

### EMISSION REDUCTION FOLLOWING GAS STACK PROJECT

EVRAZ Highveld has completed its Raw Gas Stack Cap project, resulting in an 80% reduction in emissions from the post combustion towers of the rotary kilns in its iron processing plant. The thirteen raw gas stack caps force the waste gas generated under normal conditions from the combustion process inside the kilns through the existing Electrostatic Precipitator for cleaning.

The fifteen month project saw consulting engineering firm Hatch design the stack caps which were then manufactured in-house by the EVRAZ Highveld engineering team, allowing for tight control over the manufacture quality, project progress, and cost. Other completed emission control projects include the rebuild of the Kiln 8 precipitator and the optimisation of the venturi systems for removing fine dust particles in Furnace 5 in 2011.

Our CEO Mike Garcia sees the completion of the Raw Gas Stack Cap project as tangible evidence of the company's commitment to environmental improvements. "EVRAZ inherited certain environmental legacy issues when it acquired Highveld in 2007 and has continued to invest in the equipment, processes and people required to bring itself up to international standards. To achieve these standards we are implementing our Environmental Management Plan which includes industrial waste management, water quality

management, implementation of the biodiversity action plan, land and rehabilitation management, implementation of the ecological engineering projects, environmental awareness projects, environmental incident management and implementation of environmental finance and economic related projects," says Mike.



Completed Stack Cap Installed on Kiln 9



Stack Cap Fabricated in Evraz Highveld Workshops

# PROJECT REPAIR

## and Our Values

***Project Repair – Evraz Highveld's project to Restore Employee Pride and Improve Results – is underway and the changes at the company have been felt across departments.***

To recap: We are in an uncompetitive cost position, facing challenging markets, and we have to do all that is necessary to bring the business back to profitability and to ensure our long-term sustainability. There have been numerous rounds of meetings and consultations and it is important that the internal briefs are read and understood. Make sure you are receiving them, and if you aren't, speak to your manager or e-mail [INDABA@evrazhighveld.co.za](mailto:INDABA@evrazhighveld.co.za). This is also the e-mail address you can use to raise your concerns or share your proposals on how to make Project Repair a success for all of us.

Project Repair is a holistic approach to turning the company around. It is not only about cost-cutting, we have made some strategic decisions with regards to our sales approach too.

These include a temporary exit of low-margin export business in order to focus on higher margin domestic customers and the curtailment of production to 45 000 tons per month. This enables us to satisfy our vanadium customer demand while allowing Operations the breathing room to stabilize and implement change. This change includes the implementation of a consistent and aligned 4-shift operations schedule

across all divisions and PMD.

These changes are necessary when we are making significant losses and we are unable to cover our fixed costs.

The four-week strike by Numsa ended with all operational employees reporting for duty on 13 August 2012 on the new 4-shift system. This was after weeks of discussions at the CCMA to find a mutually acceptable solution to the impact of the changes. We have agreed on an additional 7,5% pay rise as part of the compensation adjustment for employees who would suffer loss of overtime earnings due to the change in operations and PMD.

We expect to be fully operational by the end of August and we now need

to turn our attention to fulfilling order commitments.

**Our Values continue to drive us**

***Enrichment through collaboration:***

This is the time to really work together as one team, to make sure we get the results we need to make the business sustainable.

***Value created for our customers:***

This is key to our return to profitability.

***Respect for people:*** No matter what the changes happening here at EVRAZ Highveld, we still maintain respect for each other.

***Accountability for actions and***

***results:*** Only we can make this turn around happen.

***Zeal for continuous improvement:***

The only way up!  
That's the EVRAZ way.



Says CEO Mike Garcia,

*"I would like to thank everyone who is cooperating with the process and who is committed to a competitive and sustainable company going forward. I ask that all of us to keep our eyes firmly on our Values. This is what will get us through these times and help us achieve the shared success we all deserve"*

Mike Garcia

# QUALITY ACHIEVEMENTS

## ACROSS THE COMPANY

**The SHREQ management system is designed to exceed regulatory, international and best practice requirements for all matters related to safety, health, risk, environment and quality and is based on the following standards.**

**ISO 9001:2008** for quality assurance.

This standard provides the framework for achieving and demonstrating the effectiveness of the quality management system in meeting customer requirements consistent with quality policy and objectives.

