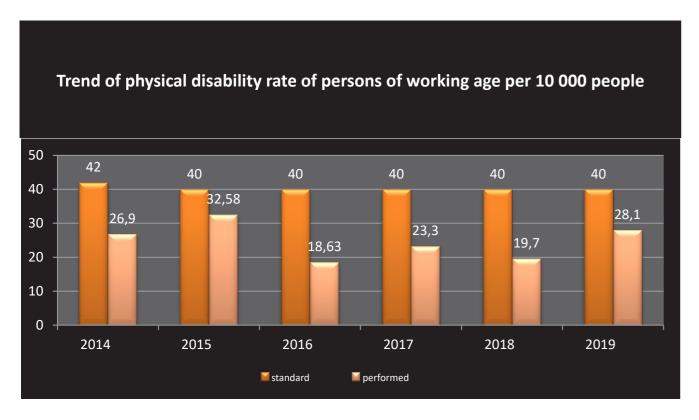


Note: negative trend - positive result





Note: level decrease – positive result



Note: Excess of the rate over the standard level is a negative result

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, there is a Program "Health at work" at Byelorussian Steel Works realized within the framework of the project of Belarusian Red Cross "HIV prevention in working life".

The target of the project is improvement of HIV prevention measures in working life and improvement of efficiency of their implementation, as well as solving of the employees' problems relating to maintenance of reproductive health, arrangement of events relating to disease prevention, formation of a responsible behavior

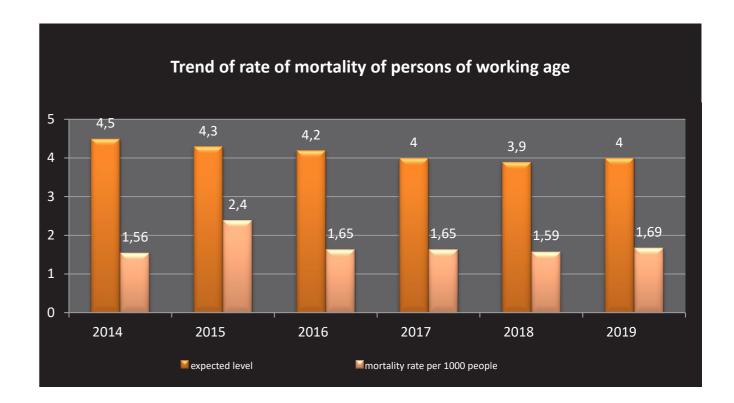
and adequate attitude to people having human immunodeficiency virus.

"Health at work" program allows the plant's employees to understand 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 separate annual plan is developed at the plant's dormitory for single people to prevent HIV /AIDS.

During 2019, BSW arranged a number of events under the program "Health at work" including informative and consultative meetings with the plant personnel, placing of information and educational materials dedicated to the problem of HIV-infection dissemination and preventive measures on specialized stands located at dormitories, 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 at work" program. Specialists of the pant medical department participate in the work of the district inter-departmental commission



Note: Excess of the rate over the expected level is a negative result

on prevention of HIV/AIDS and venereal diseases. The medical assistant (head of health centers) of the industrial hospital is a chairman of Zhlobin district organization of the Belarusian Red Cross Society.

During 2019, the volunteers of the primary organization of the Belarusian Red Cross Society in cooperation with the staff of the industrial hospital carried out activities and actions timed to the Republican Health Day and took part in the events organized at the enterprise. There were patriotic actions and actions in support of a healthy lifestyle: "Stop! AIDS"; patriotic bike ride "Belarus remembers", etc.

- 14 volunteers-instructors were taught to emergency medical treatment in Gomel regional organization of the Belarusian Red Cross Society. They regularly arrange trainings for workers on the following topics:
- humanitarian law, fundamental operating principles of International Red Cross and Red Crescent Movement and humanitarian values.
- preparation and response to emergency and crisis situations.

In May of 2019, charitable actions "Five potatoes" were arranged during a month of the Red Cross. Visits and assistance at home have been

organized for the veterans of the Great Patriotic War, elderly single people, disabled persons being on patronage of the medical and social service "Dapamoga".

Gathering of clothes, footwear, books for the economically disadvantaged and for people with reduced capabilities was organized.

Four medical assistants of the industrial hospital take part as nurses in implementation of the regional project on palliative care for patients living with HIV. In 2019, medical and social assistance at home was provided to 25 single people, elderly people living alone and disabled persons. Special attention was given to training and informing the workers of the plant. 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 - the spread of knowledge on international services. The management of the medical center takes their recommendations into account.







Social Benefits and Guarantees for the Staff

Supporting social development of the employees and local community, Byelorussian Steel Works follows the principles of a responsible business practice formulated in the UN Global Compact and other international acts.

BSW understands that in current business conditions, the sustainability of the enterprise is determined not only by the economic efficiency factors, but also by efficiency of the corporate social policy.

Social and economic stability in the region of its operation affects the long-term stability of business. 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 BSW for obtaining the 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 BSW, forms a highly-qualified team of employees able to work efficiently in the conditions of a tough competition.

In 2019, 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 2019, BSW continued to fulfill its obligations for the main directions of social programs. Regardless of a complicated economic situation, their financing made up nearly 2.5 million U.S. dollars.

BSW makes considerable investments into education and personnel qualification enhancement, labour 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 integral element of the corporate responsibility.

Byelorussian Steel Works implements its social policy in the following priority directions:

- occupational safety and health;
- rest and health promotion of the employees and their family members;
- physical culture and sport development;
- cultural life of the plant employees;
- solving of the living conditions issues of the employees;
- Support of families with many children;
- social support of retirees, disabled people and other categories of financially disadvantaged citizens;
- childcare.



Rest and Recreation of the Employees and Their Families

BSW strives for improvement of the rest and recreation conditions for its employees, their families and residents of Zhlobin and region.

Every year the BSW employees and members of their families spend holidays in sanatoriums and vacation houses of the Republic of Belarus. Financing of health promotion programs and sanatoriumresort therapy is fulfilled on the principles of a joint participation at the expense of the plant budget, state social insurance and employees' funds.

Health promotion of the employees and their family members is fulfilled out of profit and social insurance assets. Information about availability of vouchers covered by 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". In 2019, 114 vouchers were received from the social insurance assets (in 2018 – 126 vouchers). 197 people (in 2018 – 142 people) had rest at health resorts and sanatoriums of the Trade Union Federation at 25% discount from the cost of the voucher. In 2019, BSW bought 1205 vouchers and spent 964 987.54 rubles from its profit for rest and summer holidays of the employees' children.

Its own recreation facility "Dneprovskiye Zori" is one more possibility to offer high-quality services that can satisfy any client. The recreation facility "Dneprovskiye Zori" is located on a picturesque bank of the Dnieper river, in a pine forest and is intended for organizing sport and cultural events. The tourist rallys, competitions in various sports and sport fishing, hiking, bike rides, skiing trips, dancing parties, travelling seminars are held here.

Physical Culture and Sport Development

Physical culture and sport is a constituent part and organizations of Zhlobin. The metallurgists of a healthy lifestyle, hence forming the demand in regular sport activities with workers is a priority direction of the social policy of BSW. This type of activity is specified by the corresponding provisions and clauses of the Collective Agreement with direct participation of and financial support 26 competitions of different levels. by the trade union committee of the enterprise.

a coordinating center for sports events. There are two main ways in which the sports and recreation center works: competitive activities and sports and recreation work. The sports and recreation center has three gym halls: for exercising, playing games and tennis.

Good physical training, commitment and team spirit helped the plant workers to become leaders in the program of a year-round sports contest among the teams of the enterprises

won the first prize in the republican volleyball competitions among veterans in Minsk, took the second place in the international volleyball tournament among veterans held in Naroch.

In total, in 2018 the teams of BSW took part in

In 2018, over 60 large-scale national sports The sports and recreation center serves as and fitness and health recreation events were organized for the BSW workers, their children and residents of Zhlobin. Among them are: traditional New Year children's tournament in mini-football and basketball; sport contest "The Fatherland Defender"; lighting tournament on chess; light athletics race dedicated to the May Day; individual competitions in table tennis and checkers; open individual championships of the plant in kettlebell lifting; XIV light athletics race for the prize of the General Director of BSW, XXIX Interstate field-andtrack race (272 sportsmen including athletes from Russia and Ukraine took part), etc.

> For organization of leisure time and involvement of the workers and their families into a healthy lifestyle, BSW has a program for 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 plant 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.



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 the effective corporate social practice and development of the creative potential of the employees. A key role in organization of cultural life of the employees and the region is played by the Palace of Metallurgists' Culture of the "Metallurgsotsservice" unitary enterprise. It is true to consider the Palace of Metallurgists' Culture to be the center of mass, cultural and educational work directed towards satisfaction of spiritual and cultural needs of all categories of citizens.

On the basis of the Palace there are 20 collectives and club formations: 11 children and 9 adults, uniting 670 people, 561 of them are children.

The Palace of Metallurgists' Culture is particularly proud of its on-stage performance groups with titles "Folk" and "Exemplary". There are 7 such groups:

- exemplary vocal show studio "Assorty";
- exemplary pop dance ensemble "Firework";
- exemplary folk dance ensemble "Skomoroshina";
- exemplary children's studio of pop vocal "Fantazery";
- exemplary performance group "Dance show «Chance";
- folk choir "Krynitsa";
- folk wind orchestra.

In 2019, 451 cultural and mass events were held at the Palace of Metallurgists' Culture (concerts, performances, theatrical shows, dance and entertainment programs, birthdays, anniversaries, etc.). For comparison, 400 events were held in 2018.

During the reporting period, 27 015 people attended cultural events, in 2018 - 25 594 people.

In 2019, pupils of the Palace of Metallurgists' Culture took part in 18 competitions and festivals, and the teams received 37 awards, including 3 Grand Prix and 25 diplomas for victory (laureates of I. II. III degrees; diplomas for I. II. III places).

Calendar and Professional Holidays

В течение 2019 года проведен ряд культурно-массовых мероприятий, посвященных праздника number of cultural and mass events dedicated to the holidays, including the professional ones and anniversaries, have been held during 2019:

- Gala night dedicated to the Emergency Rescuer's Day (January);
- Celebration dedicated to the 35th anniversary of the Power Repair Shop (January);
- Celebration dedicated to the 35th anniversary of the Capital Projects Division (February);
- "Professional Olympus" Award Ceremony (February);
- Gala evening dedicated to the 5th anniversary of the "Metallurgsotsservice" unitary enterprise (February);
 - Gala concert dedicated to the Day of the Police of Belarus (March);
 - Gala evening dedicated to housing and communal services workers (March);
- Celebrations dedicated to the Women's Day for the workers of BSW and the Children's rehabilitation and health center "Praleska" (March);

Festive events dedicated to the Labour Day and opening of the fountain season (May);

- Festive events dedicated to the Victory Day (May);
 - Participation in the reconstruction of the events "Pioneer smelting 2019" (May);
 - Gala evening dedicated to the 35th anniversary of the central laboratory of the enterprise (May);
 - Concert dedicated to the Day of Medical Worker (June);
 - Festive events dedicated to Youth Day (June);
 - Festive events dedicated to the Independence Day of the Republic of Belarus (July);
 - Festive events dedicated to the Metallurgist Day (July);

- Festive events dedicated to the 35th anniversary of the Prevention and Reclamation Department (August);
 - Festive event dedicated to the 35th anniversary of the Quality Control Department (September);
 - Festive events dedicated to the Mechanical Engineer Day (September);
 - Gala concert dedicated to the Day of the Elderly (October);
 - Gala concert dedicated to Mother's Day (October);
- Festive events dedicated to the 35th anniversary of BSW (October);
- Festive event dedicated to the Motorist and Road Worker Day (October);
- Anniversary evening of AFMS-1 (October);
- Festive events dedicated to FMS-1 (November);
- Festive event for the opening of an enterprise for the production of cylinders in Orsha (November);
- Concerts dedicated to the Day of Agricultural and Processing Industry Workers in the Paporotnoye village, "Meat Processing Plant" (November);
- Concerts at polling stations for the election of deputies of the House of Representatives of the National Assembly of the Republic of Belarus of the seventh convocation (November);
- presentation of the anniversary corporate calendar of BSW (December).

