



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



Report on the operating results in the area of sustainable development

2020

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ADDRESS OF DIRECTOR GENERAL OF OJSC “BSW – MANAGEMENT COMPANY “BMC” HOLDING”

In front of you the corporate social report of the Byelorussian Steel Works for 2020. This is a universal document in which you will find a full range of information about the work of our company.



How can we describe 2020 for BSW? Frankly speaking: quite difficult.

The pandemic and hard lockdowns in the European Union had a serious impact on our orders. On the one hand, in this difficult period we were seriously supported by the Government of the country. On the other hand, we did not sit in our hands. We restructured our work schedule and, thanks to the work of the entire staff of the Byelorussian Steel Works, the professionalism of our employees, understanding of the situation, we survived this year.

In 2020, Byelorussian Steel Works operated with net profit and significant reduction in production costs. We exported 2 million tons of metal products to 53 countries in the amount of \$ 954.1 million. Moreover, more than 23.3% of the total volume is innovative products. This trend is facilitated by the research activities, actively carried out at the enterprise. Particularly, its results, for example, opened the marginal market of the global automotive industry for the plant. In 2020, Byelorussian Steel Works invested more than \$ 1.5 million in ensuring safe working conditions and health of its employees.

12 months of 2020 gave new recognitions at prestigious republican and international competitions to our plant. Thus, Byelorussian Steel Works won the Grand Prix of International Business Award “Leader of the Year”. The enterprise received a high opinion in the category “For sustainable development” for improving the quality management system and contribution to strengthening the image of the domestic industry in the world market. We returned from the 28th International Scientific and Technical Conference “Foundry operation and Metallurgy industry” with two awards. The team of authors-employees of Byelorussian Steel Works became a laureate of the Prize of Association of foundry workers and steel workers (Prize named after Professor D.I. Kukuya) in the category “The best of scientific and production work of young engineer”. In the category “The best innovative project, implemented

in the foundry and metallurgical industries, aimed at improving the quality of products, energy and resource conservation” of the competition of Prize of Association of foundry workers and steel workers was presented the project “Expansion of high-quality range of steels”. Byelorussian Steel Works received two awards and according to the results of the competition “The best products of the Republic of Belarus” - 2020. Such products of the enterprise as roll stock of steel hot-rolled from carbon structural quality steel of grade 45 with diameters of 20-160 mm became a Laureate in the nomination “Producer goods and raw materials”, and the winner's certificate we received for cold-deformed smooth nontensional reinforcement for reinforced concrete structures of class S500 in coils Ø 4.0-5.0 mm, produced according to the Standards of the Republic of Belarus 1341-2009. Also, the plant was awarded the diploma “Sustained quality”.

The past year will go down in history also with implemented social projects. We actively supported the workers and their families during this difficult epidemiological period by offering employees insurance in case of exposure to Covid-19. Charitable projects, within the framework of which we extend a helping hand to those in need, are numbered in dozens and cover various spheres of life. Moreover, we do not forget not only current employees, we remember and help the veterans in production. Our hockey team “Metallurg” is again fighting for the highest places in the championship, this time, stopping a footstep away from the championship medals. Our employees again approving themselves in creative and sports competitions.

Millions of tons of steel, dozens of brands of our products, implemented projects, victories in creative and sports competitions - talent and work of the team of many thousands of Byelorussian Steel Works. In the social report, which we bring to your attention today, we tried to indicate all the aspect of records of the plant.

**Best wishes,
D.A. Korchik
General director OJSC “BSW –
management company of “BMC” holding”**



БЕЛОРУССКИЙ МЕТАЛЛУРГИЧЕСКИЙ ЗАВОД

COMPANY PRESENTATION

Open Joint-Stock Company “Byelorussian Steel Works – Management Company of “Byelorussian Metallurgical Company” Holding” (hereinafter referred to as BSW, enterprise, Byelorussian Steel Works, plant) is the largest enterprise not only in the Republic of Belarus, but also in Europe. For more than 37 years BSW has been among the reputable manufacturers of metal products.

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 Republic of Belarus and transferred to be managed by the Ministry of Industry of the Republic of Belarus.

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.

The total staff of BSW is 11 697 people

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

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

“Byelorussian Metallurgical Company” Holding

BSW is the management company of the “Byelorussian Metallurgical Company” holding. The holding includes 21 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.

The total staff of BMC holding is 21 080 people

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 workshops of infrastructure and subdivisions of management of functioning of the enterprise.

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

Rolling-mill practice is represented by two long product rolling mill, having four cross-sectional of rolling mill machines, and pipe rolling plants. The hardware production consists of three steel-wire workshops and packing and runway workshops

The structure of the plant's infrastructure is represented by workshops of provision of electricity production, repair of equipment of hardware workshops, metallurgical, energy, equipment, railway and transport workshops, and other auxiliary subdivisions.

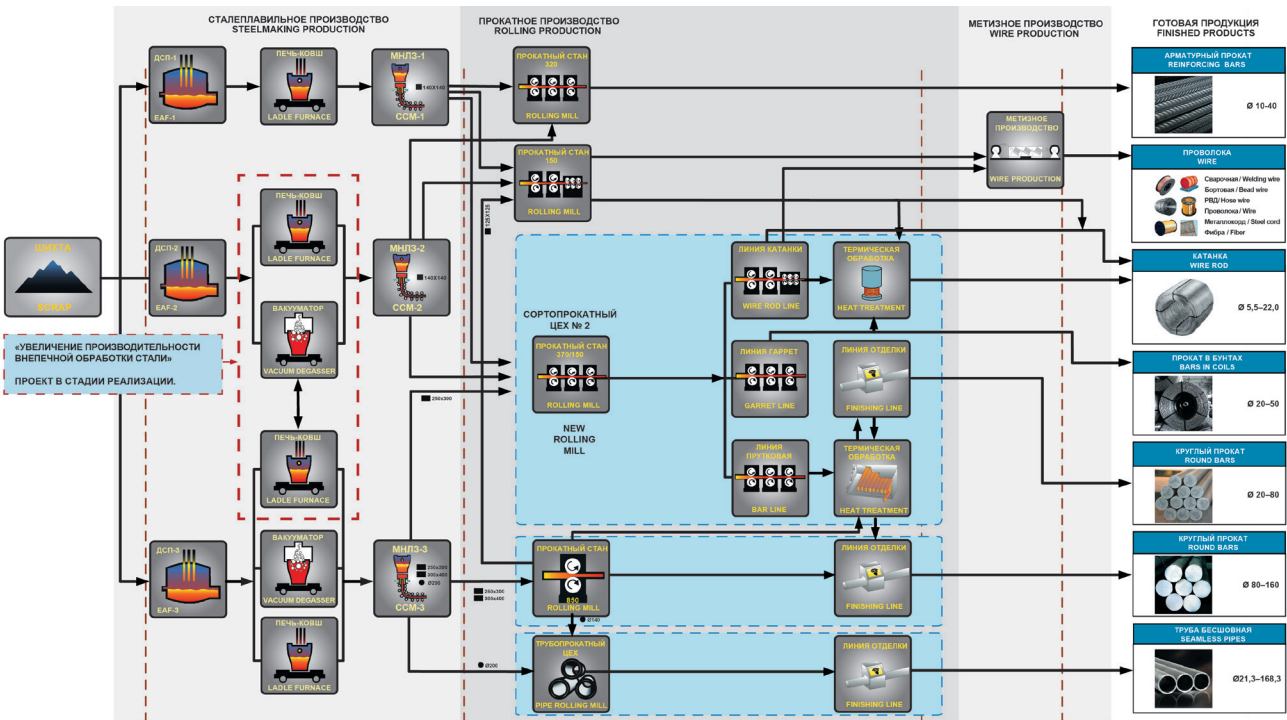
The catalog of the plant's products includes such types as continuously cast and hot-rolled billets,

contour, graded, reinforced roll stock for reinforced concrete construction, pierced shell, octagon bar, steel rolled wire, metal cord, hot-deformed seamless steel pipe, steel anchor fiber, undulating and microfiber, and steel wire for various purposes.

OJSC “BSW – management company of “BMC” holding” is a high-tech metallurgical complex. All production is carried out at a one production facility in the Republic of Belarus, which achieve savings on scale and manufacture low cost products. A wide range of production facilities allows flexibly form production flows, taking into account market conditions and maintain stable sales volumes within a long period of time.

OJSC “BSW – management company of “BMC” holding” belongs to the class of mini-enterprises with an incomplete metallurgical cycle, the main raw materials for which are scrap metal and metallized steel pellets.

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



Fundamental steps of development for the last 10 years

Data	Event
2011	<ul style="list-style-type: none">-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	<ul style="list-style-type: none">- the second International conference of the BSW suppliers was held;- reconstruction of bead bronze-coated wire unit in SWM-1.
2013	<ul style="list-style-type: none">- 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	<ul style="list-style-type: none">- construction of the limekiln-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	<ul style="list-style-type: none">- commissioning of long product rolling shop No.2, a light-section mill for production of wire rod and concrete reinforcement in bundles.
2016	<ul style="list-style-type: none">- achievement of the designed capacity of the light-section mill according to the results of monthly production (in November).
2017	<ul style="list-style-type: none">- 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.
2018	<ul style="list-style-type: none">- 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”.

2019	<ul style="list-style-type: none">- 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 Industry;- 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”;- became a Laureate of the “Leader of the Year 2019” business award in the nomination “With a quality mark”.
2020	<p>BSW products became the Laureate of the competition "The best goods of the Republic of Belarus" 2019 in the category "Products for industrial and technical purposes";</p> <ul style="list-style-type: none">- recognized as a laureate of the 2019 CIS Prize for achievements in the field of quality;- became the winner of the “Best Exporter of 2019” competition in the category “Metallurgy” ;- cold-deformed smooth nontensional reinforcement for ferro-concrete frame of the S500 class in coils of Ø 4.0-5.0 mm, produced in accordance with Standards of the Republic of Belarus 1341-2009, was awarded the title of "Best construction product of the year-2020";- BSW and its employees were awarded at the 28th Interbranch scientific and technical complex "Foundry engineering and Metallurgy 2020. Belarus" in the categories "Best scientific and industrial work of a young engineer" and "Best innovative project";- won the Grand Prix of the International Business Award “Leader of the Year” in the category “ For Sustainable Development”; a special award in the category "Person" was awarded to the General Director of BSW D.A. Korchik.



Geography and Range of Activity

BSW is an export-oriented enterprise. Along with other industrial enterprises of Belarus, it forms the 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.

The export geography is vast; the metal products of BSW are supplied to 118 countries. The BSW trademark is well-recognized on the metal market.

In 2020, diversification of products was carried out to the markets of Italy, Kenya, Turkey.

The main export regions of export for 2020 are Europe, Russia and Africa. Europe accounts for 51.4% (500 199 thousand US dollars), Russia - 16.8% (163 123 thousand US dollars), Africa - 12.3% (119 945 thousand US dollars) of all exported metal products (971 625 thousand \$).

The largest importing countries of BMZ products in 2020 were such countries as Russia (relative share in exports 16.8%), Israel (9.6%), Germany (8.7%), Lithuania (7.9%), Poland (7.5%), the Netherlands (6.2%), Ukraine (5.5%), Great Britain (3.7%), Tunisia (3.6%), Egypt (3.5%).

Geography and structure of sales of products of BSW for 2020

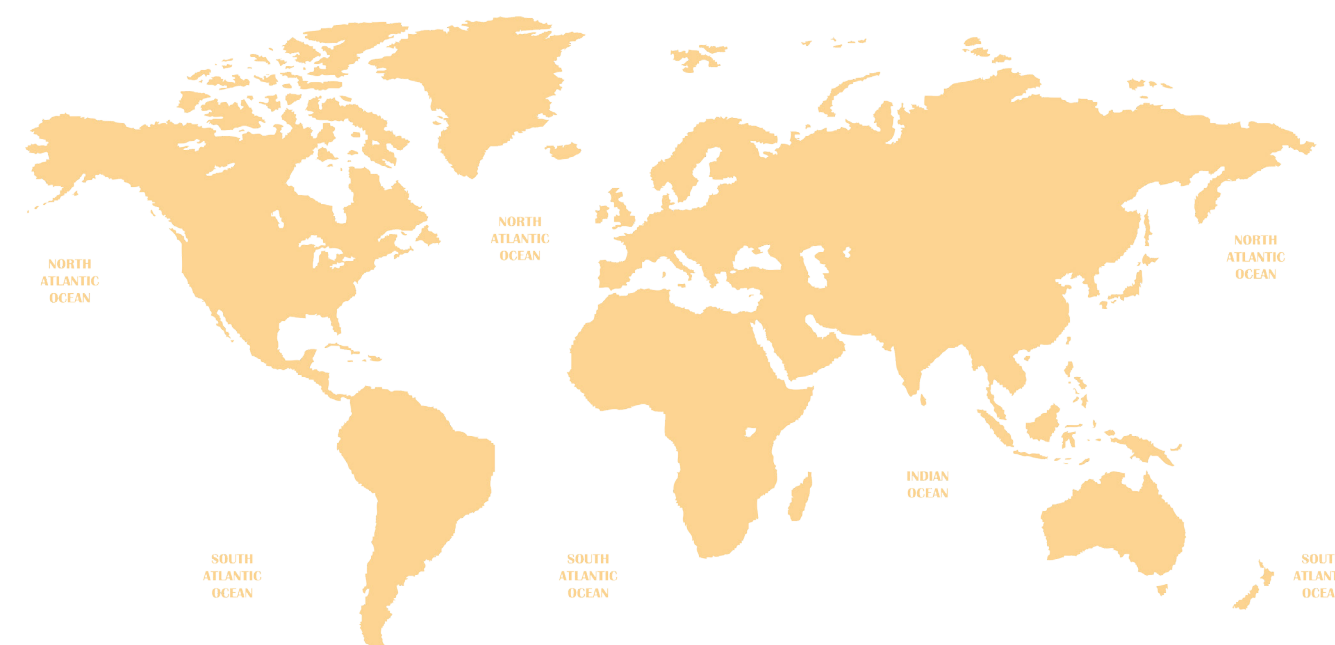
Name of products	Product supply region in 2020
Cast billet	Middle East and Africa
Rolled metal products	Africa, Middle East, Europe, CIS, the Republic of Belarus
Seamless pipe	America, Middle East, Europe, CIS, the Republic of Belarus
Metal cord	America, Middle East, Europe, CIS, the Republic of Belarus
Brass-based wire rod	Asia, America, Middle East, Europe, CIS, the Republic of Belarus
Bead wire	Middle East , Europe, CIS, the Republic of Belarus
Steel wire	Europe, CIS, the Republic of Belarus

Market presence

The range of products sold in 2020 is represented by the following types: cast and round billets, blooms; reinforcing bars, incl. in coils; wire rod; structural steel, incl. in coils; seamless pipes; metal cord; bead wire; brass-based wire rod, other steel wire and products from it. The main industries, consuming products, manufactured at BMZ, are: construction, automobile and machine-building, oil and gas producing and oil-processing, bus-tire and mechanical-rubber.

For 2020 the products has been exported to 53 countries

Specification of Sales Geography



EUROPE

During 2020, metal products were supplied to 29 European countries. 24 of them are the members of the EU (during 2019 – 30 countries, 25 of them are the members of the EU). The main scope of delivery 46.9% (234 487 thousand \$) of the total European export (500 199 thousand \$), belongs to Germany, the Lithuania and Poland.

AFRICA

During 2020, metal products were supplied to 12 African countries (during 2019 – 16 countries). 28,6% (34 377 thousand \$), of products delivered of the total African export (199 945 thousand \$) belongs to Egypt.

MIDDLE EAST

During 2020, metal products were supplied to 2 countries of the Middle East-Turkey and Israel (during 2019 – to 5 countries). 84.3% of products delivered (93 119 thousand \$) of the total Middle East export (110 450 thousand \$) belongs to Israel.

SEA

During 2019, metal products were supplied to 3 countries of the Southeast Asia - Republic of Korea, Singapore and Japan (during 2019 – to 5 countries).

AMERICA

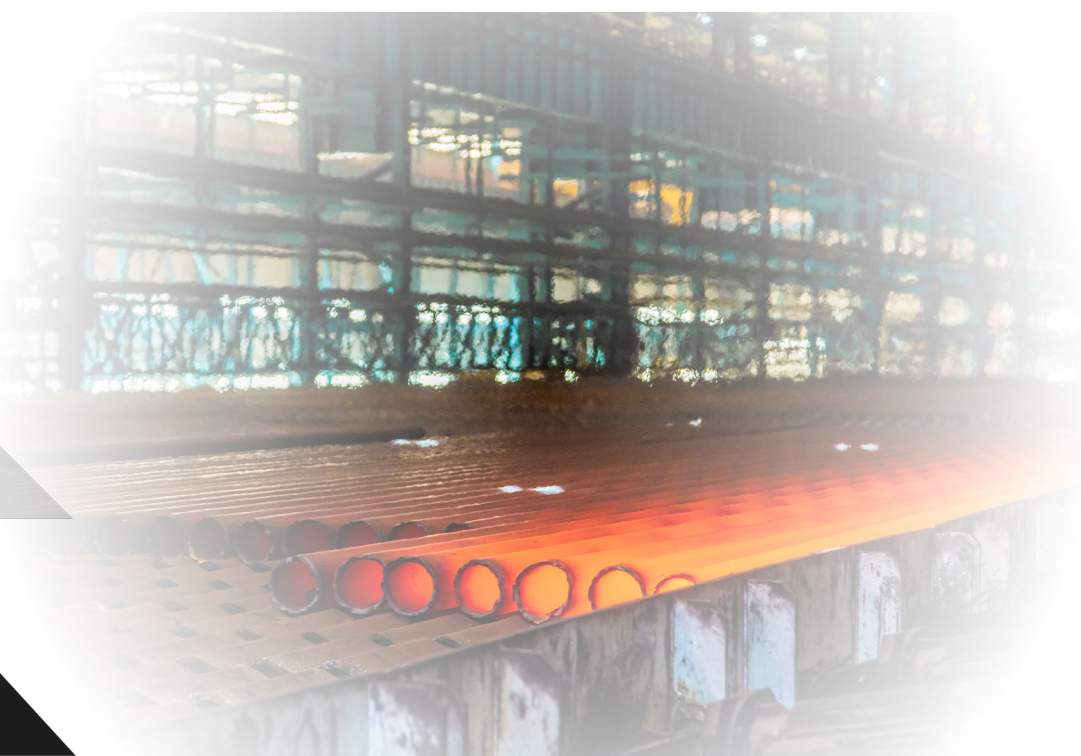
During 2020, metal products were supplied to 4 American countries (during 2019 – to 6 countries). The main volume of products was supplied to the USA – 78.1% (16 255 thousand \$) of the total American export (20 796 thousand \$).

THE RUSSIAN FEDERATION

The volume of sales of metal products for 2020 amounted to 163 123 thousand US dollars (by 12 months of 2019 – 78.4% in value terms). 46.3% of Russian exports (75 488 thousand \$) of the supplied products is represented by reinforcing steel, 19.0% - by seamless pipe supplies, 17.0% – by steel wire cord supplies.

CIS (UKRAINE, AZERBAIJAN, MOLDAVIA)

The volume of sales of metal products for 2020 amounted to 56 287 thousand US dollars (for 12 months of 2019 -111,2% in value terms). 75.8% (from SIC export) of supplied products accounted to reinforcement steel.



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

1. Belarus represented by OJSC “BSW – management company of “BMC” holding” is included in TOP-50 “Major Steel-Producing Countries” according to Worldsteel Association-2020, occupying 40th place leaving behind enterprises in such countries as: Qatar, Algeria, Luxembourg, Portugal, Oman, Hungary, Switzerland, Philippines, Greece, etc.
2. Recognizable and officially registered brand in 71 countries of the world.
3. An extensive commodity distribution network around the world.
4. An enterprise with a complete metallurgical production cycle, striving to manufacture of products with the highest added value.
5. Availability of a certified management system. BSW has international certificates of QMS conformity with the requirements of standards: STB ISO 9001:2015, ISO 9001:2015, IATF 16949:2016, BS EN ISO 9001:2015, AD 2000 Merkblatt W0 and Directive 2014/68/EU, API Spec Q1.
6. The environmental management systems, occupational health and safety management, energy management have been implemented and certified by BSW for compliance with the requirements of international and national standards ISO 14001:2015/ STB ISO 14001:2017; ISO 45001:2018/ STB 18001:2009; ISO 50001:2018.
7. As of 31.12.2020, the plant has 56 certificates of conformity for the production of various types of products.
8. In October 2018, the national accreditation system of Belarus was recognized as corresponding and equivalent to European and international requirements, agreements on the recognition of conformity assessment results in regards to testing and calibration were signed with the International Organization for Laboratory Accreditation ILAC. On the basis of this agreement, the accredited laboratories of BSW (Chief Metrologist’s Dpt., Central Plant Laboratory) have been granted the right to apply a combined mark to the issued documents indicating the possibility of recognition of this document on foreign markets.
9. Presence of long-term contracts and maintenance of long-term professional relationships with major suppliers.
10. Availability of our own research center and cooperation with research centers of the world's leading companies.
11. Active advertising and exhibition activities.
12. Constant expansion of the range of products.
13. Leader in the production of rods for high-pressure hose in Europe and the CIS countries.
14. The largest producer of bead wire in Europe, monopolist in the CIS market.
15. Complete product portfolio of steel reinforcing materials for the tire industry.
16. Our own training center implements a system of continuous training and competence improvement of managers at all levels of management, specialists and working organizations on management issues.

Characteristics of Primary Consumers

The primary consumers of the BSW products are machine-building and automaker enterprises, 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 of 2020, 47.4% of metal products were used in the construction industry, 34.8% – in the metallurgical industry and metal-processing industry, 15.7% – in automobile and mechanical engineering, 0.9% – in oil and gas industry, and 1.2% – 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 CIS-countries and countries outside the CIS, as well as in the Republic of Belarus. The quality of 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 company does business with world leaders: such companies as Michelin, Continental, Good Year, Cordiant, Belshina, Eaton, Shlumberger, Halliburton, Aeroquip, Manuli, Pirelli, Bridgestone, Yokohama, Timken, Uranie International, Mahindra Forgings AG, Hirschvogel Automotive, Mahindra Forgings AG (including positive results of 2nd party audits according to VDA 6.3). At the

request of our consumers, since 2015, BSW has been taking part in the assessment of sustainable development indicators on the Ecovadis platform.

Among independent producers, BSW occupies 2% in the world-wide metal cord production, 20% 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.

Customer satisfaction is one of the most important goals for BSW.

Within the framework of cooperation with consumers, “Interaction Programs” and “Progress Plans” are developed, in which joint goals on quality and logistics, approval (homologation) of products are established and monitored; statistical indicators of products and processes are analyzed; data on interlaboratory tests, information on the quality management system, environmental management, occupational safety and health management system, social responsibility are provided.

Close attention is also paid to meeting the specific requirements of consumers. The enterprise extends the requirements of consumers to BSW to its suppliers, the purpose of this work is to disseminate the experience of consumers of OJSC “BSW - management company of “BMC” holding” in the chain “consumer” – “manufacturer” – “supplier” – “sub-supplier” which meets the mutual interests of the parties and contributes to the development of further mutually beneficial cooperation.

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 policy, which is available to all stakeholders.





БЕРЕГИСЬ
СТАЛЕВОЗА

Зона возможного
поражения
ударной волной
и разлета
продуктов плавки

**STRATEGY AND MANAGEMENT
APPROACH TO SUSTAINABLE
DEVELOPMENT**

SUSTAINABLE DEVELOPMENT POLICY

The goal of OJSC “BSW — management company of “BMC” holding” is safe, efficient 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 for the next generations.

Our values are focused on organizing the activities of the enterprise taking into account the approaches to the environment protection, 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 and recognition of principles 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:

- continuous improvement of Occupational

Health and Safety Assessment Systems 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 and safety of the enterprise personnel and contractors;

- compliance with legal obligations and ensuring the equal possibilities without any discrimination;

- enabling environment for improvement of the professional degree;

- motivation of personnel to increase their contribution to the achievement of the enterprise's goals.

• Partners

OJSC “BSW — management company of “BMC” holding” is committed to:

- offer our business partners to adhere to the ethic social and environmental principles and introduce the business practice according to the Ethics Code, anti-corruption rules of OJSC “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, environmental and social effects of its production activity;
- inform local communities 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 company of “BMC” holding” is committed to:

- ensure constant reduction of impact on the environment in the process of production activity;

- taking into account the impact of transport on environment during transportation of the products, raw materials and materials;

- support of the environment protection management systems certified according to Standard ISO 14001 and energy management systems certified according to Standard ISO 50001.

• Intellectual Property

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

• Reputation and Fight Against Corruption

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 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.

Corporate policy

OJSC “BSW — management company of “BMC” holding” is a steadily developing and constantly updating organization that takes into account changes, trends and risks, associated with internal and external factors, such as personnel, suppliers and consumers, which affect the ability to achieve expected results.

Mission - safe and high-tech production of metal products (including for the automotive and oil and gas industries) to increase the profitability of the enterprise while respecting environmental integrity and human health, ensuring the sustainable development of the enterprise, a high standard of living for the workers of enterprise and satisfaction of all interested parties.

The strategic goal is to be the best supplier of metal products (including for the automotive and oil and gas industries) that satisfies the needs of domestic and foreign consumers in all developed segments of the market of metallurgical products using progressive energy efficient and environmentally friendly technologies, rational use of resources and optimal organization of production of manufacturing flow and management.

The strategy of the enterprise is to meet the interests of all interesting parties, including:

- production of metal products of the required quality, quantity and assortment, provision of services of a general designer, customer and developer in the field of design and construction;
- introduction of advanced technologies for the production of high-tech products;
- ensuring sustainable development;
- maintaining and strengthening positions in the developed markets;
- professional development and improving the well-being of employees of the enterprise;
- preserving the health and life of each member of the labor collective;
- constant reduction of exposure on the environment in the course of manufacturing activity;
- maintenance and further development of corporate governance standards.



Obligations for implementation of Mission and Strategy of the enterprise:

- provision of necessary resources and responsible selection of suppliers;
- achievement of the planned target indicators of the enterprise;
- support of leadership at all levels of the enterprise and processes of growth for timely response to any events, related to the activities of the enterprise;
- timely response to constantly changing internal and external factors using the P-D-C-A cycle (planning - implementation - verification - response);
- introduction of modern approaches in management for resolutions of the issues, related to internal and external factors that affect the ability to achieve expected results;
- compliance with the requirements of consumers, as well as the requirements of the current legislation.
- introduction of advanced energy efficient technologies during design, development of production processes, new competitive types of products in order to improve product quality, reduce hazards and risks in production processes, prevent the harmful effects of production factors on personnel, reduce pollutant emission into the atmosphere, discharges into the water basin, waste generation, consumption of natural resources, improvement of output performance;
- continuous improvement of the efficiency and effectiveness of the functioning of management systems that meet the requirements of international standards ISO 9001 (STB ISO 9001), ISO 14001 (STB ISO 14001), OHSAS 18001 (STB 18001), ISO 50001 (STB ISO 50001), ISO 45001, ISO 26000, SA 8000, BES 6001+ SCS, ISO 27001 and industry requirements of automotive and oil and gas industry IATF 16949, API spec Q1;
- continuous analysis of the risks and opportunities, associated with the activities of the enterprise and the operation of management systems that can affect the safety and conformity of products and services, the effectiveness of the functioning of management systems, the ability to increase customer satisfaction, and taking action on them;
- constant analysis of risks, associated with production processes and environmental pollution, conduction of corrective actions, aimed at preventing the occurrence of injuries, occupational diseases and accidents in the course of production activities;
- management of activities in the field of quality, social responsibility, information protection, energy management, finance, labor protection and industrial safety, environmental protection in accordance with the requirements of international and state standards, technical regulatory legal acts, regulatory legal acts, current legislation and other requirements, including those related to energy efficiency, energy use and consumption, environmental aspects of activities, products or services, hazards in the field of occupational health and workplace safety;
- implementation of regular monitoring of processes of production and management; improving the quality of products, ensuring labor safety and health protection, environmental protection, increasing energy efficiency, including suppliers, contractors and consumers of the enterprise;
- conducting targeted professional training, creating optimal conditions for high-quality work, manifesting personal abilities and initiative of each employee and their interest in ensuring a high level of product quality, rational consumption of raw materials, materials and energy resources;

- increasing production culture and ensuring personal moral and material responsibility for the quality of the work performed.

The company's management is interested in the sustainable development of the company, the implementation of the Corporate Policy and will create the necessary conditions for this in order to ensure a decent standard of living of employees and confidence in the future.

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 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 complete extermination of child labour;
- 2.3 supports liquidation of discrimination in the field of labour relations;
- 2.4 supports elimination of any form of harassment, exploitation, abuse or violence;
- 2.5 strives to provide competitive wages;
- 2.6 ensures compliance with working conditions, including working hours and overtime hours;
- 2.7 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 with consumers, suppliers, state and public 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, 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.



Contribution to the achievement of the Sustainable Development Goals

BSW takes into account all 17 sustainable development goals in its activities and makes a diverse contribution to their aspects. Taking into account the directions of its activity, the company focuses most of its attention on those areas and tasks that it can most effectively implemented, managing its capabilities and resources.



Goal 1: Economy-wide liquidation of poverty in all its manifestations.

BSW recognizes and integrates international principles in the field of workers' rights into its practice, clearly formulates its position and obligations. Engages with interested parties on the issues of living standards and workers' rights.

The basic principles in the field of workers' rights are enshrined in the internal documents of the Company on personnel policy and the remuneration system.

The main provisions for the protection of labor rights and social guarantees of employees are enshrined in the Collective Agreement, concluded annually between the enterprise and the Trade Union Organization.

BSW consistently provides over 11 thousand jobs, hiring the local population to work and creating good working conditions. The recruitment, career development and social protection programs of the enterprise are based on the principles of equal opportunities and provide a high potential for the development of competencies and social well-being of employees.

The average annual salary at the enterprise in 2020 amounted to 1501.5 rubles (\$ 616.7). The average salary in the Republic of Belarus of workers and employees is 1250.9 rubles, which is 1.2 times lower than the salary of BSW.



Goal 2. Liquidation of hunger, provision of food security and improvement of nutrition, and promotion of sustainable agricultural development.

We recognize the importance of the goal of liquidation of hunger by 2030 and ensuring access of all people to safe, nutritious and healthy food.

Within the framework of its activities, BSW makes a feasible contribution to the achievement of this goal. We support voluntary initiatives in this field, engaging with the interested parties, principally, with our staff, customers and local communities. These are programs that promote access to a healthy lifestyle, prevention of chronic diseases, healthy and affordable food, and improvement the well-being of vulnerable population.

In the conditions of the COVID-19 pandemic, the enterprise provided food support to vulnerable population. BSW volunteers among young employees, provided assistance to elderly people, delivering food, medicine, and essential goods to their homes.

We strictly monitor the quality of food, served in the catering facilities of our employees. Meal services on the territory of the enterprise are rendered by the Unitary Enterprise on Provision of Services "Metallurgsocservice". In total, in workshops and subdivisions 10 canteens for 835 seats operates, in which 8 kitchen department and 2 buffets with hot meals for 92 seats. The number of employees of food services is 116 people. Water in retail facility of catering is safe and meets the requirements of Sanitary Rules and Regulations 10-124 RB-99. Food storage and conditions of cooking comply with the Sanitary Norms and Rules "Sanitary and Epidemiological Requirements for Public Catering Facilities", which are established by regulatory legal acts of the Republic of Belarus. All canteen personnel undergo medical examinations and hygienic training in accordance with the requirements of the current legislation. All products and supplied raw food used for cooking have Certificates of Quality and Safety, Declaration of Conformity.

In canteens, production laboratory control is carried out with the selection of samples of ready-made meals and culinary products for testing on microbiological and physicochemical indicators for compliance with safety and zero harm requirements for raw food and food products.



Goal 3: Ensure healthy lifestyle and promote well-being for all people at any age.

The Belarusian Metallurgical Works considers improving the quality of life as key priorities of its social policy, including the development of social guarantees for workers and social infrastructure for the local population with ample opportunities for a healthy and prosperous life.

The enterprise supports the health, safety and well-being of employees, pensioners and veterans, invests in environmental protection.

In the conditions of the COVID-19 pandemic, the enterprise has taken all possible actions to protect the life and health of personnel, local communities, partners, contractors and suppliers. We have initiated a set of measures to prevent the spread of the virus, improve the equipment of the medical and sanitary unit of the BSW, and assist vulnerable population.

BSW also pays great attention to the improvement and recreation of the employees of the enterprise and their family members, annually ensuring the organization of children's summer recreation and health improvement at a high-quality level.

The company pays special attention to labor veterans. An important area in the social support of pensioners of BSW is material assistance (material assistance in connection with retirement, monthly supplemental pay to pension, annual payment of material assistance to the International Day for the Elderly).

More details on the company's activities in the field of health and well-being can be found in the section "Social Activities".



Goal 4: Ensure comprehensive and reasonable quality education and promote opportunities for learning throughout life for all.

BSW realizes that one of the most important conditions for sustainable development of company and the enterprise itself is the quality of education that our employees and the environment possess. The management of the system of vocational training at the enterprise is carried out by the corporate training center, detailed information on the activities of which is reflected in the section "Social activities". Training and education".



Goal 5: Achievement of gender equality and extending rights of all women.

Gender equality is not the only basic human right, but also a necessary condition for a peaceful and sustainable existence.

OJSC Byelorussian Steel Works - the management company of "Byelorussian Metallurgical Company" Holding" shares the standards of the International Labor Organization (ILO) on ensuring decent and productive work for women and men in conditions of equality of opportunities, provision of social guarantees and respect for human dignity. The enterprise guarantees the possibility of full and real participation of women and equal opportunities for them in activities and achievement of leadership in all areas of corporate governance and production processes with the provision of equal conditions for wages, remuneration and social guarantees. The company supports women in all aspects of their careers and opportunity of development in education and training. At the same time, the gender composition of employees:

- 72.4% of men;
- 27.6% of women.

The prevalence of male workers is explained by the fact that metallurgy is an industry with difficult and often dangerous working conditions. More details on distribution of personnel by gender, on additional guarantees for women, working at the enterprise, can be found in the section "Social activities".



Goal 6. Ensure availability and rational utilization of water resources and sanitation for all

Clean water is a basic need of human life support and necessary conditions for maintenance of the balance of ecosystems. BSW implements a highly responsible position on the purification of water bodies, reducing the negative impact on water resources and eliminating the consequences of damage and pollution, previously caused to them as a result of economic activities in the presence region.

It should be noted that the plant is the largest consumer of water. Basically, water is used to cool technological equipment: arc-wall electric-steelmaking furnace, steel billet continuous casting machine, thermal heat-treating furnaces, rolling mill machine, etc. To provide consumers with the required amount of water, the plant uses circulating water supply systems with a total consumption of more than 390 million m³ / year.

Environmental protection during the operation of water supply and sewerage systems, production control of the quality composition of drinking and waste water is ensured by meeting the requirements of the Water Code of the Republic of Belarus, the Law of the Republic of Belarus "On Drinking Water Supply", the Law of the Republic of Belarus "On Environmental Protection". The enterprise aims to reduce the consumption of industrial water, increase the use of storm water and safely reuse waste water.

More details on the rational use of water resources can be found in the section "Environmental Activities. Protection of the water basin".