The Steelworks retained its certification status after the TÜV Rheinland re-certification audit conducted in September 2011.

If this accreditation had not been retained, our steel sales would be seriously affected. This accreditation is critical to the company and everyone is responsible making quality products **FIRST TIME RIGHT EVERY TIME!**

**ISO 14001:2004** for environmental matters.

This standard provides the framework for achieving and demonstrating sound environmental performance by controlling the impacts of activities, products and services on the environment.

The Steelworks retained its certification status after the TÜV Rheinland re-certification audit conducted in November 2011.

With evermore stringent environmental legislating coming into effect we need to be more vigilant in striving to minimise our impact on the environment and we can all contribute to achieving this.

**OHSAS 18001:2007** for safety and health.

This standard provides the framework

for achieving and demonstrating sound occupational health and safety performance by controlling health and safety risks.

The Steelworks passed the milestone of OHSAS 18001:2007 accreditation in November 2011 and everyone played a role to achieve this.

Mapochs Mine has retained its OHSAS 18001:2007 accreditation after TÜV Rheinland audit conducted in January 2012.

## B-BBEE VERIFIED RATING

EVRAZ Highveld has sustained its Level 5 B-BBEE rating following certification by SANAS accredited B-Logic. Evraz Highveld will continue to pursue improved ratings across the B-BBEE scorecard to maintain – and where possible improve on - this level in line with the DTI's six to ten year targets.

Provisional Verification Agency as its B-Logic Verification Agency

**sanas**  
BAA 100

**B-Logic**  
VERIFICATION AGENCY

**BROAD-BASED BLACK ECONOMIC EMPOWERMENT**

THIS CERTIFIES THAT:

**EVRAZ HIGHVELD STEEL AND VANADIUM LIMITED**

REG NO: 1980/001900/06  
VAT NO: 4550154431  
ADDRESS: HIGHVELD OLD PRETORIA ROAD, PORTION 93 OF THE FARM SCHOONGESICHT 308 JS, EMALAHLENI, MPUMALANGA

**Is a Level Five (5) Contributor\***

\*As per the Department of Trade and Industry's Codes of Good Practice – Code Series 100-700 (Generic)

ELEMENT	WEIGHTING POINTS	SCORE
Ownership	20	5,000
Management Control	10	3,474
Employment Equity	15	5,562
Skills Development	15	11,876
Preferential Procurement	20	17,509
Enterprise Development	15	15,000
Socio-Economic Development	5	5,000
<b>OVERALL SCORE</b>	<b>100</b>	<b>57,411</b>

B-BBEE Procurement Recognition Level: 80%

Black Ownership: 0%

Black Women Ownership: 0%

Value Adding Supplier: No

Issue Date: 15 May 2012

Expiry Date: 14 May 2013

CERTIFICATE NO.: 663091

This rating report is based on information provided to B-Logic as of 31 December 2011. The rating is an independent opinion and is valid for twelve (12) months only.

B-Logic Verification Agency  
Reg No: 2009/04028/03  
Tel No: 4142048508  
22 Buljam Street  
Nelspruit  
Tel: 013 752 2877 / 2488  
Fax: 013 752 2488 / 1886

BL/DOCM/CERT001 B-LOGIC VERIFICATION AGENCY 2012/01/03

Highveld Steel B-BBEE Certificate - Signed

# NEWS

## FROM MAPOCHS

Mapochs Mine is responsible for rehabilitating disturbed land as a result of mining operations. This is not only a compliance requirement but also part of the Duty Of Care principle the mine has to look after the

natural environment so that a rehabilitation plan could be developed suitable for the environment at Mapochs Mine.

Before the integrated rehabilitation plan can be fully implemented, it is

possible. Examples of this are in the following illustrations.

This project will be one of the first integrated rehabilitation methods implemented in South Africa on a very challenging area in South Africa and a true sustainable project in the mining environment.