Work with Children and Adolescents

The tasks of employees of the Palace of Metallurgists' Culture in working with children and adolescents are to develop the creative potential of children, to engage them in all forms of cultural life, as well as to promote a healthy lifestyle. Various concert programs, theatrical performances, dance and entertainment programs, competitive programs are organized in the Palace of Metallurgists' Culture.

In January 2019, the traditional 21th festival of song and dance "Christmas Musical Stairway" was held, with more than 200 children taking part.

The exhibition of children's drawings "I Want to Be a Metallurgist" was organized and held for the Children's Day with the participation of the employees of the Duplicating Center of BSW, by tradition.

Dance and entertainment programs for children, concerts with the participation of pupils of children's groups of the Palace of Metallurgists' Culture are always in demand among the population. By tradition, the show program "Peanuts' New Year's Eve" was held in January and sell out the concert hall. Children's groups prepared a musical fairy tale "The Wolf and the Seven Young Goats in a New Way". In March, concerts of children's groups "I will give the bright, shining sun to my mom" took place. In June, the competition program "Princess of a Fairy Land" took place. In October, on the occasion of Mother's Day, the concert "Our mothers are the best" took place. Traditionally, game programs called "Graduation Opera" were held for graduates of kindergartens and primary school.

In April-May 2019, summing up the work for the "academic" year, the teams of the Palace of Metallurgists' Culture presented to the audience the following programs: "Time to Dance", "Crystal", "Everything Depends on Us", "Light the Stars", "We're so different".

A big job has been done by the specialists of the Palace of Metallurgists' Culture to organize eventful leisure for children on school holidays. Dance and entertainment programs "Full speed ahead", "When the clowns come", interactive programs "Pirate-quest", "Fixies-quest", "Cowboys", musical performance "How to become a princess", theatrical performance "How Buratino got to the island of lazy people", etc.

During the year, the theatrical performances "The Adventures of Funtik", "How the Fox Deceived the Bear", "Singing Piglet" were held for the pupils of preschool institutions and primary schoolchildren organized.

The open republican tournament on the game "What? Where? When?" (March, December) was held at the premises of the Palace of Metallurgists' Culture.

Together with the staff of the District Emergency Department, the program "Fire Alert" was carried out, which included an introduction to fire fighting equipment, the game program for children, the play "Firefighter Hustle", watching educational cartoons. And in July, a game program "Fire brigade" was held at the site near the Palace of Metallurgists' Culture.

This year, New Year's parties with a fairy tale plot "Miu-miu.





Christmas tree" (25 performances in total) were organized for young children. Traditionally, at the "Dneprovskiye Zori" recreation facility an interactive program "Santa Claus's School of Magic" was organized and held.

Conducting family programs contribute to strengthening the authority of family values, uniting families through joint participation in competitive programs. Thus, the family competition program "January Carnival" was held in January. In May, a family sports program was organized for employees of the Metallurgsotsservice unitary enterprise and employees of the Zhlobin Electric Networks enterprise.

In order to attract the population to the Palace, solving the problem of organizing a joint weekend with children and parents, thematic entertainment programs "Fun Weekend" are regularly held in the "ARToshka" cafeteria.

Youth Work

For the greatest involvement of young people in cultural activities, the concert program "About Love" was traditionally held. In March, the "Teenager+" dance and entertainment program and the "Miss Belarusian Republican Youth Union" competition program were organized for young people. In April, the youth party "Rock Anime party" and the competition program "Lady Fitness" were held. In May, the competition program "You are super" was held.

In order to expand the opportunities of young people in organizing leisure activities, in June a cultural and entertainment program was organized at the "Dneprovskie Zori" recreation facility (Shikhov settlement) during the "Svarog" youth festival of culture and sports. Within the framework of the seminar of the leaders of the primary organization of the Belarusian Republican Youth Union public association on the basis of the Palace of Metallurgists' Culture, the award ceremony "BSW's Youth Leader" was held in June. As part of the celebration of Youth Day, a concert and an entertainment program were held together with the District Committee of the Belarusian Republican Youth Union social association.

In August, the Youth Ball for the plant's youth was traditionally held.

In October, on the basis of the Palace of Metallurgists' Culture, the zonal stage of the republican contest "100 ideas for Belarus" was held.

A highlight in the cultural life of the city was the city competition "Mister Zhlobin 2019" (November).

Social Education Projects

The workers of the Palace of Metallurgists' Culture assisted in organizing the "Sunday School Christmas Concert".

To strengthen the image of enterprises and the greatest involvement of workers in cultural activities, in July a plant competition of amateur art was organized and held, in which 18 workshops and divisions of BSW took part. In November, a review contest was held among employees of the Metallurgsotsservice unitary enterprise. Traditionally, in December, the presentation of the BSW corporate calendar took place.

In December, together with the association of disabled people, the creative project "All Seasons of Joy" was organized and held.

Preservation of Folk Traditions

A very bright and original fest "Maslenitsa" was held at the premises of the Palace of Metallurgists' Culture in March. Residents of the city became direct participants in a theatrical performance with games, contests, competitions. The cultural and sports program "Snow Festival" was successfully held, including the concert of creative teams of the Palace of Metallurgists' Culture, as well as games and competitions.

In July, the "Alore" vocal group (directed by S.G Kozintseva) performed with the anniversary program "Just Can't Believe". In December, the anniversary evening of the soloist of the Palace of Culture Viktor Lapin took place.

From June to August, concerts of the "Evening Promenade" brass band were held on the porch of the Palace of Metallurgists' Culture.

Solving of the Living Conditions Issues of the Employees

904 391 rubles were spent on maintenance of livingmunicipal facilities in 2019 An important part of the social policy of OJSC "BSW — management company of "BMC" holding" is engaging and promoting the young highly-professional staff at the enterprise. Provision with housing is one of the key factors of the working team stability and social attractiveness of the enterprise.

As of 31.12.2019, the list of employees in need of improvement of their living conditions contained 876 people (in 2018 – 966 people), 288 families are waiting for a room in the families' hostel (in 2018 – 262 families). During 2019, 129 employees were registered as needed accommodation and 128 are waiting for a place in a hostel. 219 people were stricken off the register due to the receipt of a flat and 110

An important part of the people due to receipt of a place in the hostel.

The plant's balance includes 6 family hostels with 698 families (or 2325 people dwelling in them) and one hostel for single people with 324 dwellers.

The dwellers of the youth hostel can use the services of laundry, sports room, gym, classroom, assembly hall, etc. The lunchroom where hot meals are offered, works according to a convenient schedule. 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.

It is worth noting that in 2018, BSW initiated cooperative housing project for construction of an 80-apartment residential building on more favourable terms for its workers. The priority right to buy a flat will be provided to the youth. The completion date of the house is 31 March 2020.



Social Support of Retirees, Disabled People and Other Categories of Financially Disadvantaged Citizens

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.

An important line in the social support policy is a monthly financial assistance for unemployed retirees, labour veterans. Since 01.11.2012 changes and amendments were introduced in the Collective Agreement anticipating the growth of additional payments to some categories of former employees. Currently, the amount of the monthly pension supplements varies depending on the record of service and awards. In 2019 these supplements made up 915 638.85 rubles. The financial assistance is provided in connection with retirement. In 2019, the amount of this assistance was 39 312.00 rubles. Also, the financial assistance is annually paid for the Day of the Elderly, 79 470.00 were paid in 2019.

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 special place in the social program is occupied by the provision of the unemployed retirees with treatment in the industrial hospital, 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.

The financial assistance is rendered to those employees who have disabled children. In 2019 this assistance amounted to 3 850 rubles.

Name of measures	2019, руб.
Payments for birth of a child (lump sum)	444 961,22
Parental compensation for a child under 3	2 396 314,69
Payments to multi-member families for purchasing school uniform	72 981,00
Providing one day-off under the collective agreement	2 802,45
Expenses for children's health improvement (vouchers, travel)	969 849,19
Payments for the families raising the disabled children under 18	168 213,14

Social Partnership

In order to improve moral and physiological climate of the work team, solving the issues regarding the coordination of cooperation of the management and establishments representing the interests of various categories of the employees, BSW has been implementing a system "Attention – to the Person" since April 2005.

BSW 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 administrative department, 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 the Belarusian Republican Youth Union public association;

- Council of Veterans;
- 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





The Trade Union Organization of OJSC «BSW – Management Company of «BMC» Holding»



The Byelorussian Steel Works establishes a mutually beneficial relationship and develops a collective agreement with the trade union organization based on the norms and Principles of the Tariff Agreement concluded between the Belarusian Trade Union of Industrial Workers "BELPROFMASH", the Ministry of Industry of the Republic of Belarus, and the 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 labour 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 11 265 people that is 96.3% of the total number of the employees. In order to observe the rights and legal interests of the workers the employees represent the enterprise in the regional association and in the Republican Trade Union Committee, being members of the Regional Trade Union Association Council, members of the Belarusian Trade Union Federation Council.

The social partnership document which allows strengthening of social-legal security of the enterprise employees is the Collective Agreement. The Agreement regulates social benefits and lumpsum benefit payments, additional payments and financial awards, the size of which directly depends on the results of production-financial activity of the entire enterprise staff. This document establishes supplementary, as compared to the active legislation, provisions regarding labour 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 guarantee and privileges for the families with stand concerning the organization both the plant 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 2019 the Trade Union Committee financed the following:

- Cultural events \$196 137; including the New Year's presents for children and employees - \$135 944;
 - Sport events \$52 058;
 - Presents for the employees' jubilees - \$196 137;
 - Presents for the retiring employees - \$10 547;
 - Supporting of veterans \$2892;
 - Material support \$173 811.

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 labour conditions, implementing privileges for the employees that have a determined social targeting.

activities of the Trade Union Committee of BSW. In 2019, being an active member of the BSW granted \$ 2727 (including to Zhlobin department of education, sport, and tourism; Zhlobin primary organization of the Belarusian association of assistance to disabled children and young people and to other organizations).

One of the priority directions of the Trade Union activity is creating conditions for fullfledged physical and moral development of the trade union committee of OJSC "BSW 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".

Pupils of the sport school for children and young people became winners and awarders of championships and competitions of the Republic of Belarus. The trade union committee spent \$7177 on ORSSCYP in 2019.

The trade union committee takes an active and district children's events. So, the trade union committee spent \$119 on purchasing the sweets and promotional gifts to the participants of an annual competition of children's pictures "I Want to Be a Metallurgist", \$309 on the Open Day at BSW; \$5294 on New Year's morning performances for children of the BSW employees who are members of the trade union.

The trade union committee has a special focus on working with the labour veterans of BSW. Celebrations in honor of people whose anniversary is being celebrated in the current month and of retiring staff members are organized each month. The administrative department and the trade union committee of OJSC "BSW - management company of "BMC" holding" organized a number of events to honour former employees of the enterprise: greeting cards were sent to 3056 labour veterans of BSW; the gala concert with participation of on-stage performance groups of the Palace of Metallurgists' Culture was held; and the tea drinking for labour veterans of BSW was organized.

At the initiative of the trade union organization, the commemorative medals "Labour Veteran of BSW" are awarded to the workers who worked at the enterprise over 25 years. The amount equal to Charity and sponsorship is one of the 5 base values is paid in addition to delivery of the commemorative medal.

In compliance with the program of working charitable campaign "Trade unions to children", 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.