Goal 7. Ensure universal access to affordable, reliable, sustainable and modern energy for all

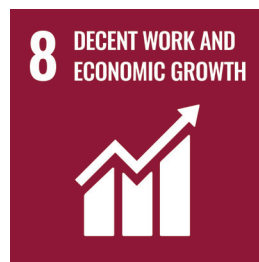
The Byelorussian Steel Works is aware of ensuring universal access to affordable, reliable, sustainable and modern energy sources for all as one of the basic conditions for global sustainable development.

In accordance with the state strategy in the field of energy saving and energy security, Plan of measures on conservation of energy has been developed at the plant, which defines the priorities and directions of the energy policy and includes:

- measures on improvement of efficiency of boiler houses and technological furnaces;
- introduction of frequency-controlled electric drives on mechanisms with variable load;
- manufacturing application of modern energy efficient and increase of energy efficiency of existing technologies, processes, equipment and materials in production;
- introduction of energy efficient lighting devices, sectional separation of lighting;
- utilization of thermal renewable energy resources.

These measures are aimed at achievement of strategic goals of enterprise, establish general requirements to the system of increase of energy efficiency and energy saving, formalize common principles and approaches in this area.

Detailed information on the use of energy resources is reflected in the section "Environmental Activities. Rational use of energy resources".



Goal 8. Promote progressive, comprehensive and sustainable economic growth, full and productive employment and decent work for all

The Byelorussian Steel Works is aware of the paramount importance for the successful progressive development and socio-economic progress of society of creation of high-quality jobs and provision of decent working conditions for all people of working age, increase of labor productivity, expansion of access to social services and benefits, improvement in general of environment either in global scale or at the level of the enterprise.

At workplaces, we create conditions for maintaining productive employment and motivation of our employees, ensuring labor safety, a decent level of payment, implement popular social programs.

More details on the programs and results of BSW in the field of work, material incentives for personnel, labor protection and industrial safety can be found in the section "Social activities".



Goal 9. Creation of resilient infrastructure, promotion of inclusive and sustainable industrialization and innovation.

BSW realizes the importance of high-quality infrastructure in the general social sense (including transport, energy supply, information and communication technologies, medical and educational institutions, etc.) and directly for the successful sustainable development of the enterprise's business. In this regard, we invest in the development and maintenance of socially significant infrastructure projects on the territories of our activity and in the development of our own corporate infrastructure.

In all areas of its activity, BSW applies advanced innovative digital solutions and environmentally friendly technologies, considering them as strategic investments in ensuring a sustainable future.

We modernize production and business infrastructure, industrial facilities and enterprises, introducing the best available technologies and increasing the efficiency of application of our resources and assets.

The most important condition for BSW is the strengthening of own research and educational centers, which is described in detail in the section "Innovative renewal".



Goal 10. Reduction of inequality

We are aware of the global goals of stimulating local economic development, increasing social stability, as well as the importance of investing in this direction. This will help to reduce inequality, enhance social well-being and reduce the risk of conflict.

We recruit the local population in the region of our activity and take into account the national, cultural characteristics and identity of the population of Zhlobin region. The salaries of our employees are set at a decent level. We implement an equal opportunity and gender equality policy that excludes discrimination in any form, and interact with our partners and suppliers to ensure this principle. We also exclude forced labor in all forms.

The company respects local customs, culture and beliefs and takes this into account in corporate culture and ethical standards of conduct.



Goal 11. Provision of openness, safety, resilience and environmental sustainability of cities and towns

The Byelorussian Steel Works is a township-forming enterprise in the Zhlobin region and has a positive economic and social impact on its development.

The company pays great attention to solving problems of social infrastructure, environmental protection and environmental safety. Also BSW develops the cultural environment and supports the preservation of the spiritual heritage, promotes a healthy lifestyle of the population. The workers of the plant take part in all events, initiated at the district level, voluntary Saturday work and events on provision of urban amenities restoration of order. So, in 2020, on the initiative of BSW and with the financial support of the company's partners, a modern public workout site was installed in Zhlobin, also with training simulator for people with disabilities. Participation in projects in this area is aimed at creation of a new image of a modern and dynamic city, convenient for life, work and recreation, including a comfortable environment for people with disabilities and for vulnerable groups.



Goal 12. Ensuring the transition to rational models of consumption and production.

BSW adheres to the principle of rational consumption of all types of resources, including energy, fuel, water and other resources involved in the activities of the enterprise, reducing costs and increasing consumption efficiency.

The long-term strategic goals of the plant in environmental and nature protection activities cover the following areas:

- minimization of the impact of the plant at the life-sustaining activity of the region;
- minimization of the plant's impact on flora and fauna;
- rational use of natural resources;
- rational use of energy resources;
- protection of the air basin;
- protection of the water basin;
- reduction (elimination) of waste generation of production;
- education;
- improving the environmental culture of personnel and attitude development of environmental awareness;
- development and implementation in production of resource-saving, low-waste, environmentally friendly technologies;
- monitoring of emissions, discharges of harmful substances and certification of workplaces;
- compliance with environmental protection standards and requirements on the development and manufacture of products, construction, reconstruction and expansion of production facilities;
- emergency preparedness

Sustainable consumption also includes the prevention of accumulation of waste by the enterprise and the reduction and / or prevention of generation of waste, wherever possible, recycling and reuse.

More details on the programs and results of BSW in the field of responsible production and consumption can be found in the section "Environmental Activities".



Goal 13. Taking immediate action to combat climate change and its impacts

BSW shares the global concern on climate change and the initiatives of Strategic Global Partnership "Climate care" of the Global Compact Initiative of the United Nations and the Secretariat of Framework Convention of United Nations on climate change, enshrined in the Paris climate agreement. Taking into account the fact that a significant volume of greenhouse gas emissions is generated in the course of the plant's production activities, the Byelorussian Steel Works constantly

monitors the volume of their emissions into the atmosphere. In development of the provisions of the Montreal Protocol on substances depleting the ozone layer, the enterprise continues to work on the phased reduction of the consumption of substances in Annex C of this Protocol by 2020. BSW fulfills state requirements on reduction of the consumption of ozone-depleting substances. The volumes of usage of Regulatory Impact Assessment at the enterprise is steadily decreasing.

Detailed information on BSW's programs and results in the field of measures to combat climate change can be found in the section of the report "Environmental performance. Air basin protection."



Goal 14. Conservation and sustainability of usage of the oceans, seas and marine resources for sustainable development.

We acknowledge the importance of preservation of marine and aquatic natural resources as the most important elements of the ecosystem. OJSC "BSW - management company of the "BMC" holding", carrying out its activities in the field of ecology, ensures economical consumption of energy and water for its own needs, and, as far as possible, reduces their consumption. Detailed information is reflected in the section "Environmental Activities. Protection of the water basin".



Goal 15. Protection, restoration and promotion of terrestrial ecosystem promotion of their rational use, desertification control, termination and reversal of process of degradation of lands and termination of process of loss of biodiversity.

OJSC "BSW – management company of "BMC" holding" acknowledges that its activities are associated with a negative impact on the environment and takes all possible measures, aimed at prevention of environmental pollution, reduction of the negative impact on it, including at nature-made object with increased vulnerability and objects, the protection and preservation of which is essential.

The ecological activity of the enterprise covers all the aspects of the impact of production on nature and includes measures on preservation and restoration of a favorable environment, natural system, natural landscape, forests and biological diversity of systems in the region of operation.

Details on the results of work of Byelorussian Steel Works in the field of preservation of terrestrial ecosystems can be found in the section "Environmental Activities".



Goal 16: Promote creation of peaceful and inclusive societies for sustainable development, ensure access to justice for all and build effective, accountable and inclusive institutions at all levels.

Building of peaceful, just and inclusive societies is essential for achievement the Sustainable Development Goals, because people in all countries should be free and protected from all types of violence, should feel safe, regardless of their ethnicity and religion. To achieve this goal, effective institutions with the participation of the state and society are necessary, which will be able to provide education of high quality, fair economic policies and comprehensive environmental protection.

Byelorussian Steel Works fully shares these priorities and implements them in its corporate culture, striving to disseminate in them in its surrounding in the course of its activities. We interact with many government agencies, public associations, with medical, educational and other organizations, and in these contacts we also adhere to these principles.

We consider the present Goal in direct correlation with all other Sustainable Development Goals, as one of the key conditions for the successful development of society.



Goal 17: Strengthening of the means of implementation and intensification of work within the scope Global Partnership in the interests of sustainable development.

In order to ensure the most effective contribution to the agenda of sustainable development, BSW adheres to a constructive dialogue with all interested parties and interacts with them for effective planning of its socially oriented activities, identification of the most pressing problems and ways of their resolutions.

The company participates in a number of international and Belarusian associations and unifications whose activities are aimed at implementation of the Sustainable Development Goals.

BSW's priorities include participation in industry associations in order to exchange experience and develop business, taking into account general trends and strategic objectives.

In general, the plant adheres to the key agenda and topical subject-matter of the UN Global Compact. BSW participates in educational programs of the Network of Global Compact in Belarus and plans to further participate in the exchange of experience at these sites and promote them in its environment.

Directions of the Strategy Implementation

Directions of realization of the plant development 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 development.

The enterprise is constantly working on the development of new types of products. In 2020, 82 types of innovative products were produced and shipped, of which 52 are types of innovative products, developed and utilized in 2020. The total volume of shipped innovative products for 12 months of 2020 amounted to 590,602,159 tons or 605,894.8 thousand rubles. The indicative indicator “the weight density of innovative products in the total volume of production” was fulfilled - 23.2% with the plan of at least 23.0%.

The development of new technological processes and new types of products involves qualified personnel who have at their disposal the appropriate means, the necessary knowledge, experience and professional training.

Confirmation that BSW keeps its superior brand and continues in lockstep with time are numerous achievements and awards:

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, 2020	“Award of the CIS for Achievements in the Area of Production and Services Quality”
2010-2020	“Award of the CIS for Achievements in the Area of Production and Services Quality”
2002-2020	“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, 2014-2020	“The Best Exporter” in “Metallurgy” nomination
2016	“Award of the Ministry of Industry of the Republic of Belarus in the Area of Science and Technology”
2016, 2017	Award of the Association of Foundrymen and Metallurgists of Belarus in the 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 for Production of Rough Forged Axles in Mogilev”)
	Laureate of the international Honor Mark “Commonwealth Star” in the nomination “The Best CIS Company”

2009, 2013	European Quality Award (EQA) established by the European Foundation of Quality Management (EFQM), the level of “5 Stars Excellence Recognition”
2012	“Award for the high level of competence” within the framework of the International conference “Development of accreditation in the technical regulation”
2014	OGMetr was recognized the best in the Republic of Belarus in the area of instrument calibration following the results of annual contest “Competence-2014”
2016	Presentation film “BSW. 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.
2017	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.
2017	The second-class honor obtained in the 14th international contest of energy-efficient and resource-saving technologies and equipment.
2019	Laureate of the “Leader of the Year 2019” award in the nomination “With a Quality Mark”.
2019	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”.
2020	BSW's image-building video “Tell Me” won the IX Moscow International Festival of Corporate Video in the special nomination “Best Music and Soundtrack”. At the 26th International Industrial Exhibition "Metal-Expo'2020" a silver medal of the competition of publications of metallurgical companies and research establishment was awarded reference-atlas "Defects of bar steel and metal products". The plant newspaper “Metallurg” was recognized as the laureate of the competition “The best corporate mass-media in the metallurgical industry of Russia and the CIS countries - 2020”. BSW was also awarded the goblet "For the Best Exposition" and the Diploma "For the highly professional organization of the promotion of products and services." BSW and its employees were awarded at the 28th Interbranch scientific and technical complex "Foundry engineering and metallurgy 2020. Belarus" in the categories "Best scientific and industrial work of a young engineer" and "Best innovative project". Winner of the Grand Prix of the International Business Award “Leader of the Year” in the category “For sustainable development”. Special award in the category "Person” won General director of BSW D.A. Korchik.

Participation of the plant in quality contests contributes to improvement of the plant’s image and competitiveness of the product manufactured and allows assessment of the enterprise’s activity and making comparison to the best enterprises of different countries for further improvement.



Management of Sustainable Development

In accordance with the Corporate Policy, the plant management ensures development and realization of technical, production, and investment programs 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.

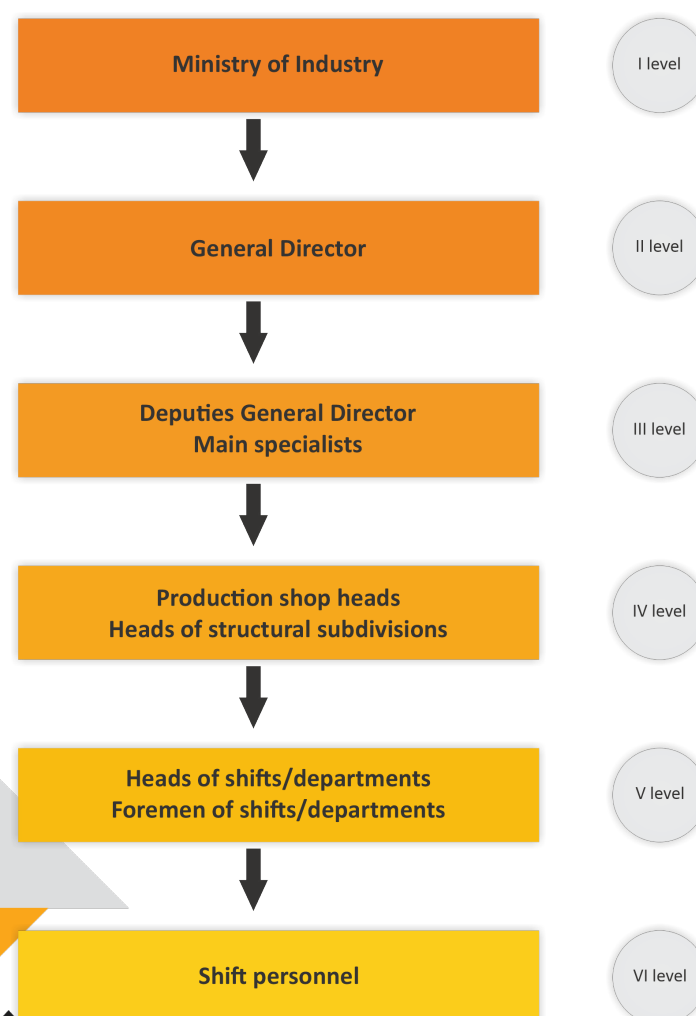
To improve product quality and ensure its competitiveness and improve the production technical level, the plant developed a long-term program of BSW development for 2017-2021; plans of research work, development (technological) activity are approved and fulfilled based on contracts and by the plant's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

Main measures for product quality

improvement and production effectiveness growth are included in annual special-purpose orders approved by the General Director and specifying the 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

In 2008 BSW joined the network of the UN Global Compact which is based on the principles of ethic and fair business. Such principles include respect for the employee's right to join trade unions and prohibition of discrimination of the employees, struggle against corruption in any occurrence.

The enterprise doesn't admit corruption, bribery, and fraud. To ensure economic safety and prevent corruption occurrence, the plant carries out its production and economic activity openly and responsibly.

According to the generally accepted international principles of a free economic activity specified in the UN Global Compact, OJSC "BSW – management company of "BMC" holding" considers fair competition to be a guarantee of realization of the right for free business activity. No legal actions were undertaken regarding the Organization in connection with resistance to competition.

In 2020 the plant continued to implement the requirements of Directive No.1 from 11.03.2004 "On measures of 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 meetings; reports of the division manager were heard. To meet the requirements of Directive No.1, the indicators of labour discipline and compliance standards, provision of labour protection and industrial safety are included in the list of criteria

of manager work assessment: contract termination is foreseen in case of their breach.

Following the Directive "About measures for strengthening of public safety and discipline", the law of the Republic of Belarus "About struggle against corruption" and supporting the principles of the UN Global Compact, the plant established a service responsible for prevention of corruption display and abuse in this area, optimization of risks when selecting raw material suppliers and users of the product manufactured in the conditions of a strong market competition, provision of safety of the state property that is in the free use of the enterprise.

Legal support and economic safety board excludes any possibility of unlawful acts occurrence at the enterprise including acts of corruption in respect of new employees and those working at OJSC "BSW – management company of "BMC" holding. All employees of the economic safety service have higher vocational education.

BSW has developed and implemented the Plan of anti-corruption measures in accordance with which continuous monitoring of the results of financial and economic activity of the Organization is carried out and legal acts regulating the order of preparation and execution of tender documents and supplier selection are updated. To minimize business risks and to fulfill functions of the economic safety control, a pre-contract check is performed to

**In 2020,
more than 70
employees
of BSW
completed
training
regarding
anti-corruption
management**

control legitimacy of potential contractors and agreements supplied for examination from structural subdivisions of the enterprise. All structural subdivisions implement a number of measures to prevent corruption and law infringement: control of purposeful and rational consumption of tangible property is strengthened, unplanned random check of assets is carried out, rotation of the employees of commercial services of the Organization is fulfilled, presentations of the internal affairs bodies, financial investigations and Committee of Inquiry of the Republic of Belarus regarding the facts of corruption-related offences, committed by the employers of organizations, within the jurisdiction of Ministry of Industry is worked out.

The progress of the anti-corruption plan implementation



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.

In 2020, 72 employees completed training on anti-corruption issues.

OJSC "BSW – management company of "BMC" holding" 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.

OJSC "BSW – management company of "BMC" holding" 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.

is controlled by the anti-corruption commission which held 5 meetings in 2020. 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 2020, 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 2020, the in-house magazine posted 21 publications on anti-corruption issues.

The Community takes unprecedented measures to prevent corruption crimes and unlawful actions. The personnel of the enterprise, and the managers under personal responsibility, 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

2020 Chronicle of Key Dates and Events

In January, BSW became a laureate of the competition "Best Products of the Republic of Belarus" of 2019 in the category "Technical and industrial goods" Among the companies whose products have become Laureates of the competition five or more times in a row, the plant was also awarded the Diploma "Stable Quality".

On January 10, the presentation of the anniversary, tenth in a row, corporate calendar with children's drawings for 2020 took place.

From 18 to 21 February, a record was reached on continuous casting machine No. 2 ESPTs-1 for the first time: 81 melts were continuously poured into a batch.

On February 27, BSW hosted the 20th anniversary award ceremony "Professional Olympus".

In March, the winner of the republican competition "100 Ideas for Belarus" in the category "Industrial and construction technologies and production" was recognized the project "Use of steelmaking waste for obtainment of import-substituting composite materials of tribotechnical purposes". Among its authors - an employee of the enterprise Akhmetov T.A.

In March, BSW's Consumer Loyalty Index reached the index in 85.9%. Based on the results of work for 2019, this indicator is the highest result for the entire period of research.

In March, on the continuous casting machine No. 2 ESPTs-1, the indicator for continuous casting was updated: 84 melts were continuously poured into a batch.

On March 13, BSW was recognized as a laureate of the 2019 CIS Prize for achievements in the field of quality. The enterprise became the only organization of the Commonwealth states that was awarded three times in this category within the 12 years of the Prize's existence.

On March 17, BSW's image video "Tell Me" won the IX Moscow International Festival of Corporate Video in the special nomination "Best Music and Soundtrack".

In May, an 80-apartment building was commissioned, built at the initiative of the enterprise management for plant workers.

In June, BSW became the winner of the competition "Best Exporter of 2019" in the category "Metallurgy". This victory has been awarded to the enterprise by the Belarusian Chamber of Commerce and Industry for the sixth year in a row.

On July 1, Electric-furnace melting shop-1 updated the record for the serial production of melts: 93 heats were poured into a batch at Continuous-casting machine -2 (the previous record was in March - 84 melts in a batch).

On July 1, the corporate edition – newspaper "Metallurg" – celebrated its 35th anniversary.

On July 19, the grand opening of the workout area, built at the initiative of BSW with the financial support of the plant's business partners, took place.

On July 20, BSW was visited by members of the Republican youth train "#BelarusMoladzNatkhnenne".





In July, Zhlobin State Metallurgical College celebrated the 20th anniversary of the first graduation of students.

On September 4, BSW was awarded the Honorary Diploma of the winner of the republican professional competition "The best construction product of the year 2020". The jury honored high assessment of cold-deformed smooth non-tensioned reinforcement for reinforced concrete structures of the S500 class in coils Ø 4.0-5.0 mm, manufactured in accordance with STB 1341-2009.

September 5 - 35th anniversary of the establishment of the Department of Environmental Protection and Industrial Sanitation.

On September 13, at the long product rolling mill No. 2 was produced the 3-millionth ton of products - wire rod WA-1010, sold to a consumer in the Netherlands.

On October 5, the 50,000th ton of fiber was produced at the long product rolling mill No. 3.

On October 15, at the steel wire shop No. 1, the 700,000th ton of bead bronze wire was produced.

On October 22, BSW was awarded the diploma "Best Exporter of 2019".

November 5 - 30th anniversary of the commissioning of the arc steel-making furnace No. 3. Start-up of the facilities of the steel cord complex No. 2.

On November 10-13, at the 26th International Industrial Exhibition "Metal-Expo'2020", reference-atlas "Defects of steel billets and metal products" was awarded a silver medal in the competition of publications of metallurgical companies and research organizations. The plant newspaper "Metallurg" was recognized as the laureate of the competition "The best corporate mass-media in the metallurgical industry of Russia and the CIS countries - 2020". BSW was also awarded the goblet "For the best exposition" and Diploma "For the highly professional organization of the promotion of products and services."

On November 27, BSW and its employees were awarded at the 28th Interbranch scientific and technical complex "Foundry engineering and metallurgy 2020. Belarus" in the categories "The best scientific and industrial work of a young engineer" and "The best innovative project".

On December 11, BSW won the Grand Prix of the International Business Award "Leader of the Year" in the category "Sustainable Development". Dmitry A. Korchik, General Director of BSW, was awarded a special award in the category "Person".

On December 22, BSW was recognized as a laureate of the competition for the CIS prize for achievement in the field of product and service quality of 2019. Previously, the company became its laureate in 2007 and 2011.

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 enterprise, 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 assistance in solving production issues	Meetings, written requests

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:

- observance of the legislation and legal norms of the Republic of Belarus as well as principles of the UN Global Compact;
- engagement of all elements and participants of 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

Byelorussian Steel Works is a town-forming enterprise defining not only the appearance but also the character of Zhlobin. Throughout its history the plant was involved into construction creating industrial and social infrastructure of the town. The first facility built by BSW was the boiler house "Severnaya" commissioned in 1983.

Due to BSW, Zhlobin takes advantage of 5 educational schools, 9 nursery schools, 7 stores, a restaurant, a hotel, children's department for 120 people and a surgical building for 240 patients of the regional hospital. For a convenient highroad service, overhead crossing over the rail track was 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. Osvoboditeley 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

the BSW financing Sports game palace was built.

The town streets were renewed, convenient transport communication of the developing "metallurgic capital" is assured by 3 viaducts. Today Zhlobin is a rapidly developing town with modern districts, various sport and cultural facilities.

The plant's management realizes that social and economic stability in the region of its operation affects the long-term stability of business. That is why it is strategically expedient to abide by the corporate responsibility policy both with respect to the employees and with respect to the local communities.

Investigating the peculiarities of the social

and economic development of the region of its operation, the plant defines the priority directions and forms of social activity. Besides fulfilling tax obligations, OJSC “BSW – management company of “BMC” holding” initiates cooperation with regional partners and supports programs and projects aimed at social infrastructure development.

Helping the region, the plant thereby establishes effective relations with the local authorities and community opening opportunities to develop its business over the certain territory, to implement new projects and engage qualified personnel.

OJSC “BSW – management company of “BMC” holding” is searching for optimal correlation of its social obligations and actual potential, maintaining balance between the needs of the region and business concerns. As for its practical activity, the plant creates relationship with the civil society with due consideration of the results of the comprehensive research “External impact of the

Interaction With Authorities

OJSC “BSW – management company of “BMC” holding” builds up cooperation with all interested parties on the basis of the following basic principles: respect and consideration of interests, opinions and preferences, openness and transparency, trust and sincerity, implicit abidance by the legislation, international and Belarusian standards, responsible fulfillment of the assumed obligations, respect of the history, culture, traditions, lifestyle and heritage of the people residing within the business territory.

Ensuring compliance of the activity and strategy of the plant development with the general social and economic direction and interests of the country and region of the business activity is a highly important task for the plant employees. Constructive interaction with the governmental bodies helps OJSC “BSW – management company of “BMC” holding” to find a solution of this complicated task.

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 conscientious and attractive employer.

Decisions on burning issues of the social and economic development of the region, work with the youth, holding joint events, and optimization of medical care for the population are taken by the plant’s management and local authorities in the course of monthly business meetings.

Prospects of Gomel region development, progress of the socially important programs, extension of the plant’s export policy, and reconstruction of the steel-making production 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 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” holding” has not provided donations in favor of any political party or individual politicians.

Interaction With Mass Media

The mass media in the modern world is the most important communication tool. Today, it is especially important to obtain information from trusted sources, because the management of the plant pays great attention to this issue.

We use all known and available to us ways to bring information to the factory workers. In addition to printed materials (newspaper “Metallurg”, mount, billboard campaign) and video products (weekly news releases of BSW on the youtube channel and the TV channel “Nuance”), much attention is paid to work in social networks. Indeed, not only our employees, but also residents of other regions of the country are often subscribers to the official groups of the enterprise.

So, in 2020, the official BSW group on the social network

“VKontakte” amounted to 9,500 subscribers (an increase over the year - more than 1,000 users). For 12 months of 2020, more than 900 informational messages on the activities of the plant and the life of the plant workers were published there.

Information on the activities of the Byelorussian Steel Works in 2020 was regularly posted on the feeds of news agencies (BELTA, Ecompress, PRIME-TASS), specialized resources and in regional media. So, based on the results of work for 12 months of 2020, the BSW press service prepared and sent about 60 information materials for the media, according to which more than 150 publications were received at the feeds of the country's leading news agencies, in the republican and regional media, and various Internet resources. News stories on the activities of the enterprise

were aired on the TV channels GomelTV, Belarus-1, ONT and STV.

The enterprise's press service prepares and distributes among the journalists the press-releases about all significant events in the life of the enterprise, actively assist in preparation of comments and interviews with chief executive officers of BSW which are published in the republican and foreign newspapers and magazines.

It should be noted that taking into account the development trends of the modern information space, recently, when disseminating significant information, the enterprise increasingly uses Internet resources. They are highly efficient, have a wide coverage of auditory, as well as distinguished by high reproducibility and accessibility.



Scientific and Technological Potential and interaction with science

OJSC “BSW – management company of “BMC” holding” is a supplier of competitive steel 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.

4 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 steel products.

The Technical Board (TB) is a division determining scientific and technical policy of the enterprise. Decisions made by this division play a very important role for the level of engineering and technical support and product quality. The staff strength of TB is 88 employees. 1 researcher in the field of technical sciences and 8 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 and scientific and technical library. 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 its minimization, and improvement of technological processes.

The Research Centre – the applied research laboratory for metallurgical and steel wire production technologies (RC-ARLM&SWPT) – is a subdivision that determines the research policy of the enterprise. Applied research laboratory is established in July 2017 on the basis of the research center of OJSC “BSW – management company of “BMC” holding”. Staff strength is 28 employees. The RC-ARLM&SWPT has 1 candidate of technical sciences, 2 researchers in the field of technical sciences, 10 masters of technical sciences. A number of specialists are currently continuing their master's and postgraduate studies at various universities. The center includes steelmaking, rolling, steel cord and wire and research laboratories. The activities of the

Research Center can be divided into 4 important areas: admission and approval of new materials and products that are used in production and can affect the quality of finished products; development and implementation of new types of products into production; work with research and educational institutions; improvement of existing production technology.

The Design and Reconstruction Board (D&RB). The staff strength is 113 employees. The D&RB includes 5 masters of technical sciences. The main activities of the Design and Reconstruction Board – the implementation of innovation programs, technical re-equipment programs, the development of design documentation and support for the implementation of reconstruction and technical modernization projects.

The Central Plant Laboratory (CPL) is a structural subdivision of the enterprise responsible for timely and high-quality laboratory research and testing of raw materials, semi-finished products, materials, finished products, process media and drinking water. The CPL consists of 14 testing and research laboratories. The CPL employs 419 people, including 4 masters of technical sciences.

The scientific and technical council of OJSC “BSW” functions within the framework of OJSC “BSW – management company of “BMC” holding” which is entrusted with the following main functions:

- definition of a scientifically sound technical, economic and innovation policy aimed at accelerating scientific and technological progress in OJSC “BSW – management company of “BMC” holding” and the participating organizations of the holding “BMC”;

- approval of measures for the introduction into production of the latest domestic and foreign achievements of science and technology, measures for the investment development of production and infrastructure of the organization and the holding;

- improvement of production efficiency, product quality and production volumes based on the introduction of the latest technologies, efficient use of production capacities and material, raw materials and fuel and energy resources;

- discussion and identification of priority areas and topics of research and development work (hereinafter referred to as R&D);

- development of scientific, technical and industrial potential of the Company, innovation, production of innovative products, training of

highly qualified personnel and determining the directions of their improvement;

- involvement of scientific and research organizations in conducting exploratory research and studying economic and technical issues of the Company's activities, organizations of the holding. Cooperation with the National Academy of Sciences of Belarus, with scientific organizations of the Republic of Belarus and with foreign scientific organizations in priority areas of development of the organization and the holding;

- evaluation of the results of scientific, scientific-technical and experimental activities of structural units, individual researchers, involved organizations;

- coordination of interaction of structural divisions of the organization in solving common scientific, scientific-technical, innovative tasks, issues of reconstruction and modernization of production and acceptance of proposals and recommendations for their improvement.

Based on the decisions of the scientific and technical council within the framework of the “Byelorussian Metallurgical Company” Holding, target-oriented order No. 6 “On scientific, scientific & technical and innovative activities” is formed annually.

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”, Research department of Belarusian National Technical University, EE “Bel GUT”, EE GSTU named after P.O. Sukhoi”, “Institute of Mechanics of Metal-Polymer Systems named after V.A. Bely National Academy of Sciences of Belarus” etc. which render a thorough assistance to the enterprise.

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).

In 2017, OJSC “BSW – management company of “BMC” holding” was accredited by the State Committee on Science and Technology and the National Academy of Sciences of Belarus as a scientific organization (certificate No. 239 dated 11.01.2017). The scientific organization has a fairly wide range of equipment for chemical, physical-mechanical and metallographic tests of steel products (cast billet, hot rolled products, pipes, wire, steel cord). The central plant laboratory, the calibration laboratory of the Chief Metrologist’s Dpt. are accredited for testing, calibration of measuring equipment in accordance with the requirements of GOST ISO/IEC 17025-2019.

In accordance with the classification adopted by OJSC “BSW – management company of “BMC” holding” 35 units of equipment are classified as research and experimental equipment. The book value of the research equipment is 7,327.3 thousand rubles (depreciation – 21.9%). Share of modern research equipment (not older than 5 years) is 58.7%.

Activity in the field of scientific and technical research and development of OJSC “BSW – management company of “BMC” holding” for 12 months of 2020 is characterized by the following achieved indicators.

Research and development was carried out on 427 R&D works. 217 R&D works have been completed. Research and development costs amounted to 14,138.0 thousand rubles, of which:

- material costs for R&D works – 4,399.6 thousand rubles;

- capital expenditures for scientific and technical activities - 256.9 thousand rubles;

- payment of industrial property - 5.7 thousand rubles;

- salaries of researchers and developers - 7,168.9 thousand rubles;

- development of the resource base - 2,306.9 thousand rubles.

For 12 months of 2020, 46 types of innovative products were shipped in the amount of 590 602.159 tons or in the amount of 605 894.771 thousand rubles. The share of innovative products in the total volume of production in 2020 amounted to 23.2%.

42 scientific articles have been published in reviewed periodical publications, 31 of which are included in scientometric data, including 2 in the Scopus database.

In the field of intellectual property, there are 13 patents for inventions and utility models (IP); 71 trademark protection certificates, extending their effect to 88 countries of the world (Industrial property).

The main scientific achievements in the field of applied research for 12 months of 2020 (carried out R&D works):

- development and implementation of a technology for melting, casting and rolling of round hot-rolled steel 11SMn30;

- development and implementation of technology for melting, casting and rolling of round hot-rolled steel grade C15 + U + PE;

- development and implementation of technology for melting, casting and rolling of round hot-rolled steel 42CrMo4;

- development and implementation of the technology for melting, casting and rolling of wire rod on a 370/150 mill from steel grade 1074mod; 1077mod; 1083mod; C82D2; 38Si7;

- development and implementation of technology for melting, casting and rolling of round hot-rolled steel grade 23MnNiMoCr5-4;

- development and implementation of the technology for melting, casting and rolling of round hot-rolled steel in coils in the line of Garrett coilers of mill 370/150 from steel grades 25MoCr4, 32CrB4, 1044mod, 32CrB4;

- development and implementation of the technology for melting, casting and rolling of wire rod made of 40XH2MA, 30Г1P steel grade;

- development and implementation of technology for melting, casting and rolling of wire rod made of C42D steel grade;

- development and implementation of the technology for melting, casting and rolling of wire rod in a 370/150 mill made of 34Cr4 steel grade;

- development and implementation of the technology for melting, casting and rolling of wire rod on a 370/150 mill made of 38Si7 steel grade;

- development of technology for the seamless hot-deformed pipes production for oil and gas pipelines made of 4130 steel grade according to ASTM A519-06;

- development of the technology for rolling and heat treatment (hardening + tempering) of seamless pipes made of TT 309 steel grade, type P110CY;

- development of the technology for rolling and heat treatment (hardening + tempering) of seamless pipes made of 13Cr steel grade, type L80;

- development and implementation of technology for the production of rolled structural steels for engineering enterprises of the Republic of Belarus, taking into account the harmonization of international standards ISO 683-1; ISO 683-2; ISO 683-3;

- development of technology for manufacturing a 2x0.25 UT steel cord;

- development of technology for manufacturing 7x(3+9x0,245+12x0,35)+0.245 HT steel cord;

- development of technology for manufacturing 0.35+18x0.32 UT steel cord;

- development of technology for manufacturing 3x0.35+6x0.50 steel cord;

- development of technology for manufacturing a pilot sample of (0.58+6x0.52)+6x(0.52+6x0.45) steel cord;

- development of an optimal technological scheme for the manufacture of 1x5x0,225 OC UT steel cord;

- development of technology and manufacturing a pilot sample of a 7x0.45 HT steel cord;

- development of a technology for the manufacture of non-copper-plated polished welding wire with a diameter of 1.60 mm made of 08Г2C steel grade;

- development of technology and manufacturing a wire from ШХ15 steel grade according to GOST 4727;

- development of technology for the manufacture of 0.5+18x0.32 UT steel cord;

- development of technology for manufacture of reinforcing wire of B500A+P according to DIN 488-1:2009; DIN 488-3:2009; DIN 488- .6:2010;

- development of technology and manufacture of 7x(3+9+15x0,245)+0.245 HT steel cord, etc.



ECONOMIC ACTIVITY

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 interested parties.

Financial-economic Activity

OJSC "BSW — management company of "BMC" holding" in 2020 was carried out in difficult conditions of a shortage of net current assets due to considerable loan debt burden and decrease of world prices for metal products.