***EVRAZ Highveld, envioneering the future!***



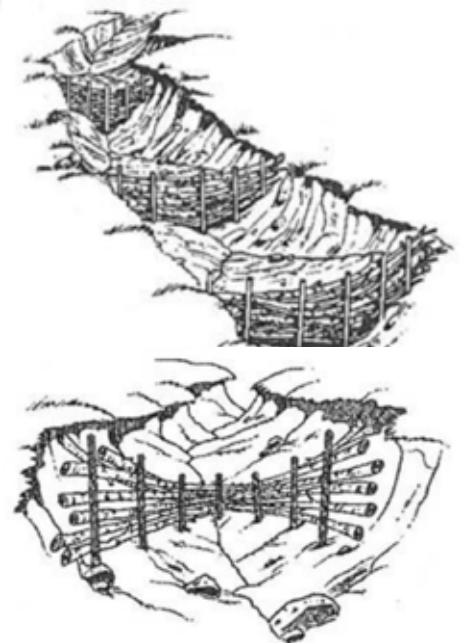
Mapochs

environment. In early 2011 the EVRAZ Highveld environmental department, together with Mapochs Mine, initiated a one of a kind project where the development of an integrated rehabilitation plan commenced. Weeks of fieldwork commenced where every corner of Mapochs Mine was ground-truthed and the ecosystem was assessed together with understanding of the current levels of biodiversity at Mapochs Mine.

Intensive studies were done on the soil, plants, aquatic ecosystems and animals of Mapochs Mine. This fieldwork was crucial to understanding the Mapochs

necessary to conduct a trial in certain areas. The sites has little cover and steep slopes as evidenced in the pictures above.

The environmental modelling is nearing completion and the project is well on track. Water management is particularly important so as to limit silt from migrating into water courses or water habitats, and to limit erosion from the area. To avoid this Mapochs will employ biological engineering methods and use natural materials as much as



# HR AND PEOPLE NEWS

## Changes to the HR function

Monita Böhmer has been appointed as Director Global Mobility and will soon be moving to Moscow to take up her new role. Yolandé Potgieter will continue to manage issues on a day-to-day basis.

The HRP's will now report to Lolo Ngubeni, who is Section Manager, Strategy Execution. HRP changes include:

Helga Loubser has taken responsibility for Steel Plant and Refractories and Busi Sibande is responsible for the support functions. Nonkqubela Goqa has moved across to look after the human resource issues in the Mills. Jabu Malevu has taken over Nonkqubela's responsibilities in Production Services, Procurement & Stores and other divisions. De Mist Magaela remains at Ironmaking and Lucy Kgwete retains her portfolio of responsibilities. San-

dra Janse van Rensburg is now looking after recruitment, which has moved back into Convince Hlapolosa's portfolio.

Changes at the Training Centre see Elijah Nkabinde focusing on Technical Training and Jo Eaton taking responsibility for Talent Management & Development. The TDPs will now report to Jo and their role will broaden to focus on the talent development agenda.

## Supervisory Skills – a new era in people development

EVRAZ has set a number of objectives for people development for 2012, and amongst these is the further development of supervisory skills. Evraz Highveld will be aligning with this process.

A new programme has been designed in-house, drawing from the knowledge and experience of our own employees. It follows 3 key themes:

- How do I manage people?
- How do I manage my workplace (production)?
- How do I become a highly effective leader?

The programme will be delivered in-house and will be broken into modules. After attending a module, participants will be expected to go back to their

workplace and use the new methods. They will produce a portfolio of evidence and come together in small groups to discuss what went well and what they found difficult. The course is designed to develop new ways of behaving and managing, so it's important that participants immerse themselves in the new strategies before moving on to the next module.

## EVRAZ Highveld Retirement Fund Newsletter – May 2012

Please make sure you have received a copy of the May 2012 newsletter. It highlights the current investment markets and investment returns for the year ending 31 March 2012 and other important information such as the member trustee's elections and principal officer appointment.

July saw the start of tax season, and the newsletter also discusses the importance of having a tax reference number, particularly with regard to the need for a tax reference number in order for benefit payments to be made from the pension or provident fund. If you haven't received a copy of the newsletter, applied for a tax reference number, or completed your annual beneficiary nomination form, please speak to your HRP.

## EVRAZ New Leaders Announced

The following successful candidates will be participating in the 2012 EVRAZ New Leaders Programme. The pro-

gramme develops a new generation of leaders that will ensure continuity of management at the company as well as

address the shortage of strong managers in the production and technical fields in the steel industry.