> There is a trade union library affiliated with management company of "BMC" holding". The library has 1846 registered regular users, 429 of whom are children. The library collection includes



35 140 copies of documents. There are a book-club The trade union library is a venue for a number of meetings, exhibitions, excursions, promotions and competitions. The social importance of the clubs includes personality development, removal of psychological tension, provision of new opportunities for self-fulfillment and selfeducation, acquisition of a circle of like-minded people, which is especially important in the conditions of modern society.

The library is undertaking an important "For the soul" and the children's club "Chitariki". mission for providing information required by the young people for successful existence in the society where the role of knowledge, education, knowledge is constantly increasing. To provide the legal information for all categories of readers, the consultations are held using reference aids of the library. The library maintains a register of individual and group informing. Such comprehensive work permits to receive the necessary reference in the library and find the answer to any question.

The Primary Organization of RPA «Belava Rus»

In 2009, in order to encourage Awareness Day on the topic "Big person) and precinct election country, to involve in solving of 2018". The meeting with the urgent problems within the plant workers was organized in Head of the Department of framework of development the format of an open dialogue. of Belarus and society on the Metallurgists were interested in basis of free association, the the activities of the organization, worked as a deputy chairman enterprise created the primary organization of the republican public association "Belaya Rus". Today, the organization unites about 300 BSW workers. The implementation of the program Rus" on the issues that are from the Zhlobin region. of "Belaya Rus" at BSW is based cooperation of administration, turned out to be not formal, but participants in trade-union committee, public information-rich. organizations and establishments in all areas of activity.

primary organization, the year has become eventful, bright events and achievements. Already in "Belaya Rus" G.B. Davydko,

its interaction with government bodies, the socio-economic situation in the country, as well chairman of the RPA "Belaya urgent for the Belarusian society.

For the members of the to achieve social harmony. The council of the primary information organization strives contribute to the formation for social and political event - Personnel

plant workers to actively deeds of the Year of the Small (23 people) commissions, participate in the life of the Homeland: significant events as well as the observers (22 people). A.A. Malobitsky, the Information, Ideology and Personnel Development, the district election commission. 2 members of the primary organization were part as the personal opinion of the of the group of trustees of one of the candidates for deputies

Members of the primary on the principle of mutual In general, the conversation organization became active another important event – a multiscale One of the directions of statistical study - the 2019 the organization's work is population census. It always provides the most detailed necessary to to determine the prospects the socio-economic of an active social position development of the country January, with the participation of each employee of the as a whole. Coordination of of the leader of the RPA enterprise. So, in 2019, the work with census takers from members of "Belaya Rus" among the plant workers was the enterprise held a Unified took an active part in an carried out by the Department important and significant of Information, Ideology and Development, the election of deputies to headed by a member of the the House of Representatives organization's council, the of the National Assembly engineer O.V. Popovskaya. of the Republic of Belarus. To participate in the census, During the election campaign, the lists of temporary census they worked in the district (1 personnel in the amount of 49



them were 7 members of games and equipment. The of the Belarusian Republican the New Year holidays. Youth Union.

of "Belaya Rus" is charity. One of them is the "Colors for society, it gains authority So, in 2019, a member of of Good" project. The project Director for Personnel and the walls of the chambers and Ideological Work, Kulakovsky, initiated a charity hospital of the Zhlobin Central event "Sparks of Good" for District Hospital, classrooms the patients of the "Khalchan in secondary school No. 12 neuropsychiatric boarding and gymnasium No. 1, etc. The school for the disabled". The plant workers also provided

people were formed. Among were used to purchase board of the city's bus stops on the "Belaya Rus" and 5 members action continued on the eve of

One of the areas of work initiatives were continued. "Belaya Rus", Deputy General participants continue to paint its image. A.A. corridors of the children's funds raised by the workers assistance in decorating one

subject of fire safety.

Today "Belaya Rus" has become a truly constructive Last year, some other social force: in large and small deeds, useful and necessary among people and strengthens



The Primary Organization of the Belarusian Republican Youth Union

activities on the basis of the program for work meetings, lectures, the "Leader" school and many with young people "Youth" at OJSC "BSW management company of "BMC" holding". Its of young workers. Particular attention is paid to directions are the following:

- information support of the state youth policy;
- civil formation, spiritual, moral and environmental education of youth;
- support for scientific and technical creativity;
- retraining of specialists;
- youth cooperation and development of creative potential;
- healthy lifestyle and tourism development;
- improvement of the system of social coverage of the youth audience. protection of youth.

liberation of Zhlobin and the Republic of Belarus from the Nazi invaders, the enterprise developed a set of measures for the spiritual, moral and patriotic education of young people. For young people, war veterans are always examples of courage and resilience. Together with the committee of the "Belarusian Republican Youth Union" social association, the trade union and veteran organizations of the enterprise, the actions "Parade of Winners", "Memory Forever", "Youth of BSW – to a veteran", "Youth of BSW – for historical heritage" were held.

Young people, being the bearer of advanced ideas, are an important social resource and the main driving force for the development of both As of 31 December 2019, 1829 employees are members of the primary organization of the association. To raise the awareness of young people about important events in the Republic of Belarus and at the enterprise, as well as about the activities of the primary organization of the Belarusian Republican Youth Union, meetings of

The primary organization carries out all its the general director and his deputies, ceremonial other activities are held with the participation the development of Internet resources in the network, which are the main source of information for most of the youth. So, in 2019, the "Youth of BSW" group was created on Instagram. Currently, over 300 people have signed up for its updates. - development of a system of training and The thematic group, in addition to the regularly updated news feed, contains thematic photo albums and various sections to achieve the most effective feedback. This channel allows to achieve maximum efficiency and reach the maximum

As for the participation of the plant's youth In the year of the 75th anniversary of the in social, political, and cultural events held within the Republic, region and district, the activity of plant workers in this direction is great. For example, in 2019, during the elections to the House of Representatives of the National Assembly of the Republic of Belarus, 8 members of the Belarusian Republican Youth Union worked as part of precinct commissions, 29 activists were the observers, 1 young worker was included in the initiative group and 1 - in the group of trustees of one of the candidates for deputies.

Such direction of youth policy as youth cooperation deserves special attention. An example of its development among employees of 22 enterprises that are part of the "Byelorussian Metallurgical Company" society as a whole and our enterprise in particular. holding clearly demonstrates how BSW implements such areas as support for scientific and technical creativity, development of "Belarusian Republican Youth Union" public a system for training and retraining of specialists, creative potential, promotion of a healthy lifestyle and development of tourism. In particular, in the "Byelorussian Metallurgical Company" on the basis of the parent enterprise, the "Defender of the Fatherland" sports festival, a solemn meeting and a seminar for Youth Day, an international scientific and technical conference "Metal" with a round table, a tourist meeting, a "Leader" school, intellectual games "What? Where? When?", as well as the excursions to the plants of the holding. It should be noted that the number of young people representing BMC enterprises and participating in the listed A competition-action "VeloBMZ" was also held, events is increasing every year.

Every year, the sections of the "Youth" program are supplemented with new events, in which employees of the enterprise and their among such events, it is worth noting the first BSW bicycle rally, in which about 50 people took part. Participants competed in competitions for cycling tourism technology and creative contests.

aimed at popularizing cycling and reducing emissions into the environment by moving from home to work not by car, but by bike.

At BSW, work with youth is aimed at family members take part. For example, in 2019, ensuring that the main resource in personnel management is not just young people, but their potential: professional skills and abilities, the ability to learn and develop, the ability to manage production at the highest level.





Council of Veterans

The organization unites about 3000 BSW labour veterans who have contributed to the formation and development of the Belarusian metallurgy. The Council of Veterans is the coordinating body of the organization. It employs people with an active lifestyle – enthusiastic, creative, active. They meet weekly and host labour veterans.

It's not a secret that the BSW labour veterans are active participants in almost all events held by the Byelorussian Steel Works, and they also arrange their wonderful holidays. Within the region, the plant organization is also well-known: the BSW labour veterans took 1st place in the regional amateur art competition dedicated to the 75th anniversary of the liberation of Zhlobin region from the Nazi invaders. Also, they participated in a concert dedicated to the Day of Metallurgist, and also became winners in the nomination "For Fidelity to Traditions" in the creative competition of amateur performances "Let BSW Sound Proudly".

In May, the 6th republican sports festival of sports veterans was held in Mogilev. Teams from all regions, the city of Minsk, a team of teachers from the Minsk University of Physical Culture, as well as teams from Russia and Lithuania took part in it. Veterans of the Byelorussian Steel Works have successfully performed as part of the national team of the Gomel region. Galina Volodina and Vladimir Kletsky became the champions of the Republic of Belarus in darts. In the all-around "Health" Vladimir Kletsky took 3rd place, and together with Z. Pavlova from Rechitsa they became the winners in the team competition and were awarded a cup. Vladimir Perovsky took 4th place in chess, having achieved an honorable draw with the international grandmaster from Russia.

At the Byelorussian Steel Works, labour veterans are traditionally given special attention. On the eve of a professional holiday - the Day of Metallurgist - they are honored first as a sign of special respect and gratitude. All work of the organization is aimed at improving the status of elderly people, public recognition of their life experience, participation in public life. The Council of Veterans cooperates with the youth organizations of the plant during various events: admission to membership of the Belarusian Republican Youth Union, initiation into metallurgists, presentation of diplomas and prizes to the best young specialists participating in scientific and technical conferences.

It is worth noting that in 2019 the Council of the organization created the group "Veterans of BSW" in Odnoklassniki. It is attended by many people who are interested in how actively veterans live, what they do, and what events we hold.





a primary organization of the public association "Belarusian Women's Union" based on an independent The chairman of the regional women's organization, union. The plant's primary organization unites about 1400 people in its ranks. The work of the organization is directed by the presidium, which includes 17 plant workers from various structural divisions.

Priority areas of the Union's work: "Woman and production", "Woman and family", "Womanveteran", "Organizational and informational work", "Healthy lifestyle". The organization has extensive experience, including a lot of good and useful activities. Members of the Women's Union participate in raids to check the production culture and working conditions, in activities for the protection of mothers and children, and in improvement of children's health and strengthening of the family, take part in charity events.

The Women's Union works closely with the Territorial Centre for Social Services. The women of the plant are provided with qualified legal and psychological assistance, a helpline and a young family club are operating, methodological manuals, booklets and brochures on raising children and women's problems are being developed and distributed among women working at the plant. Together with the center, the actions "Do good" were held for the Day of Disabled People, "Our hearts for abandoned children" - for the New Year, "Help a schoolchild" – by September 1. The Union constantly develops the activities of the women working at the plant in the sphere of public life, regularly makes proposals on the problems of health, safety and working conditions, the improvement of health of women and their children, the production culture to a fun and everyday life; it takes care of strengthening the family, protecting mothers and children, families with many children and needy families, families raising children with disabilities.

In August, on the basis of the plant's hostel unity.

In 2004, women of the enterprise established No. 1, a thematic expanded meeting of the public organization "Women's Union of BSW" was held. the editor-in-chief of the newspaper "Novy Dzen", a member of the Council of the Republic of the National Assembly of the Republic of Belarus, a deputy of the regional Council of Deputies G.V. Melnikova, and the representatives of various structures took part in it to discuss the declared topic – "Women's health".

> The women of the primary organization participate in the viewing creative contests held on the basis of the enterprise, as well as outside of it – in many district and regional competitions. The Palace of Metallurgists' Culture, where women organize their leisure time, often becomes a platform for the implementation of creative ideas. For example, on weekends there are holidays for the whole family called "Merry Sunday", and there are weekly events for all age groups.

> Speaking about cultural recreation, it should be noted that every three months the Women's Union organizes excursion trips around Belarus. Each time the most active participants of the union try to find a new and non-trivial route for the members of the primary organization.