In addition, the economic consequences of the coronavirus pandemic (the introduction of quarantine measures, a decrease in the capacity of machine-building and tire companies in the EU), as well as a drop in oil prices, negatively affected the Company's activities, and led to a decrease in the volume of workload of hardware and pipe production.

Quarantine restrictions have led to a halt or a decrease in production at enterprises, consuming products of BSW. As a result, there was a significant decrease in orders in the second quarter of 2020 for steel cord, bead wire and wire for high-pressure hoses, seamless pipes, rolled structurals.

Only from the second half of 2020, business activity revived in foreign markets.

The main task of the enterprise in 2020 was to search of additional sources of financing, maximum utilization of production capacities and an increase in production and sales volumes.

Marketing work was actively carried out, close interaction with government bodies, with banking institutions, work was carried out on mobilization of internal reserves.

To counteract all negative processes, taking place in international markets, the enterprise developed a comprehensive program of measures on reduction of cost of production. Strict control over the implementation of the program activities at all levels gave a positive result. The economic effect of the measures taken on reduction of production costs at the end of 2020 amounted to 89.6 million rubles.

To obtain a reasoned opinion in reflecting the results of the reliability of financial statements by an independent auditing organization with an international status, BSW is annually audited in accordance with the requirements of International Financial Reporting Standards (IFRS).

To inform the top management on production and financial and economic activities, the results of work for completed month of service are carried out, balance commissions, analytical materials on the performance indicators are presented to the management of the enterprise.

In order to develop communications, expand the scope of interaction between the interested parties, develop personnel and exchange experience, the company annually holds the International Scientific and Technical Conference "Metal". In the section "Economics and Finance", along with guests from the CIS countries, the specialists of the financial, economic and marketing departments of the enterprise speak. During the conference, participants present reports on modern topics and exchange experience on achievement of their strategic goals and introduction of the latest developments in the fields of sustainable production development and corporate social responsibility.

Economic efficiency. Main factors.

Proceeds from sales of products (including VAT) amounted to 2 791.6 million rubles, which is 7.0% lower than the level of 2019. The cost of goods sold decreased by 286.7 million rubles. or by 9.6% and amounted to 2,701.0 million rubles.

The return on sales for 2020 was "plus" 0.1% versus "minus" 2.5% for the same period last year.

Current and other current activities for 2020 brought a loss. Sales of products, investment and financial activities have brought profit.

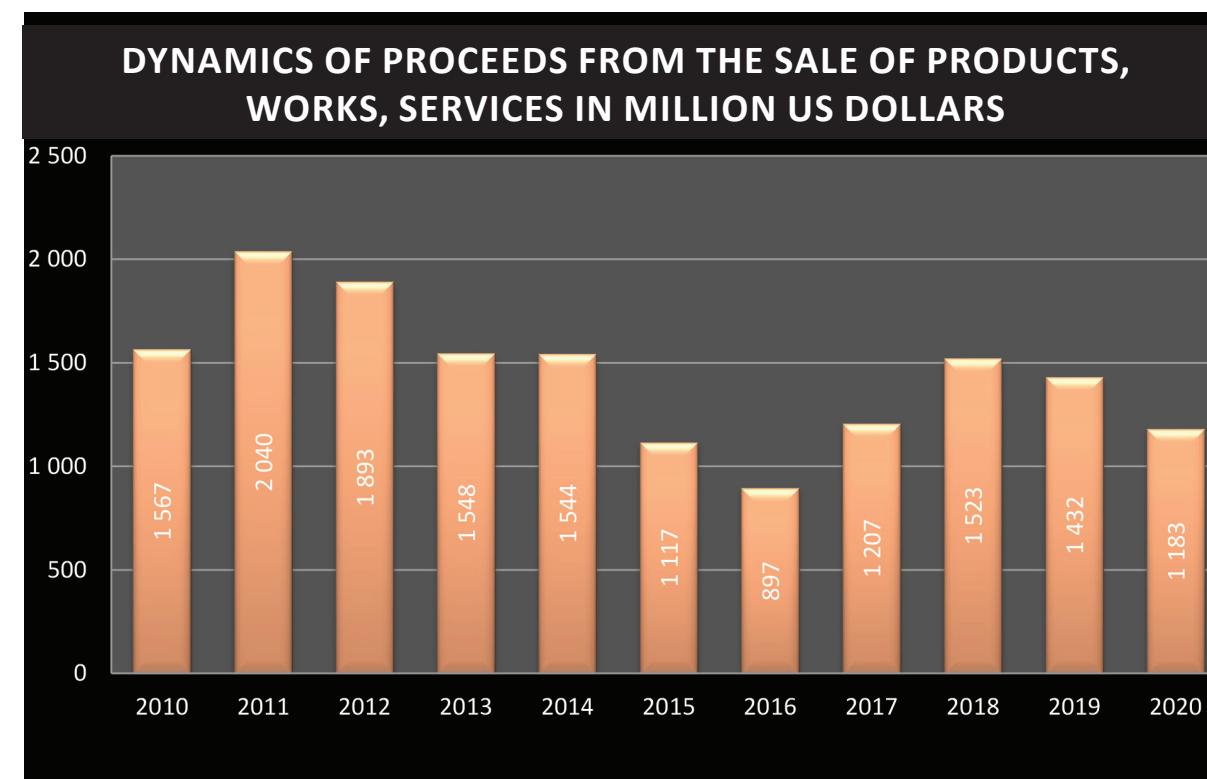
Loss from operating activities amounted to 35.9 million rubles against 101.9 million rubles for the corresponding period of the last year.

Loss from other current activities amounted to 39.2 million rubles.

Profit in the amount of 13.5 million rubles was received from investment activities.

A profit of 22.5 million rubles was received from financial activities.

2,481.8 thousand tons of steel were smelted, which is 5.3% less than in 2019. Products were shipped to consumers amounted to 2 368.4 thousand tons. The balance of foreign trade reached 422.0 million US dollars.



Revenue from the sale of products, works, services in dollar terms for 2020 decreased compared to 2019 by 249.7 million US dollars, which is due to a decrease in shipments in physical terms and a decrease in prices on foreign markets.

Profit

In 2020, a profit in the amount of \$ 1.3 million was generated from sales of products against \$ 35.8 million loss in 2019.

Consumption expenses within other on current activities in 2020 amounted to USD 5.2 million (in 2019 - USD 6.7 million), including:

- payments of incentive and compensatory, social nature, social insurance expenses, etc. at the amount of USD 2.7 million (in 2019 - USD 3.8 million);
- maintenance of facilities of non-production (social) field and expenses on children's health improvement in the amount of USD 2.5 million (in 2019 - in the amount of USD 2.9 million).

Payments to the owner

In 2020, due to the absence of taxable base, dividends haven't 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 performs payment of taxes to the budgets of all levels.

The economic stability of the region of operation and, in particular, the ability of regional and local authorities to develop the infrastructure of the region depends how timely and correctly the Company transfers the taxes to the state.

For 2020 BSW paid:

- income tax in the amount of 10.0 million USD dollars (in 2019 - 12.7 million USD dollars);
- contributions to the fund of social protection of the population - 24.9 million USD dollars (in 2019 - USD 32.7 million);
- real estate and land taxes - USD 6.8 million (in 2019 - USD 9.7 million);
- income tax - USD 0.4 million.

Innovative updating

The main objective of OJSC "BSW — management company of "BMC" holding" is to develop and enhance its position in the world markets. The tool for increase in overall performance of the plant is the innovative updating and conduction of 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 in the construction, reconstruction and modernization of the existing production in 2020 - 21,055 thousand rubles. (8 647 thousand US dollars).

During 2020, the company introduced a number of technical and technological solutions aimed at increasing the productivity of equipment, the quality of products produced, expanding the range, reducing emissions into the atmosphere, maintaining the existing production at a high level and implemented the following major projects:

- **"Increase in the productivity of secondary steelmaking at Electric-furnace melting shop 1,2"**. Completed in March 2020. Two single-position installations ladle furnace No. 2, No. 3 and vacuum degasser with associated infrastructure were erected under the project.

The ladle furnace No. 2 processes carbon steels of ordinary quality. Alloyed, cord of ordinary quality, high quality carbon, nickel-molybdenum, ball bearing steels are processed on ladle furnace No. 3.

As a result of the implementation of this measure, the following was ensured:

- stable balance of metal for the operation of electric arc furnaces and machines of continuous steel processing;

- obtainment of new grades of steel that haven't been previously smelted at the enterprise;

- improvement of the quality of the smelted metal (removal of harmful impurities, normalization of the chemical composition of steel).

The investments under the project have been mastered from the beginning of the implementation of 193 703 thousand rubles, including 561 thousand rubles for 2020.

- **"Modernization of the control system of the wire saw machine TD2 / 401 with the installation of a length control system and replacement of the torsion bar drive- 90/45 rope machines (90 heads)"**. Introduced in September 2020.

According to the project, the speed variators at electrical drive were on changed at the wire saw TD2 / 401, as a result of which the constancy and control of rotation of torsion bar was ensured, the costs of repair and maintenance of the machine control system were reduced, the quality of the products was increased, and the visualization of process of coiling became possible.

The actual cost of the project is 1,036 thousand rubles, including 2020 - 1,036. thousand rubles.

- **"Installation of turbocharger Hanwha SM4100 at Communication cable well -1"**. Introduced April 2020. As a result of the project, unserviceable turbocharger was replaced, which made it possible to ensure a stable compressed air pressure in the plant network of the required value.

The actual cost of the project is 417 thousand rubles, including 2020 - 13 thousand rubles.

- **"Installation and connection of bale tie machine on the packing line of rolling mill 320"**. Introduced in January 2020.

The second bale tie machine KNCA-1300D was installed on the new packing line "SUND BIRSTA"

of the hot rolling mill 320 SPC-1, which made it possible to increase the productivity of packing reinforcing bars, produced under contracts where enlargement of packages is required.

The actual cost of the project is 377 thousand rubles, including 2020 - 3 thousand rubles.

- **"Modernization of 25 machines NT-12.6 with the use of variable speed drive system in Steel-wire workshop 2"**. Introduced November 2020.

As a result of the project implementation, DC electric drives were replaced with modern frequency-controlled electric drives, the control system of the drawing process was improved, coil-processing system, which made it possible to reduce the specific energy consumption, to reduce labor intensity during conduction of PPR, and reduce financial costs for the purchase of spare parts.

The actual cost of the project is 1,432 thousand rubles, including 2020 - 1,432 thousand rubles.

- **"Replacement of the load-bearing mechanism of the arch of electric arc steel-making furnace -3 of electric-furnace melting shop -2 complete with a unit of rollers"**.

The bearing mechanism of the arch, which is also a water-cooled element of the electric-furnace melting shop No. 3, has been replaced, as a result of which a stable size of the breakdown of the electrodes is provided, and the working conditions and safety have been improved.

The actual cost of the project is 339 thousand rubles, including 339 thousand rubles for 2020.

In 2020, the following significant fixed assets (equipment) were acquired:

- buckets KS-110 for electric-furnace melting shop -2;
- machine of stripping for electric-furnace melting shop -2;
- rolling mills for long product rolling mill -2;
- optical emission spectrometer;
- heavy truck "BELAZ".

Enterprise`s Risks

Any investment 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 makes it possible to minimize any financial risks.

To mitigate and account for probable risk effects in business-plans, 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, debt-to-equity ratios).

The results of assessing the economic efficiency of projects given in the project were obtained under the basic

cost conditions prevailing at the time of preparation of the business plan. However, 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 susceptible to changes due to fluctuations in the metals market;
- 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 contract prices for equipment;
- the ratio of share of equity and debt capital.

When performing a sensitivity analysis, the impact of changes in these factors on two main performance indicators is assessed - the simple payback period and the internal rate of return. A high degree of amortization of equipment and high costs for its replacement, modernization

will also be risk factors for the enterprise.

Annually OJSC “BSW — management company of “BMC” holding”, allocates around 15 million US dollars for the maintenance and modernization (reconstruction) of the existing facilities.

Thus, OJSC “BSW — management company of “BMC” holding”, under the conditions of a shortage of working capital, continues to carry out investment activities so that conditions do not arise under which the enterprise will be unable to maintain the existing level of production, which will lead to a certain decline in the main production and social and economic indicators.

Operating risks

At OJSC “BSW — management company of “BMC” holding”, the share of the age composition of equipment over 20 years is about 32.7%. Therefore, there is a risk of a decrease in production volumes and sales of products in kind due to equipment downtime, emergency stops.

To mitigate the risks of a decrease in production volumes, the production program provides preventative and predictive maintenance, capital repairs of the shutdown of the main technological equipment, as well as within the time period, the structure of equipment repair cycles is strictly observed. Also, possible options for additional loading of production capacities are being developed and considered for the period of stops for capital repairs and

reconstruction in cases, where it is economically feasible.

Legal Risks

Like any other economic entity, the enterprise is a participant of tax legal relationships. Currently, the Tax Code and a number of the laws regulating various taxes and fees 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 is 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 is distinguished by its susceptibility to cyclic variations of prices for raw materials and steel. Demand for steel is determined by country-specific levels of economic development and consumption by major steel-consuming industries. Variations in raw materials prices are of significant influence on the financial-economic state of Belarusian steel-making as most of raw materials consumed by steel works are imported.

In 2021-2022 a favorable price situation for steel is predicted, but economic instability after COVID-19 can also be expressed in a significant drop in prices - a potential risk, distinctive for metallurgical industry of cyclical price increase. The worldwide COVID-19 coronavirus pandemic had a significant impact on the decline in demand and prices for manufactured products. World prices for raw materials and

materials for the production of steel, especially for scrap metal, cast-iron, ferroalloys during this period are also subject to significant growth. And if there is a risk of a decrease in prices for metal products over a decrease in prices for raw materials, they can have a significant impact on the enterprise's operating activities and its financial results.

Along with price fluctuations in the global metallurgical industry, there is a risk of oversupply of production capacity. Currently, a significant number of new, large industries have been announced in the world. The imbalance between supply and demand in the ferrous metallurgy markets led to a situation of overproduction, which led to a more prolonged decline in steel prices. In addition, the outlined growth of metallurgical production (an increase in volumes of smelting by the existing metallurgical plants, the construction of new



enterprises equipped with electric furnaces) with a decrease in scrap production in developed countries, due to the introduction of resource-saving technologies and lengthening the service life of equipment, leading to a shortage of the main metallurgical raw materials - the risk of a shortage of scrap metal.

Reducing the influence of the indicated risk is possible through the implementation of a long-term strategy of provision of the metallurgical industry of the Republic of Belarus with raw materials.

Country and Regional Risks

This type of risk is associated with the economic and political situation in the country and the world as a whole.

The most serious risks for BSW are: a decrease in world prices in the sales markets for metal products, a decrease in business activity in steel consuming industries against the background of pandemic restrictions, a possible increase in the manufacture of products by competitors, changes in prices for fuel and energy resources, inflation risk.

Based on the forecasts of analytical agencies, the following general risks are forecasted in all sales markets of metal products on a short-term horizon:

1. Introduction of an anti-dumping duty on the supply of metal products from the Republic of Belarus in order to protect domestic producers.
2. Decrease (fluctuation) in oil prices and a decrease in drilling activity (the result is a decrease in consumption of OCTG and oil and gas pipes).
3. Scrap metal shortage on the market.
4. Excess of steel capacity in the world (increased competition, lower prices for metal products).
5. Increased competition in the market, in particular, in the segment of rolled steel and seamless pipes (leading manufacturers are redirecting trade flows).

6. Growth in exports of metal products from China (increased competition, lower prices for metal products).

7. Cheap imports of metal products. Steelworkers are faced with an influx of cheap steel, which is holding back the rise in prices in the market.

8. Recession in the automobile, machine-building industries and concomitant in the tire industry, pipe segment (introduction of an environmental program, limiting CO emissions, transition from an internal combustion engine to electric vehicles, reduced investment, etc.).

9. Opening of new capacities, expanding of existing ones, mastering of new types of products and improvement of the quality properties of already manufactured products.

The geographical location of the Republic of Belarus will minimize the impact of regional economic risks on the activities of the enterprise. The priority will be the ability to quickly change the geography of its supplies, which will allow to respond flexibly to the challenges of the external environment and insure itself against possible regional crises.

Climatic conditions in winter period can affect the supply of basic raw materials. To reduce the risks of interruptions in the supply of raw materials, it is necessary to create a "winter buffering" stock of these 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 by-product emissions and require special arrangements in connection with disposal of solid and liquid industrial waste. Due to the above, steelmaking enterprises have to provide strict compliance with rather stringent regulations with regard to labour protection, industrial and fire safety and environmental protection.

Ecological requirements include compulsory payments for air and land pollution and installation and setting up and modernization of special pollution-control equipment. Should any critical concentrations set for industrial wastes be exceeded, the enterprise will have to pay fines. Possible 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.

The enterprise has established procedures for assessing the risks, associated with the environmental aspects of activities, products and services within a certain area of application of the environmental management system, which it can control and which it can influence, taking into account planned or new developments or new and modified types of activities, products and services in accordance with the methodology of assessment the significance of environmental aspects and risk assessment.

The risk assessment considers the probabilities of a

hazard and the consequences if a similar situation occurs. When determining the likelihood of a hazard, the following are taken into account:

- the volume of pulverized and gaseous discharge of pollutants from sources;
- hazard classes of pollutant emissions;
- hazard class of the generated production waste, whether the waste is sent for processing, use or disposal, the amount of waste generated;
- the condition of the equipment;
- whether there have been such cases over the past 5 years;
- consumption of natural resources;
- the area of influence of the aspect under consideration;
- interest and concern by the issue at the level of the world community;
- other.

For the analysis of possible risks, specialists from the Environmental Protection Department and Industrial Sanitation a register is compiled "Risks and opportunities, associated with environmental aspects of OJSC "BSW — management company of "BMC" holding". In 2020, no significant risks were identified.

Support to BSW provided by Government in 2020

В сложившейся сложной финансово-экономической ситуации из-за неблагоприятных внешнеэкономических условий в текущей сложной финансовой и экономической ситуации из-за неблагоприятных внешних экономических условий, правительство поддерживает БСВ, предоставляя государственную поддержку.

In 2020, within the framework of the Decree of the President of the Republic of Belarus from June 6, 2011 No. 231 “On some issues of stimulation of the development of highly efficient production facilities”, OJSC “BSW — management company of “BMC” holding”, reimbursed interest for application of bank loans in the amount of 1.2 million rubles.

Also, losses of banks from concessional lending of OJSC “BSW — management company of “BMC” holding” in the amount of 2.8 million rubles were compensated.

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 of 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 2020, 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 2020, the employees of the plant collected Br 57 248,62 rubles (in 2019-38 432rub). 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 Non-governmental organization “Belarusian Peace Foundation”, Belarusian Red Cross Society, Municipal Educational Institution “Zhlobin Social Pedagogical Centre” and other organizations.

The enterprise workers do not stop helping the needy throughout the year. Thus, the trade union committee and the management of the Byelorussian Steel Works for the New Year and Christmas holidays presents gifts not only to its employees and their children, but to foster-children of social shelters and patients of nursing hospital. Donate a particle of warmth and care to lonely elderly people on holidays has also become a good tradition of the factory workers. In the Kirov hospital of nursing care and the Zhlobin social and pedagogical center, arrival of metallurgists are traditionally expected on the eve of the New Year holidays. For example, with the joint efforts of the worker of enterprises on holidays, they managed to collect almost 3 thousand rubles and give cherished gifts to those who have applied.

Participation of the factory workers in the action of fund raising for purchase of school supplies “Kind September 1” and “Assemble schoolbag to first-grader”. 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 2020, the factory workers collected 1309,25 Belarusian rubles in total within the framework of actions.

In 2020, the grand opening of the workout site, built on the initiative of BSW with the financial support of the enterprise’s business partners, took place in Zhlobin.

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

The main goal of development of BSW until the end of 2021 is to increase economic efficiency, environmental safety, resource conservation and increase of the competitiveness of products.

The main goals of development are the following directions of solution of the problems of the enterprise:

- ensuring sustainable growth rates of production and sales, improvement of the sectoral and technological structure of production and increase of competitiveness of products;
- the introduction of modern technologies, providing a comprehensive saving of energy and material resources;
- expansion of production of metal products with high added value;
- improvement of the structure of export supplies in the direction of increase of the share of productions of advanced refining, development of import-substituting production;
- improvement of the existing mechanism of the process of selling products through its own distribution network, ensuring effective control of product markets and regulation of

the distribution of profits;

- improvement of the environmental performance of existing industries.

The main direction is control and cost reduction. In order to control costs in the field of commercial activities, the purpose is rationalization of procurement.

The increase of industrial production is provided for implementation due to the ongoing reconstruction and technical re-equipment of the main metallurgical production, as well as due to structural shifts in production with a relative reduction in the consumption of material and fuel and energy resources on the basis of resource and energy saving technologies.

Currently, recovery of global steel industry after the introduction of restrictions, associated with the COVID-19 pandemic, is observed. The increase of demand for steel, reflected in the growth of prices for metal products in foreign markets, contributed to the growth of the economy of BSW.

The growth of proceeds from the sale of products, goods, works, services is observed with an increase in sales efficiency - sales profitability.





**ENVIRONMENT-
RELATED ACTIVITY**

Environmental Policy

The enterprise 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 chief executives of BSW take certain steps to reduce environmental impacts and mitigate global climate change risks. These steps are a part of strategy intended to provide for a sustainable dynamics of the plant's development. The enterprise is engaged in a large-scale equipment and process modernization, paying particular attention to the 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 security. Implementation of the state policy is ensured by an efficient (EMS). The Environmental Management System 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 the enterprise to ensure regular monitoring and minimize the ecological impacts associated with the production activities in the region of its location.

Within the framework of a functioning Environmental Management System, the enterprise identified a number of ecological factors of environmental influence and evaluated them by their significance. Also, the enterprise has established procedures for assessing risks associated with the environmental aspects of activities, products and services within a certain area of application of Environmental Management System, which it can control and which it can influence, taking into account planned or new developments

or new and modified types of 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 the production activities of BSW and to reduce a man-caused load, the enterprise annually introduces new environmental protection measures.

Efficiency of the environmental management system is ensured with the assistance and under guidance of the top management. 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 share of products complying with the quality management system standards, provide its production with ecological quality and safety data and appropriate marking.

Key Principles and Approaches

Long-term strategic objectives determined by the plant for ecological and environmental activities include:

- minimizing the plant's impact on the vital activity of the region;
- minimization of plant's impact on flora and fauna;
- efficient use of natural resources;
- efficient use of energy resources;
- air basin protection;
- water basin protection;
- industrial waste utilization;
- training;
- improvement of environmental culture of the staff and education of environmental awareness;
- 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 and legal regulations of the Republic of Belarus;
- involvement of all units and participants of business processes;
- Environmental Management System 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 Environmental Management 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 interesting parties 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

П 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 south-eastern 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 forest-covered 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. The 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 along railroad tracks, along automobile roads.

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 forest-covered territory located to the north-east of the plant. The Scots pine (*Pinus sylvestris*) and the black alder (*Alnus glutinosa*) grow in the north-west area and the Scotch pines (*Pinus sylvestris*) – in the south-west.;

- segetal vegetation is developed on the agricultural lands, sowed hayfields to the south-east and to the east of the plant, in Solonoe area, and to the south-west of the plant between the 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 (*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 shrew (*Sorexminutus*), common shrew (*Sorexaraneus*), a root vole (*Microtusoeconomus*), a common vole (*Microtusarvalis*), and a striped field-mouse (*Apodemusagrarius*).

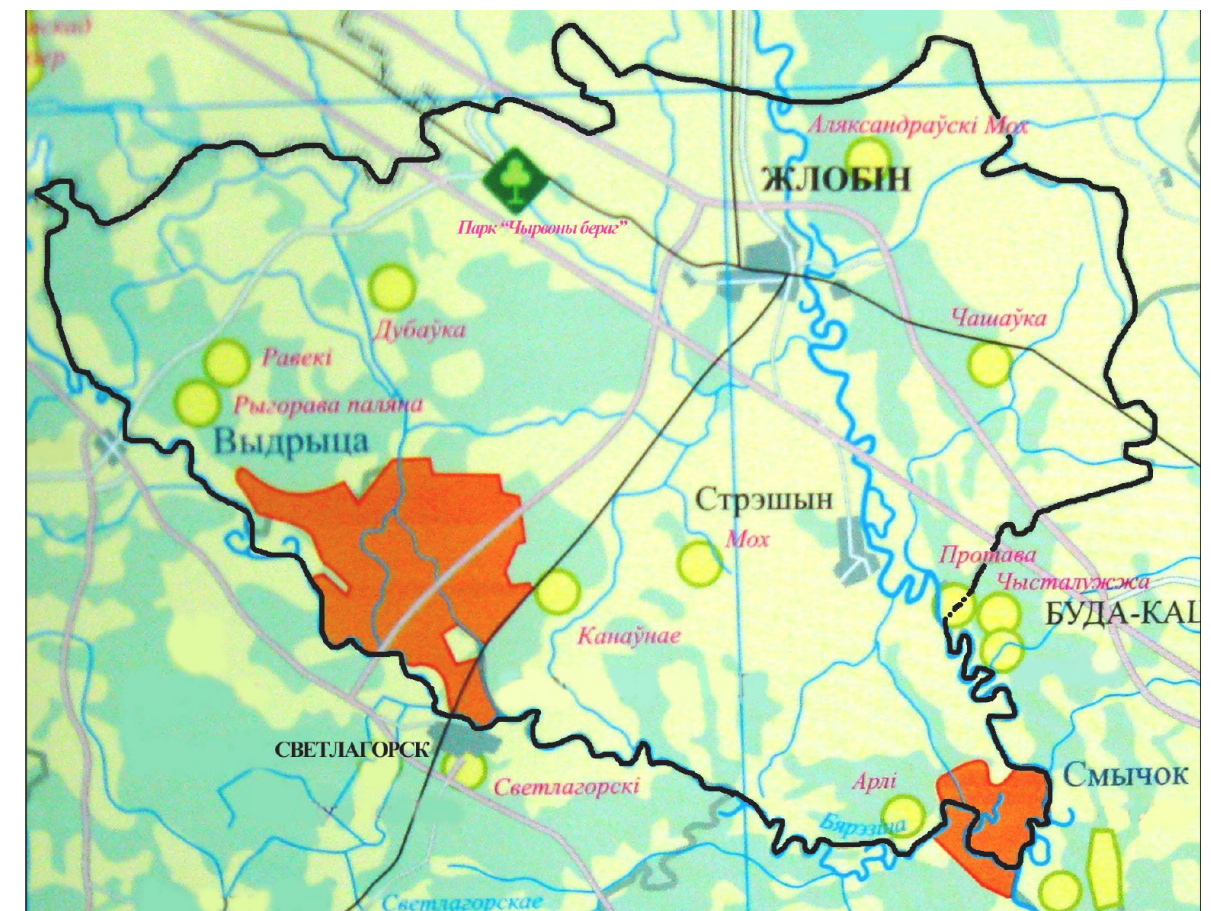
The ornithofauna of the territory under study is characterized by a small variety of species diversity. Main biotypes used by birds are open agricultural lands. Background types on agricultural lands are: a sky lark (*Alauda arvensis*), a whinchat (*Saxicola rubetra*), a gray wren-babbler (*Sylvia communis*), yellow hammer (*Emberiza citrinella*). On swampy

territories one can run across a common heron (*Ardea cinerea*). During spring migration, few migrating types of birds cross the territory in transit. Autumn migration is less 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 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 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 management	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 Collective Farming Unitary Enterprise Krasnoberezhensky of Zhlobin district and borders with Volshedubsky canal	Krasnoberezhsky Collective Farming Unitary Enterprise	22
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"	101 ha, north-west part of Dvorishchanskoe forestry of Zhlobin Forestry	Zhlobin forestry enterprise in coordination with the Zhlobin regional executive committee and the inspection of natural resources and environmental protection	29
Hydrologic reserved forest of local significance "Kanavnoe"	68 ha, located in Pribererezinsky forest area of Zhlobin forestry enterprise	Zhlobin forestry enterprise	22
Hydrologic reserved forest of local significance "Orly"	97 ha, the southern part of Streshin forest area of Zhlobin forestry enterprise	Zhlobin forestry enterprise	34
Hydrologic reserved forest of local significance "Rygorava Polyana"	54 ha, north-west part of Dvorishchanskoe forest area of Zhlobin Forestry	Zhlobin forestry enterprise	35

The plant's premises are a sort of a park with green planting. At present, the area free from buildings is completely green. For the most part, green spaces within the industrial site are represented by conifers and hardwood trees. Besides, the plant's premises include some flower beds. The total green space area within the industrial site amounts to 53.07 ha.

Within the framework of the State program "Environment protection and sustainable use of natural resources", as well as with the aim to execute the work plan on land protection and regulation of distribution of invasive species of plants, in 2016 the specialists performed work on accounting the species of plants on the plots of land near OJSC "BSW — management

company of "BMC" holding". By results of this work, all species of plants on the territory of the main production site and the territory which is in continuous use of BSW are registered for environmental accounting.

To encourage and expand land improvement and amenity planting activities, to motivate the plant's employees, both morally and materially, to implement the Land Improvement Program, to involve the personnel in activities connected with aesthetic improvement of the plant's appearance, the enterprise arranged a land improvement competition among the plant's shops with announcement of results of the competition twice a year. The competition involves more than 75% of the employees.

Efficient use of natural resources

Major raw materials used for steel production in 2017-2020 were as follows:

Material	UoM	Quantity			
		2017	2018	2019	2020
Metal charge	t	2 678 616,54	2 858 263.8	3 024 217,36	2 824 023,91
Ferrous alloys	t	40 288,88	44 951	46 569,9	41 922,26
Electrodes	t	4 973,15	4 969.8	5 428,3	4 877,38
Slag-forming, deoxidizing and purifying mixtures	t	138 995,4	147 519.5	165 544,3	129 469,08
Carbonizers	t	50 998,8	90507.2	92 324,3	58 783,68
Heat insulating materials	t	770	651.9	506	733,29
Fire-resisting materials	t	28 005,23	31 129.5	32 588	30 465,75

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 2017-2020 was as follows:

Material	UoM	Quantity			
		2017	2018	2019	2020
Ferrous scrap, scale	%	93,98	94	93,69	95,91
Refractory scrap	%	0,98	1	1,01	1,03
Electrodes	%	0,17	0,2	0,17	0,16
Lime stone and lime wastes	%	4,87	4,8	5,13	2,9

Efficient use of energy resources

BSW takes managerial and investment decisions on the basis of multi-variant 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;
- maintaining of a corresponding level and competence of the staff;
- provision of the staff awareness of the benefits including financial ones, which one can get if he/she improves effectiveness of power consumption;
- effective information exchange;
- maximum complete inventory of factors influencing power consumption;
- determination of areas of priority significant for power consumption management;
- planning of activity aimed at improvement of power consumption efficiency.

In accordance with the national strategy of energy saving and energy security, the plant developed an Energy Saving Action Plan, setting energy policy priorities and approaches. The Plan includes:

- measures to improve the efficiency of operation of holding furnace and process furnace;

- introduction of frequency-controlled electric drives on mechanisms with variable load;

- introduction into production of modern energy efficient and increasing energy efficiency of existing technologies, processes, equipment and materials in production;

- introduction of energy efficient lighting devices, sectional lighting separation;

- utilization of thermal renewable energy resources

Traditional energy-saving measures include:

- initiatives on introduction of energy-saving solutions and technologies, increase the usage of local fuel and energy resources and renewable energy sources, reduction of energy consumption as a result of the implementation of initiatives;

- 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, retraining and advanced training on issues of energy saving and efficient use of resources;

- improvements in the energy management system.

Due to the introduction of automated electric power accounting system (AEPAS), real-time monitoring of fuel and power resources (FPR) is 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 became a scientific and technical resource for decrease in costs, and, as a result, the means of receiving additional income. In 2020, 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 2020 was 323 551 GJ (504 201 GJ – in 2019).

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 structural division of the plant from the view point of power saving”;

- Regulations “About awarding of the employees for power saving”;

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

In 2020, the following projects related to power saving can be attributed to the most important ones:

1. Management of operational modes of melting in order to minimize energy losses;

2. Optimization of energotechnological modes in electric-furnace melting shop-2;

3. Modernization of the exhaust heat waste boiler of electric arc steel-making furnace -1;

4. Introduction of energy efficient lighting devices (Replacement of fluorescent lighting with LED);

5. Selection of optimal modes for the operation of the main and auxiliary process equipment at steel-wire workshop-3;

6. Implementation of variable frequency drive at steel-wire workshop-2 mills;

7. Optimization of operation modes of blowing on drawing mills 3,4 of sections of wire production.

Use of secondary thermal power resources in 2020 made up 42.2% in the balance of boiler-furnace fuel.

Saving of FPR not only reduces financial load of the enterprise, but decreases negative impact of the Company’s activities on the natural environment.

Direct use of power from the primary sources in 2017-2020

Source	UoM	Количество			
		2017	2018	2019	2020
Natural gas, total	ton of fuel oil	185 240	201338	216 574	212 830

Intermediate energy quantities obtained and consumed from non-renewable power sources in 2017-2020

Source	UoM	Quantity			
		2017	2018	2019	2020
Electric energy	Megawatt- hour (GJ)	1 866 610 (6 719 796)	1 938 359 (6 978 092)	2028041 (7 300 948)	1883207* (7 425 363)
Heat energy	Gcal	-12 449	-13 648	-12 782	-11 854

7.1% of electricity purchased from state production association of electric power industry “Belenergo” is produced from renewable energy sources.

Energy, saved as a result of mitigation measures of energy consumption and improvement of efficiency in 2017-2020

Power resource	UoM	Quantity			
		2017	2018	2019	2020
Electric energy	Megawatt-hour	32 291	85 117	113 347	60 856
Natural gas	thous. cub. m	11 160	8 343	2 829	3 069

Air Basin Protection

Emissions of pollutants into the atmospheric air are sources of major negative environmental impacts at BSW. The enterprise operates 505 sources with permitted gross emissions of 10771,69 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.

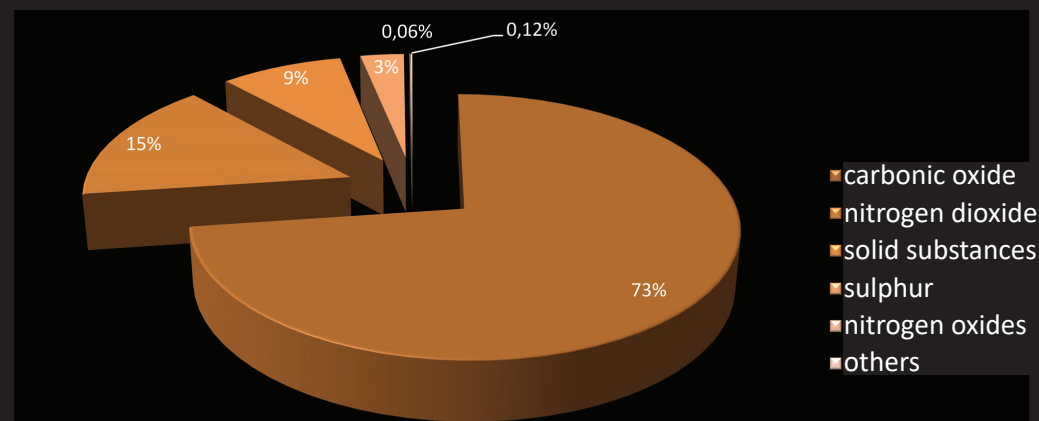
Road transport dominated in the world from the point of view of damages, caused to the environment.