Corne Pienaar  
Flat Products



Khethani  
Mphaphuli  
Steelmaking



Farhana Rahaman  
Finance



Colin Short  
ITS



Johan  
van der Westhuizen  
PMD



Kunal Harilal  
Engineering Services

# NEWS

## FROM AROUND THE WORLD

### Steel Will Be Used for the Canadian Army

Textron Systems Canada Inc., has submitted a proposal to supply 500 Tactical Armoured Patrol Vehicles (TAPV) to the Canadian Army, with an option for up to 100 additional TAPVs, all of which will feature Textron's proprietary armour steel alloys supplied by EVRAZ North America.

### Skiing Contest in Siberia

13 teams representing 17 EVRAZ branches took part in a corporate skiing contest on Tumannaya Mountain. EVRAZ ZSMK took the first prize, Evrazruda got the silver and the bronze went to Yuzhkuzbassugol.

### NTMK Gets another International Certificate

EVRAZ NTMK in Nizhniy Tagil was certified by The Germanischer Lloyd SE, one of the leading classification societies in the world, based in Hamburg,



NTMK shipbuilding slabs

Germany. The certificate proves that the steel slabs produced at NTMK are fit for shipbuilding.

### EVRAZ Creates Railway Products Division

EVRAZ plc has established a separate division for Railway Products. The new division includes EVRAZ ZSMK, EVRAZ NTMK, EVRAZ NMTP sea port and EvrazTrans transport company. The new Railway Products Division will deal with production and sales as well as product development for railway applications.



### EVRAZ Receives Award for Best Financial Disclosure Procedures in Europe

EVRAZ plc was named the best European company in the Best Financial Disclosure Procedures category in the 2012 IR Global Rankings (IRGR) survey during the award ceremony in New York. It is the second time the top award in the Best Financial Disclosure was presented to EVRAZ - the first award in this nomination was presented to EVRAZ in 2011.

EVRAZ has signed a Memorandum of Understanding with Russian Railways. EVRAZ plc and Russian Railways have signed a Memorandum of Understanding that outlines 5-year contract that will come into force in 2013, and will be valid through 2017. During that time EVRAZ will supply Russian Railways with rail products worth around 90 billion rubles, to include rails up to 100 metres long.

### EVRAZ Pueblo Earns a Steelmakers Trophy

The EVRAZ Pueblo melt shop team has earned the Badische Stahl (BSE) "Excellence in Steelmaking" trophy for continuous improvement and outstanding production efforts. The equipment manufacturer awards the trophy rarely and only to top industry performers.



BSE Melt Shop Award

# TUBERCULOSIS

## **What is TB?**

Tuberculosis (TB) is an infectious disease caused by the bacteria *Mycobacterium tuberculosis*. It usually attacks the lungs, but can infect almost any part of the body. TB is very common worldwide, but particularly in sub-Saharan Africa. The bacteria is spread from person-to-person in the air.

It is a very serious disease which can destroy the lungs or even spread to other parts of the body, such as the brain, adrenal glands, bone, kidneys and bowel.

It is important to be able to recognise the symptoms early and seek treatment in order to have a successful recovery.

Please visit the EVRAZ Highveld Clinic or your own doctor if you suspect you may have TB.

## **Who gets TB?**

Only about 10% of people who inhale TB bacteria actually develop the disease. Infection only occurs when TB bacteria are able to overcome the immune system and spread within the body. Therefore, people with suppressed immunity are more likely to get TB.

## **How would you know if you had TB?**

Symptoms include an on-going cough, tiredness, weight loss, loss of appetite, fever, coughing up blood, night sweats, chest pain, symptoms from other systems (brain, kidneys, liver etc) if the TB has spread. TB can be difficult to diagnose but tests include chest x-ray,

skin testing, sputum (mucous) testing, bone marrow tests, and blood cultures.

## **How is it treated?**

Treatment depends on the affected area of the body, whether it is the first time it is being treated and if there is resistance to TB drugs. Treatment usually consists of a combination of drugs for a minimum of six months.

Is there a link between TB and HIV?

Not everyone who has TB is HIV positive, but many people with HIV do get TB, because their immune systems are vulnerable to any illness.

Information courtesy of HealthInSite