> The primary organization pays great attention not only to the health of women, but also to the healthy lifestyle of their families. One could be convinced of this at the favourite traditional event "Healthy family - happy family". The playground

attracts mums, dads and their children competition to demonstrate their solidarity, friendship and



Union of Soldiers-internationalists

79 soldiers-internationalists work in the structural units of BSW. 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 plant's soldiers-internationalists annually take active participation in all events being held. For example, in February, a rally dedicated to the 30th anniversary of the withdrawal of Soviet troops from Afghanistan was held at a memorial sign to soldiers-internationalists on Metallurgov Boulevard. 32 thousand natives of Belarus passed through the crucible of the Afghan war. 771 of them, including 17 Zhlobin guys, did not return home alive. Their portraits were exhibited on February 15, to commemorate the victims. The leaders of the Zhlobin regional executive committee, the regional Council of Deputies, public organizations, representatives of the collectives of enterprises and organizations of the region, soldiers-internationalists, relatives and friends of the victims, delegations of labor collectives and educational institutions of the region came to honor their memory and lay wreaths and flowers at the memorial sign.

Particularly noteworthy is the participation of plant workers in the 21st regional festival of Afghan songs "Time has chosen us". This year, the 21st regional festival of Afghan songs gathered 44 participants. Our plant was presented at the festival by Andrey Volkov, who sang the song "To Fallen Friends". By the way, his performance got the first applause. Andrey was the sixth. Among the participants were performers and bands from Gomel and almost all districts of the Gomel region, as well as from Minsk and Mogilev regions, Moldova and Latvia.

Young Professionals Board

Organization of a methodical work with rationalization work. An important part of the young specialists is one of the priority social-economic development of the plant. and scientific and technical conference.

Steel Works was supplemented by 146 young specialists, whose work is supervised by the Young Professionals Board. Its committee deals with all issues related to young workers: adaptation at work, professional growth, scientific and technical activities,

work is to increase the business and creative directions of the enterprise personnel policy. activity of young people under the age of 35, Availability of constantly developing potential organize scientific and technical conferences of the personnel represented by young and help young plant workers to participate specialists is the most important condition of in such forums held at other enterprises, the management succession, enhancement provide exchange of experience in order to of management efficiency, ensuring stable increase the efficiency of the plant. During this period, young specialists took part in the Some of the most significant measures within Scientific and Technical Conference of Youth the system of work with young specialists are: of MMK PJSC (Magnitogorsk, Chelyabinsk practical training, staff adaptation assessment region). Of the 2 submitted reports, 1 was awarded a diploma for active participation, In 2019, the staff of the Byelorussian 1 – the 3rd place. The participation of two plant workers in the Second Open Eurasian Championship in the framework of the WorldSkillsHi-Tech2019 in Yekaterinburg, who won silver medals in their competencies, was also successful. The BSW employees also took part in the VII International Youth Industrial Forum "Engineers of the Future 2019", which was held in the Orenburg region of the Russian Federation. The main task of the forum was to consolidate the youth of different countries for the development and joint implementation of projects and programs aimed at the development of engineering and related industries.

In July, the traditional international scientific

and technical conference "Metal-2019" was held at BSW. 274 speakers took part in it, of which 207 represented BSW, 67 were the guests from Belarus and neighbouring countries.

In 2019, members of the Young Professionals Board, in accordance with the approved program, organized and held: meetings with young specialists in the plant's divisions to increase the interest of young workers in master's and graduate studies; together with specialists of personnel management, they selected candidates from among the employees enrolled in the reserve for the post of master for training in the reserve training schools; summing up the results of the internship of young specialists in 2018 with the definition of specific recommendations to each young specialist; together with the Belarusian Republican Youth Union's most active participants the Autumn Ball of Young Specialists with the award of the best workers with the title "Laureate of the Youth Prize" was held in September; "Young Specialist's Day" with seminars and the "Leader" school with business games.

The Board has established and is successfully developing a system for identifying talented youth. It allows to provide affordable and broad opportunities for the development of skills of young workers

Union of Foremen

The Union of Foremen is one of the public organizations which actively work at BSW. It is intended to promote the role of the foreman at production site. The activities of the Union of Foremen are based on the provision "Concerning the Union of foremen" of OJSC "BSW management company of "BMC" holding", and it organizes its work in close contact with the HR department.

The Union of Foremen organizes its work in close contact with the HR departments and solves the pressing issues of the plant's foremen. 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 to the prospective pool.

In 2019, the following activities were held: 8 meetings of the Union of Foremen; analysis of the personnel reserve of personnel for the positions of a foreman and a senior foreman; analysis of functioning of the labor protection system at the enterprise together with the specialists of the labour protection department; analysis of functioning of the labour protection system at the enterprise together with the specialists of the labour protection department.

During the year, members of the Union of Foremen took an active part in the internship of young specialists to adapt them at the enterprise as soon as possible, participated in the work of the commission on the prevention of disciplinary misconduct and strengthening labour discipline and in the work of the commission on the choice of the labour dynasty of the plant in 2019.





Union of Physical Training and Sports

Physical education and sports are one of the most important components of a healthy lifestyle, and formation of the worker's need in regular sports is a priority area of the social policy of the Byelorussian Steel Works.

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 athletic disciplines and other sport events at the enterprise, such as:

- the ping pong tournament;
- · Christmas mini-football tournament among children teams;
- field-and-track relay race devoted to the Victory Day;
- international field-and-track running devoted to the Metallurgist Day and others.

In 2019, more than 100 mass sports and physical education and health events were organized and held.

Monitoring of Public Opinion on Social Program Performance

One of the cognitive tools that can objectively reflect the state of modern social reality is sociological research, with the integrated application of which you can not only get adequate information about a particular object, but also identify the dynamics of the situation, understand the hidden mechanisms of certain socio-economic and socio-political phenomena and processes.

Studies conducted by a sociologist at BSW performs a number of important functions. Firstly, they serve as the basis for operational management decisions, since taking into account public opinion is an important condition for an effective decision. Secondly, feedback is provided to staff to assess the results of decisions taken and to adjust them if necessary. Thirdly, sociological information has become one of the elements that make it possible to build an effective system of social monitoring and forecasting at the strategic level. During the year, 13 studies were conducted. In total, during this period, 4530 respondents answered the sociologist's questions. The results of the key surveys are given below.





CURRENT ISSUES OF LOWER MANAGEMENT

In order to study the current problems of the activities of lower-level managers, conduct a comparative analysis and identify the dynamics of changes that occurred during the year, a sociological survey was conducted among masters, senior masters and heads of production sites of the enterprise in January-February 2019, during which the opinions of 236 respondents were analyzed, which is 38.8% of the main entity.

As a year ago, a sociological study conducted showed a fairly high level of satisfaction of the plant's lower-level managers by their professional activities. Satisfaction of respondents favorably affects significant dedication in work. The survey participants, as before, call the lack of material and technical equipment the most problematic in their work. In addition, the situation in the field of supply and "paper turnover", according to respondents, has only worsened over the past year. As for personal well-being, masters, senior craftsmen and chiefs recognize that the level of salary has increased during the period under review. Having in the vast majority of cases higher technical education, masters are well versed in equipment and technology, but they, as a rule, are not trained to be effective leaders, to organize the work process correctly. In view of this, many of them note the need to improve their professional level, especially in terms of personnel management, as well as its motivation and incentives.

ANALYSIS OF FACTORS OF EXTERNAL INFLUENCE OF THE ENTERPRISE ON THE COMPANY. PLANT IMAGE IN THE REGION OF PRESENCE

principle of the work of OJSC "BSW - and socio-professional status. management company of "BMC" holding". systematic and are aimed at creating effective and safe jobs, professional development of employees, support of culture and sports, protection of the environment, and promotion of the development of the region of presence.

In order to study public opinion about BSW, its impact on the life of the city and the district, 571 people were interviewed during the annual monitoring. The selection of respondents was made on the basis of a quota-proportional sample,

Social responsibility is the most important taking into account gender and age characteristics

Based on the results of the stage of monitoring The activities of the enterprise in this area are public opinion, one can speak of a rather high significance of BSW in the region of presence. Every year, the respondents' confidence in the economic stability of the enterprise is increasing. The share of those who believe that the social role of the plant is not visible is steadily decreasing. The confidence in the plant media has noticeably increased, and the influence of rumors about the situation at the enterprise has decreased. More than half of the survey participants note the benefits of being employed at BSW.

DIAGNOSTICS OF SOCIAL AND PSYCHOLOGICAL CLIMATE IN THE WORKFORCE OF THE COMPANY

One of the key areas of sociological surveys conducted at the Open Joint-Stock Company "Byelorussian Steel Works - management company of "Byelorussian Metallurgical Company" holding" is monitoring of the socio-psychological climate in the workforce of the enterprise. The studies are carried out annually since 2006, which allows to carry out a comparative analysis for the studied period, to identify the dynamics of changes occurring both at the plant as a whole and in a single structural unit in particular.

In June-July 2019, the next stage of studying the opinions of plant workers on satisfaction with work and its various components was carried out. Despite the negative dynamics of the complex index of employee satisfaction of the enterprise (relative to 2018, the indicator lost 0.6 percentage points), the achieved value (Isp = 0.728 or 72.8%) corresponds to a high level and meets the planned target. In comparison with the data of 2018, 7 out of 30 factors included in the overall index showed a positive trend (by 1.7 percentage points on average). In general, 24 components are in the area of high level of personnel satisfaction (Isp ≥0.69);



Picture – Dynamics of a comprehensive satisfaction index

35TH ANNIVERSARY OF THE ENTERPRISE IN ASSESSMENTS OF THE PLANT WORKERS

The way how the plant workers perceive and evaluate the solemn events dedicated to the 35th anniversary of BSW can be judged by the results of a sociological survey, in which 405 people took part. Summing up the results of the survey, it can be stated that the respondents support the idea of holding celebrations timed to the 35th anniversary of the enterprise, positively assessing their organization. All activities are very popular, as evidenced by the active participation in them of a significant number of employees of the plant, their families and residents of the region of presence in general. The analysis also demonstrated a high involvement of personnel in the process of preparing and holding activities of various kinds. It is important to note that from the anniversary of BSW, the team expects not only an improvement in material well-being, but also its stable, fruitful work.

In general, the results of the study can be considered as an assessment of the level of image-building activities of the enterprise and their impact on society.

THE ELECTORAL ACTIVITY OF PLANT WORKERS ON THE EVE OF THE PARLIAMENTARY ELECTIONS

An important area of activity of the department of information, ideology and personnel development of OJSC "BSW – management company of "BMC" holding" is the sociological support of electoral campaigns. During elections at various levels (presidential, parliamentary, local Councils), measurements of public opinion are organized, which make it possible to determine the mood and preferences of plant workers, their electoral activity, ratings of candidates for a particular elective position, etc.

Two months before the main political event of 2019 – the elections to the House of Representatives of the National Assembly of the Republic of Belarus of the VII convocation – a sociological study was carried out among the employees of the enterprise dedicated to this election campaign. The results obtained on the eve of the parliamentary elections in 2016 were used as a comparative base. The opinion of 458 people was studied by the method of a questionnaire survey, which satisfies the conditions for the representativeness of the data obtained. The selection of respondents was made on the basis of a quota proportional sample.

Judging by the fact that two months before the main voting day, two-thirds of the respondents firmly declared their intention to participate in the elections, the voter turnout from among the plant workers will be high. At the same time, the greatest electoral activity is characteristic of women, employees of the older age category, as well as managers and specialists. The main reason for the evasion of an insignificant share of respondents from participation in the electoral process is their belief in the absence of changes.

In the minds of participants of the survey, a future parliamentarian is a 30-49 year old candidate with higher education. It should be noted that his gender, social status and educational profile are often not significant for the employees of the enterprise. Practical considerations, business and personal qualities of the applicant, his knowledge and experience serve as an important reference point for the plant workers.