The main movement of vehicles, belonging to BSW is carried out within the production site and within the sanitary protection zone. Delivery of large-dimensioned raw materials for steel smelting is carried out by railway transportation. Finished products are shipped either directly by the buyer's transport or by the transport of the Unitary Enterprise "Metallurgtrans".

Automotive vehicles: The company owns 202 vehicles that use various types of fuel. Of which, 151 vehicles use diesel fuel, 51 - gas fuel. Nonleaded gasoline AI 92, AI 95, as well as diesel fuel with a sulfur content of 0.005 percent are used as 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 SHARE OF MAIN POLLUTING SUBSTANCES IN GROSS EMISSIONS

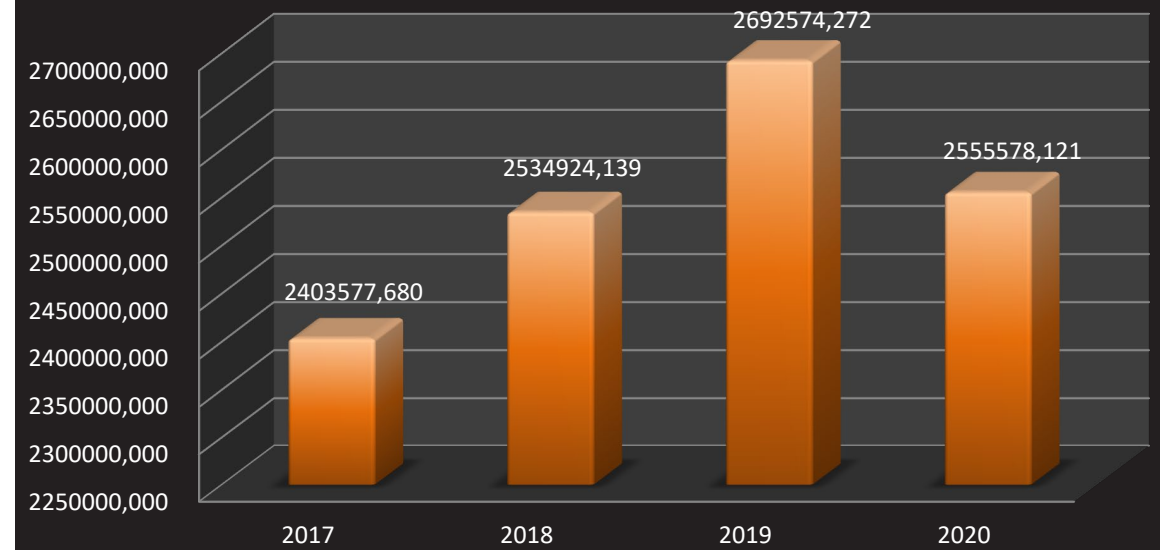


The proportion of pollutants in the gross output

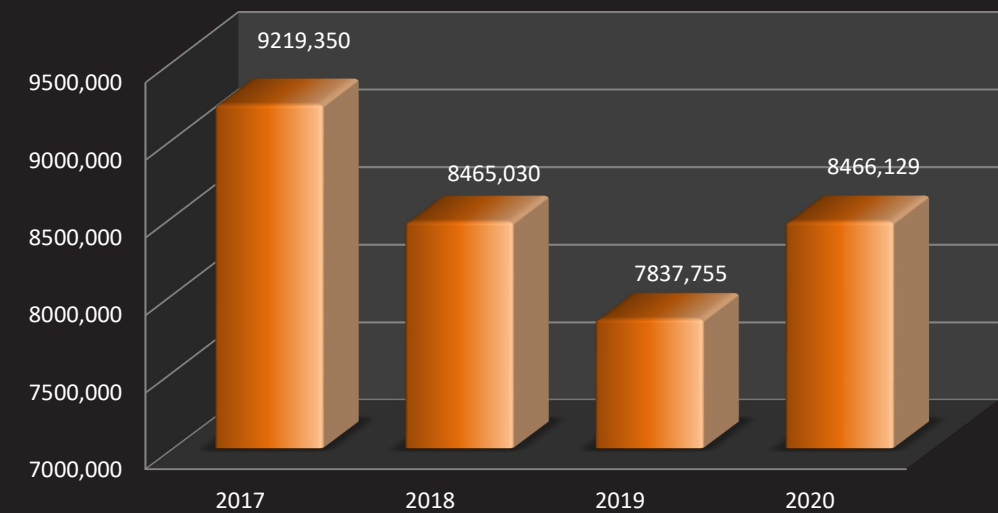
Name of substance	Actual emissions, [t/year]					Specific pollutant generation rate, [kg/t of melted steel]				
	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Carbon oxide	6226,7	6576,8	6033,45	5480,966	6145,117	2,8	2,8	2,4	2,03	2,4
Nitrogen dioxide	1191,1	1200,4	1205,54	1214,651	1297,764	0,53	0,51	0,5	0,45	0,5
Sulfur dioxide	324,9	326,8	285,608	271,488	256,823	0,14	0,14	0,12	0,10	0,1
Solid substances	728,3	1091,6	915,172	402,908	721,04	0,32	0,19	0,37	0,15	0,02
Total quantity of ollutants	8501,8	9219,4	8465,03	7402,438	8466,129	3,9	3,9	3,4	2,75	3,3

Analyzing the indicators of emissions of pollutants into the atmosphere, it should be noted that the gross emission of pollutants into the atmosphere in 2020. increased compared to the previous 2019. by 7.4% (628.374 tons). The increase is due to the introduction of new sources of emissions (extra-furnace steel processing at electric-furnace melting shop-2), and conduction of inventory of sources of emission in 2019 with the development of a new volume of MPE. In the course of the inventory of emissions, instrumental measurements were carried out on the Electric arc steel-making furnace- 3, on the basis of which the average concentrations for gas emissions were higher than in the previous inventory.

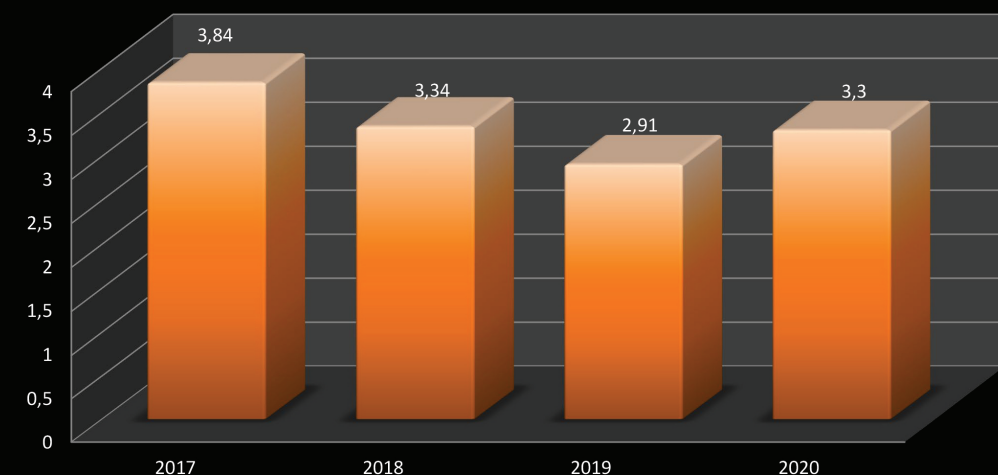
PRODUCTION OF LIQUID STEEL IN 2017-2020, T



GROSS EMISSIONS OF POLLUTANTS IN ATMOSPHERIC AIR FOR 2017-2020, T



SPECIFIC GROSS EMISSION OF POLLUTANTS FOR 2017-2020, kg /t OF LIQUID STEEL



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). ODS quantities used within the enterprise are constantly decreased.

The ozone-depleting substances at the enterprise are handled as established in the license “For the activities associated with environmental impacts”, and, precisely, in the part of this license where “Rules for handling of ozone-depleting substances” are set out.



Data on introduction of measures aimed at reduction of ODS use in 2017-2020

Year	Measures aimed at reduction of ODS use	Measures aimed at reduction of ODS use
2017	Reduce the quantity of used ODS R22 by 4% to the level of 2016	The quantity of used ODS R22 was reduced by 7.99% (156.4 kg) to the level of 2016
2018	Reduce the quantity of used ODS R22 by 5.5% to the level of 2017	The quantity of used ODS R22 was reduced by 7.7%
2019	Reduce the quantity of used ODS R22 by 5.7% to the level of 2018	The quantity of used ODS R22 was reduced by 8.6%
2020	Reduce the quantity of used ODS R22 by 6% to the level of 2019	The quantity of used ODS R22 was reduced by 8.8%

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 and technical revamping, introduction of highly-efficient up-to-date equipment and methods.

OJSC “BSW — management company of “BMC” holding” follows the existing law and norms of the international environmental law including international agreements and contracts ratified by the Republic of Belarus and carries out continuous monitoring of the environmental condition in the territory of its production activity the main purpose of which is to protect health of people living in this area and employees of BSW.



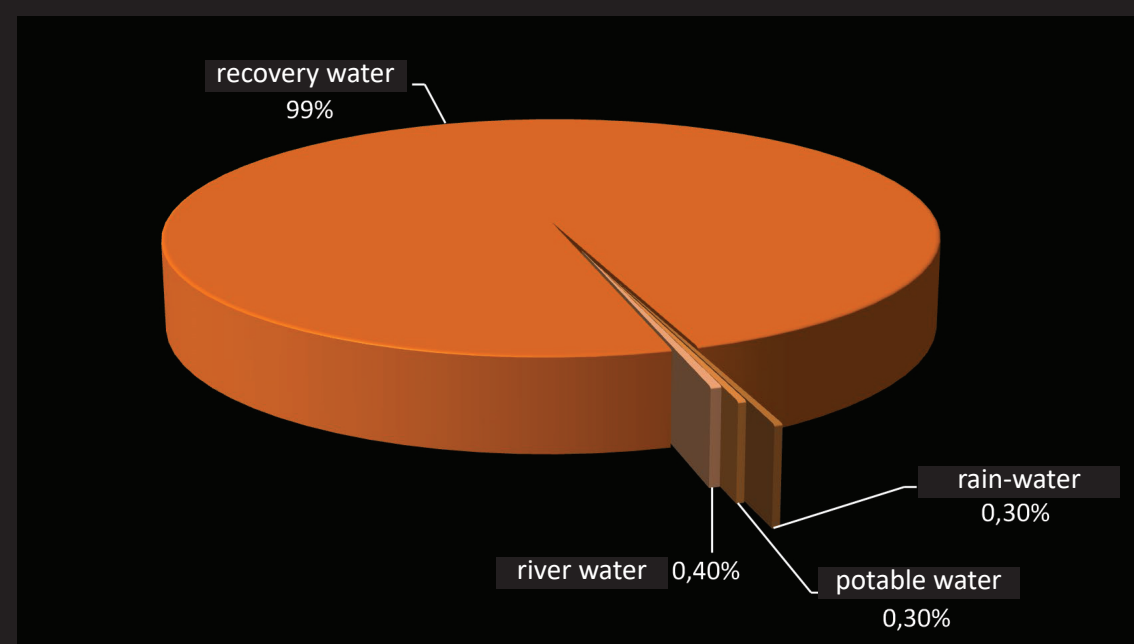
Water Basin Protection

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.

STRUCTURE OF WATER CONSUMPTION IN 2020



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



Name	2017	2018	2019	2020
Process water consumption [thous. m ³ /year]	1 692,7	2 108,7	1643,1	1232,7
Drinking water consumption [thous. m ³ /year]	1 099,8	1 309,4	1327,7	1402,8
Circulating water [thous. m ³ /year]	369 808	378 522	399640,1	377538,4
Rainwater use, [thous. m ³ /year]	1 019,6	817	1038	1179,2

Results of the measures taken to reduce water resource consumption in 2020:

- increase in rainwater use was 141 thous.m³ as compared with 2019;
- reduction in process water consumption was 410 thous.m³ as compared with 2019;
- increase in drinking water consumption was 75 thous.m³ as compared with 2019;
- increase in circulating water was 22102 thous.m³ as compared with 2019.

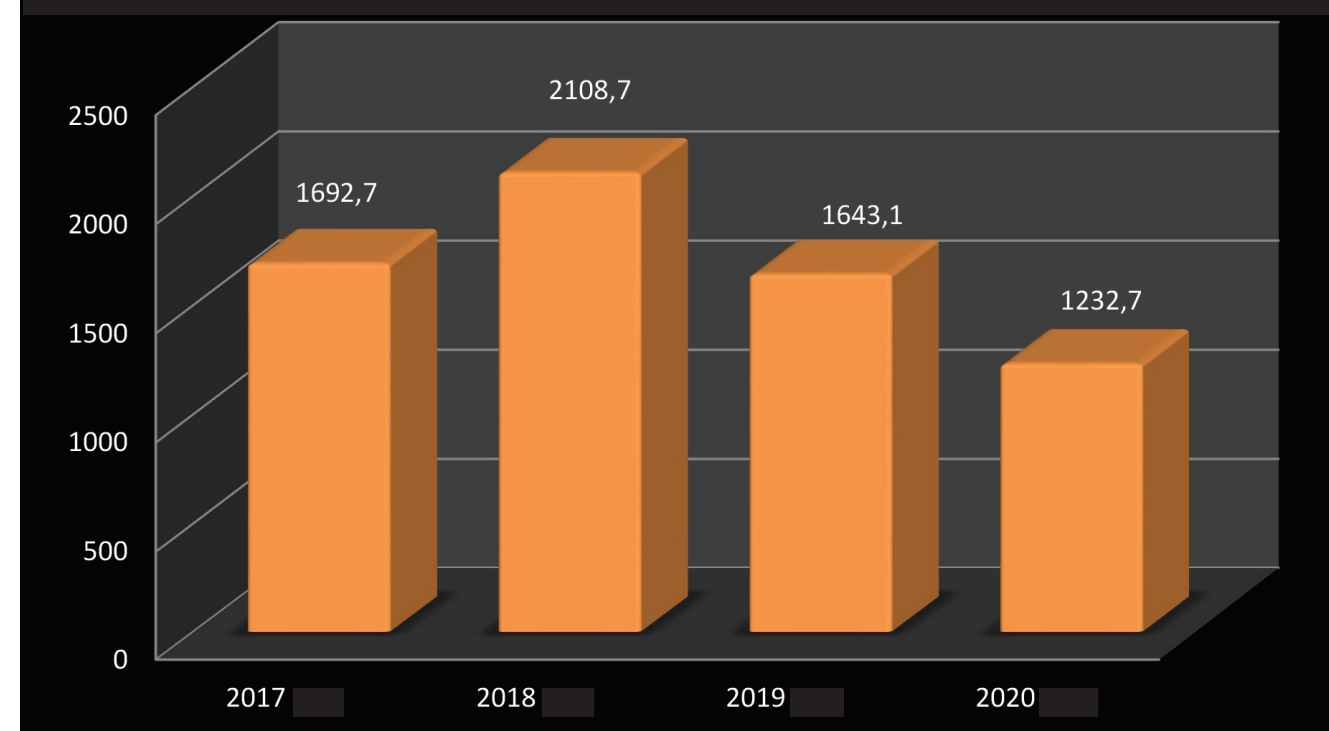
The increase in the consumption of drinking water is associated with an increase in the consumption of drinking water for technological production needs in the current production conditions at elevated ambient temperatures - the need for intensive cooling of equipment, exclusion of emergency stops. The increased consumption of storm water allowed to reduce the consumption of industrial water. A decrease in the consumption of recycled water is associated with equipment downtime for various reasons and scheduled repairs.

Process water generated as a result of the production activities of the enterprise is directed to the treatment facilities of the plant's subdivisions for processing and returned to production for reuse.

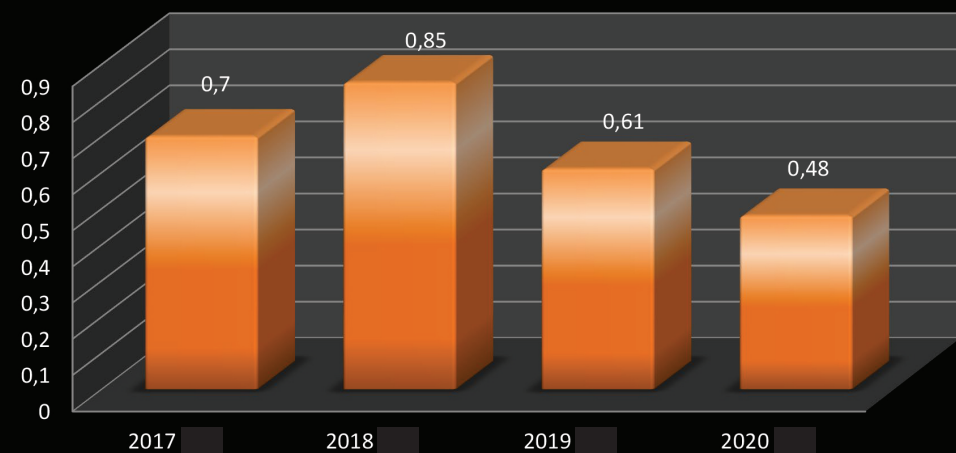
Domestic wastewater of the plant is disposed to the treatment facilities of the city of Zhlobin. The content of pollutants (heavy metals, oil products, salt content) in the discharged wastewater did not exceed the established standard concentrations.

Water bodies that are significantly affected by the production activities of the enterprise are absent.

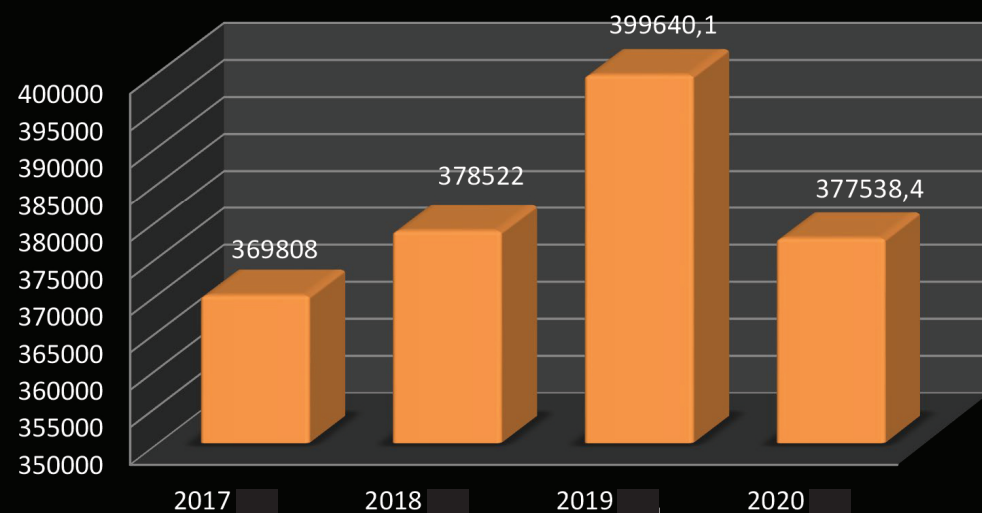
CONSUMPTION OF PROCESS WATER, THOUS. m³



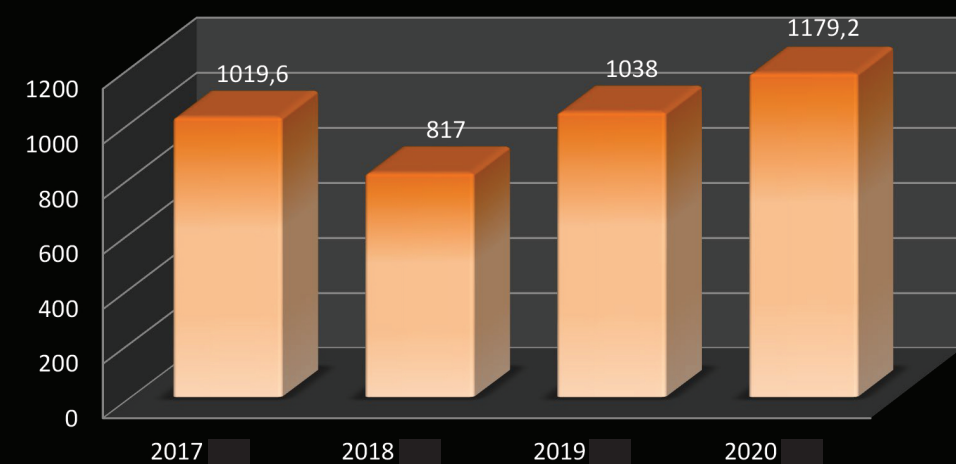
SPECIFIC CONSUMPTION OF PROCESS WATER, m³ PER TONN OF MELTED STEEL



VOLUME OF CIRCULATING WATER, THOUS. m³



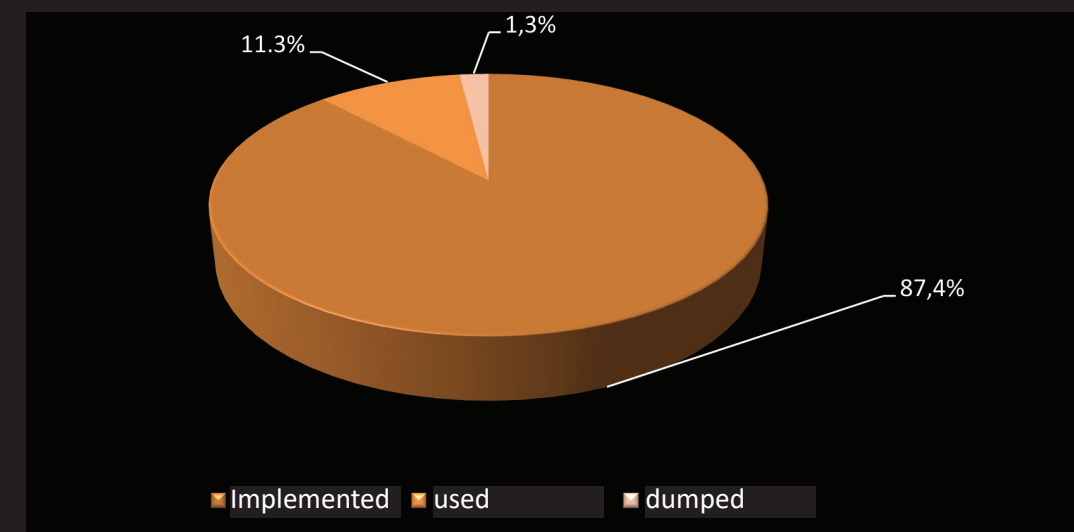
USAGE OF RAIN-WATER, THOUS. m³



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.

THE NATURE OF PRODUCTION WASTE MANAGEMENT IN 2020

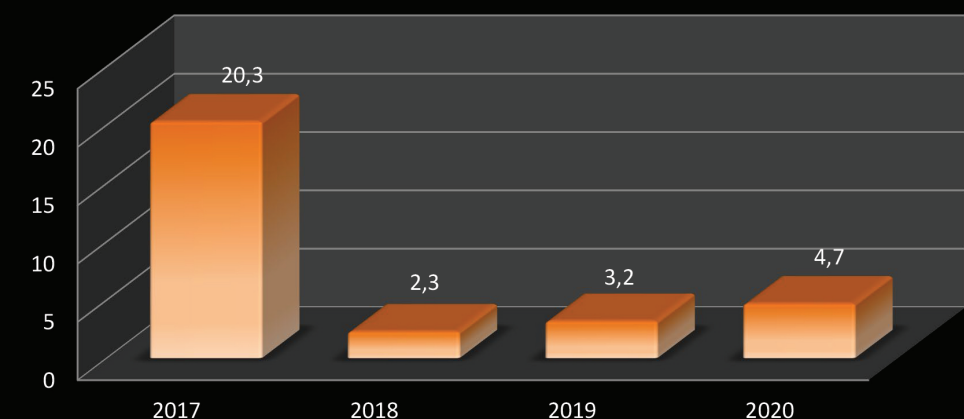


The results of the work of the enterprise on treatment of industrial waste in 2020:

- decrease in the volume of sales to the level of 2019 amounted to 60262, 416 tons;
- an increase in the volume of dumping to the level of 2020 amounted to 2946, 615 tons;
- decrease in the volume of usage to the level of 2019 amounted to 6396.37 tons.

	2019	2020	
Implemented, τ	618 253,361	557 990, 945	- 60262,416
Used, τ	79 763,84	73 367,47	- 6396, 37
Dumped, τ	9 078,285	12 024,9	+2946,615

SPECIFIC WASTE DISPOSAL AT THE SPECIALIZED FACILITIES, kg/t OF METAL PRODUCTION



During 2020, 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 environmental impacts of its productions, reduction of the scale of harmful impact, 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.

Обучение

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 improve the quality of training and expand

the possibilities for its analysis, in accordance with the requirements of the current standards of the corporate management system, before development of competence of workers, a commission consisting of employees of the training center determines the level of theoretical practical efficiency of workers by profession thorough conduction of admission test.

For the organization of vocational training, retraining and advanced training of workers, managers and specialists, the training center has equipped training premises and classrooms, technology in education, training aids in accordance with the requirements of curricula and programs for the relevant professions. The RMS training in the requirements of the corporate management system is carried out on the factory website Learnbmz. Training of workers is carried out at training courses at the Training center and in the structural subdivisions of the enterprise by teachers and specialists who have been trained and certified for knowledge of the requirements of the corporate management system (Quality management system, EMS, Occupational health, industrial safety and environmental protection management system and industrial safety, SA 8000). General information on training is given in the section "Social activities. Training and education".

Improvement of Ecological Culture of the Personnel

BSW uses its employees' knowledge and experience in ecological safety and healthcare issues to provide for security and welfare of people living in the vicinity of the plant and in the whole region. The 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 "Energy and Ecology". 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.

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

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

The enterprise takes part in environmental actions and has initiated such actions itself several times.

To provide for a systemic approach to improvement of employees' ecological culture

the plant developed and implemented:

- Provisions on tear tags and prevention of violations with regard to environmental protection and occupational sanitary, which are introduced to enhance preventive work on precautionary, advisory and control functions for the purposes of environmental protection. Activities to prevent environmental law infringements are carried out with the use of notice tear tags;

- Provisions on encouraging 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 regulations and was intended for enhancement of violators' responsibility and encouragement of the plant's employees, engineers and technicians to provide for compliance with the above-said documents.

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

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

The most significant activities introduced in 2020 aimed at reducing the adverse environmental impacts include the following:

- introduction of a monitoring system for emissions of pollutants into the atmospheric air from the heating furnace: installation of an Automated Control Systems flow meter on discharge chimney of heat-treatment furnace of steelmaking furnace -2;

- implementation of the conversion of refrigeration equipment, operating on R22 with a filling capacity of 134 kg to ozone-safe refrigerants;

- arrangement of the first belt of sanitary protection of underground sources of drinking water supply for wells No. 2,3,8,13 of water intake of "Kommunalny" Engineering and technical services.

Expenses on environment protection and conduction of 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 2020 thous. rubles

The name of the aspect	Operating expenses on environmental protection	Payment for services, intended for nature protection purposes
Expenses for protection of atmospheric air, preservation of the ozone layer and climate	16383,2	1663,5
Expenditures for wastewater collection and treatment	12693,2	3706,5
Costs of waste management and prevention of their harmful effects on the environment	2630,8	1419,9
Expenses for other activities in the field of environmental protection	342,0	11,4
TOTAL	32049,2	6801,4

In its activities, BSW places a special emphasis on the interaction with the interested parties 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 interested parties".

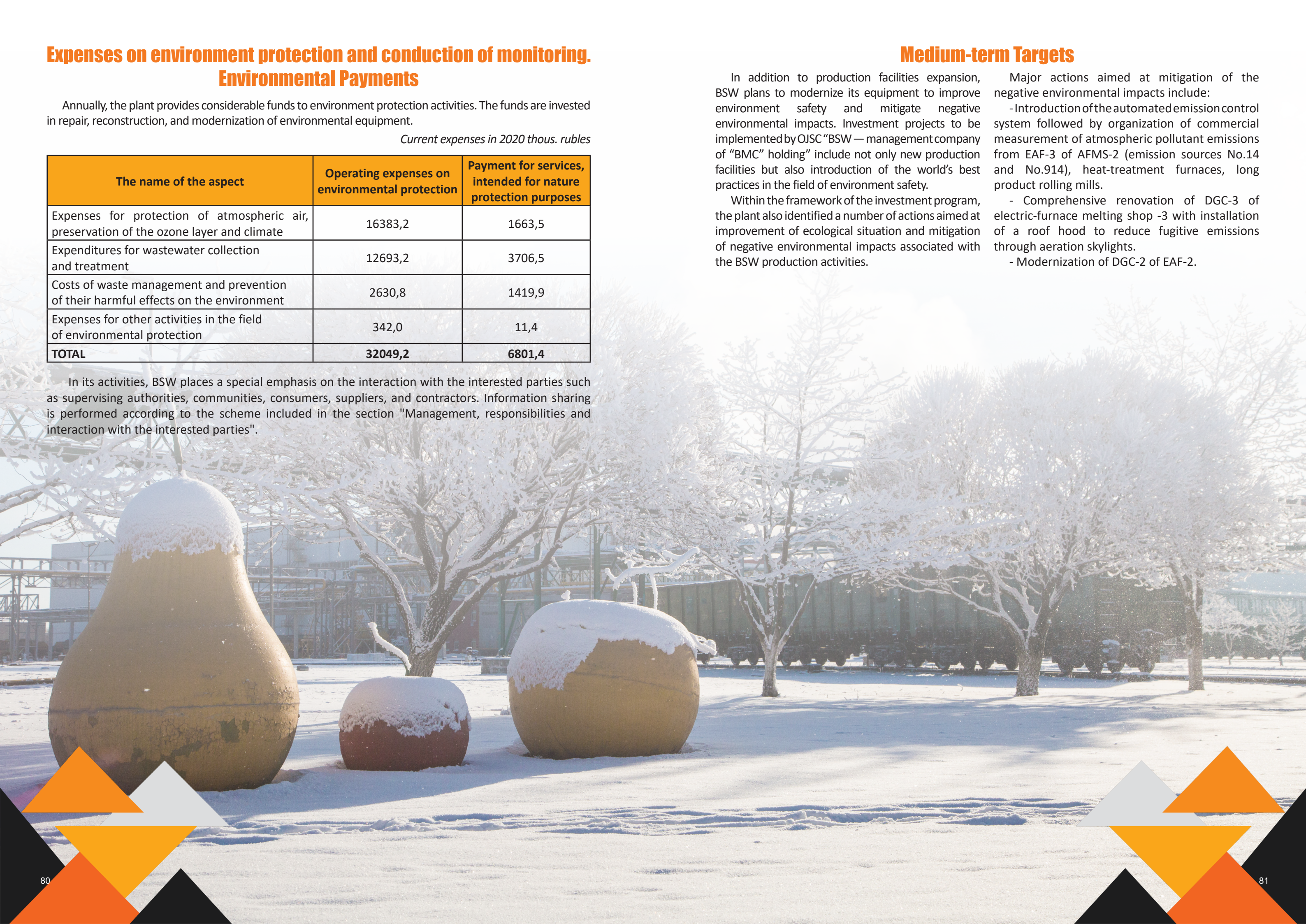
Medium-term Targets

In addition to production facilities expansion, BSW plans to modernize its equipment to improve environment safety and mitigate negative environmental impacts. Investment projects to be implemented by OJSC “BSW — management company of “BMC” holding” include not only new production facilities but also introduction of the world’s best practices in the field of environment safety.

Within the framework of the investment program, the plant also identified a number of actions aimed at improvement of ecological situation and mitigation of negative environmental impacts associated with the BSW production activities.

Major actions aimed at mitigation of the negative environmental impacts include:

- Introduction of the automated emission control system followed by organization of commercial measurement of atmospheric pollutant emissions from EAF-3 of AFMS-2 (emission sources No.14 and No.914), heat-treatment furnaces, long product rolling mills.
- Comprehensive renovation of DGC-3 of electric-furnace melting shop -3 with installation of a roof hood to reduce fugitive emissions through aeration skylights.
- Modernization of DGC-2 of EAF-2.





SOCIAL ACTIVITY

As far as the social sphere is concerned, the 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 social-psychological climate in the working team along with keeping reasonable balance of the plant's economic interests and social interests of the civil society including that of the employees of the Byelorussian Steel Works.

BSW considers social responsibility to be an integral part of the business conduct strategy and its corporate ethics based on the principles of decency and justice, honesty in dealing with all partners and competitors.

In its social activity OJSC "BSW – management company of "BMC" holding" is guided by the following principles:

- compliance with the legislation of the Republic of Belarus;
- involvement of all units and participants of business processes;
- disclosure of full and precise information regarding the results of its social activity;
- enhancement of responsibility for the

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

assumed obligations and their fulfillment;

- ensuring the optimum ratio of the social activity expenses and the labour results achieved;
- maintaining reasonable balance of the plant's interests and those of the community and the employees.

Preservation of life, health and human rights is considered by BSW of a higher priority than economic results of production activity.

Employees' loyalty and satisfaction is a crucial factor that influences business stability. The personnel relations priorities are improvement of the employees' social well-being, building up clear communication channels, raising the degree of personnel awareness and the most important thing is creation of a strong corporate culture.

It is essential to give the plant's employees a sense of belonging to one family, the largest enterprises of the republic. Since 2009 elements of a single integrated corporate culture have been introduced at the plant. Two of them are the Corporate Policy and Code of Ethics. Their major values are respect and cooperation, efficiency and results, leadership and dynamic development, initiative and responsibility which are built on opinions of stakeholders, primarily employees.

Personnel Profile



OJSC "BSW – management company of "BMC" holding" is the largest employer in its productive activity region and is aware of its economic and social obligation to the society influencing on it by ensuring the high level of social security and favorable working conditions for its employees, realization of efficient social and ecological programs, projects and activities in the area of personnel management. 88.7% of the workers and 91.5% of managers working at OJSC "BSW – management company of "BMC" holding" are from local population.

The segment of the plant employees in the region economically active population makes about 30 %. Portion of the top managers from the local population including members of the board of directors and leading specialists is 100%.

88.7%
of local
population
works at the
enterprise

BSW is responsible in its approach to solving employment issues, cooperates with state institutions, employee unions and other organizations in regulating labour and related relations. Contributing to disclosure of professional and personal capabilities of its employees, the enterprise creates conditions for their professional and career progress.

As of December 31, 2020, the total amount of the personnel equals to 11 697 people

Year	2016	2017	2018	2019	2020
number of employees	11 495	11 577	11 749	11 702	11 697

The number of personnel by categories in %

Name of category	2016	2017	2018	2019	2020
Overall number, persons	11 425	11 577	11 749	11 702	11 697
Managers, persons	1 102 (9,6%)	1 090 (9,4%)	1 074 (9,2%)	1 078 (9,2%)	1 078 (9,2 %)
Specialists, persons	1 501 (13,2%)	1 489 (12,9%)	1 508 (12,8%)	1 527 (13,0%)	1 518 (13,0 %)
White collar workers, persons	31 (0,3%)	29 (0,2%)	28 (0,2%)	28 (0,2%)	29 (0,2 %)
Workers, persons	8 791 (76,9%)	8 969 (77,5%)	9 139 (77,8%)	9 069 (77,6%)	9 072 (77,6 %)

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

Average age of personnel of enterprise

Year	2016	2017	2018	2019	2020
Average age of the employees, years	39,3	39,6	39,7	40,2	40,6
Managers	42,3	42,5	42,9	43,2	43,9
Specialists	39,3	39,6	39,7	40,3	41,0
White collar workers	38,6	37,6	38,3	39,5	39,9
Workers	39,3	39,3	39,4	39,8	40,1

Gender composition of workers as of December 31, 2020:

- 72.4% men;

- 27.6% women.

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

Manpower turnover equaled to 3,37% in 2020.

Year:	2016	2017	2018	2019	2020
Turnover of employees, %	4,2	3,2	2,5	2,5	3,37

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

Name of category	UoM	2016	2017	2018	2019	2020
Overall number	persons	11425	11577	11749	11702	11697
Higher education	%	30,7	31,1	31,6	31,6	32,8%
	persons	3505	3596	3718	3718	3838
Specialized secondary education	%	24,9	25,3	25,2	25,2	24,8%
	persons	2843	2929	2957	2957	2900
Professional-technical education	%	19,9	19,9	20,3	20,3	20,7%
	persons	2273	2310	2386	2386	2424
Secondary education	%	24,5	23,7	22,9	22,9	21,7 %
	persons	2804	2742	2688	2688	2535
Candidates of Sciences	persons	6	6	4	4	4
Ph.D. candidates	persons	4	4	5	5	3
Candidates for a master's degree	persons	21	52	63	63	80

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 2020, the plant selected candidates and recruited 649 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 121 young specialists in 2020.

year	2016	2017	2018	2019	2020
The number of young specialists	184	344	219	142	121

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 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 allow the plant to create confidential relations with all stakeholders including the plant employees.

**121
young
specialists
were
employed by
BSW
in 2020**



The Employees' Rights

Being a sustainable enterprise, BSW respects the employees' interests and rights based on the principles of social partnership. These principles are specified in the most important document of social partnership reflecting interests of all employees of the enterprise – the Collective Labour Agreement.

The purposes of the Collective Labour 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 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.

Having joined the UN Global Compact in 2008, the company carries out its business on the basis of generally recognized principles and norms of international law, the UN Global Compact, standards and conventions of the International Labor Organization, legislation of the Republic of Belarus. The Byelorussian Steel Works considers ensuring and protecting human rights as a priority in relation to the economic results of production activities and guarantees their implementation.

In 2020, there were no registered cases of discrimination based on gender, nationality, religious beliefs and political views, as well as cases of forced and child labor. All the decisions

of disciplinary nature, including termination of employment, are made subject to the norms of International law and national legislation in the sphere of employment relations. In 2020, when appealing the actions of the Employer through judicial procedures, no violations from the side of company's management were revealed.

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 local legal acts. 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 conditions and production environment.

In 2020, in the collective agreement of BSW in the clause 6.2. of the section "Social Policy", the following addition was made: "Pay one-time financial assistance for health improvement to employees, members of trade union "BELPROFMASH", at the expense of the Employer, one time during a calendar year when going on annual leave of at least 14 calendar days in the amount, established by the Council Ministers of the Republic of Belarus on the date of such payment". Those, who have up to 5 years of work experience at the enterprise will be paid 2 base values, from 5 to 10 years inclusive - 3 base values, from 10 to 20 years - 4 base values, who have worked at the plant for more than 20 years will receive 5 base values for health improvement.



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 for a new period or terminate it, is performed not 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 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 was established to resolve labour disputes which unites equal number of representatives of the plant's administration and labour collectives. The purpose of the committee is a qualified examination of individual disputes arising between individual employees and the administration and concerning the labour relations. In the course of the year, the committee continuously worked as an arbitrator. In 2020, 10 applications were submitted: 1-satisfied, 2 – partially satisfied, 2 – withdrawn before consideration, 4 – denied.

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 employees. 85% of the employees trained in 2020, studied the fundamentals of legislation in the area of economic, environmental, and social responsibility.

Accurate and rigorous compliance with the human rights and freedoms is the basis of the up-to-date socially responsible business aimed not only at gaining profit, but also at sustainable development of the plant and the region as a whole. BSW remains committed to the law and international principles in the area of social responsibility.

Comes into effect January 1, 2021.

Legal regulation of labour relations at OJSC "BSW – management company of "BMC" holding" is fulfilled in accordance with the Code of Labour of the Republic of Belarus and the Collective Agreement of the enterprise:

- labour agreements and work contracts are concluded taking into account the production, organizational, and economic reasons;
- notification of an employee about change of

Training and Education

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

Ongoing professional training is carried out by the regular staff 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 are appointed from among the executive employees and specialists of the plant who have higher or secondary specialized education relevant to work. The industrial training instructors 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:

- provision of subdivisions of the enterprise with professional personnel of the required qualification level;
- providing personnel support for innovative processes;
- preservation and development of professional potential and competitiveness of personnel;
- provision of subdivisions with a reserve of managerial personnel with developed corporate and managerial competencies;
- organization of training for specialists, executives and their reserve;
- development of mentoring

system and knowledge transfer;

- improving the forms and methods of teaching, the introduction of progressive educational technologies;

- creation of a reserve of personnel of the necessary qualifications on vocational professions from among the inhabitants of the region;

- organization of exchange of experience and knowledge in the course of provision of educational services to organizations and enterprises of our republic and countries of 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 well-balanced combination of 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 self-improvement.

In order to develop and introduce advanced technologies in management, dissemination of the experience gained within the scopes of cooperation with consumers, on the basis of the BSW training center, training courses are organized for executives and specialists on the following topics: "Application of modern approaches in management"; requirements of ISO 9001 and IATF 16949 standards; Software and hardware complex quality control department + (work with claims). Educational training

elements have been developed on the topic "Application of modern management methods", which cover "Leadership", 8D methodology, process diagram "Turtle" VDA 6.3 analysis of risks and opportunities, "Progress plan during interaction with customers" and the built-in PDCA cycle, "Programs of interaction in work with suppliers", the connection of "Progress plans" with the 8D methodology "," Management plan ", the concept of " Lean management ", the tool of lean production 5S / implementation of 5S at BSW.

Education and development of the personnel is carried-out in conformity with the current and perspective demands of the enterprise.

A differential approach

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

The Training Center is constantly improving its scientific and methodological support of continuous professional training of workers. It performs adaptation of the education program content to the priorities of social and economic development of the enterprise. The fund of the training center has 240 educational programs for additional education for adults.

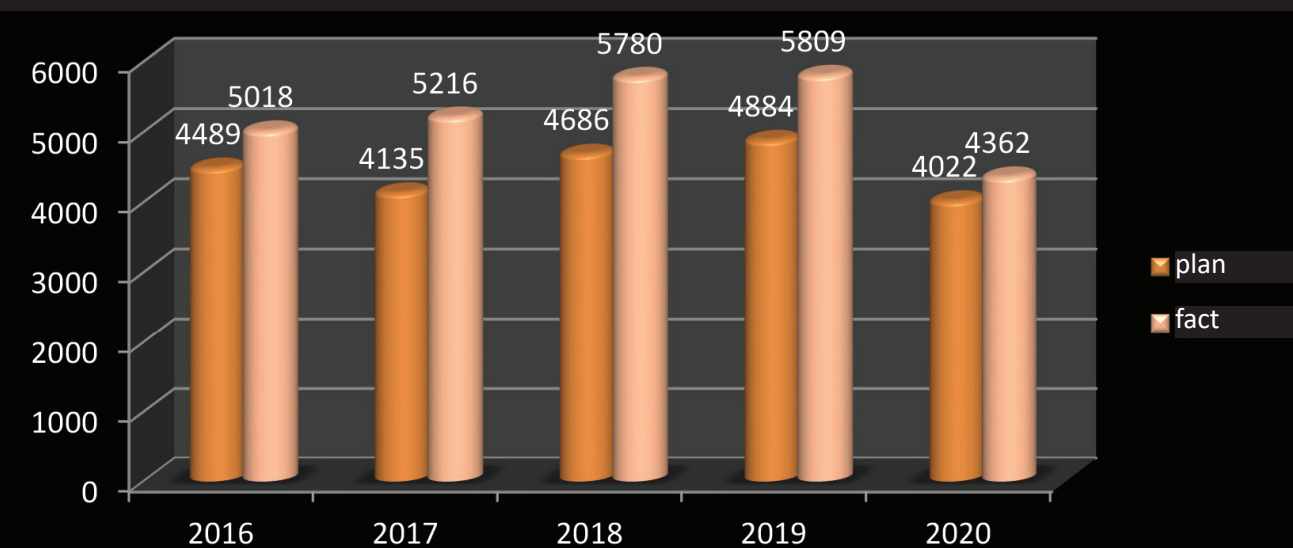
In 2020, 61 programs were developed and updated.

The educational process involves simulators, one-on-one trainings with the use of process equipment, computer technologies, problem-based learning, professional skill competitions, business 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 2020, 4362 people were covered by continuous professional education, including the training of executive employees and specialists and professional training in working professions.

**RESULTS OF PERSONNEL TRAINING
AT OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING”**



In 2019, 1237 executive employees and specialists which equals to 49% of the total number of the staff have been trained.

In-enterprise training of workers

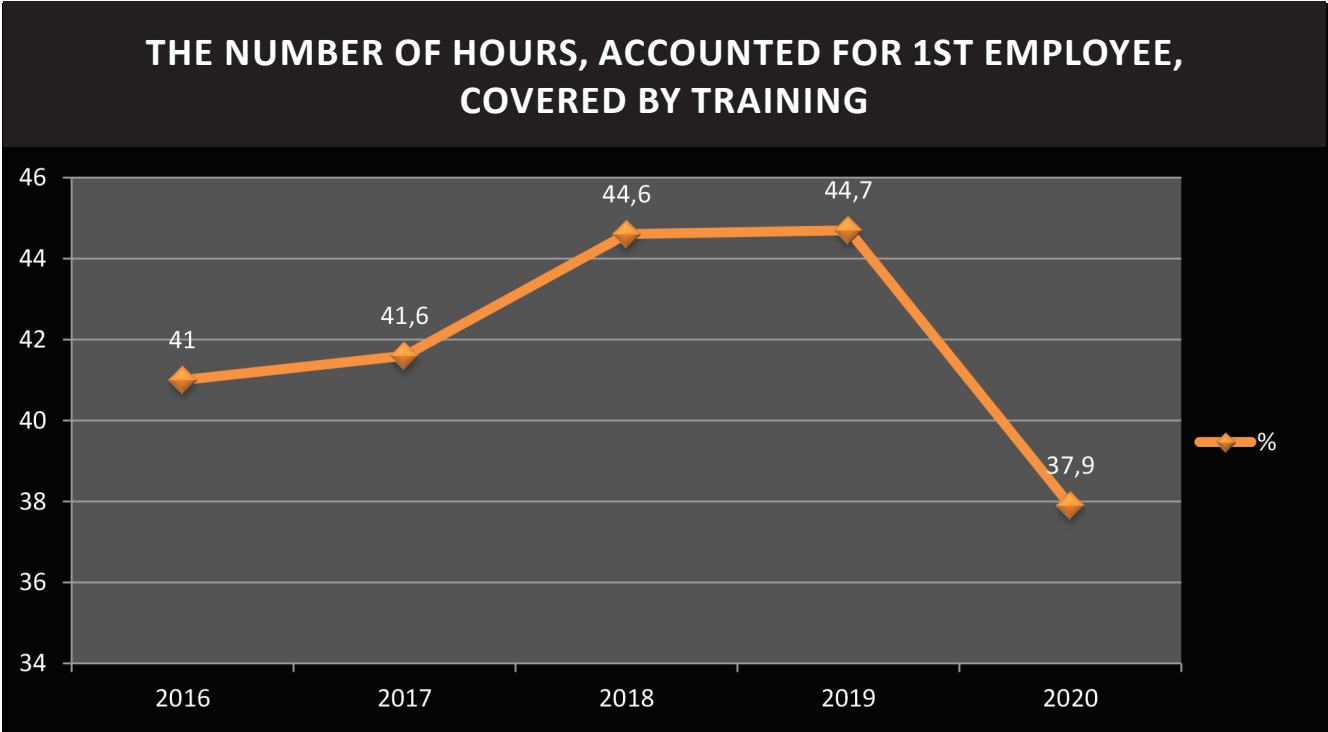
Continuous vocational training of the professions of workers includes the implementation of the following educational programs of additional education for adults: educational programs for advanced training of workers (employees); educational program for retraining of workers (employees); educational program of professional training of workers (employees), training courses.

3,125 workers completed continuous vocational training in 2020, which amounted to 35% of workers from the total workforce.

Of the total number of those completed training on vocational profession: 98.1% of the personnel were trained directly at the enterprise, and only about 1.9% in educational institutions of the Republic of Belarus.

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 2020 year, 430 525 academic hours were spent on the professional training of the staff, that is 39.9 hours per one worker.



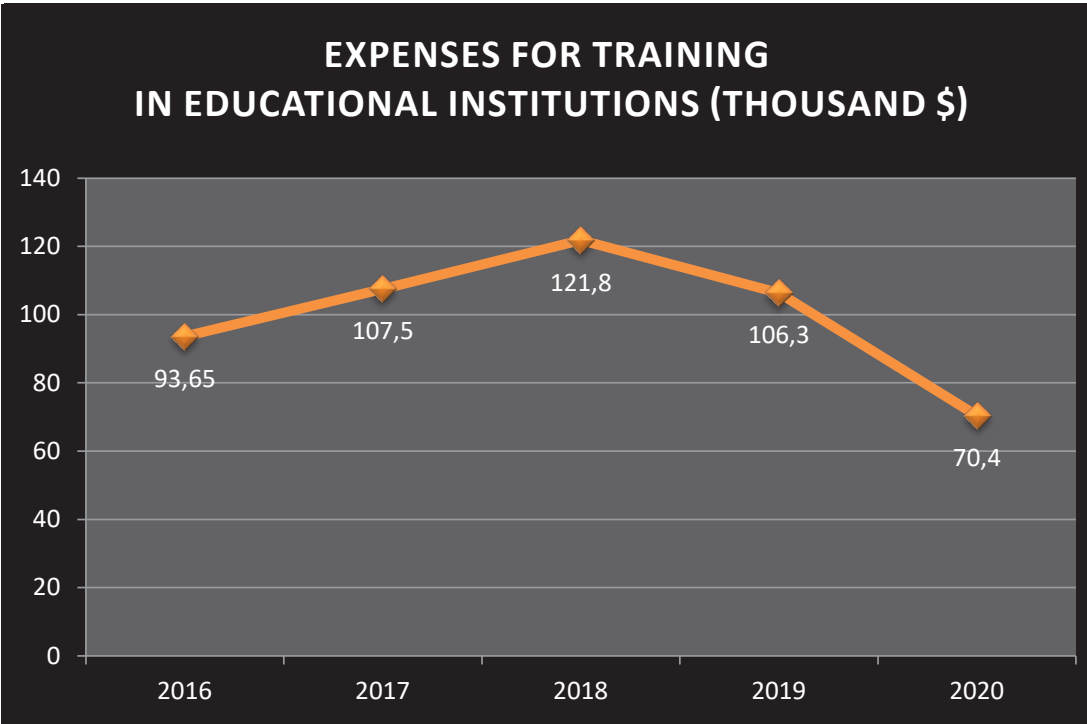
In 2020, BSW continued its international cooperation in sharing with experience and knowledge about steelmaking processes with specialists of core enterprises and companies of countries near and far abroad: representative office of Siemens LLC in the Republic of Belarus, Chermet in Moscow (Russia), LLC "Trainings and consultations for business Intercertifica of city of Moscow".

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 educational establishment "Institute of qualification upgrading and retraining according to new directions of development of technology and economics of Belarusian National Technical University", State educational establishment "Institute of qualification upgrading and retraining of managers and industrial specialists "Industry Staff", educational establishment "Gomel state university named after F. Skorina" and "Belarusian state university of transport", federal educational establishment of higher professional training "National research technological university "MISIS" (Moscow), Centre

of innovation management of Belarusian State University, "Republican Higher School Institution". 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.

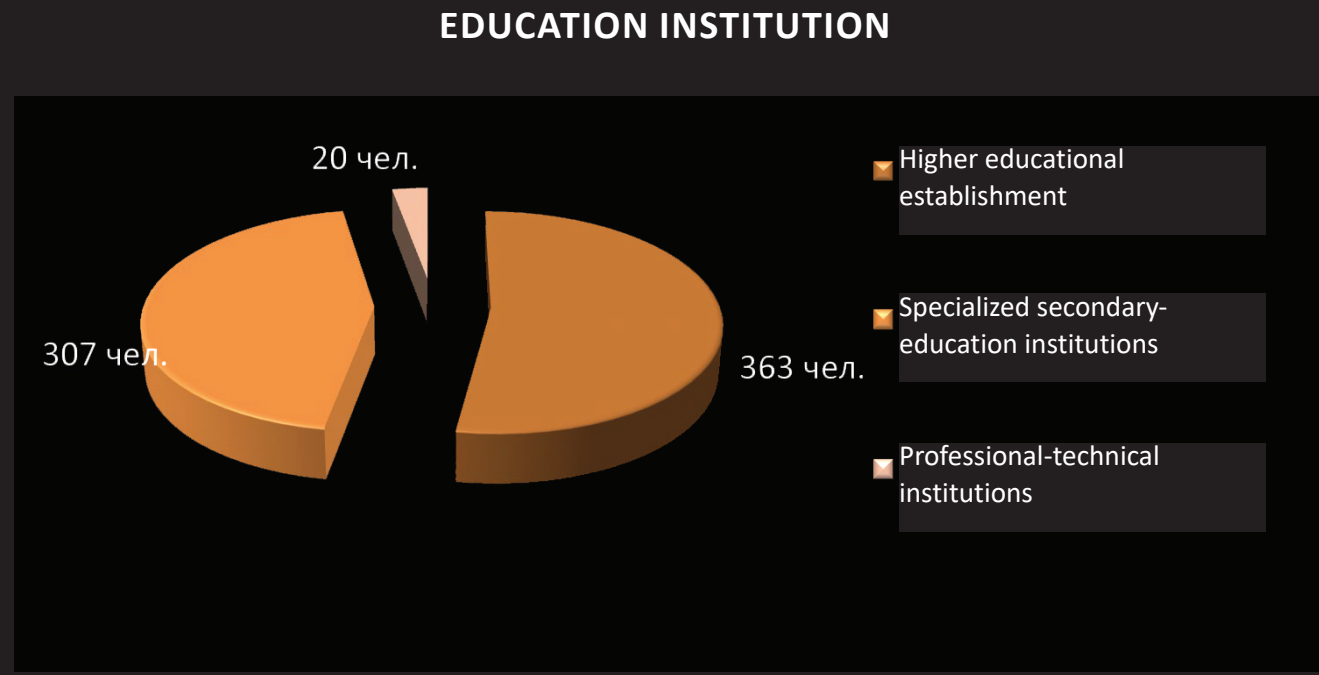
BSW offers students the opportunity to undertake manufacturing practice at the enterprise. The practice is aimed at intensified consolidation by students of theoretical knowledge, mastering practical skills, abilities, the formation and improvement of professional knowledge, training of future specialists (workers) for independent activity on the acquired specialty. A detailed acquaintance with the production takes place at the workplace. For the period of practical training students are assigned to experienced workers, managers and specialists. The student (trainee) has the opportunity to feel like the part of the workers' association, try his hand and learn from the experience of mentors. Thus, BSW openly shows its potential employees the opportunity to acquire an interesting job and personal self-realization. So, in 2020, practices were accepted and organized for 690 people from educational institutions:

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.

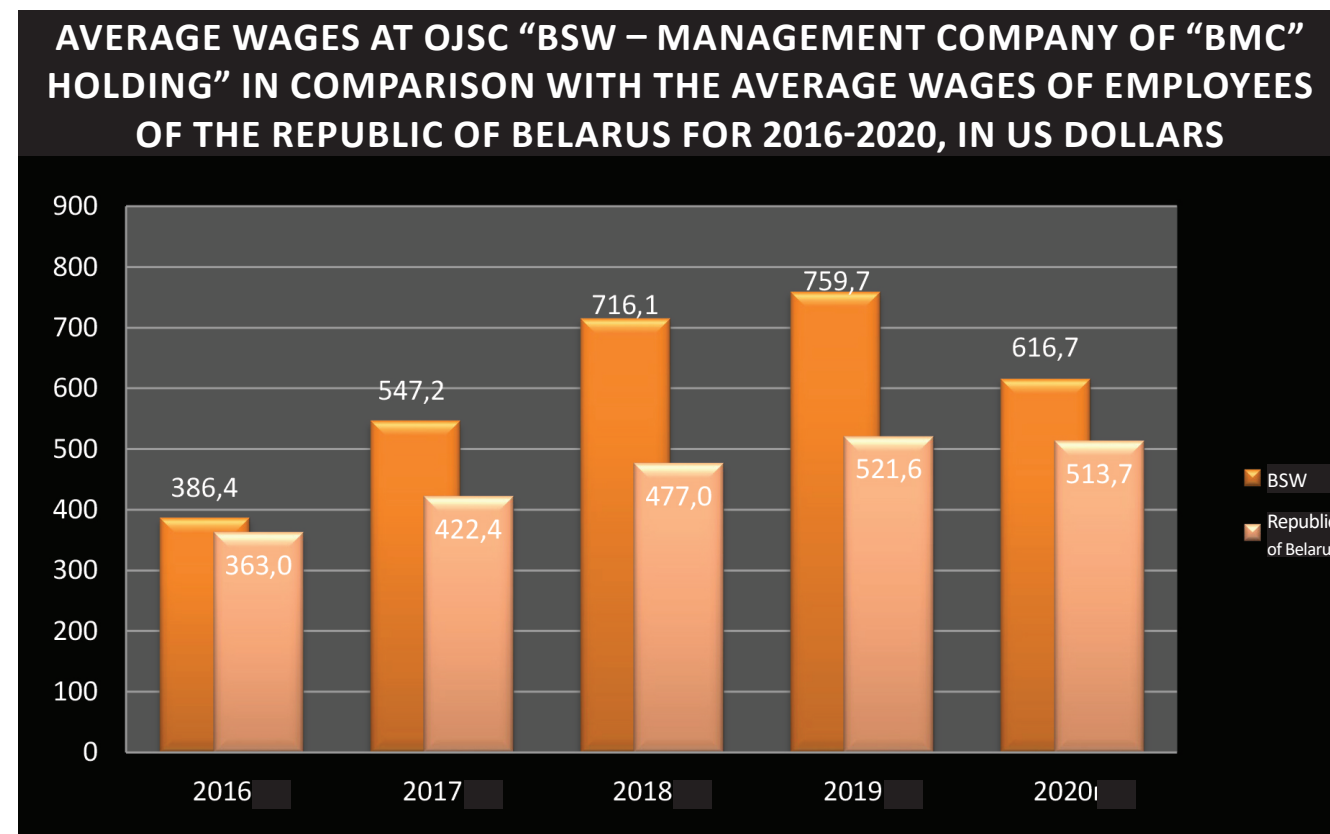
One of the most precise indicators of the plant's social policy effectiveness is a salary level. Salary is the major source of income of the workers and the main factor for ensuring a certain standard of well-being.

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.

In the existing economic situation, this is of particular relevance to observe the lowest limit of labour payment for weakly protected groups of employees.

The average annual salary at the enterprise in 2020 amounted to 1501.5 rubles. (\$ 616.7). The average salary in the Republic of Belarus of workers and employees is 1250.9 rubles (\$ 513.7), which is 1.2 times lower than the salary of BSW.



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 388,42 rubles (\$159.5) in December of 2020.

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 34% 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, 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.).

When presenting the conclusion of the medical consultative board on the need of transfer to easier work, excluding the impact of harmful and (or) dangerous occupational factors, pregnant women, in accordance with clause 3.13 of the Collective Agreement are released from work with the preservation of average earnings until they are granted social maternity leave.

A mother (father) raising three or more children under the age of sixteen (a disabled child under the age of eighteen), at her request, is given one additional day off work per week with payment equal to the average daily wage.

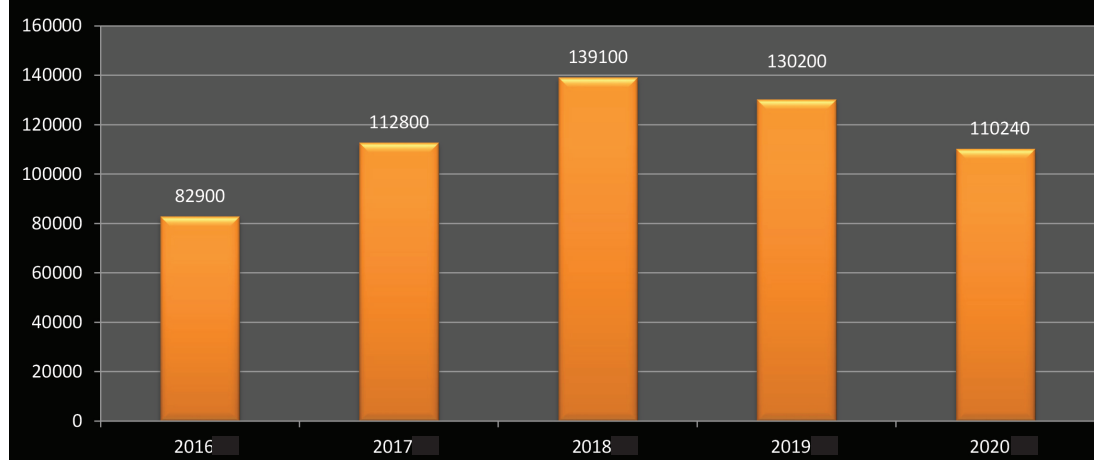
A mother raising two or more children under the age of sixteen, at her request, is provided with one additional day off from work per month with a payment of 1 base unit.

A mother, raising children under the age of eighteen, at her request, is given one day off from work per month without pay.

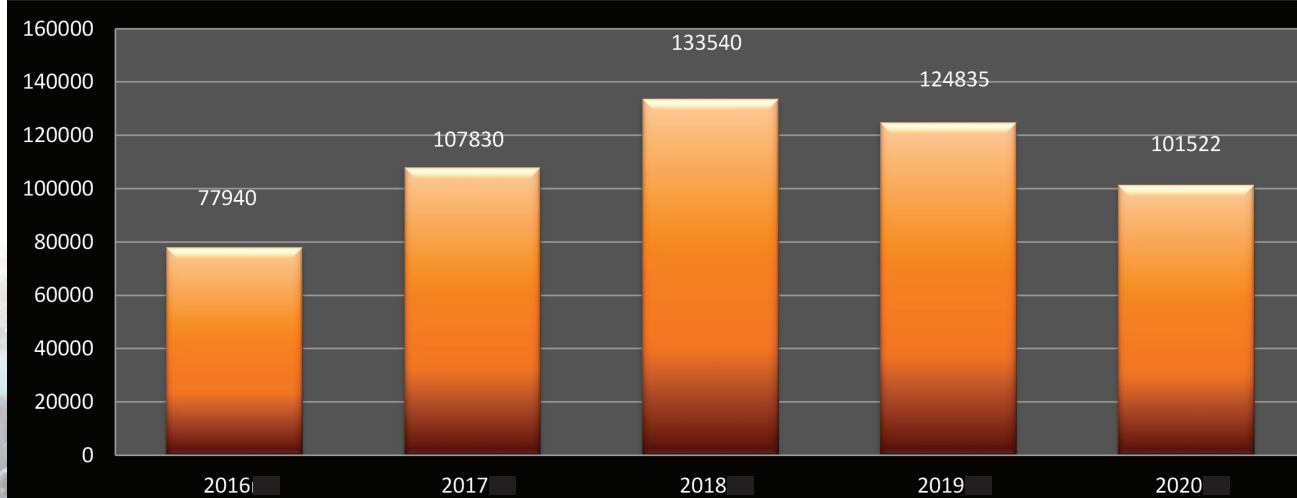
The average salary of men at the enterprise is 27.3% higher than the average salary of women. The difference between the average wage of women and the average wage of men is explained by the increased wages for work at hard work, at works with harmful and dangerous working conditions, where the work of women is prohibited.

When planning labor costs, the achieved level of wages and the achieved output per employee are taken as the basis. With an increase in labor productivity, accordingly, an increase in average wages is planned.

DYNAMICS OF PROCEEDS FROM THE SALE OF PRODUCTS (GOODS, WORKS, SERVICES) PER ONE AVERAGE EMPLOYEE FOR 2016-2020, IN US DOLLARS



DYNAMICS OF LABOR PRODUCTIVITY IN CURRENT PRICES OF PERSONNEL OF OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING” FOR 2016-2020, IN DOLLARS USA



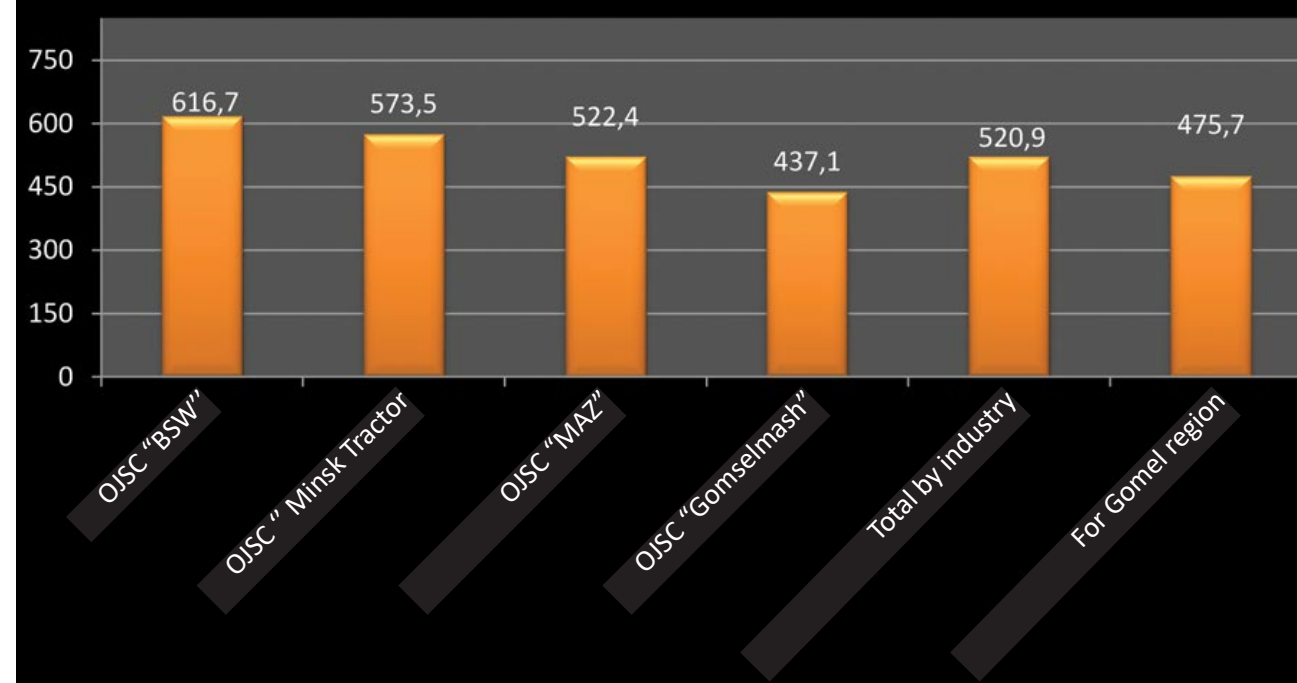
Growth rate of wages in US dollars amounted to - 81.2%. The ratio of the growth rate of labor productivity by revenue in 2020 amounted to 1.01.

The enterprise carried out work on reduction of the labor intensity of manufactured products. In 2020, the implementation of this direction led to a decrease of labor intensity of work performed in the main and auxiliary shops at 27.8 thousand standard hours. Economic efficiency amounted to more than 56.5 thousand. rub. (23.2 thousand US dollars).

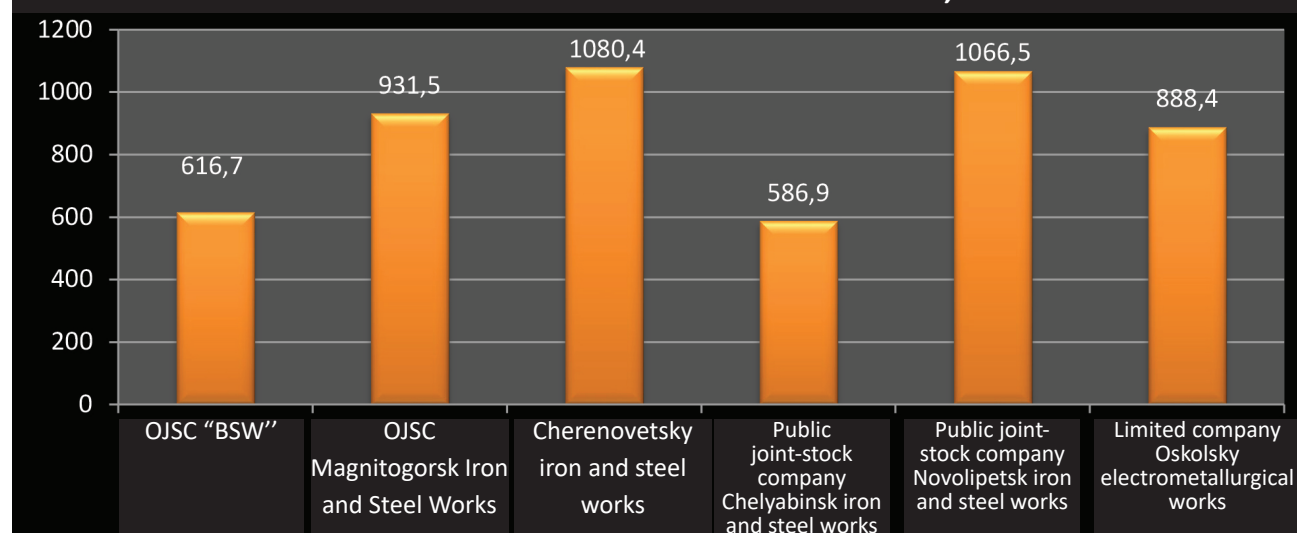
In terms of wages, the enterprise occupies a rightful place among major GDP generating enterprise of the Ministry of Industry of the Republic of Belarus.

All programs of technical and economic development of the enterprise are developed for a year, brought to the personnel and within the year the results of their implementation are summed up monthly, and the workers are familiarized with the results at the forums, meetings and through the factory newspaper "Metallurg".

AVERAGE MONTHLY WAGES AT OJSC “BSW – MANAGEMENT COMPANY OF “BMC” HOLDING” IN COMPARISON WITH MAJOR GDP GENERATING ENTERPRISE OF THE MINISTRY OF INDUSTRY OF THE REPUBLIC OF BELARUS FOR 2020, IN USD DOLLARS



AVERAGE MONTHLY SALARY OF THE PERSONNEL OF METALLURGICAL ENTERPRISES IN THE CIS COUNTRIES FOR 2020, US DOLLARS





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 morale-boosting 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 honored to enter 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 an additional payment prescribed by the collective labour agreement.

In 2020, 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 foreman of control and measuring instruments of electrical equipment and automation V.B. Komisarchik and the locomotive driver of railway shop S.V. Rozhkova.

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 Recognition Board of BSW.