The respondents retained their confidence in the electoral system. The overwhelming majority believe that the upcoming parliamentary elections will be held successfully.

ATTITUDE OF EMPLOYEES OF THE ENTERPRISE TO THE PROBLEM OF DRUG ADDICTION

Despite the large-scale preventive work carried out at all institutional levels, the problem of drug addiction remains relevant, including for OJSC "BSW – management company of "BMC" holding". For this reason, a sociological survey was conducted at the enterprise, the purpose of which was to determine the attitude of the plant workers to this phenomenon, namely, awareness, involvement, assessment of the prevalence and effectiveness of the struggle.

Thus, the results of the conducted operational survey show that the overwhelming majority of respondents (93.6%) have a negative attitude towards drug addiction as a phenomenon. More than half of the respondents (54.3%) believe that people who use drugs, first of all, need treatment, since without medical assistance they will not be able to cope with their illness. In the opinion of a quarter of employees (25.0%), drug addiction is a social problem, and it is necessary to "cure" society as a whole. Every tenth person (9.3%) declares the need to isolate drug addicts from society as dangerous people. Only 6.4% of the study participants are inclined to think that drug use is a personal matter for everyone.

When assessing the prevalence of the problem in question in the region of presence, most of the respondents (42.9%) gave the answer "drug addiction is widespread, but not more than everywhere". Speaking about the scale of the drug situation on the territory of the enterprise, the absolute majority of the plant workers (62.1%) could not answer the question. The respondents also did not determine the degree of availability of narcotic substances.

It should be noted that a significant number of research participants are ready to personally contribute to the fight against this negative phenomenon. Thus, in a simulated situation, when a respondent witnessed the use or trade of narcotic substances, 77.8% of the interviewed workers would report this to the appropriate authorities. Attention is also drawn to the high level of awareness of the respondents about the responsibility for the use, distribution and storage of drug-containing substances: 60.7% of plant workers are well aware of the legislation, 37.9% have a general idea. If we talk in general about assessing the effectiveness of combating drug addiction at the enterprise, then the measures taken in this area are more or less positively assessed by the plant workers: 60.0% are completely satisfied, 31.3% - partially.

PAST AND FUTURE YEAR FROM THE POINT OF VIEW OF PUBLIC OPINION: RESULTS AND EXPECTATIONS

At the end of each year, it is customary not only to make plans for the future, but also to analyze the past days, to draw certain conclusions. In order to rationally approach the planning for the next twelve months, it is important to understand which of the tasks have been fully implemented, and which still require improvement. We also summed up the results, having studied the opinion of the company's employees about the assessment of 2019 and expectations regarding the upcoming 2020. In the course of the study, the plant workers recalled the achievements and problems of the passing days, talked about the future, as well as about the features of their celebration of the New Year. The survey covered 338 employees, including 76.9% of workers and 23.1% of specialists and managers; 73.9% of men and 26.1% of women; 25.7% of respondents are under 31 years old, 60.1% are between 31 and 50 years old

Summarizing the above, it can be noted that, in general, the majority of plant workers see off the outgoing year 2019 without negative emotions, positively assessing its results for themselves personally and a little less successful for the enterprise. Meeting the new year 2020, respondents expect changes for the better and are confident in the success and achievements in the future.

and 14.2% are over 50 years old.



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 production processes.

For solving issues related to quality improvement (of products, process, etc.), it uses various methods in search for new ideas: failure mode and effect analysis (FMEA), brain attack, 8D, 5 Whys, benchmarking, SWOT – analysis, Poka-Yoke (error protection); visualization; 5S; risk and opportunity assessment; questioning; SPC; PPAP APQP; MSA various diagrams: incl. Pareto scatter; interaction programs; statistical methods Cp, Cpk, Pp, Ppk. 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 requirements to the product 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.

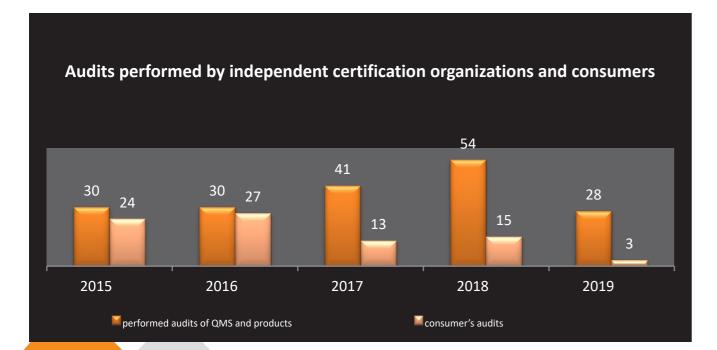
In order to confirm high quality of its products, BSW has certificates of conformity of its quality management system according to such recognized international standards as ISO/TS 16949 and API Q1.

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 the quality issues is usage of 8D process, and since 2018, the root cause in the formation of the 8D report is determined using the methodology Five whys.

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's requirements to management of corrective and preventive measures entirely.

External Audits



General Information

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 the product responsibility:

- ensuring safety and good 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".

In 2019, BSW continued the implementation and development of the certification process for sustainable development, as a responsible supplier of construction products in accordance with the requirements of the British Standard (BRE) in the field of environment and sustainable development (BES 6001) and the scheme "CARES: Structural steel produced in accordance with the principles of sustainable development" (SCS CARES). In preparation for this certification in 2018, the Corporate Policy of the plant and the Code of Ethics were revised, and new Sustainable Development Policies and the Code of Responsible Supplier were developed.

A Code of Responsible Supplier was sent to our suppliers to ensure a sustainable supply chain:

- BSW recommends that its suppliers adhere to the principles set forth in this document;
- BSW strives to establish, maintain and promote the principles of sustainable social and environmental responsibility in relation to the personnel of the enterprise, the supply chain and stakeholders, and the following fundamental values are determined: personnel, partners, communities, environment, natural resources and other types of resources; intellectual property; reputation and the fight against corruption.

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.
- Code of responsible supplier;
- Sustainable development policy.

Customer Health and Safety

are machine-building enterprises, automakers, national standards. metalware, tire and pipe works, concrete abroad and the Republic of Belarus.

of the plant production is its high competitive ability and continuously increasing sales turnover.

In order to provide the inner market security, safety of the citizens and environmental protection, the Republic of Belarus, Russia, EC countries and some other states do not allow to import products which are not certified for

The primary consumers of the BSW products the compliance with the requirements of their

Production certification in compliance product plants of the countries of near and far with the requirements of national and international standards was commenced BSW is aiming at production of quality goods at the enterprise in 1991, and it has been and services, advantageous and safe for the successfully performed thereafter. Quality consumers' health. The best quality assessment and security of the BSW products complying



standards of its customers is certified by conformity certificates issued in Russia, Belarus, the USA, and most of EU countries.

Following the results of 2019 the enterprise holds 58 compliance certificates for various Austria), its representative in EC countries, and types of products. Quality and security of the BSW 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 auto products is ensured by the quality management system existing at the enterprise and certified for the compliance with standard IATF 16949:2016.

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), "Pirelli" (Italy), "Parker" (Italy), "Diesse Rubber" (Italy), "Yokohama" (Italy), "Alfagomma" (Italy), "Knapheide GmbH Hydraulic Hoses Werk Thueringen" (Germany), "EATON" (the USA), "Cordiant" (Russia), "Trelleborg Wheel Systems" (Czech Republic), which perform the third party audits.

The Central Plant Laboratory is accredited for the compliance with ISO/MEK 17025 requirements since 2009 (by DAkkS, German certification body).

In October 2018, the national accreditation system of Belarus was recognized as relevant and equivalent to European and international requirements, agreements on the recognition of the results of conformity assessment in terms of testing and calibration were signed with the International Laboratory Accreditation Organization ILAC. Based on this agreement, accredited laboratories (DCMetr (department of the chief metrologist), CFL (central factory laboratory)) are given the right relevant certificates to customers. to put a combination mark on issued documents,

with the requirements of the national indicating the possibility of recognition of this document in foreign markets.

> In 2011, OJSC "BSW — management company of "BMC" holding" together with Belmet Handelgesellschaft m.b.h. (Linz, 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 change their chemical composition change and do not emit substances in the course of further standard use and are not subject to registration.

> All the BSW products do not contain substances of increased hazard (SVHC).

> The main goal of the REACH system is to provide high level of security for 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 processes". 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

> 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 which are ecologically sound and harmless for human health and environment are used for packaging.

Product labeling and traceability

All products supplied to the customers are marked and accompanied by a quality certificate. The product marking is performed in compliance with the plant regulations on the marking requirements, and includes: information on the manufacturing country, trade mark of the plant, supply contract number, consignment number, country of destination, weight and other quality information. Quality certificates contain quality information of the product.

Packing and shipment are carried out 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 obtained, in 2008 BSW confirmed its right to apply CE mark on seamless pipes, and in 2010 — on steel fibers (hooked end and wave fibers, microfiber).

Marketing Communications

Aim of the 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.

In advertising and exhibition activities, the following technical improvements were made:

- A system for adding and displaying vacancies at BSW was developed.
- The following technical improvements were made on the official website of the enterprise:
- A section for selling leftovers and illiquid assets was added;
- A system for adding and displaying vacancies at BSW was developed;
- A unified system of accounting, control and processing of requests for products was developed.

- Advertising and reference materials were developed and posted in magazines and a photo album for the 35th anniversary of BSW. newspapers of the Republic of Belarus and the Russian Federation: the Metals of Eurasia magazine, the Metal Supply and Sales magazine, the Belarusian Exporters 2020 catalog, the Quality Mark magazine, as well as in the information catalogs of specialized exhibitions.
- A presentation film "Tell me ..." was shot, for which BSW received an award at the International MetalVision'2019 competition in the "Dissenting opinion of the jury" nomination. Collaboration with "Krinitsa" JSC was carried out and a video from the series "Motsnye" about an employee of BSW was created.
- Advertisements were placed on the LED screen of the Palace of Metallurgists in Zhlobin and on LED screens on Oktyabrskaya Square and Independence Square in Minsk, on the screen during the closing of the II European Games in belsteel.com were created. The original layouts Minsk.
- An advertisement of OJSC "BSW management company of "BMC" holding", was placed at the ice arena in Zhlobin.
- An advertising campaign was carried out with the distribution of the manual "Defects of steel billets and metal products" at the International Industrial Exhibition "Metal-Expo 2019", Moscow.
- The symbol of BSW called Spark was created.

- Participation in the development of a book and
- The brochure "Spark's Adventure", the reference manual "Defects of steel billets and metal products", the practical manual "Hardware production" and the BSW's corporate calendar for 2020 were sent to the fund of the National Library of the Republic of Belarus.
- Advertising and handouts have been created and improved: a general product catalog, advertising leaflets for all types of products manufactured by OJSC "BSW - management company of "BMC" holding", including in Spanish, Italian, French and German, an atlas of consumer goods, leaflets for the reference manual "Defects of steel billets and metal products" and the practical manual "Hardware production", a leaflet of the games of the hockey club "Metallurg". New banners for sections of the external site www.

of the plant's banner (near the site No. 1) and the cover of the quarterly calendar for 2020 were developed.





EXHIBITIONS, FORUMS

Participation in the following domestic and international exhibitions and fairs was organized:

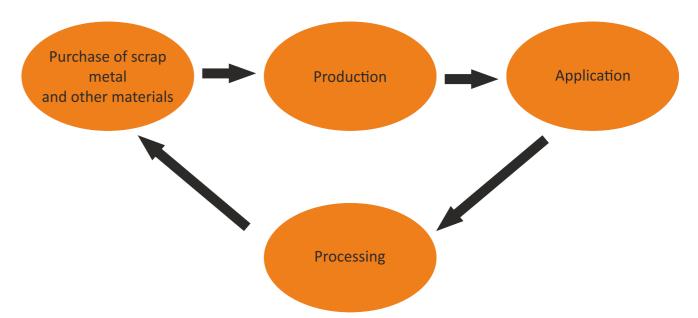
- "Professional Olympus", Zhlobin;
- Petersburg Technical Fair, Russia, St. Petersburg;
- "Made in Belarus" exhibition of Belarusian manufacturers, Georgia, Tbilisi;
- Seminar within the framework of the regional Quality Day to summarize the results for 2018. Rewarding of OJSC "BSW management company of "BMC" holding" for the victory in the contest "The Best Goods of The Republic of Belarus", Gomel;
 - BUDEXPO-2019 International Building Exhibition, Minsk;
- Participation as a support group for an employee of the plant on the television sports project "Sport Factor" on the "Second National TV Channel" CJSC, Minsk;
 - "Made in Belarus" exhibition of Belarusian manufacturers, Kazakhstan, Almaty;
- TIRES, RTI AND RUBBERS 2019 22nd International specialized exhibition of tires, rubber products and rubbers, Russian Federation, Moscow;
- Made in Steel 2019 8th international exhibition of steel and metalworking industry, Italy, Milan (visit);
 - CONSTRUMAT 2019 the largest European construction exhibition, Spain, Barcelona (visit);
 - Spring in Gomel-2019 International Universal Fair;
 - Award Ceremony "The Best Exporter of 2018", Minsk;
- Exhibition-presentation of scientific and technical achievements and innovative developments, Minsk, National Library;
 - Seminar highlighting the issues of bilateral cooperation between Belarus and Kenya, Minsk;
 - XV Republican Ecological Forum, Novogrudok;
 - International scientific and technical conference "Metal-2019", Zhlobin;
 - Open Day of BSW, Zhlobin;
 - Metallurgist Day, Zhlobin, the Palace of Metallurgists' Culture;
- Exhibition of the goods from Uzbekistan within the framework of the Forum of Regions of Belarus and Uzbekistan, Minsk;
- TechInnoProm / Belarusian Industrial Forum 22nd International Exhibition of Technologies and Innovations in Industry, Minsk;
- Energy. Ecology. Energy saving. Electro '2019 / EnergyExpo XXIII Belarusian Energy and Environmental Forum, Exhibition and Congress, Minsk;
 - Business days in Gomel / Business in the regions, Gomel;
 - METAL-EXPO-2019 International Industrial Exhibition, Russian Federation, Moscow;
 - Fair of innovative developments in the field of mechanical engineering, Bobruisk.

Product Life Cycle

The life cycle of steel at BSW is schematized and includes 4 main stages:

- 1) purchase of the main raw materials (scrap metal), materials, etc.;
- 2) production of certain types of products is carried out according to the developed technological documents (operating procedures, flow process charts, specifications, work plan, etc.);
 - 3) application (construction, metallurgy and mechanical engineering, rubber industry, oil and gas industry);
 - 4) processing (steel can be repeatedly processed that makes it to be one of the most eco-friendly materials).





Mutually Beneficial Cooperation With Suppliers

The long-term development of BSW is directly related to the efficiency of interaction with the interested parties. In the context of life cycle of steel products, suppliers and consumers are the key stakeholders. We attempt to establish relations with them which are based on trust and formed during the open-ended dialogue.

Incoterms rules has become an integral part of our everyday trade language. Terms are included in purchase and sale agreements all over the world. They define rules and guide operations of importers, exporters, lawyers, carriers, insurers and so forth.

Work with our suppliers is based on the provisions stated in contracts.

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.

Selection of suppliers is performed on the basis of:

- market research and questionnaire of the suppliers;
- results of biddings among suppliers;
- availability of alternative suppliers;
- accumulated experience of existing relationships with suppliers;
- quality of purchased resources (services) taking into account the data on functioning of the consumer's quality management system and its efficiency in the form of:
- certificates of conformity for the quality management system of the manufacturer of resources (services) and certificates of conformity for the products issued by independent organizations;
 - own verification and recognition of audits of other organizations;
 - rating at the market for goods and services;
 - availability of statistical data on the acquired resources (services), confirming their quality;
 - results of mass regular supplies without reclamations or claims;
 - $\, supplier's \, consent \, to \, comply \, with \, the \, requirements \, of \, the \, Quality \, Manual \, for \, Consumers \, (RCP \, 840-1000 \, Manual \, for \, Cons$

KSM) sent to the supplier by electronic or postal communications services or transmitted to the supplier on paper;

- cost of resources (services);
- certificate of conformity for the labour protection and industrial safety management system;
- certificate of conformity for the environmental management system;
 - social responsibility (Sustainability Report);

For traceability of steel life cycle and for the purpose of obtaining



the main information on the supplier, BSW conducts survey of its suppliers twice a year. The completed questionnaires are registered in the Procurement Department and are stored with all documents (including the supplier's card) on the corresponding supplier.

Following the cooperation results and assessments, "List of Approved Suppliers" with specification of the supplying intermediate parties is drawn up. The activity of suppliers is assessed according to the following criteria:

- compliance of the delivered product with the established requirements and calculation of the delivered goods quality index (IQL) considering the availability of the supplier's quality system (according to the requirements of ISO 9001, IATF 16949), environmental management systems (according to ISO 14001), occupational health and safety management systems (according to OHSAS 18001), social responsibility systems (according to ISO 26000/SA8000), share of supplies with deviations in the total number of deliveries and consideration of deviation significance coefficient;
 - observance of the volume and terms of product delivery (supply logistics);
 - degree of the consumer loyalty to the plant and corrective actions execution.

In order to analyze the life cycle, the concluded contracts for the supply of resources include the supplier's obligations to provide a safety data sheet for the substance (material).

Estimation of supply quality is reviewed at the plant quality meetings.

The plant's specialists perform the supplier audits for establishment of the partnership relations and improvement of procurement quality by developing the management systems of appropriate suppliers.

Production

consists of four main productions (steelmaking, rolling, pipe making and metalware shops), as well as divisions responsible for infrastructure and administrative issues of the enterprise. The steelmaking production includes a scrap yard and two electric-furnace melting shops. Acceptance, storage, classification and processing of scrap are performed in the scrapyard. 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 the rolling technique.



From the structural point of view, the plan cast by three continuous casting machines; two of them being six-strand units producing billet cross-section 125x125 mm, and one – a fourstrand machine with 250x300, 300x400 mm. The high-tech rolling production is represented by a modernized small-section rolling mill 320, wire rod mill 150, duo reverse rolling mill 850 with a set of equipment for production of rolled sections, structural shapes, wire rod for various applications, and reinforcing steel. In mill 320, methods of production of reinforcing steel against standards of Germany, Holland, Great Britain, Finland, Sweden, Norway, Austria, Poland, Russia, Switzerland, Colombia, Serbia, and Israel 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 mastered and this is a new and perspective direction in

> 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 of 2011. The designed capacity of the new mill is 700 thousand tons per year with the possibility to increase the finished product

output of hardware products.

seamless hot-rolled pipes put into operation in July of 2007. The key equipment of the pierce, a 4-stand PQF® (Premium Quality Finishing) and a reducing-sizing mill. The mill operates with three types of billet having external diameter of 140 mm, 160 mm, and 200 mm. 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, the production of more than 250 types of pipes of various ranges has been mastered.

The BSW pipes are used in engineering, oil and gas industry, construction and municipal engineering.

Pipe quality meets the requirements of Russian and foreign standards: GOST, DIN, ASTM, API 5L, API 5CT, EN. Products meeting the 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 eddycurrent 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 up to 600 bar.

Metalware production includes three steel wire shops and packing and draw die shop.

Steel cord production is a complicated knowledge-intensive process which presupposes production of brass-coated steel wire 0.15 mm in diameter made of cast billet 250x300 mm in size, capable of withstanding the high mechanical loads. The plant is the main supplier of such world-recognized tire manufactures as Continental, Michelin, Goodyear, Bridgestone, Pirelli, etc.

Another important hardware product for

output till 1 million tons per year. This project which there is a high demand, is the wire for will allow the plant to balance its production of high-pressure hoses (hose wire). With regard steel with in-depth processing and increase the to automation and equipment level, the wire production is one of the highly developed in the The pipe-making shop for production of world. The plant's specialists are successfully developing and implementing new steel cord constructions taking into consideration global pipe mill is a pipe assembly including a rotary development tendencies and tire requirements of the automotive market. For meeting requirements of the consuming companies, the BSW specialists developed a wide range of hose wire types not prescribed by the project including high-strength and ultrahigh-strength wire. The range of the produced metalware products is not limited to the production of the above-stated range. The plant produces bead wire, welding copper-coated and noncopper-coated wire, die-rolled cold-deformed reinforcing wire for concrete reinforcement, spring, spoke, nail, general purpose wire and steelfiber (anchor, wavy, micro-fiber).

> Production of certain types of products is carried out according to the developed technological documents such as operating procedures, flow process charts, specifications, work plan, etc.

> 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.



Mutually Beneficial Cooperation With Consumers

Not less important aspect of the product life cycle is its further usage and feedback on satisfaction of the specific consumer with the quality of the products delivered. Assessment of external customer satisfaction is performed by means of:

- feedback:

Feedback with consumers is carried out in order to analyze the quality of products delivered taking into account the features of their processing and prevention of possible claims to them. Specialists of the BSW department for management of production distribution and marketing are responsible for feedback with consumers. The obtained information is sent to structural divisions of the plant (to whom it may concern).

- co-processing of products:

Co-processing of products at the consumer's place is performed by mutual agreement. The results of work are reports of visiting specialists and if necessary, development of corrective actions.

- analysis of reclamations and claims:

The results of analysis of nonconforming products are considered at production meetings. The adjusting and warning measures are taken in the form of 8D report (following the form of the consumer or the BMZ form), all claims are registered in the information base "PTK OTK +").

– external audits:

Following the results of audits, the required corrective actions and improvement measures aimed at enhancement of manufactured products are developed.

- consideration of the results of non-conformances found during cargo transshipment at the ports: The non-conformances found while inspecting the cargo at the ports are taken into account when developing the corrective actions.

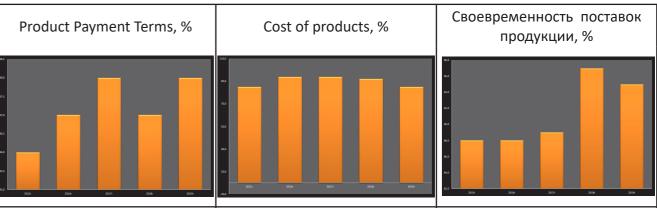
- regular meetings and negotiations with the customer's representatives:

In the subsequent bilateral dialogue, the received written comments on quality of samples or products are analyzed; suggestions for improvement of separate quality indicators or perspective changes of qualitative characteristics of products are considered; there is a mutual exchange of additional information, including statistic data, action plans, notices on introduction of changes in the production technology, etc.

- questionnaires (including comparison of quality of commercial products and services with the level achieved by the principal competitors).

Annual questionnaire survey of the consumers is an integral part of the enterprise business. Its results are used for determination and implementation of measures on improvement of the customer satisfaction. The choice of priorities for improvement of work with clients is based on assessment of the general satisfaction by types of productions (steel-smelting, rolling, pipe-making and metalware). The essence of this questionnaire is to form a list of criteria that are the most important to consumers. The general questions are the key factors influencing the consumer satisfaction: quality, technical documentation, delivery time, interaction with technicians of BSW or the official representative of the plant.





CONCLUSION: for 2019, 96% of consumers are satisfied with the Product Payment Terms.

In order to achieve a stable financial and economic situation, optimize the flow of funds to the settlement accounts of OJSC "BSW", as well as reduce the level of receivables, when concluding contracts for the supply of metal products, the main form of payment shall be 100% prepayment. Having a prepayment for the products on the account, the plant minimizes the risks associated with the non-payment of the manufactured products.