In July of 2020, twenty- four workers of OJSC "BSW – management company of "BMC" holding" walked the red carpet in the Palace of Metallurgists' Culture and accepted congratulations of First Deputy General Director of the management company D.A. Korchik. Among them who were honored, are steelmakers, rope speed control operators, mechanical technicians, electricians, operators, masters, chief specialists and unit managers.

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.

In the shops of the enterprise the stands "Leaders" (5 pcs.), "The best in the profession" (4 pcs.), "Level up at the best" (2 pcs.) are located.

Awarding with state awards, Certificate of Merit and Acknowledgment

An important element of the corporate culture of the enterprise is the system of non-material incentives for employees, which includes socio-psychological, personnel and professional aspects. In 2020, 696 employees of the enterprise were awarded state awards, Certificates of honor and Acknowledgments of various levels. Among them - Certificate of Merit of the National Assembly



of the Republic of Belarus, Acknowledgments of the Prime Minister of the Republic of Belarus, Certificate of Merit of the Ministry of Industry of the Republic of Belarus, etc.

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 2020 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 quarter), "The winner of youth award", competition according to the system "Attention – to the Person!" (the results are summed up once a year), "The best social inspector for labour protection" "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 2020, the celebration in honour of workers were arranged in traditional and special nominations "Creative of the Year", "Social Activity" "Energy of Victories" and others.

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



В женщине скрывается удивительная,
великая тайна, великая жизненная загадка,
источник всех радостей и всех забот
Арно Гарборг

ИЮНЬ | JUNE

ПН MO	ВТ TU	СР WE	ЧТ TH	ПТ FR	СБ SA	ВС SU	ПН MO	ВТ TU	СР WE	ЧТ TH	ПТ FR	СБ SA	ВС SU	ПН MO	ВТ TU	СР WE	ЧТ TH	ПТ FR	СБ SA	ВС SU
							1	2	3	4	5	6	7	8	9	10	11	12	13	
14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30				

2021

aimed at creating a healthy microclimate, education of a sense of solidarity, mutual aid. Put simply, it unites people in one united team.

Over the years, various structural divisions of the enterprise became the winners of the competition for this system. In 2020, the teams of the steel wire shop No. 2 and the management of organization and remuneration were recognized as leaders.

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, enterprise workers who became parents and so forth. In 2020, they all began to be congratulated not only on the infoBMZ internal website, but also in the plant’s social networks.

Corporate calendars

The corporate calendar is a peculiar marketing trend. Its secret is simple: if its edition is original, it will be placed on the wall, and it will serve as year-round advertising 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 2020 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 2021.

Professional advancement

The possibility of professional education and improvement of workers’ qualification is of a particular importance for motivation of the staff. Professional training organized and carried out at the enterprise by the Training Center ensures execution of the three motivating functions:

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

Byelorussian Steel Works 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 2021:

- training of the executive employees and specialists: 1494 people
- professional training of workers: 2134 people
- general satisfaction of the personnel: at least 72%
- personnel turnover: no more than 4.2

Information and Communication

Ensuring the effective internal communication at the enterprise with many thousands of personnel is impossible without the presence of own mass media.

Newspaper "Metallurg"

No one information channel is capable to provide with feedback required for successful intra organizational communication, except for the corporate edition. It allows any worker, irrespective of his job position in the personnel hierarchy, to raise the concerning issue for discussion by the management or provide suggestions for an increase of overall performance of the enterprise.

The newspaper is published 1 time a week. It helps 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 and the region;

- information on the most significant events from life of the plant (signing of the contracts, operational performance, repairs, reconstruction, victories in various competitions);

- the materials devoted to employees of the enterprise;

- articles about cultural events with participation of plant workers; sports news; materials of employees of the Ministry of Emergency Situations, District Department of Internal Affairs, central district hospital, State Motor Vehicle Inspectorate and other services and organizations of the district;

- letters and appeals of readers.

To increase the awareness of the enterprise workers on the activities of the enterprise, the editorial staff of the "Metallurg" newspaper is constantly working on improvement of the content of the publication through the use of various genres and new forms of information presentation. Work in this direction is also carried out on the site of the factory newspaper. In 2020, the circulation amounted to more than 8,500 thousand copies. This suggests that the newspaper comes to almost every family of factory workers. It spreads not only on the region of the Company's production

activity, but also on the Gomel region. Among its readers are veterans of the enterprise, for whom the trade union committee annually conducts a free subscription. The corporate edition is delivered by subscription is delivered also to the holding of the enterprise. "Metallurg" regularly presents information about their activity, memorials, achievements.

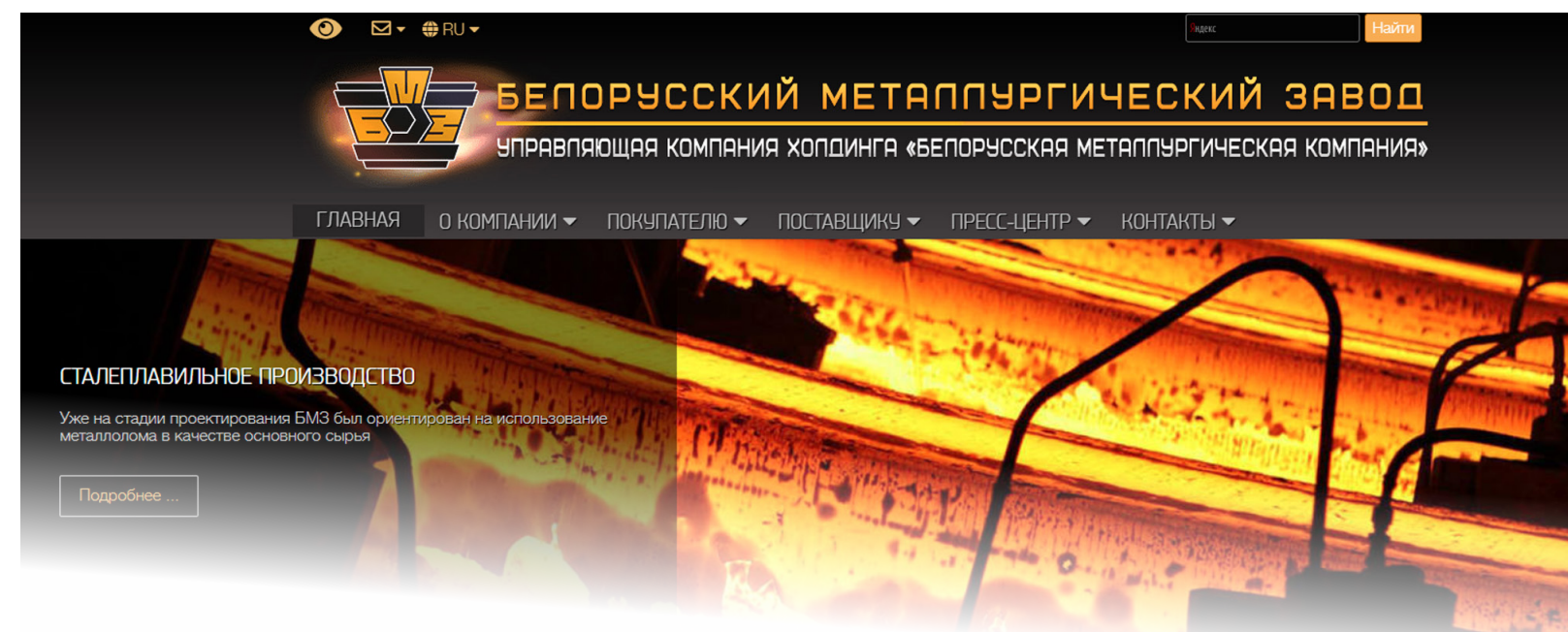
In 2020, "Metallurg" became a laureate of the contest "The Best Corporate Media in the Metallurgical Industry of Russia and the CIS-2020" and at the 26-1 of International Industrial Exhibition "Metal-Expo'2020".

TV program "BSW News"

The city channel "Nuance" regularly broadcasts a weekly program "BSW News". The broadcast is carried out twice a week - Monday and Wednesday (repeat). The duration of the program - up to 20 minutes. The main advantage of television of enterprise is the ability to quickly disseminate objective information to a wide audience. Journalists are focused on both news events (visits of business partners, seminars, production records, celebrations), and the current work of production sites and subdivisions of enterprises.

Information resources in the network

BSW is represented on the network by four different



resources: the corporate website – www.belsteel.com, the site of the plant's newspaper "Metallurg" – www.metallurg.belsteel.com, the internal website – infoBMZ, and thematic communities on social media. Each of them is focused on a certain target audience and performs various functions.

The corporate website www.belsteel.com has been functioning since 2003. It is the modern resource of the international level addressed to the wide audience of users. It contains not only useful information (including official news of the plant) 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. It publishes news that directly affects the interests of the enterprise workers. There is all the necessary official

information and the necessary documentation, clearly sorted into sections: quality, labor protection, ecology, economics, personnel. There is access to the archive of the factory newspaper "Metallurg", leading republican publications, as well as specialized periodicals. There is a link to electronic library of the enterprise. More than 2.5 thousand employees of the enterprise visit the internal website every day.

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.

In 2020, the Byelorussian Steel Works is represented in almost all social networks available to residents of Belarus. Among them "Odnoklassniki", "VKontakte", Twitter, Facebook (news is updated in English), "Instagram", Telegramm-Belsteel. There is also a channel at the largest video hosting YouTube, where the company's video news is published weekly.

The VKontakte thematic group is the largest in terms of audience coverage: in 2020, the number of subscribers is more than 9,400 people. Enterprise news, announcements and photos are promptly posted in the group. According to community statistics, news in it is viewed by users not only from Belarus, but also from countries such as Ukraine, Russia, Germany, China and the United States.

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.

Based on the priorities of international standards, the labor protection service of the enterprise conducts labor protection management on the basis of advanced international requirements. Occupational health and safety management at the enterprise is based on the main international occupational safety standard ISO 45001 “Management systems of health protection and provision of security of labour” and the state standard of Standards of the Republic of Belarus ISO 45001 “Management systems of health and safety. Requirements and guidance on application”.

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 and enhancing the efficiency in the management system of labour protection and operation safety in accordance with the requirements of ISO 45001 and Standards of the Republic of Belarus ISO 45001;

- Constant control of risks related to production processes, implementation 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.

Work on transition of the "Occupational health management system and industrial safety " to a new standard for occupational health and safety management system in accordance with the international standard ISO 45001-2018 and the national ISO 45001-2020.

Every year the certification bodies carry out the external audits of compliance “Occupational health and safety management system” to the requirements of standards.

In June 2020, the representatives of Norm-Test Ltd. –the partner of the Certification Body of Systems and Personnel of the Technical Supervision Society "TÜV Thüringene.V" (Minsk) conducted an audit for compliance with the international standard of the health and safety management system ISO 45001: 2018;

According to the results of the audit, representatives of the certification body confirmed that the "Occupational health and safety management system" is effective and a certificate of compliance of the system with the requirements of the international standard ISO 45001: 2018 was issued.

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 enterprise as a reliable partner, increases its prestige, and the products competitive ability.

Implementation of this system allowed BSW to:

- Decrease the costs due to a more efficient use of labour recourses; diminish the expenses related with injuries and morbidity;

- Improve legal safety, guarantees of correspondence to the changing legislative labour safety requirements;

- Minimize the risk of judicial punishment;

- Respect the interests of the parties - the employer and working team in the process of the enterprise productive activity;

- Improve the enterprise image on product and labour markets as well as in the eyes of government authorities as a socially responsible organization;

- Aim the management team at detecting and

decreasing the basic risk types related with the negative impact of the production activity and the released products on the health of its employees, population and consumers;

- Simplify the system approach to problem solving, achieve greater responsibility, more distinct distribution of responsibilities;

- Increase the labour productivity due to improvement of conditions and reduction of unproductive time and labour waste.

BSW continuously improves the system of labour protection and industrial safety 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

BSW does not only increase its production capacity and industrial product output from year to year, but carries out 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 2020, the plant implemented 54 measures (in 2018 – 61). Due to the measures taken, working conditions for 2890 (2956 in 2019) 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 2020, BSW invested 4 million 070 thousand 822,21 Belarusian rubles in provision of the safe and healthy conditions.

Training and Competence Evaluation

An integral part of the labour protection and industrial safety system of the enterprise is teaching of safe operation of hazardous production facilities, occupational sanitation and labour hygiene. An employee’s labour safety greatly depends on the thoroughness of his/her professional training. Sustaining the high standard of knowledge is insured by conducting an obligatory labour safety instruction, periodical knowledge check and personnel certification regarding safe operation.

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.

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

All stakeholders including the employees are actively involved in the process of managing the labour protection and industrial safety system. BSW created a system of a two-stage public control.

At the first stage, daily control of observance of the legislation of the Republic of Belarus in the sphere of labour protection, ensuring the employees right to safe labour and health maintenance is fulfilled by the public service of health and safety executives. The service of public executives consisting of 505 persons includes reputable employees selected by the working team members by open voting.

The executives’ activities and their authorities regarding the control of compliance with the labour protection legislation are regulated by Decree No.179 of the Ministry of Labour and Social Security of the Republic of Belarus from 28.11.2008 “About the procedure of public control of the compliance with the labour protection legislation carried-out by the persons authorized to control an organization employees’ labour protection” and the Articles of Association of the Belarusian Federation of Trade Unions. The executives proceed to individual work after taking a special training course at the private unitary enterprise “Educational-Methodic Center of Gomel Regional Trade Unions”.

At the second stage the control of compliance with the legislation and checking operating safety organization in conformity with local regulations is carried out by 30 public commissions including representatives of the structural subdivisions management. Their activity is specified by the Decree of Presidium of the Belarusian Trade Unions Federal Council No. 59 from 24.04.2003.

During 2020, 76427 inspections were carried out to check the observance of the labour protection law. As a result, 64 655 violations were found, and 389 requests related to labour protection were considered.

For stimulation and improvement of personal responsibility of the employees for observance of safe labour rules and norms, a corresponding local regulation stipulates the material incentives of employees who have no violations of the requirements of labour and fire safety, and industrial sanitary. Besides, Labour Safety column functions in the plant’s information-reference system “Info BMZ” (internal site). It includes and updates national and local regulations concerning the labour protection and industrial safety, as well as the following journals: “Labour Protection”, “Industrial Safety”, “Labour and Social Protection”, “Rescue Service”, etc.

Following the principles of social responsibility in addition

to obligatory insurance, the employer signed an agreement with Promtransinvest Ltd. “About voluntary insurance of civil responsibility of the employer for its employees’ health and life injury”. According to the agreement, beside insurance cases anticipated by obligatory insurance every employee of BSW was additionally insured from non-production accidents occurring within one hour during the way to and from work.

Achievement of the following level of the basic target values regarding the social-economic development of the enterprise (in the sphere of labour protection and industrial safety) is scheduled for 2021:

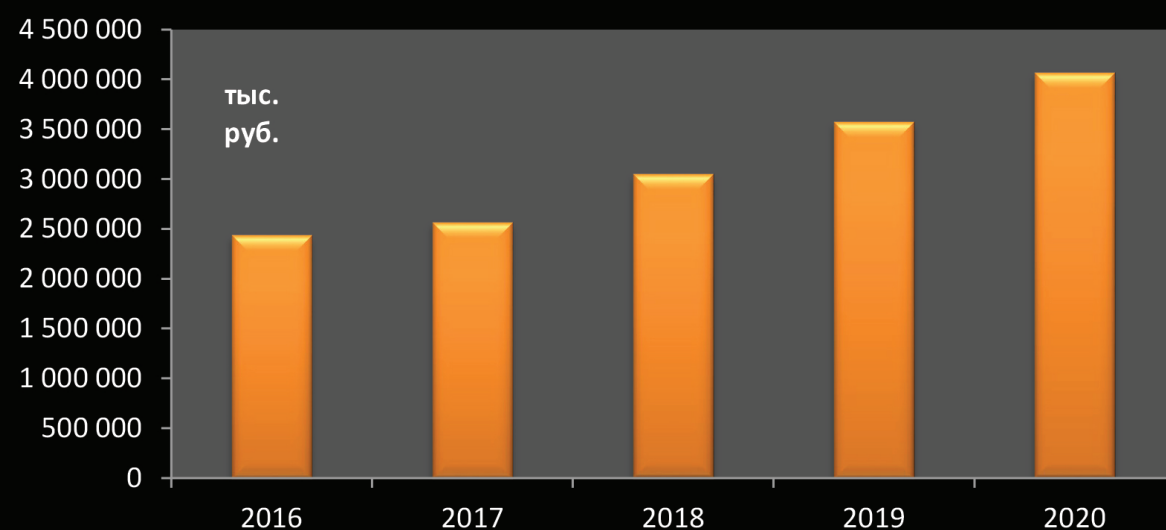
- reduction of work-related fatalities, injuries, and illnesses by 11% as compared to the level of 2019;
- provide for additional safety of labour for workers of the workshops – 404 persons;
- improve production environment of workers of the workshops – 281 persons;
- improve sanitation and household conditions for workers of the workshops – 1351 persons;
- improve drinking condition of workers of the workshops – 854 persons.



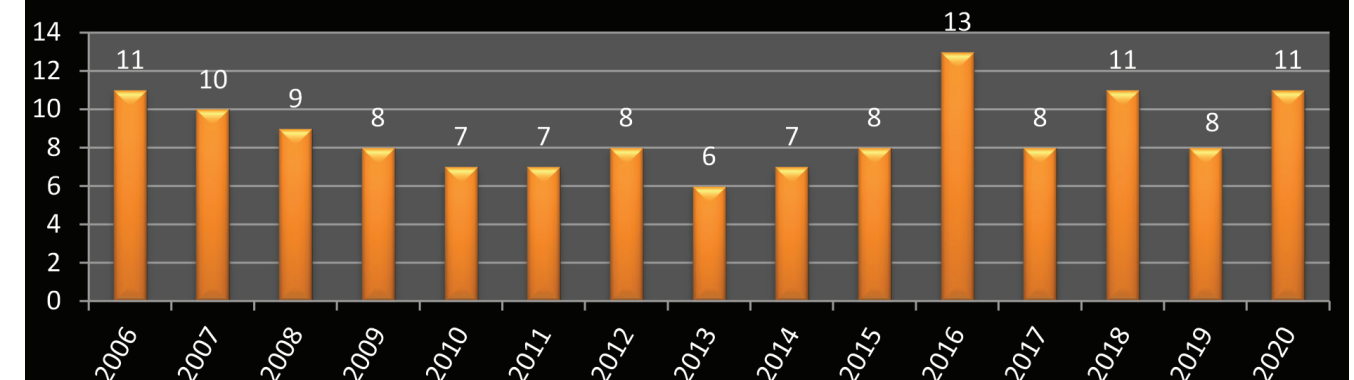
No.	Indicators	2017	2018	2019	2020
1.	Quantity of recorded accidents	8	11	8	11
2.	Quantity of the injured, including: fatal severe group	8 0 3 0	12 0 4 1	8 0 4 0	11 0 5 0
3.	Frequency factor, Ff	0,65	1,01	0,82	1,12
4.	Severity rate, Sr	30,86	31,9	31,3	40,67
5.	Quantity of days when work capacity is lost	216	351	282	488



INVESTMENTS IN LABOUR PROTECTION IN BELARUSSIAN RUBLES



ANALYSIS OF OCCURRENCE RATE OF INDUSTRIAL INJURES



Health Protection

Health protection of the plant workers is the most important integral part of the social policy of OJSC “BSW – management company of “BMC” holding”.

The plant medical prophylactic assistance provided to the employees is organized in accordance with the state program of ambulatory assistance to the population and fulfills the tasks related with health protection, medical and sanitary support of the production process, disease prevention and follow-up care, and ensures cooperation of the plant’s divisions in solving issues of labour safety and protection of the employees’ health.

Formation of the strategy and tactics in the area of health protection is stated in the comprehensive program “Plans on detailed measures to prevent temporary incapacity for work, disability and death at OJSC “BSW – management company of “BMC” holding” for 2020” which coordinates the interaction of the administration, medical staff, industrial safety board, members of the community and consumer facilities, trade union in the area of disease and 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 norms; improvement of ecological events and environmental protection norms; development of the plant personnel’s strong orientation at healthy lifestyle and creation of conditions for improvement of the life quality.

BSW develops and improves its own medical

facilities aimed at bringing medical assistance close to the employees and rendering medical assistance to the citizens of the town and region.

BSW spent the following sums for medical center financing:

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
in 2020 – 2 607 363.26 rubles

The medical and sanitary unit is an open-type multidisciplinary polyclinic complex designed to carry out preventive work and provision of medical assistance to employees of OJSC “BSW” - management company of “BMC” holding. The number of people served is 16,777 people, of which 13376 are employed, including 13,050 are people of working age.

The industrial hospital includes: 8 first-aid 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 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, spirometry, Holter monitoring, SMAD Cardian MD to monitor the level of arterial blood pressure, determination of 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 personnel of the industrial hospital consists of 150 people including: 37 doctors, 85 medical workers with secondary specialized education and 18 junior medical specialists. From the doctors of the medical-sanitary unit, 94.8% of the subject employees have a qualification category. 69.4% of the subject medical workers with secondary specialized education are certified for the category.

The primary healthcare unit is the main base of medical services of the enterprise. The availability of modern medical equipment and highly professional staff allow conduction of examinations in laboratory, functional and instrumental diagnostics. Doctors of particular specialty provide a wide range of medical services.

The hospital is equipped with state-of-the-art equipment and its material-technical base is continuously improved. Medical service can be rendered with temporary interruption of production activity, 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 industrial hospital has 7 shop therapeutic stations serving approximately 2258 people each.

In 2020, the attendance of the polyclinic of the medical-sanitary unit was 169,148 visits. From the total number of visits, 87.1% - visits because of diseases, including consultations and dispensary

examinations, 12.9% are preventive medical examinations. The share of preventive medical examinations, in general, decreased due to the epidemiological situation.

To cover the working-age population with clinical examination and screening, the most significant pathology in terms of mortality (diseases of the circulatory system, neoplasms, infections), all types of medical examinations are used as much as possible. In the course of the compulsory medical examination, examinations are carried out as part of a general medical examination. Persons subject to dispensary observation are taken on dispensary registration. If necessary, the indicated treatment or additional examination is prescribed. The possibilities of day care department are used (treatment is paid at the expense of the enterprise), sanatorium-resort therapy (the voucher is partially paid by the trade union organization of the enterprise).

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

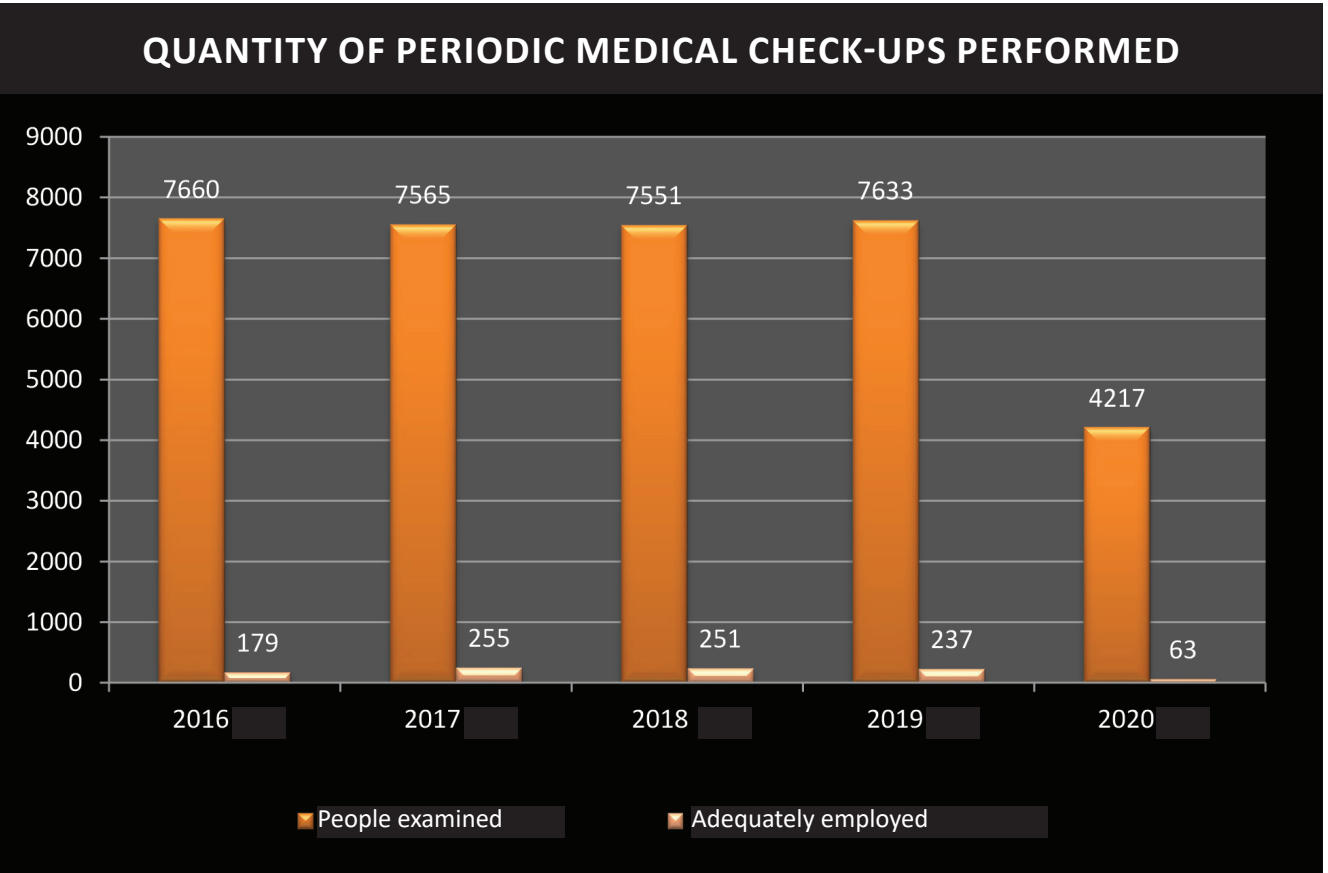


purchased at the enterprise's expense.

HIV screening assessment is carried out (in 2020, a total of 7437 studies were carried out, 55% of the population assigned to medical care was examined).

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.

In connection with the epidemiological situation of COVID-19 infection from 17.03.2020, the mandatory medical examinations were suspended and resumed in June 2020 in compliance with all requirements for the prevention of the spread of COVID-19 infection: a clear separation of patient flows (all examinations and check-ups are carried out on the basis of the health center No. 9 (patients undergoing medical examination do not visit the medical center of the medical unit), in compliance with the sanitary-epidemiological mask regime, social distancing conditions. For the timely completion of the plan for the medical examination, the number of people examined per day was increased. The measures taken at the enterprise made it possible to conduct periodic medical examinations of 4217 employees (96% of those subjected to the plan). The medical examination was completed according to the approved plan.



In the medical unit of OJSC “BSW – management company of “BMC” holding”, a local computer network, the software “E-Doctor” is operating, which has been connected to the Automatic identification system “Electronic Prescription” since February 2020. E-mail is available. The medical unit is connected to the corporate network of the enterprise, provided with programs: “Personnel”, “Lotus-notus”, “YUSIAS”, “Overalls”, “SAP”. At the Info-BMZ website there is a section “Medicine”, which contains information on the work of the medical unit, on the formation of a healthy lifestyle, medical articles, presentations.

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.

For workers, undergoing treatment in the day-care department of the medical unit with a temporary break from work, the average wage at the main place of work is retained. The costs of treatment in the day-care department of the medical unit of the plant workers are paid at the expense of the enterprise. The plant employees, if they do not have certificates of incapacity for work during the calendar year, including those on social lines, are given one day in addition to their labor leave. The enterprise organizes cultural and sports events, promotion

of a healthy lifestyle. From the funds of the Trade Union Committee, members of the trade union are awarded with successful participation and winning prizes in sports competitions, active participation in amateur performances and other events promoting a healthy lifestyle in accordance with the developed and approved Regulations. The plant has created a bonus fund for labor protection for reward of workers who do not have violations of labor protection and production culture, labor discipline, and morbidity for the previous quarter. To strengthen social responsibility with each employee of the enterprise, the employer, in addition to compulsory insurance, concluded an agreement with Closed Joint-Stock Insurance Company “Promtransinvest” “On voluntary insurance of civil liability of the employer for harm caused to the life and health of employees.” Under the present agreement, in addition to insured events provided by compulsory insurance, each employee is additionally insured against non-production accidents that occurred within one hour while traveling to and from work. And in December, an insurance agreement of employees against the consequences of COVID-19 was signed.

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.

The administration of the enterprise carries out the systematic work aimed at providing safe working conditions, prevention of occupational injuries, preservation of life and health of workers. Measures for safety and better working conditions are annually developed at the enterprise. All cases of work-related fatalities, injuries, and illnesses are thoroughly analyzed. According to the analysis results, all information is posted on the stands for occupational safety and health in structural divisions. The hazard warning plate was developed. There are hazard warning plates at work places where accidents occurred.

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-the-clock basis. Each health center is equipped with all required equipment (an electrocardiograph, defibrillator, glucometer, portable alcohol tester) and pharmaceutical drugs for delivery of health-care 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. Trainings are regularly held to develop these skills, with the adoption (quarterly) of credits. The paramedic-narcologist weekly (as part of the mobile group of the enterprise) and selectively during the shift, conducts a monitoring check for the alcohol content in the exhaled air of workers, measures blood pressure, conducts preventive work with persons who are on the consulting account at the narcological dispensary. In order to combat alcohol consumption and prevent industrial injuries, the medical assistant's service conducts pre-shift and pre-trip medical examinations. In total, in 2020, 661,542 people underwent a pre-shift medical examination, and 135 people underwent medical examination for being in a state of alcoholic, drug or toxic intoxication.

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 check-ups. 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 specialties 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.

Measures for prevention of suicidal behavior and all types of addictions are taken. Telephone numbers of the emergency psychological counseling and “crisis counseling line” are placed on the information stands of structural divisions, dormitories of the enterprise, in the mass media, on the corporate website. Psychological counseling of workers is organized in the Training Center and plant management No.1. Information of prevention of suicidal behavior and all types of addictions is regularly published on the website “info BMZ” and in the newspaper “Metallurg”. To create a positive life attitude of the population to a healthy lifestyle, to increase of the level of adaptation to stresses in difficult morale situations, TV program “BSW News” periodically shows videos promoting family and spiritual values. The medical staff use rating scales and questionnaires for suicide risk level diagnostics. In needed, the patients are sent to the consultation of the psychologist or addiction psychiatrist.

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

In the conditions of the pandemic

To prevent the spread of COVID-19 infection, a complex of preventive measures was applied at the enterprise, including during information and ideological work. In the context of the global pandemic, BSW continued to implement its social responsibility program, which is based on the



proper conduct of business and the organization of working conditions for employees.

First of all, in order to coordinate actions, a working group was organized, which weekly summarizes the work and determines further preventive measures. Among them it is worth noting:

- the enterprise provided the possibility of resolution of production issues without holding conferences (meetings, social gatherings), but through the use of available means of communication and communication channels;
- the reception of delegations of all levels, planning to visit the plant for the purpose of holding meetings, exchange of experience and familiarization with production, was suspended, the schedules of business trips were also adjusted;
- work was carried out with the management of freight forwarding companies on the necessity of usage by drivers (forwarders) of personal

protection equipment of respiratory organs (masks) and the current restriction on their movement on the territory of the plant;

- possible contacts of personnel with drivers of freight forwarding companies were minimized (preparation of the necessary documents by employees of the headed structural divisions without the drivers leaving the transport vehicles is provided), obligatory conduction of thermometry was also organized for the drivers before they enter the territory of the enterprise;
- constant disinfection of treatment of metal surfaces in public places was organized, as well as regular ventilation and treatment of premises;
- structural divisions of the enterprise are provided with the required number of dispensers with an antiseptic in accessible places, liquid soap in sanitary facilities and wash-basins;
- daily monitoring of the implementation of measures to prevent the spread of COVID-19 is carried out in terms of the availability of disinfectants, liquid soap, provision of workers with hygienic masks;
- explanatory work is carried out with personnel on the need to comply with respiratory etiquette, the use of hygienic masks when in contact with other people,

being in health care institutions, health centers, public transport, shops, and other public places with a large crowd of people;

- organized daily monitoring of the epidemiological situation in all structural divisions of BSW for the possibility of a prompt response.

- on the initiative of the trade union committee of BSW and the employer, an insurance contract was concluded, which allows the employees of the enterprise assistance in case of past diseases, caused by COVID-19.

Information and explanatory work is conducted at the enterprise on measures to prevent infection, caused by the coronavirus COVID-19 using available means (instruction booklet, leaflets, posting on the factory website, at the stands). To reduce possible contacts of employees at the enterprise, close attention was paid to the use of Internet channels during the dissemination of information. For example, more than 800 information messages were published in the VKontakte thematic group last year. Widespread occurrence during conduction of information work received also usage of internet dispatch to the unified addresses of structural subdivision.

The medical unit has developed an Action Plan for the prevention of coronavirus infection at BSW, orders have been written for the medical unit for work in the conditions of COVID-19. Thus, a demarcation of the premises of the medical unit for receiving patients with signs of acute respiratory infections was carried out - the red zone and the clean area for receiving other patients. A bathing and delousing establishment room has been organized for medical workers. At the registry level, triage is provided for patients applying and making appointments with doctors of all specialties. All medical workers are provided with the necessary personal protective equipment, in accordance with the requirements of the directive documents of the Ministry of Health of the Republic of Belarus. There is a necessary reserve of medical products, disinfectants, instruments for provision of medical care to sick people and taking preventive measures. The cleaning of the premises of the medical unit is carried out according to the virucidal regime. Cold fogger was purchased for disinfection of premises at the enterprise.

Mandatory medical examinations of workers are organized on the territory of the health center No. 9. Non-contact thermometers were purchased for conduction of thermometry at the entrance to the clinic of the medical unit, at health posts for carrying out pre-shift medical control. Sampling of biomaterial for PCR research on COVID-19 was organized. If a patient with a coronavirus infection is identified for further treatment and observation, the patient is transferred to the polyclinic at the place of residence with the provision of an extract from the out-patient medical record. After discharge from the hospital, patients undergo after-treatment of the consequences of coronavirus infection in the medical unit.

It should be noted that since May 2020, during the coronavirus pandemic, at the BSW has been operating an Order, according to which pregnant employees of the enterprise (in accordance with the conclusion of the medical and consulting commission or the medical and rehabilitation expert commission) are released from work while maintaining the average earnings at the main place of work. ...