CONCLUSION: for 2019, 85% of consumers are satisfied with the cost of products.

Supply of products for export:

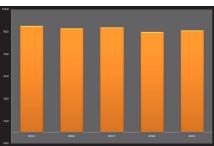
The prices for BSW products production of raw materials and materials, or transfer energy resources, the high cost production of processing, tax deductions promptly prices for products.

domestic market: The price in representatives accordance with the approved relevant price list or the protocol for Monitoring of the execution agreeing on free selling prices

CONCLUSION: for 2019, 95% of consumers are satisfied with the product delivery terms.

In order to improve discipline, are made up of the high cost eliminate cases of disruption of planned products, resolve and fees, as well as in accordance emerging issues, production with the dynamics of export management carries out daily production operations Supply of products to the with the participation of of departments. of contracts is carried out on a weekly basis.

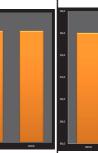




CONCLUSION: for 2019, 91% of consumers are satisfied with production planning.

The production program is the maximum efficiency of the used interchangeable tools and equipment.

Product quality,%



CONCLUSION: for 2019, 97% of consumers are satisfied with product quality.

In order to satisfy consumers formed taking into account the with product quality, corrective requirements for installation measures are developed with standards for production and the appointment of responsible executors.

Installation norm,%



of consumers are satisfied with the installation norm.

The installation norm is due to the need for effective use of production equipment and replaceable tools. In addition, work with orders for small volumes provides for the presence of extensive warehouses, which are not available in BSW conditions.

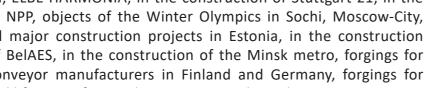
In order to successfully sell its products, BSW participates in exhibitions and conferences, advertise them in the media and on the Internet, and in industry publications. Regular visits of clients, special events are carried out, including company visit. Booklets and presentations, souvenirs are ordered. TFN entities organize storage facilities for operational customer service.

Consumers indicated the following most significant projects using BSW products over the past 2 years:

- 1. Construction of residential complexes in Norway, Sweden, Finland, Estonia, Lithuania, Latvia, France, Germany, Hungary, Italy, Spain, Slovakia, Russia, Ukraine, etc.
- 2. Production of hydraulic cylinders and machine-building components for CATERPILLAR, ICOMATSU, ECC, etc., production of gear reducers for European companies.
 - 3. Airport. Berlin.
 - 4. Football stadium. Germany.
- 5. Construction of industrial facilities of OJSC "Mogilevkhimvolokno"; social facilities in Mogilev and the region.
 - 6. Bridges in the Czech Republic.
 - 7. Final BSW product is present at the European enterprises of Ikea.
 - 8. Production of fasteners in Russia for Russian and Belarusian automobile enterprises.
 - 9. Construction of BelAES.
 - 10. GAZ, AvtoVAZ, KAMAZ
 - 11. Airport in Berlin, a football arena in Berlin.
- 12. Residential complexes: "Heart of the capital", "Fili-Grad", "Life Botanical Garden", "Savelovsky City", "Presnya City", LCD "Mayakovsky", LCD "Sreda", LCD "Seliger City".
 - 13. "Norra Tornen" Stockholm., "Follo-Banen" Oslo.
 - 14. Products for SKF.
 - 15. Construction objects for the 2018 World Cup in Russia.
 - 16. Civil engineering and structural assembly facilities in Norway.
- 17. All deformation processes for the production of automotive components, the production of springs and shock absorbers from BSW wire rod.
 - 18. Production of hydraulic equipment in Bulgaria.
 - 19. Belarusian Nuclear Power Plant in the city of Ostrovets.
 - 20. Electrification of the direction Molodechno-Gudogai-border.
 - 21. Computer-based interlocking station, Gomel, Bel. railway
 - 22. Construction of the object "Western bypass of Brest".
- 23. Participation in the execution of the state order for the supply of reinforcing steel for the manufacture of airfield plates for the needs of the Ministry of Defense of the Russian Federation.
- 24. Construction of the Dynamo Stadium, CSKA Luzhniki Stadium, building No. 2 of Moscow State University named after M.V. Lomonosov.
 - 25. SKANIA center (Baltic), supermarkets LidL (Baltic).
- 26. National Theater in Norway, National Library in Norway, bridges in Norway, S8 Walichnowy – Lubartów, Walichnowy Łódź motorway, S17 Dąbrowica – Lubartów motorway, strengthening the sea pier in Swinouście - Szczecin, administrative buildings: Business Park A4, Katow 2), Impressio II Wrocław, Dębowe Tarasy, Katowice (stage 3), reconstructions, repairs, many bridges both in the Baltic and Scandinavia, a bridge in the city of Klaipeda over the Dane River, Piles St., a bridge near the small ferry to Kursk Kassa, ELBE HARMONIA, in the construction of Stuttgart 21, in the construction of the Novovoronezh NPP, objects of the Winter Olympics in Sochi, Moscow-City,

all major construction projects in Estonia, in the construction of BelAES, in the construction of the Minsk metro, forgings for conveyor manufacturers in Finland and Germany, forgings for forklifts manufactured in Germany and Sweden.

27. In the modernization of OJSC "Mogilevkhimvolokno"; construction and modernization of residential and industrial facilities of the Mogilev region; the construction of the Arc de Triomphe in the city of Mogilev, etc.



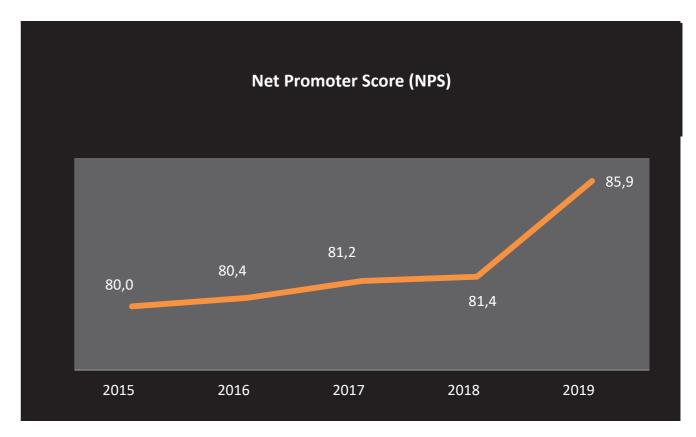
28. The Bank for Reconstruction and Development was built – a branch in the city of Vitebsk. Construction of a multi-storey residential building with built-in multi-purpose premises in the intersection of Dzerzhinsky Ave., ul. Gursky (in town No. 1 in the municipality No. 3), I stage and II stage, 6th launch complex, the reconstruction of the production and administrative building with storage facilities and the construction of the production building and warehouse in the Minsk region (1st construction phase), construction of facilities of the Belarusian NPP, stadiums: Dynamo, residential complexes: Heart of the Capital, Fili-Grad, Life Botanical Garden, Savelovsky City, Presnya City, Mayakovsky Residential Complex, Sreda Residential Complex, and Residential Complex «Seliger City».

- 29. Production of equipment for logging.
- 30. Civil construction projects
- 31. Assembly projects of the customers

Net Promoter Score of BSW

Consumer loyalty is annually measured to maintain the market positions and attract new consumers - promotion of the repeated purchases by the existing clients and creation of emotional commitment to the trademark of BSW and engagement in long-term cooperation with the plant.

When carrying out the annual questioning, the consumers are offered to answer the question "How likely are you to recommend our products to other companies?". Based on answers of end customers, the net promoter score (NPS) are calculated.



According to the results of a survey of customers of OJSC "BSW — management company of "BMC" holding", the index of their consumer loyalty (NPS) to the Belarusian manufacturer of metal products in 2019 amounted to 85.9%. This is the maximum indicator for the last five years during which BSW has been carrying out this research. This indicates that the Byelorussian Steel Works is a successful company with a high level of customer satisfaction (loyalty).





This Report discloses the operating results of OJSC "BSW — management company of «BMC» holding» in the area of sustainable development in 2019, and its plans for the near future.

Scope of the Report

It is the eleventh Report on sustainable development of OJSC «BSW — management company of «BMC» holding». Maintaining the tradition of reporting on sustainable development, the enterprise confirms its readiness for an open dialogue with the stakeholders. The 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 the BSW activity aimed at production of quality goods, provision of safe and adequate labour conditions for the employees, decrease of the ecological impact and promotion of a healthy lifestyle.

The Report does not contain information regarding joint-ventures and the enterprises located outside the Republic of Belarus.

Essential Changes in the Report

This Report doesn't contain the essential changes of the information disclosed in the previous reports of the plant. Economic indicators are given in the US dollars at the average annual exchange rate of the National Bank of the Republic of Belarus existing in 2019 which was equal to Br 2.0914.





The Report is prepared in conformity with the general version of reporting according to GRI Guidance (G4). The list of aspects of General standard disclosures and Specific standard disclosures is given in Annexes 2 and 3 to this 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, context of sustainability development and completeness of the information disclosure.

To determine the Report content and to write its text, OJSC «BSW — management company of «BMC» holding» carried out assessment of important topics according to the requirements of the GRI Guidelines. Issues and questions disclosed in the Report are considered significant in terms of their influence upon the BSW activity and interests of the key stakeholders: customers, suppliers, employees, authorities and local communities.

When defining significance, the BSW was guided by the recommendations of the GRI Guidelines. The process consisted of the following stages:

1. Analysis of internal sources of information, including materials of the Sustainable Development Report for 2018, taking into account the stakeholders' opinion on the most interesting topics to them.

2. Compilation, discussion and approval of a list of significant topics to be included in the Sustainable Development Report for 2019.

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.

In order to maintain a constructive dialogue with all interested parties, the plant values every opinion on its activity in the area of sustainable development. To this end, the 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 any questions can be sent to e-mail: secr.dpir@bmz.gomel.by or to 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.

The electronic version of the Report for 2019 is available on the website belsteel.com





List of used abbreviations

	The Arms for a Policy of the Market Control
API	the American Petroleum Institute is a non-governmental organization in the USA involved in research of the oil and gas sector.
	in research of the on and gas sector.
	Global Reporting Initiative is an independent non-profit-making organization, the purpose of which is development and world-wide distribution the unified principles of reporting in
GRI	the sphere of sustainable development, mainly by applying the Sustainability Reporting
	Guidelines. This organization was established in 1988 with a headquarter in Amsterdam. It
	is managed by international experts from different organizations around the world.
EFQM	European Foundation for Quality Management
ISO	International Organization for Standardization
OHSAS	Occupational Health and Safety Assessment Systems
SA 8000	International standard «Social accountability 8000»
BSW	Byelorussian Steel Works
BNTU	Belarusian National Technical University
BRSM	Belarusian Republican Youth Union
GDP	Gross domestic product
GOST	State industry-specific standard
SEI	State educational institution
PMC	Palace of Metallurgists' Culture
EAF	Electric arc furnace
YAC	Youth athletic center
EU	European Union
UWRSH	Uniform Wage-Rates and Skills Handbook
ZhMK	"Zhlobin Meat Processing and Packing Factory"
PHA	Public Housing Administration
Info-BSW	Inquiry and communications system of the factory
kg	Kilogram
CSM	Corporate system of management
TC	Training courses
MAZ	"Minsk Automobile Plant"
MISiS	Moscow Institute of Steel and Alloys
ССМ	Continuous casting machine
mn	Million
bln	Billion
mm	Millimeter

OHF	Occupational Health Facility		
MTZ	Minsk Tractor Works		
IFRS	International Financial Reporting System		
NASB	The National Academy of Sciences of Belarus		
NP	National park		
IIWD	Information and ideological work department		
UN	The United Nations		
OSH	Occupational safety and health department		
department	Occupational salety and health department		
ISD	Industrial Safety Department		
ODS	Ozone-depleting substances		
QCD	Quality Control Department		
DGC	Dust and gas catcher		
MPC	Maximum permitted concentration		
PA	Production Association		
RB	The Republic of Belarus		
EOaS	Executive officers and specialists		
RF	the Russian Federation		
CM	The Council of Ministers		
Mass media	Mass communication media		
YPB	Young Professionals Board		
CIS	Commonwealth of Independent States		
LPRM	Long product rolling mill		
CS	Corporate standard		
BS	Belarusian Standards		
SWM	Steel wire mill		
EMS	Environmental Management System		
HSE MS	Occupational health and safety management system		
USA	The United States of America		
TR	Technological regulations		
TS	Technical specifications		
TOE	Ton of oil equivalent		
th	Thousand		
FER	Fuel & energy resources		
EPAaIHA	Environmental Protection and Industrial Hygiene Agency		
SRC	Sports and recreation center		
CEE	Central and Eastern Europe		
AFMS	Arc-furnace melting shop		

General standard disclosures

Indicators	Chapter of the Report	Comments
Strategy and analysis	G. Hapter of the report	
G4-1 Statement from the most senior decision-maker of the organization	1. General Director's statement	
G4-2 Description of key impacts, risks and opportunities	3. Strategy and approach to sustainable development management	
Organizational profile	, 3,	
G4-3 Name of the organization	2. Company Presentation	
G4-4 Primary brands, products and services	2. Company Presentation	
G4-5 Location of the organization's headquarters	2. Company Presentation	
G4-6 Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the Report.	2. Company Presentation	
G4-7. Nature of ownership and legal form	2. Company Presentation	
G4-8 Markets served by the organization	2. Company Presentation	
G4-9 Scale of the organization	2. Company Presentation	
G4-10 Workforce, including: -Total workforce by region and gender Any significant variations in employment numbers	6. Social activity. Personnel description	
G4-11 Percentage of total employees covered by collective bargaining agreements.	6. Social activity. Social partnership. Trade union organization	
G4-12 Describe the organization's supply chain.	7. Responsibility for the product manufactured. Product life cycle	
G4-13 Significant changes during the reporting period regarding the organization's size, structure, ownership or supply chain.	There were no any significant changes during the reporting period.	
G4-14 Whether and how the precautionary approach or principle is addressed by the organization.	4. Economic effectiveness. Risks of the enterprise	
G4-15 Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or which it endorses.	Strategy and approach to sustainable development management / Sustainable development management Participation in external initiatives	
G4-16 Memberships of associations (such as industry associations) and/or national and international organization.	Strategy and approach to sustainable development management / Participation in external initiatives	
Identified Material Aspects and Boundaries		
G4-17 Entities included in the organization's consolidated financial statements or equivalent documents.	8. Preface to the Report	
G4-18 Process for defining the report content and the aspect boundaries.	8. Preface to the Report	
G4-19 Material aspects identified in the process for defining report content.	8. Preface to the Report	
G4-20 Aspect boundaries within the organization.	8. Preface to the Report	
G4-21 Aspect boundaries outside the organization	8. Preface to the Report	
G4-22 Effects of any restatements of information provided in previous reports and the reasons for such restatements.	8. Preface to the Report	
G4-23 Significant changes in the scope and aspect boundaries compared with the previous reporting periods.	8. Preface to the Report	

Cooperation with interested parties	
G4-24 Stakeholder groups engaged by the organization.	Strategy and approach to sustainable development management / Cooperation with interested parties
G4-25 Basis for identification and selection of stakeholders with whom to engage.	3. Strategy and approach to sustainable development management / Cooperation with interested parties
G4-26 The organization's approach to stakeholder engagement including frequency of engagement by type and by stakeholder group and an indication of whether any of the engagement was undertaken specifically as part of the Report preparation process.	3. Strategy and approach to sustainable development management / Cooperation with interested parties
G4-27 Key topics and concerns raised through stakeholder engagement, and how the organization has responded to those key topics and concerns including though its reporting.	3. Strategy and approach to sustainable development management / Cooperation with interested parties
Report Profile	
G4-28 Reporting period.	8. Preface to the Report
G4-29 Date of most recent previous Sustainable development Report.	8. Preface to the Report
G4-30 Reporting cycle.	8. Preface to the Report
G4-31 Contact person for questions regarding the report or its content.	Feedback questionnaire
G4-32 «In accordance» option chosen by the organization for the Report preparation and GRI Content Index for the chosen option.	8. Preface to the Report
G4-33 Organization's policy and practice regarding External Assurance of sustainable development reporting	No external assurance
Corporate Management	
G4-34 Organization's corporate management structure including key committees under the highest governing body	Company Presentation/Organizational structure of sustainable development management
Ethics and integrity	
G4-56 Organization's values, principles, standards and norms of behavior of the organization such as codes of conduct and codes of ethics.	3. Strategy and approach to sustainable development management



Specific standard disclosures

Indicators	Chapter of the Report	Comments	
Aspect «Economic performance»	· · · · · · · · · · · · · · · · · · ·		
G4-EC1 Direct economic value generated and distributed.	4. Economic performance		
G4-EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change.	4. Economic performance		
G4-EC3 Coverage of the organization's defined benefit plan obligations	6. Social activity. Social support of retirees, disabled people and other categories of financially disadvantaged citizens	l l	
G4-EC4 Financial assistance received from government.	4. Economic effectiveness. Financial support by the government		
Aspect «Market presence»			
G4-EC5 Ratios of standard entry-level wage by gender compared to local minimum wage at significant locations of operation.	6. Social activity. Financial incentives.		
G4-EC6 Proportion of senior management hired from the local community at significant locations of operation.	6. Social activity. Personnel description	6. Social activity. Personnel description	
Aspect "Indirect Economic Impacts"			
G4-EC7 Development and impact of infrastructure investments and services supported	4. Economic performance. Indirect economic impacts		
G4-EC8 Significant indirect economic impacts, including the extent of impacts	4. Economic performance. Indirect economic impacts		
Aspect «Procurement practices»	·		
G4-EC9 Proportion of spending on local suppliers at significant locations of operation.	7. Product responsibility. Mutually beneficial cooperation with suppliers	n	
Aspect "Materials"			
G4-EN1 Materials used by weight and volume.	5. Environmental activity. Conservation of natural resources		
G4-EN2 Percentage of materials used that are recycled input materials.	5. Environmental activity. Conservation of natural resources		
Aspect «Energy»			
G4-EN3 Energy consumption within the organization.	5. Environmental activity. Conservation of energy resources		
G4-EN4 Energy consumption outside of the organization	5. Environmental activity. Conservation of energy resources		
G4-EN5 Energy intensity	5. Environmental activity. Conservation of energy resources		
G4-EN6 Reduction of energy consumption	5. Environmental activity. Conservation of energy resources		
G4-EN7 Reductions in energy requirements of products and services.	5. Environmental activity. Conservation of energy resources		
Aspect «Water»			
G4-EN8 Total water withdrawal by source.	5. Environmental activity. Water basin protection		
G4-EN9 Water sources significantly affected by withdrawal of water.	5. Environmental activity. Water basin protection		
G4-EN10 Percentage and total volume of water recycled and reused.	5. Environmental activity. Water basin protection		
Aspect «Biodiversity»			
G4-EN11 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	5. Environmental activity. Minimization of plant activity impac on flora and fauna	t	
G4-EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	5. Environmental activity. Minimization of plant activity impact on flora and fauna	t	
G4-EN13 Habitats protected or restored	5. Environmental activity. Minimization of plant activity impact on flora and fauna	t	
G4-EN14 Total number of species included in IUCN Red List and national conservation list species with habitats in areas affected by operations, by level of extinction risk	5. Environmental activity. Minimization of plant activity impact on flora and fauna	t	

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Aspect «Emissions»			
G4-EN15 Direct greenhouse gas (GHG) emissions (scope 1)	5. Environmental activity. Air basin protection		
G4-EN16 Energy indirect GHG emissions (scope 2).	5. Environmental activity. Air basin protection		
G4-EN17 Other indirect greenhouse gas (GHG) emissions (scope 3)	5. Environmental activity. Air basin protection		
G4-EN18 GHG emissions intensity.	5. Environmental activity. Air basin protection		
G4-EN19 Reduction of GHG emissions.	5. Environmental activity. Air basin protection		
Aspect «Effluents and waste»			
G4-EN22 Total water discharge by quality and destination.	5. Environmental activity. Water basin protection		
G4-EN23 Total weight of waste by type and disposal method.	5. Environmental activity. Production waste disposal		
Aspect «Products and services»			
G4-EN27 Extent of impact mitigation of environmental impacts of products and services.	5. Environmental activity. Development and introduction of resource-saving, low-waste and environment-friendly technologies		
Aspect «Compliance»			
G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	5. Environmental activity. Expenses on environment protection and monitoring. Environmental payments		
Aspect «Overall»			
G4-EN31 Total environmental protection expenditures and investments, by type.	5. Environmental activity. Expenses on environment protection and monitoring. Environmental payments		
Aspect «Employment»			
G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender and region.	6. Social activity. Personnel description		
G4-LA2 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	5.3. Social activity. Employees' rights		
Aspect «Labor/management relations»			
G4-LA4 Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	5.3. Social activity. Employees' rights		
Aspect «Occupational health and safety»			
G4-LA5 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	6. Social activity. Labour protection and provision of industrial safety		
G4-LA6 Type of injury and rates of injury, occupational diseases, lost days, absenteeism and total number of work-related fatalities, by region and by gender.	6. Social activity. Labour protection and provision of industrial safety		
G4-LA7 Workers with high incidence or high risk of diseases related to their occupation.	6. Social activity. Labour protection and provision of industrial safety		
G4-LA8 Health and safety issues covered in formal agreements with trade unions	6. Social activity. Public control of human rights in the area of labour protection.		

Aspect «Training and education»			
G4-LA9 Average hours of training per year per employee, by gender and by employee category.	6. Social activity. Training and education		
G4-LA10 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	6. Social activity. Training and education		
G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	6. Social activity. Professional and career development		
Aspect «Diversity and equal opportunity»			
G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity.	6. Social activity. Personnel description		
Aspect "Equal remuneration for women and men"			
G4-LA13 Ratio of basic salary and remuneration of women to men, by employee category and by significant locations of operation.	6. Social activity. Financial incentives.		
Aspect «Nondiscrimination»			
G4-HR3 Total number of incidents of discrimination and corrective actions taken.	5.3. Social activity. Employees' rights		
Aspect «Child Labor»			
G4-HR5 Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	5.3. Social activity. Employees' rights		
Aspect «Forced or Compulsory Labor»			
G4-HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of all forms of forced or compulsory labor.	5.3. Social activity. Employees' rights		
Aspect «Local communities»			
G4-SO1 Percentage of operations with implemented local community engagement, impact assessments and development programs.	3. Strategy and approach to sustainable development management / Cooperation with interested parties Interaction with the civil society		
Aspect "Anti-corruption"			
G4-SO4 Communication and training on anticorruption policies and procedures.	Strategy and approach to sustainable development management / Structural organization of sustainable development management		
G4-SO5 Confirmed incidents of corruption and actions taken.	Strategy and approach to sustainable development management / Structural organization of sustainable development management		



Aspect «Customer Health and Safety»			
G4-PR1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	7. 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	7. Product responsibility. Customer Health and Safety		
Aspect "Product and Service Labeling"			
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.			
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.	7. Product responsibility. Product marking with appropriate information		
G4-PR5 Results of surveys measuring customer satisfaction.	7. Product responsibility. Mutually beneficial cooperation with consumers		



Dear readers!

You have just got acquainted with the Report on the activities of OJSC «BSW - management company of «BMC» holding» holding in the area of sustainable development for 2018. 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.

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You may also e-mail the f	•	•		
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9. What information in	the Report was the most	interesting for y	you?	
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