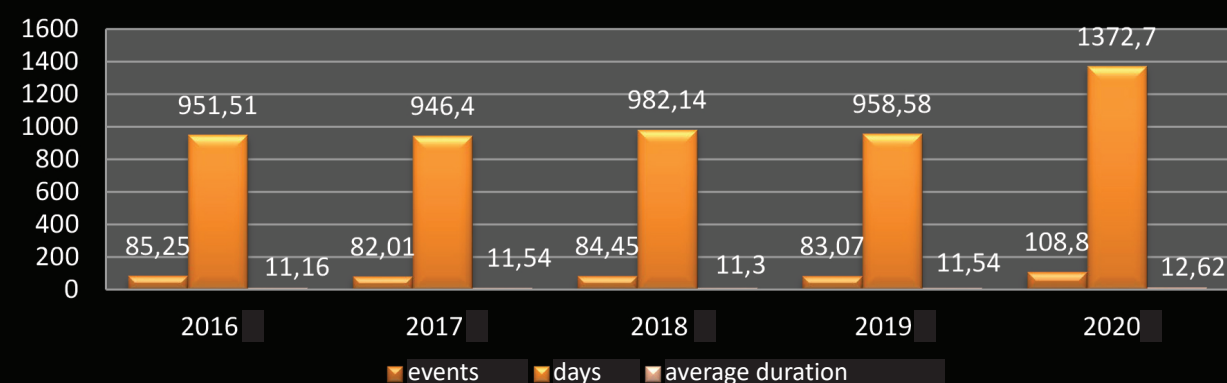
Realizing the difficult situation of the doctors, metallurgists decided to support them by taking part in republican projects. As part of the event "Thanks to the doctors", the management of BSW handed over a batch of personal protective equipment to the workers of the Zhlobin Central District Hospital. Special suits, masks, respirators - worthy support of doctors during a pandemic. Transfer of protective barrier masks and mugs with the inscription "Thanks to the doctors!" took place in the medical and sanitary part of the plant. BSW volunteers also took an active part in the work of the "hot line" for the elderly, organized by the Zhlobin regional committee of the Public association "Belarusian Republican Youth Union" and the Zhlobin territorial center of social services for the population, delivering food and medicines to the elderly.

The effectiveness of medical and health programs

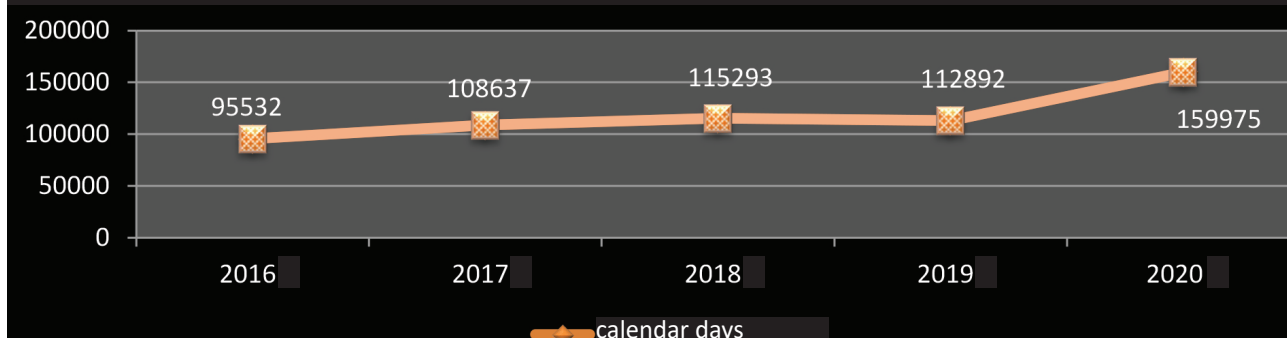
Funds, invested in the health of BSW personnel (improving the quality of medical services and introduction of modern methods of treatment, combined with the effective implementation of the health improvement program for employees in sanatoriums and rest homes) allow to maintain the health indicators of employees at the proper level.

The incidence of temporary disability of BSW employees increased in 2020, the growth is due to the treatment of patients with COVID-19 infection, quarantine measures for this disease.

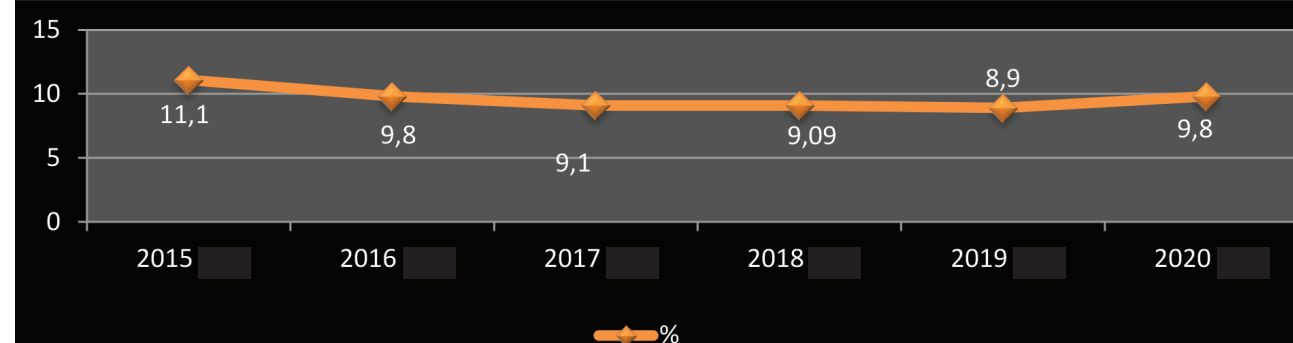
QUANTITY OF PERIODIC MEDICAL CHECK-UPS PERFORMED



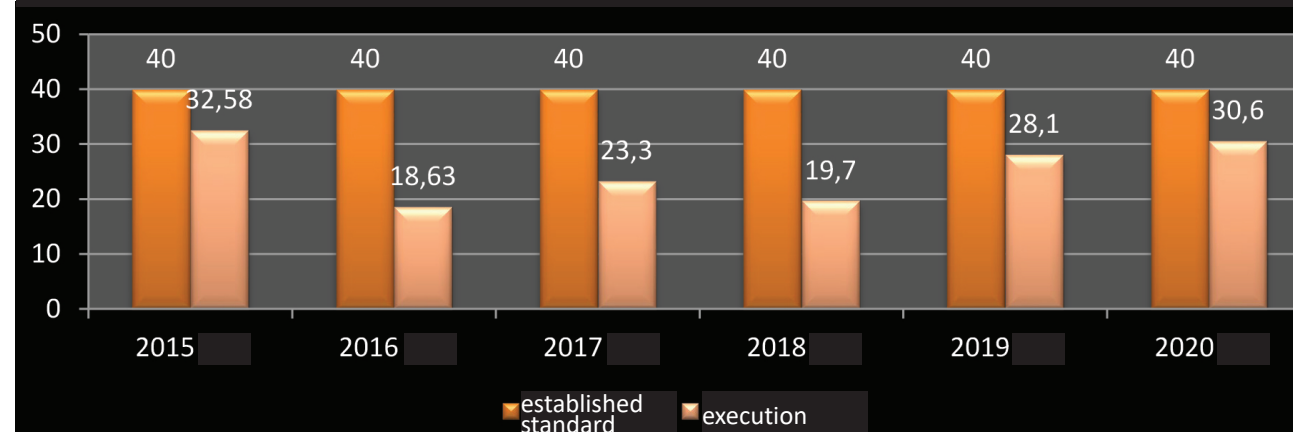
TREND OF DISEASE INCIDENCE WITH TEMPORARY INCAPACITY TO WORK OF BSW WORKERS (CALENDAR DAYS)



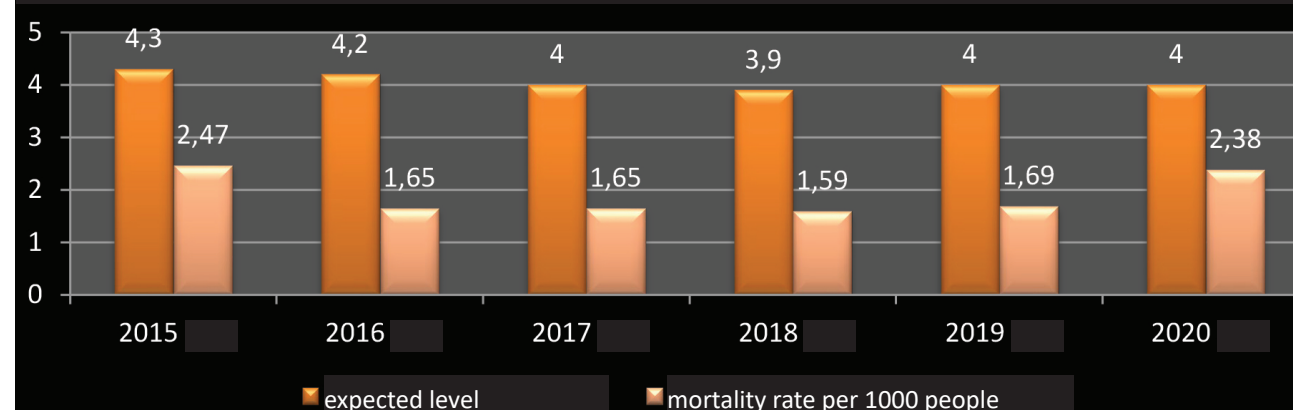
TREND OF DETECTION OF ADVANCED CANCERS



DYNAMICS OF THE DISABILITY RATE OF PERSONS OF WORKING AGE PER 10,000 POPULATION



TREND OF RATE OF MORTALITY OF PERSONS OF WORKING AGE



Note: Excess of the rate over the expected 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 2020, BSW held a number of events under the program “Health at@ Work”, including information and consultative meetings with the Company’s personnel, media placement, at specialized stands in factory dormitories, sports and recreation centre, the Palace of Culture of Metallurgists, at information stands in the structural units and in the medical and sanitary part of the enterprise, information and educational materials on the problem of the spread of HIV infection and measures of its prevention.

Upon employment at the enterprise, new employees are familiarized with the documents of the program “Health at @ work”. Specialists of the medical and sanitary unit participate in the work of the district interdepartmental commission for the prevention of HIV / AIDS and sexually transmitted diseases.

Volunteer instructors were trained in First Aid Treatment. With their help, trainings are regularly held with workers of enterprise on the following topics:

- first aid
- dissemination of knowledge on international humanitarian law, fundamental principles, activities of the International Red Cross and Red Crescent Movement and humanitarian values,
- preparation and response to emergency and crisis situations.

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 2020, 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 Fund of the Republic of Belarus. In 2020, BSW continued to fulfill its obligations for the main directions of social programs regardless of a complicated economic situation over the year.

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 sanatorium-resort 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 2020, 108 vouchers were received from the social insurance assets (in 2019 – 114 vouchers). 111 people (in 2019 – 197 people) had rest at health resorts and sanatoriums of the Trade Union Federation at 25% discount from the cost of the voucher. In 2020, BSW bought 573 vouchers and spent 491 659.30 rubles from its profit for rest and summer holidays of the employees' children.

Its own recreation facility "Dneprovskiy Zori" is one more possibility to offer high-quality services that can satisfy any client. The recreation facility "Dneprovskiy 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 rallies, 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 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 by the trade union committee of the enterprise.

A unique coordinating center of sports events is a sports and recreation centre. The work in it is carried out in two main directions: competitive activity and health and fitness work. Sports and recreation centre conducts trainings and classes in sports sections, gyms are operating, competitions are held as part of a year-round working spartacada, children's and youth tournaments and other sports events. For example, on October 10, the workers of enterprise gathered for a bike ride dedicated to the BSW's birthday. Many people have participated in such events not for the first time: on the account of the enterprise cycling enthusiasts there are bike races, dedicated to Victory Day, Independence Day, and a bike tour. One of the hardest obstacle races in Europe, the Bison Race, also took place in October. The participants of the race had to overcome the route with many different obstacles in the shortest

possible time. On the territory of the Ski complex Logoisk, the race has been overcome by six residents of Zhlobin, including two employees of BSW.

In honor of the 36th anniversary, the first sports and image events took place at the Byelorussian Steel Works. Zhlobin amateurs of run raced about 36 km. The thousandth marathon in pull-ups has also been held, in which 16 residents of Zhlobin took part. The declared milestone has been overcome. In total, the marathon participants made 1169 lifts.

In total, within 2020, for the employees of BSW and their family members, team of health and fitness complex organized and conducted 28 fitness and health recreation events and sporting and mass participation events, in which 1080 people participated. It is necessary to tell about labor veterans. They are not only active visitors of the sports complex, but also indispensable participants in majority of the competitions of enterprise.

Involvement of the Company's employees in physical education and sports not only helps them to improve their health, but also forms a special corporate spirit of the enterprise, contributes to the creation of a stable team that can solve the most complex 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 “Metallurgsotservice” 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.

Palace of Culture of Metallurgists covers an area of 4,800 m²; it is an auditorium for 430 seats, a dance hall for 300 seats, a cafeteria for 36 seats, 2 choreographic classes, a winter garden, an exhibition hall, and a recording studio. LED screen is present.

On the basis of the Palace there are 18 collectives and club formations: 12 children and 6 adults, uniting 524 people, 447 of them are children.

Palace of Culture of Metallurgists 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.

Among the achievements of the Palace collectives in 2020, it stands to mention:

- confirmation of the honorary names “exemplary” and “folk” amateur collective by the exemplary vocal ensemble “Assorti-Gold” and the folk choir “Krynitsa”;
- an exemplary choreographic ensemble of pop dance “Fireworks” became a laureate of the I degree of the III international television project “Cup of Friendship” (city of Minsk);
- the exemplary studio of pop vocal “Fantasy” was awarded a diploma of the laureate of the II degree of the International Art Competition “Winter Wave” (Minsk);
- author and performer Andrei Kastunov was awarded a II degree diploma in the category “Author of Music” and diploma of

II degree in the category “Lyricist” at the regional contest of author song “I am a part of my Motherland” (city of Mogilev);

- folk choir “Krynitsa” took part in the regional festival of choral art named after the honored art worker of the BSSR T.K. Lopatina (city of Rechitsa). The choir soloist Viktor Lapin was awarded a diploma for a high performing level;
- soloists of the Palace of Culture of Metallurgists Victoria Ambrazevich and Denis Portnov took part

in the XXII Regional Festival of Afghan Song “Time has chosen us” (city of Zhlobin). Denis Portnov was awarded a diploma of III degree.

In 2020, in the Palace of Culture of Metallurgists, 251 mass cultural events were held (concerts, performances, theatrical performances, dance and entertainment programs, game programs for children, birthdays, anniversaries, etc.).

During the reporting period, the cultural events of the Palace of Culture of Metallurgists were attended by 10,716 people.



Calendar and Professional Holidays

During 2020, a number of cultural events were held, dedicated to the holidays, including professional, anniversary dates:

- Gala night, dedicated to the Day of the Rescuer (January);
- a solemn event, dedicated to the 25th anniversary of the medical and sanitary unit of BSW (January);
- a solemn event, dedicated to the 60th anniversary of the Security services department (February);
- award ceremony “Professional Olympus” (February);
- a concert for the participants of the solemn meeting to sum up the results of the work of the Chechersk region (February);
- a festive concert, dedicated to the Day of the Belarusian Militia (March);
- solemn events, dedicated to the Women's Day for women workers at BSW (March);
- festive events, dedicated to the Independence Day of the Republic of Belarus (July);
- festive events, dedicated to the Day of Metallurgist (July);
- concerts at the electoral precincts during the elections of the President of the Republic of Belarus (August);
- a festive event, dedicated to the 55th anniversary of the Zhlobin forestry enterprise (October);
- a festive event, dedicated to the International Day of Older Persons (October);
- a festive concert, dedicated to Mother's Day (October);
- solemn events, dedicated to the birthday of BSW (October);
- a solemn event, dedicated to the Day of the motor vehicleist and road worker (October);
- presentation of the BSW corporate calendar (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 Culture of Metallurgists.

In January 2020, the traditional XXII Song and Dance Festival “Christmas Musical Ladder” was held, in which more than 200 children from Zhlobin district and Buda-Koshelevo took part.

Together with the staff of the BSW duplicating center, a presentation of the 2020 calendar with children's drawings was organized and held in January. And in December 2020, employees of the Palace of Culture of Metallurgists organized congratulations from Santa Claus and Snow Maiden at the place of residents of the winners of the children's drawing competition “I want to be a metallurgist.”

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. Traditionally, in January, sold out concert halls, the show program “New Year's Debut of Toddlers” and “Christmas Concert” of the Sunday School took place. In February, a theatrical performance “Raspberry Bear” was held for kindergarten children. In March, traditionally for mothers, concerts of children's groups were conducted “I will give a radiant sun to my mother” and “Our mothers are the coolest”. In June, the competition programs “Princess of a Fairy Land” took place. In October, the concert “Our mothers are the best” took place dedicated Mother's Day.

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 program “Mickey Mouse and His Friends”, “Miracles not in pretence”, “Hour of Fun”, “Our Yard”, “Casting Talents” interactive programs “Along Fairy Trails”, “Cowboy Quest”, “City of Games”, “Treasures of the Underwater Kingdom”, etc.

The open republican tournament on the game “What? Where? When?” “Sustrecha-2020” was held at the premises of the Palace of Metallurgists' Culture.

For children, New Year's parties were organized with a fabulous plot “Christmas tree show or the time of a good fairy tale” (24 performances in total). Traditionally, at the recreation center “Dneprovskie Zori” an interactive program “School of Magic in the estate of Santa Claus” was organized and carried out.

On the eve of the Day of Knowledge, within the framework of the republican action “Let's pack a school-bag for a first-grader”, a



solemn event was organized and held for first-graders, which included a game program, a sweet buffet and handling of backpacks with school supplies.

In order to identify and support gifted creative youth, to implement the creative potential of the younger generation, a dance project "Step Forward" was organized in September, in which dance groups of the city took part.

Within the scopes of the celebration of the birthday of the Byelorussian Steel Works, a quest game "In the footsteps of the Spark" was held, which brought positive emotions and impressions to the children.

Youth Work

For the greatest attraction of young people to cultural activities, a concert program "Precisely about love" was held in February.

In order to organize leisure in places of mass stay of young people from July to August 2020 at the site of the Palace of Culture of Metallurgists, together with the Zhlobin district executive committee and the Zhlobin regional organization of the public association "Belarusian Republican Youth Union" weekly on Saturdays, within the framework of the program "Open Youth Platform", discos for young were held, an animation family program "Merry Weekend", attractions, a concert of the folk brass band "Evening Promenade", sports and game programs, the festival of beauty and health "Youth for Healthy Lifestyle", performances of cover band "Credo" and youth bands of educational institutions, rock parade, entertainment program "AutoPARTY".

In July, on-stage performance groups took part in the meeting of the delegation of the Republican youth train "#Belarus.Young.Inspiration."

In October, a Youth Ball was held for youth of enterprise with the title of "Laureate of the Youth Award".

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.

"Krynitsa" folk choir performed a solo concert "Winter Patterns" on the stage of the Palace of Culture of Metallurgists. And in September, the choir members took part in the regional festival "Dozhinki-2020".

From June to August, concerts of the brass band "Evening Promenade" were held on the porch of the Palace of Metallurgists' Culture. In November, a solo concert of brass band "Estradamania" took place.



Solving of the Living Conditions Issues of the Employees

80 families of BSW employees received keys from new apartments in 2020

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.

The costs for 2020 for the economic and financial activities of the housing department of the enterprise amounted to 1,099,077 rubles, which is 3% less than the annual cost estimate.

To maintain buildings, structures and communications (including current repairs) in a technically sound condition that meets the requirements of norms and rules for sanitary condition, safety, labor protection, fire safety, civil defense and production culture in dormitories and the adjacent territory their maintenance in a normal working condition, 880,273 rubles were spent on repairs in 2020.

One of the functions entrusted to the housing department is organization of work in compliance

with housing legislation, registration of citizens in need of improvement of their living conditions, and distribution of housing to workers of enterprise.

On the balance sheet of the enterprise there are 6 family-type dormitories, in which 680 families live, and one dormitory for single citizens, in which 297 people live. For the residents of the youth hostel there is a laundry room, a sports room, a gym, a study room, an assembly hall, etc. A buffet with hot meals works according to a convenient schedule. Living conditions in dormitories are significantly improving: major repairs are conducted, engineering networks and heating points are being modernized, which in turn has led to a decrease in utility bills.

In the spring of 2020, a house was commissioned, built at the initiative of the management of the enterprise for workers of enterprise. The house was erected on the terms of shared construction in a significantly short time: a little more than a year passed from laying the foundation to commissioning. BSW took over the design and construction costs. In order to reduce the time and cost of the project, it was decided to build housing in shell condition. All this significantly reduced the cost per square meter.

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 2020 these supplements made up 952 382.83 rubles. The financial assistance is provided in connection with retirement. In 2020, the amount of this assistance was 25 316.80 rubles. Also, the financial assistance is annually paid for the Day of the Elderly, 81 210.00 were paid in 2020.

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 primary healthcare unit of the enterprise, services of sports and recreation center, 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 2020 this assistance amounted to 5 650 rubles.

Arrangements for the workers’ families support

Name of measures	2020, rub
Payments for birth of a child (lump sum)	484 385,20
Parental compensation for a child under 3	2 455 976,49
Payments to multi-member families for purchasing school uniform	85 050,00
Providing one day-off under the collective agreement	7 864,95
Expenses for children's health improvement (vouchers, travel)	466 715,23
Payments for the families raising the disabled children under 18	194 975,59

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 agencies; central regional hospital and clinic of BSW; legal services of the enterprise and the region.

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



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 11 228 people that is 95.64% 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 lump-sum benefit payments, additional payments and financial awards, the size of which directly depends on the results of production-financial activity of the entire enterprise 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 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 2020 the Trade Union Committee financed the following:

- Conduction of cultural events – 479 735,53 bel. rubles; including the New Year's presents for children and employees - 280 399,20 bel. rubles;
- Conduction of sport events – 24 371,50 bel. rubles;
- Presents for the employees' jubilees - 25 200,00 bel. rubles;
- Presents for the retiring employees – 19 629,00 bel. rubles;
- Material support – 368 619,32 bel. rubles;

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.

Charity and sponsorship is one of the activities of the Trade Union Committee of BSW. In 2020, being an active member of the charitable campaign "Trade unions to children", BSW granted 22 089,22 bel. rubles (to the employees of the enterprise (for the treatment of children), the institution "Territorial center of social services for the population of the Zhlobin region", the education department of the Zhlobin regional executive committee).

One of the priority directions of the Trade Union activity is creating conditions for full-fledged physical and moral development of the employees and younger generation. The Trade Union Committee of OJSC "BSW – management company of "BMC" holding" is the founder of the Olympic reserve sport school for children and young people (ORSSCYP) and the children's club "Fakel".

Pupils of the Specialized Children and Youth Sports School of the Olympic Reserve became winners and awarders of championships and

competitions of the Republic of Belarus. The trade union committee spent 32 139,93 bel. rubles on financing of operations of Specialized Children and Youth Sports School of the Olympic Reserve in 2020.

The trade union committee takes an active stand concerning the organization both the plant and district children's events. So, the trade union committee spent 437,16 bel. rubles on purchasing the sweets and promotional gifts to the participants of an annual competition of children's pictures "I Want to Be a Metallurgist", 11,443,20 bel. rubles 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 3 116 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 5 base values is paid in addition to delivery of the commemorative medal.

In compliance with the program of working with younger generation, for sustaining and improvement of relationships between the family, school and local community, strengthening the family, protection of maternity and childhood under the auspices of the Trade Union Committee a commission for family and school assistance has been working since 2005.

There is a trade union library affiliated with the trade union committee of OJSC "BSW –

management company of “BMC” holding”. The library has 1702 registered regular users. The library collection includes 34 139 copies of documents. The trade union library is a venue for conduction of a variety of meetings, exhibitions, excursions, promotions and competitions. The social significance of clubs is the development of personality, the removal of psychological stress, provision of new opportunities for self-realization and self-education, finding a group of like-minded people, which is especially important in modern society.

The Primary Organization of RPA “Belaya Rus”

In 2009, in order to encourage plant workers to actively participate in the life of the country, to involve in solving urgent problems within the framework of development of Belarus and society on the basis of free association, the enterprise created the primary organization of the republican public association “Belaya Rus”. Today, the organization unites about 278 BSW workers. The implementation of the program of “Belaya Rus” at BSW is based on the principle of mutual

cooperation of administration, trade-union committee, public organizations and establishments in all areas of activity.

Due to the epidemiological situation, the holding of mass events at the enterprise in 2020 was limited. At the same time, a regional seminar of the Organization of Belaya Rus Republican Public Association was held on the basis of BMZ. The primary organization of enterprise of the Byelorussian Steel Works hosted like-minded people from other districts of the

The library is undertaking an important 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.

region to share their experience. At the plenary session, Natalya Mamrukova, Deputy Chairman of the Regional Organization of Organization of Belaya Rus Republican Public Association, noticed the effective work of the Belaya Rus primary organization of enterprise and importance of exchange of experience. She also expressed her gratitude to the head of primary organization of the enterprise Alexander Malobitsky and presented him with a Letter of thanks from the regional council of the association.

The Primary Organization of the Belarusian Republican Youth Union

The primary organization carries out all its activities on the basis of the program for work with young people “Youth” at OJSC “BSW – management company of “BMC” holding”. Its 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;*
- *development of a system of training and retraining of specialists;*
- *youth cooperation and development of creative potential;*
- *healthy lifestyle and tourism development;*
- *improvement of the system of social protection of youth*

In the year of the 75th anniversary of Victory of Soviet People in Great Patriotic War 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 society as a whole and our enterprise in particular. As of 31 December 2020, 1652 employees (55,6% from the total amount aged less than 31) are members of the primary organization of the “Belarusian Republican Youth Union” public 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 general director and his deputies, ceremonial meetings, lectures, the “Leader” school and many other activities are held with the participation of young workers. Particular attention is paid to the development of Internet resources in the network, which are the main source of information for most of the youth. Taking into account the epidemiological situation in 2020, many events

took place online. Among them:

- the online project “Alley of Heroes” dedicated to the Victory Day and the Independence Day of the Republic of Belarus (videos on the natives of Zhlobin district - Heroes of the Soviet Union were posted on the official page of the enterprise “VKontakte” and on the Instagram network on the page “Youth of BSW”);
- online-Quiz “History of BSW” and “History of BSW 2.0” dedicated to the Youth Day (the quiz, which was attended by 50 people, included questions from the history of the formation of BSW);
- Traditional International Youth Forum “Engineers of the Future”;
- a virtual corporate track-and-field and a virtual “thousand pull-ups”.

In connection with the measures taken on prevention of spread of COVID-19, the crew of emergency response operation for assistance to elderly people on delivery of products and medicine was formed in Zhlobin district to help the elderly to deliver food and medicine. The crew included 7 employees of the enterprise. At the district level, the project “Youth, which we are proud of” was implemented. An alley with photographs and achievements of the youth of the Zhlobin city was created on the Osvoboditeley Square. The representatives included 4 employees of BSW.

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” holding clearly demonstrates how BSW implements such areas as support for scientific and technical creativity, development of 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 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 family members take part. In 2020, the families of Artem Makarevich and Vadim Pribolovets presented

their works to the jury in the competition "Best Young Family of Zhlobin Region". The traditional competition in connection with the epidemiological situation this year was held in absentia. The contestants prepared photo albums of families and two videos each - "We are the coolest family" and "Our small homeland".

At BSW, work with youth is aimed at 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. The traditional competition of gifts of the summer cottage season "Golden Sunflower" became an outstanding event with the participation of veterans. 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 in metallurgists, presentation of diplomas and prizes to the best young specialists, participating in scientific and technical conferences.

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.



Women's Union

In 2004, women of the enterprise established a primary organization of the public association "Belarusian Women's Union" based on an independent union. The plant's primary organization unites more than 450 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", "Woman-veteran", "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 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.

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 site of implementation of creative ideas often becomes the Palace of a culture of metallurgists, where women organize their leisure time. For example, on weekends there are holidays for the whole family called "Merry Sunday".



Union of Soldiers-internationalists

78 soldiers-internationalists work in the structural units of BSW. Issues of labor, daily routine, health improvement of participants in local wars are considered at meetings of the Council with the invitation of representatives of the administration and the trade union committee of the enterprise. 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 22st regional festival of Afghan songs "Time has chosen us". This year, the 22st regional festival of Afghan songs gathered 24 participants. Our plant was represented at the festival by Denis Portnov and won the Diploma of 3rd degree. Among the participants were performers and groups from different parts of Belarus.

Young Professionals Board



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. Some of the most significant measures within the system of work with young specialists are: practical training, staff adaptation assessment and scientific and technical conference.

In 2020, the staff of the Byelorussian Steel Works was supplemented by 122 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, rationalization work. An important part of the work is to increase the business and creative activity of young people under the age of 35, organize scientific and technical conferences and help young plant workers to participate in such forums held at other enterprises, provide exchange of experience in order to increase the efficiency of the plant.

In 2020, the members of the Council of Young Specialists, together with the activists of the Belarusian Republican Youth Union, organized an autumn ball of young specialists with awarding the best workers with the title "Laureate of the Youth Prize" and "Day of a Young Specialist" with discussion session and the school "Leader".

The Council has formed and is successfully developing a system for identifying talented youth. It allows you to provide affordable and broad opportunities for the development of the abilities 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 Council of Foremen is doing its work in accordance with the Regulations on the Council of Foremen OJSC "BSW – management company of "BMC" holding" operates in close contact with the personnel 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 2020, the following were held: 48 meetings of the Council of Foremen with a discussion of staff composition of personnel on positions of foreman, senior foreman; the functioning of the labor protection system at the enterprise together with the specialists of the labor 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.

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, plant-wide mass sports events. In 2020, taking into account the epidemiological situation, the number of events decreased: 28 fitness and health recreation events and sporting and mass participation events were organized and carried out.



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.

Analysis of public opinion through the organization of opinion polls is an important condition for the development of constructive interaction between the administration of the enterprise and personnel, as well as maintenance of effective feedback with residents of the city and district.

In 2020, 5 studies were conducted during the year. More than 2 thousand workers of enterprise and residents of Zhlobin region got an opportunity to express their opinion on current phenomena and processes. This makes it possible to take into account the interests of various categories of workers when developing measures to increase satisfaction with working conditions and work as whole, the findings of the undertaken studies help in solution of managerial problems at the enterprise. The results of the key surveys are summarized below.

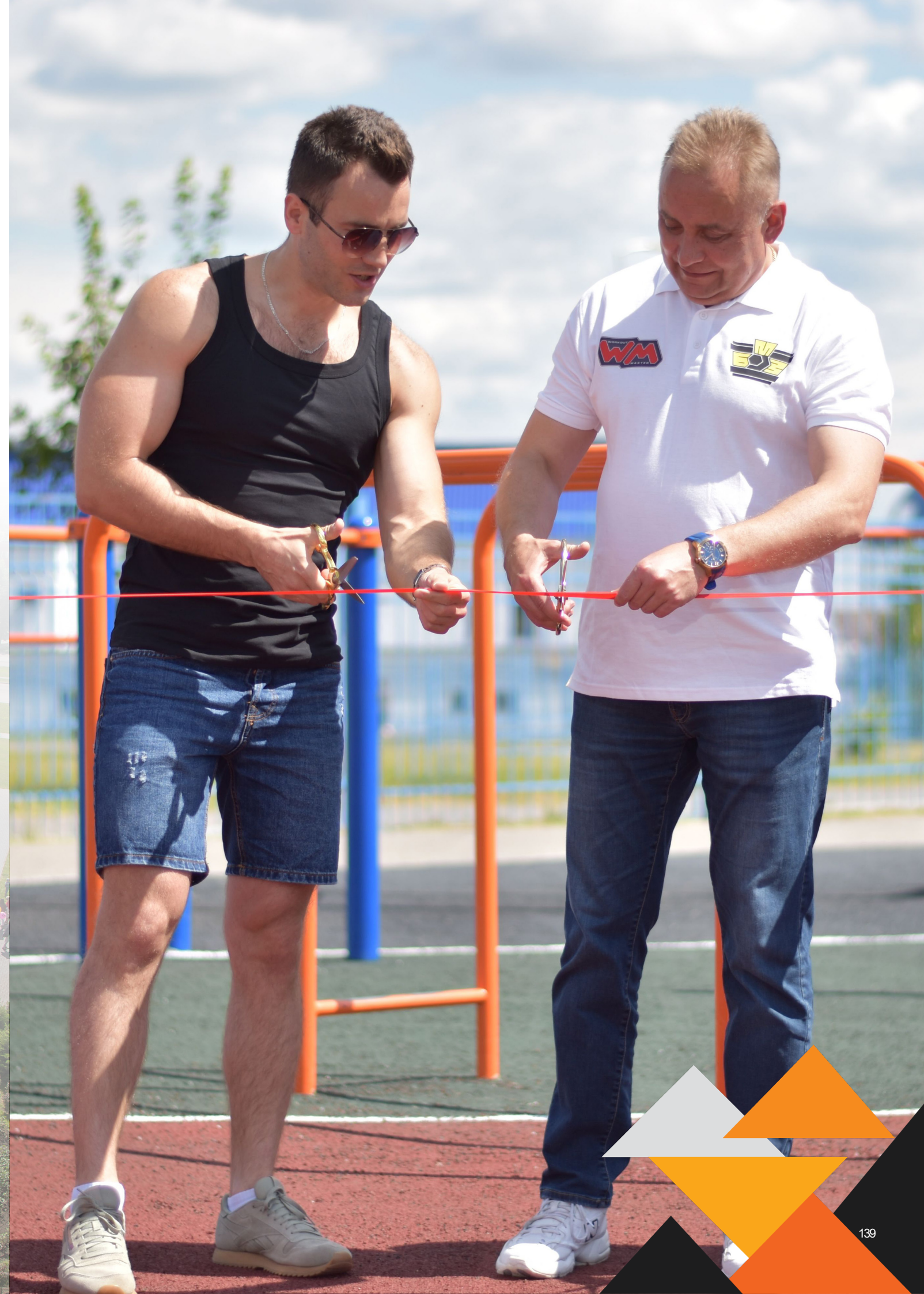
THE IMPORTANCE OF A HEALTHY LIFESTYLE FOR EMPLOYEES OF THE ENTERPRISE

The effectiveness of operation of any organization largely depends on the quality of human resources that it possesses. One of the fundamental elements of labor potential is health of employees. Strengthening the health of employees and popularization of healthy lifestyle at OJSC “BSW – management company of “BMC” holding” is prioritized.

The implementation of a set of measures in this direction brings tangible benefits not only for employees and the employer, but also for the country as a whole. As a result, a decrease in the incidence rate, a decrease in mortality and the burden on the state health care system and the budget, economic growth and an increase of national income.

In order to assess the commitment of the personnel of the enterprise to a healthy lifestyle for preservation and improvement of health in the process of work, a sociological survey was conducted, the participants of which were 375 employees of various structural divisions of the enterprise. The analysis of the data of the conducted research indicates the absence of significant problems in this area. Speaking of their health, most of the respondents evaluate it as good and satisfactory. However, to maintain this indicator, it is important to comply with a number of conditions - mandatory factors of healthy lifestyle:

- stimulation of physical activity, systematic use of physical activity corresponding to gender, age, state of health, use of exercise;
- finding a balanced and regular diet;
- fight against bad habits (smoking, alcohol abuse);
- health monitoring.



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

To this date, the main task of the enterprise is to maintain the interaction with the population of the city and the region, which has been over a long period of time the existence of the enterprise. After all, the people and their resources allow BSW to remain in leading positions both in the country's industry and outside the republic in the international arena. The opinion of citizens is very important in the context of the prosperity of the enterprise and its further path of improvement.

Social responsibility is the most important principle of operation of OJSC "BSW – management company of "BMC" holding". The company's activities in this area are systemic in nature and aimed at creation of effective and safe workplaces, 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, 383 people were interviewed during the annual monitoring. The selection of respondents was made on the basis of a quota-proportional sample, taking into account gender and age characteristics and socio-professional status.

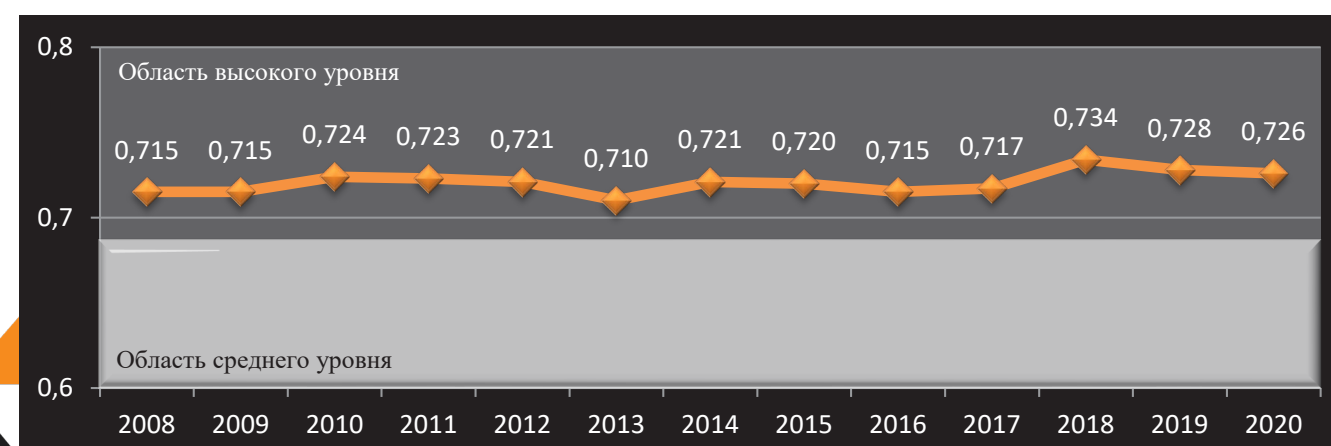
Based on the results of the stage of monitoring public opinion, one can speak of a rather high significance of BSW in the region of presence. The residents of the district did not lose interest in news about the plant; an additional source of receipt of information about the plant, such as a messenger, has appeared. As in the previous year, an increase in the number of respondents who wish to work at BSW has been observed. The respondents highlight a number of advantages in relation to other organizations. Also, there has been a positive trend in the awareness of the region's residents about the plant's charitable activities, as an integral attribute of the enterprise's policy.

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 2020, the next stage of studying the opinions of plant workers on satisfaction with work and its various components was carried out. According to the results of the study, the employee satisfaction index remained practically at the same level, having lost only 0.2 percentage points compared to 2019. The obtained value of the index ($I_{sp} = 0.726$) corresponds to a high level, and allows us to assess the state of the socio-psychological climate in the collective of the enterprise as favorable.

Dynamics of a comprehensive satisfaction index



IDENTIFICATION OF PECULIARITIES OF PERCEPTION OF MANIFESTATIONS OF CORRUPTION BY EMPLOYEES OF PLANT MANAGEMENT

Currently, combating corruption has become one of the most important directions of the internal policy of the state, due to the manifestation of corruptive elements, as a kind of systemic problem, affecting almost all structures of the state. One of the main possible ways to identify unfavorable factors of systematic manifestations of corruption-related offences is represented, in the sociological support of anti-corruption policy, either at the lower structural divisions or at the leadership.

Thus, among the employees of the plant management of OJSC "BSW – management company of "BMC" holding" within the framework of the implementation of the Law of the Republic of Belarus "On Fight against Corruption" adopted in 2015, the attitude of employees to the problem of corruption is being studied. The analysis of the perception of corruption by public officials, as well as by employees, holding managerial positions, seems to us the most significant, in view of the direct performance of official duties and the availability of the necessary competence. 146 respondents were interviewed who are the employees of the plant management of various ranks.

Based on the answers of the respondents, the enterprise needs to focus on more detailed preventive work:

- carry out explanatory work with the involvement of employees of the Department for fighting against Economic crimes, the prosecutor's office or other competent authorities;

- inform on actions, taken by the management of the enterprise in relation to persons, convicted of corruption.

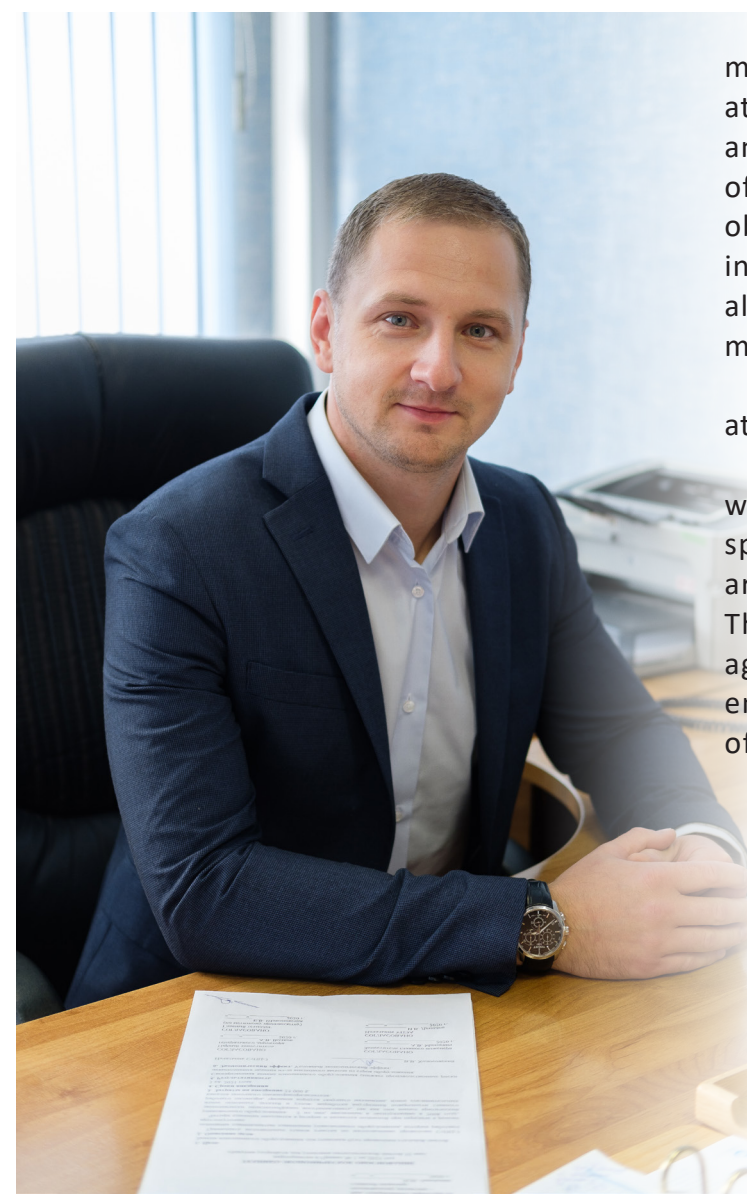
In the course of the study of corrupt practices in the activities of the enterprise haven't been identified.

ATTITUDE OF NEWLY ARRIVED IN 2020 OF YOUNG SPECIALISTS TO THE COLLECTIVE AGREEMENT

For feedback between young specialists and the management of the plant on issues of awareness, attitude, possible change or addition of social guarantees and conditions, prescribed in the collective agreement of the plant, a sociological study was carried out, the object of which is young specialists from educational institutions, who have completed their studies in their alma mater in 2020 and arrived at the OJSC "BSW – management company of "BMC" holding"

- for labor repayment and further work in the specialty at the enterprise. 31 young specialists were interviewed.

Summing up the conducted sociological research, we can say that in the vast majority of cases, young specialists of the enterprise who arrived in 2020 are fully satisfied with their professional activities. The respondents show confidence in the collective agreement, which affects the basic interests of employees, which in turn contributes to the formation of a positive attitude towards the enterprise.





PRODUCT RESPONSIBILITY

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: FMEA SPC; PPAP; APQP; MSA; brain attack, 8D, 5 Whys, benchmarking, SWOT – analysis, Poka-Yoke (error protection); visualization; 5S; risk and opportunity assessment; questioning; 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 IATF 16949 and API Q1.

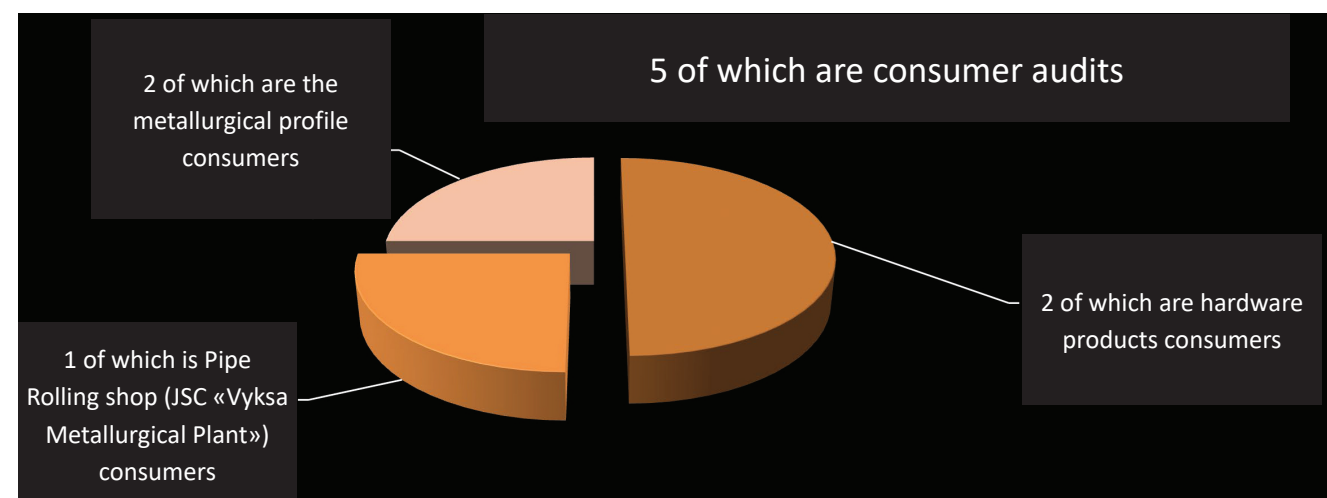
Both producers and suppliers of raw and auxiliary materials belong to persons responsible for defects (hazard) of the goods, that is why BSW helps its suppliers to develop. For example, in 2011 BSW introduced changes in contract requirements to suppliers. One of the obligatory requirements in resolving 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.

Since 2018, BSW has developed a Responsible Supplier Code as part of the implementation of sustainable development requirements. This document is posted on the external site of the plant to inform all interested parties and encourages the suppliers of the plant to implement the principles outlined in it within the "supply chain".

External audits



General provisions

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 2020, 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).

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

The primary consumers of the BSW products 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.

BSW is aiming at production of quality goods and services, advantageous and safe for the consumers' health. The best quality assessment of the plant production is its high competitive ability and continuously increasing sales turnover.

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

Work on certification of products on compliance with the requirements of national and international standards began at the enterprise in 1991 and is actively continuing at the present time. The quality and safety of products, manufactured by BMZ, which meets the requirements of national standards of buyers, is confirmed by the certificates from Russia, Belarus, the USA and most EU countries.

Following the results of 2020 the enterprise holds 50 compliance certificates for various 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 (from 1 to 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 second 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, BSW accredited laboratories (DCMetr (department of the chief metrologist), CFL (central factory laboratory)) are given the right to put a combination mark on issued documents, 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, Austria), its representative in EC countries, and in accordance with REACH regulation No. EC 1907 arranged registration of the chemicals (manganese, iron, copper and silicon) contained in concast billet and bloom as products which further use is accompanied with the chemical composition change.

All other products of our enterprise belong to goods which do not 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 relevant certificates to customers.

Packing, storing, handling operations and delivery of products are performed by the personnel in compliance

with the requirements of the enterprise's standard STP 840-KSM-7.5.5 "Production and maintenance. Ensuring the production compliance. Procedure of the finished product dispatching". Materials which are ecologically sound and harmless for human health and environment are used for packaging.

Product Marking With Appropriate Information

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

- The mechanism for display of information on competitive purchases, carried out at OJSC "BSW — management company of "BMC" holding" on

the website "National Center for Marketing and Price Study" www.icetrade.by;

- The section "Purchases of raw materials and materials" has been modernized;

- The speed of loading rate of web pages for mobile device.

Official website
WWW.BELSEEL.COM

ADVERTISEMENT

- By CJSC Second National TV Channel the filming of professions of workers of enterprise was performed.
- The interview of the general director D.A. Korchik for the magazine "Supply of metal and sale".
- BSW commercials were placed at the LED screen of the Palace of Culture of Metallurgists in Zhlobin.
- An advertisement of OJSC "BSW — management company of "BMC" holding" was placed at the ice arena in Zhlobin.

- A joint project with the ONT television channel has been implemented - a film on the complexities of the metallurgist profession "Foundry shop".

- The image video of the Byelorussian Steel Works "Tell Me" won the special category "Best musical score and accompanying sound" at the competition of the IX Moscow International Festival of Corporate Video.

- The filming of the corporate calendar of OJSC "BSW — management company of "BMC" holding" took place.

- Filming of the joint project of BSW and Wargaming (Joint-venture company with limited liability "Game Stream"), coincided with the 10th anniversary of the computer games World of Tanks;

- Information on BSW products is posted on the portal of information export promotion www.export.by.

- advertising and reference materials in magazines and newspapers of the Republic of Belarus and the Russian Federation: magazine "Bulletin of business and commercial information" No. 1 (40) 2020, advertising and information catalog "EXPORTofby" - "Belarusian exporters" No. 21, Reference and information publication "Belarusian exporters 2021" from the Belarusian Chamber of Commerce and Industry, Advertising and information magazine "Export of Belarus".

EXHIBITIONS, FORUMS

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

- Exhibition of new industrial developments (Community hall Minsk Tractor Works, city of Minsk).
- Professional "Olympus", Zhlobin.
- Advertising campaign within the framework of the 4th International Conference "Electric steel: Technology, Equipment, Materials", which took place on the territory of BSW.
- Virtual version of the XXI International Exhibition "Spring in Gomel".
- Exhibition, dedicated to the celebration of the "Day of Metallurgist" and the arrival of the Chairman of the Council of the Republic of the National Assembly of the Republic of Belarus Natalia Ivanovna Kochanova, city of Zhlobin, Palace of Culture of Metallurgists.
- Exhibition, timed to the arrival of the Prime Minister of the Republic of Belarus Golovchenko Roman Alexandrovich, city of Zhlobin, BSW SPC-2.
- Online conference "Round-table conference of marketologists" magazine "Metal supply and sales".
- Rotating exhibition of agricultural and special equipment, city of Gomel.
- International Industrial Online Exhibition TeMEx (virtual <https://temex2020.com/>).
- International Exhibition of Technologies and Innovations in Industry "TechInnoProm", city of Minsk.
- "Metal Expo-2020" - International Industrial Exhibition, Russian Federation, city of Moscow.

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 positions prescribed on the terms agreed in the 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-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;

- the supplier has a certificate of conformity for the social responsibility system (or a 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 ISO 45001), 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

From the structural point of view, the plan consists of three main productions (steelmaking, rolling, hardware), infrastructure workshops and management division of functioning 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 scrapyards. The scrap yard is equipped with overhead cranes and racks used for loading material into charging baskets which are delivered to the melt shops by scrap trucks. The steelmaking production is represented by three powerful electric-arc furnaces with the capacity of 100 tons each. The steelmaking process is intensified by the application of gas and oxygen technologies. Deoxidization and alloying of steel is performed in a ladle. Finishing of steel chemical composition is performed in special ladle-furnaces and vacuum degassers. Steel is cast by three continuous casting machines; two of them being six-strand units producing billet cross-section 125x125 mm, and one – a four-strand machine 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 the rolling technique.

On September 25, 2015 commissioning of a small section mill for production of wire rod and rolled section with special processing (SRS-2) took place. Its construction started in 2012 after signing of a

contract with Danieli (Italy) in October of 2011. The designed capacity of the new mill is 700 thousand tons per year with the possibility to increase the finished product output till 1 million tons per year. This project will allow the plant to balance its production of steel with in-depth processing and increase the output of hardware products.

The pipe-making shop for production of seamless hot-rolled pipes put into operation in July of 2007. The key equipment of workshop is pipe-rolling plant including a rotary 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 eddy-current surface defect detection devices, an ultrasonic unit for longitudinal defect detection on the pipe surface and body, hydraulic test of pipe tightness with the pressure 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 Michelin" (France), "Continental" (Germany), "Bridgestone" (Italy), "Goodyear" (Luxembourg), "Eaton" (the USA, Germany), "Manuli" (Italy), "Pirelli" (Italy),



"Yokohama" (Italy), "Cordiant" (Russia), "Trelleborg Wheel Systems" (Czech Republic) and others,

Another important hardware product for which there is a high demand, is the wire for high-pressure hoses (hose wire). With regard to automation and equipment level, the metalware is one of the highly developed in the world. The plant's specialists are successfully developing and implementing new steel cord constructions taking into consideration global development tendencies and tire requirements of the automotive market. 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 non-copper-coated wire, die-rolled cold-deformed reinforcing wire for concrete reinforcement, spring,

spoke, nail, general purpose wire and steelfiber (anchor, wave, 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 Customers

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:

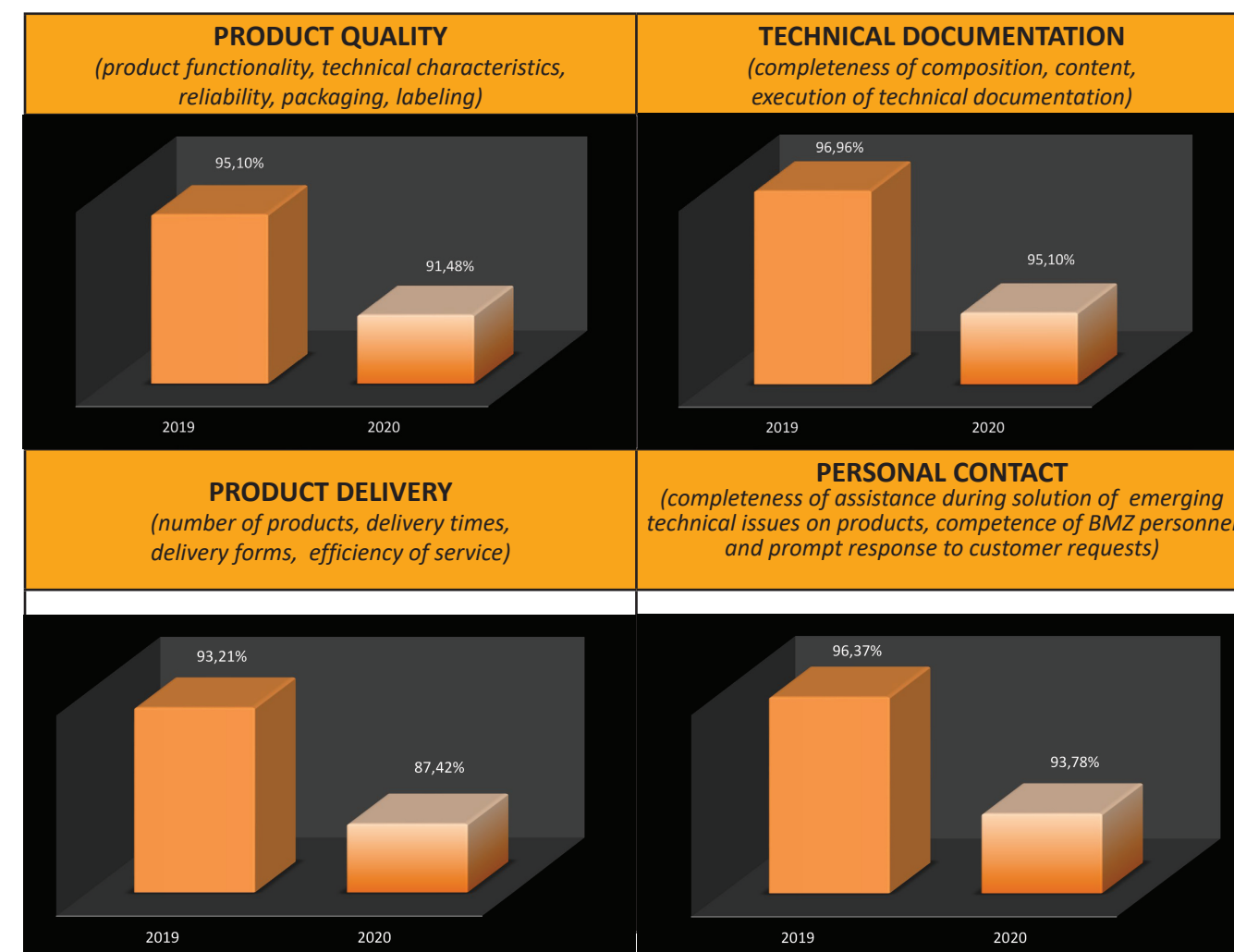
The non-conformances found while inspecting the cargo at the ports are taken into account when developing the corrective actions.

– 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.



CONCLUSIONS

1. In order to satisfy consumers with the quality of products, corrective measures are developed with the appointment of responsible executors.

2. In order to improve the work of all responsible services, an audit of the documentation is carried out, before its dispatch with the products to the consumer.

3. In order to improve production discipline, eliminate disruptions and postponements of the planned manufacture of products, immediate decision of all arising issues, production management carries out daily production planning briefs with the participation of representatives of the relevant departments. Monitoring of the execution of contracts is carried out on a weekly basis.

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:

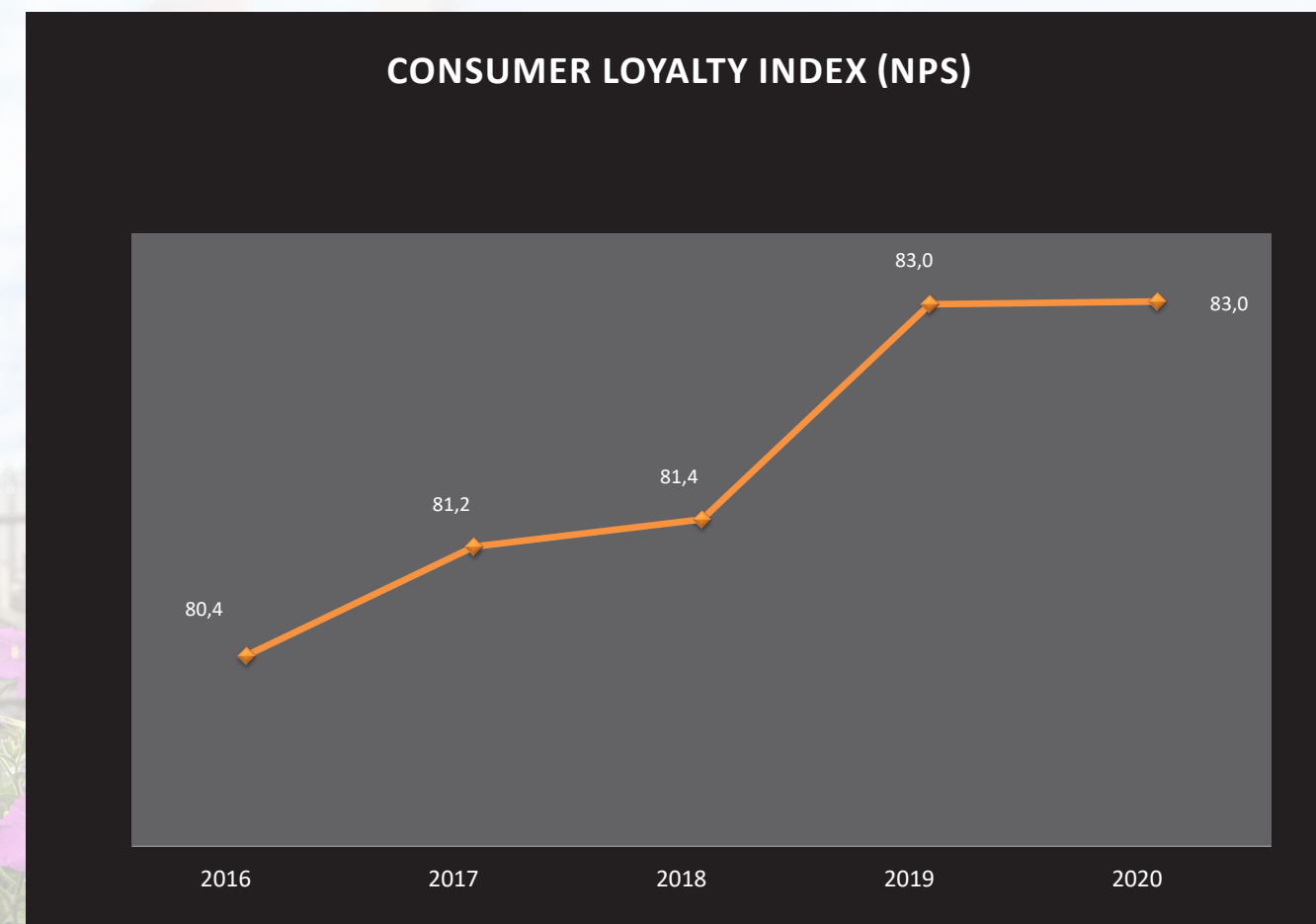
1. Construction of the "Nezhinsky mining and processing plant" on the basis of the Starobinsky potash salt deposit;
2. Construction of the "Darasinsky mine";
3. Reconstruction of the "Oshmyany cheese-making plant";
4. Shop "Green" in Gomel;
5. Multi-apartment residential building No. 2 in the city of Mogilev;
6. Construction of residential buildings in microdistrict No. 22, city of Zhlobin;
7. Construction objects at OJSC "Plant "Legmash" in city of Orsha;
8. "Moscow City";
9. Objects "INGRAD";

10. PIK objects;
11. Use of A500C and AT800 in construction projects for the 2018 FIFA World Cup;
12. Construction of residential buildings in cities: Mogilev, Shklov, Bobruisk, Minsk, Orsha, etc.;
13. Reconstruction of industrial manufacturing of Open Joint-Stock Company "Mogilevkhimvolokno", CJSC "Servolux Agro";
14. Organization of the construction industry on the territory of the Brest region for the construction of both housing and industrial facilities;
15. Construction of "Astravec nuclear power plant";
16. Repair and production of equipment for the mining and metallurgical sector, mechanical engineering;
17. Production of equipment for logging;
18. Mastering the production of rough forged axle for railway transport;
19. Wind generators in Lithuania, Finland, Norway and Sweden;
20. Schools and kindergartens in Sweden;
21. Shopping centers in Finland;
22. Logistics centers in Norway;
23. Housing projects in Norway, Sweden, Finland;
24. Construction of Primorskaya Combined heat and power station in village of Vzmore, Kaliningrad region;
25. Construction of a museum and theater and educational complex on Oktyabrsky Island and in the city of Kaliningrad;
26. Construction of the Oncology Center in the village of Rodniki, Kaliningrad Region;
27. Construction of the Pregolskaya Combined heat and power station in the city of Kaliningrad;
28. Construction of a school on Soglasia str. in city of Kaliningrad;
29. Construction of a school on Artilleriistov str. in the city of Kaliningrad;
30. Construction of the Museum of the World Ocean in the city of Kaliningrad;
31. Manufacturing of hydraulic and mechanical components for companies Caterpillar, Iconatsu, ETC;
32. Production of gear reducers:
 - Roda Forge: agricultural machinery components;
 - Varesina ST: spare car parts;
 - GSIL: grinding balls for mill-hole stope;
 - Me-Sar: details for load-carrying vehicle;
 - Massucco: details for automobile industry ;
37. Construction projects of city of Kiev;
38. Residential complexes: "Heart of the Capital", "Fili-Grad", "Life Botanical Garden", "Savelovsky City", "Presnya City", Residential complex "Mayakovsky", Residential complex "Sreda", Residential complex "Seliger City" and many others;
39. Interior of RAO "Primorskaya Combined heat and power station";
40. Island "Octobersky Stadium";
41. Manufacture of fittings in countries of destination for projects and residential buildings;
42. Open joint-stock company "Grodno-Azot";
43. Bridge across the Sozh;
44. Supply of spring mattresses in accordance with tenders on public procurement in city of Moscow and Moscow region;
45. Mastering new types of wheel brush with metal bristles from RML-1 and RML-2 wires for completion of crop-collecting machine, supplied to the Republic of Belarus from EU countries;
46. Production of balls of increased hardness.

Loyalty indicator of consumers

The annual measurement of consumer loyalty is carried out with the aim of maintaining market positions and attracting new customers – stimulation of repeat purchases by existing customers in combination with making an emotional commitment to the plant's brand and an attitude to long-term cooperation with the plant.

When conducting an annual survey, consumers are asked to answer one question "How likely is it that you recommend our products to other companies?" Based on the responses of end customers, the indicator of consumer loyalty is calculated - the consumer loyalty index.



According to the results of a survey of customers of OJSC "BSW – management company of "BMC" holding", the index of their consumer loyalty to the Belarusian manufacturer of metal products in 2020 remained at the level of 2019 and amounted to 83.0%, which is a high indicator in the conditions of current global situation.



PREFACE TO THE REPORT

The present Report discloses the results of activities of OJSC “BSW – management company of “BMC” holding” in the field of sustainable development for 2020, as well as plans for the near future.

The scope of Report

The present Report is the twelfth Report on sustainability development of OJSC “BSW – management company of “BMC” holding”. Retaining the tradition of reporting on sustainable development, the enterprise confirms its readiness for an open dialogue with the interested parties. Carrying out assumed commitments, BSW adheres to the chosen course of improvements and transformations in all areas: sustainable development management, economic activity, work with personnel, social activity of the enterprise in the regions, interaction with suppliers and consumers, policy on ecology and industrial safety.

The report discloses to a wide range of interested parties complete and reliable information on the priority areas of BSW's activities, such as the production of high-quality products, ensuring safe and decent working conditions for personnel, reducing the impact on the environment and promoting a healthy lifestyle.

The Report does not provide information on joint ventures and enterprises, located outside the Republic of Belarus.

Essential changes in the Report

In the Report essential changes of the information, published in the previous reports of the enterprise are absent. Economic indicators are given in US dollars at the average annual exchange rate of the National Bank of the Republic of Belarus in 2020, which amounted to 2.4349 Belarussian rubles.



Content of the Report and determination of the relevance of topics

The report has been prepared in accordance with the general option of reporting in accordance with the GRI Guidelines (G4). A list of indicators of common standard elements and specific standard elements of reporting is provided in Appendices 2 and 3 to the present report.

Taking into account the approach, recommended by GRI G4, the process of determination of the content of the Report was carried out in accordance with the principles of relevance, scope of interested parties, context of sustainable development and completeness of information disclosure.

For determination of the content of the Report and formulation of its text, of OJSC “BSW – management company of “BMC” holding” assessed material topics in accordance with the requirements of the GRI Guidelines. The topics and issues disclosed in the Report are recognized as significant from the point of view of their impact on the activities of BSW and the interests of key stakeholders: consumers, suppliers, employees, government bodies, as well as local communities.

In the process of determining the materiality, BSW followed the recommendations of the GRI Guidelines. The process included the following steps:

1. Analysis of internal sources of information, including the materials of the 2019 Sustainable Development Report, taking into account the opinions of the interested parties regarding the topics, which are the most interested for them.
2. Compilation, discussion and approval of a list

of material topics for inclusion in the Sustainable Development Report for 2020.

Particular attention in the Report is devoted to the development of projects at the republican and regional levels, comprehensive information is provided on the implemented initiatives to improve the environmental efficiency of production, the issues of labor protection and industrial safety, personnel and social policy, as well as interaction with local communities and suppliers of the enterprise are disclosed in detail.

For the development of a constructive dialogue with all the interested parties, each opinion on its activities in the field of sustainable development is important for the plant. For this purpose, the Report contains contact information and a feedback form. Your opinions and suggestions regarding the form and content of the Report, as well as any questions you may have, can be sent to the email address secd.pir@bmz.gomel.by or to the postal address: Open Joint Stock Company Belarusian Metallurgical Plant - managing company of the holding Belarusian Metallurgical Company (OJSC “BSW – management company of “BMC” holding”) Promyshlennaya street, 37, 247210, city of Zhlobin, Gomel region, Republic of Belarus.

**Electronic version of the report for 2020.
available on the website www.belsteel.com**



ANNEXES

List of used abbreviations

API	the American Petroleum Institute is a non-governmental organization in the USA involved in research of the oil and gas sector.
GRI	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 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
ISO 45001	Occupational health and safety management system
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
CCM	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 department	Occupational safety 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			
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			
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.		3. 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.		3. 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.		3. 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 through 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		2. 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	
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	
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	
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 impact on flora and fauna	
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	
G4-EN13 Habitats protected or restored		5. Environmental activity. Minimization of plant activity impact on flora and fauna	
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	

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.		3. Strategy and approach to sustainable development management / Structural organization of sustainable development management	
G4-SO5 Confirmed incidents of corruption and actions taken.		3. 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.		7. Product responsibility. Product marking with appropriate information	
G4-PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.		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 2020. Your opinion on this document will be highly appreciated and your comments and proposals will be taken into consideration in future reports as much as possible.

Please, fill the form and fax it to: + 375-2334-5-54-2 or mail to:

37 Promyshlennaya str., 247210 Zhlobin, Gomel region with the mark «Report -2020».

You may also e-mail the filled form to: (secdpir@bmz.gomel.by

1. To which group of stakeholders do you belong to?

- Representative of authorities ☐
- Representative of Community ☐
- Investor ☐
- Partner ☐
- Client ☐
- Employee ☐
- Another group of interested parties _____

2. What is your appreciation of the Report in terms of completeness of the information presented?

- ☐ High ☐ Average ☐ Low

3. What is your appreciation of the Report in terms of and credibility of the information presented?

- ☐ High ☐ Average ☐ Low

4. 4. What is your appreciation of the Report in terms of search of the information required?

- ☐ High ☐ Average ☐ Low

5. What is your appreciation of the design of the Social Report?

- ☐ High ☐ Average ☐ Low ☐ Низко

6. Has the Social Report helped you to understand the activity of OJSC «BSW – management company of «BMC» holding in the area of sustainable development?

- ☐ Yes, fully ☐ Yes, partially ☐ No, not quite ☐ No, not understandable at all

7. Please, evaluate the following sections of the Report of OJSC «BSW - management company of «BMC» holding» from the point of view of interest, relevance and completeness of disclosure (from 1 (low) to 5 (very high)

- | | | | |
|--|-------|---------------------------|-------|
| Steelmaking. Reaching a new level | _____ | The plant characteristics | _____ |
| Participation of the republican scientific potential in the development of the metallurgical complex | _____ | Economic activity | _____ |
| Description of key impacts, risks and possibilities | _____ | Environment activity | _____ |
| Management, obligations, stakeholders engagement | _____ | Social activity | _____ |
| Product responsibility | _____ | Interaction of parties | _____ |

8. Has the Report influenced on your attitude to the activity of OJSC «BSW - management company of «BMC» holding»?

- ☐ Yes, my attitude improved
☐ No
☐ My attitude became worse

9. What information in the Report was the most interesting for you?

10. What directions of the activity of OJSC «BSW - management company of «BMC» holding» in your opinion require improvement so as to raise social responsibility?

11. What information would you like to see in future social reports of OJSC «BSW - management company of «BMC» holding»?

Thank you for cooperation!

Notes:



Notes:

Notes:

