

Evraz Highveld News

DECEMBER 2010

MAKE THE NEW
LOOK EVRAZ
HIGHVELD NEWS
YOURS!

Welcome to the first edition of the new look Evraz Highveld News. The paper will be published on a quarterly basis and we hope to improve with each edition.

To make the Evraz Highveld News something YOU want to read, we invite you to submit news, articles, and photographs for editorial consideration.

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Giving Back to eMalahleni

The Evraz Highveld eMalahleni Community Forum is up and running!

The Forum, to be officially launched early next year, was established as Evraz Highveld's way of investing in South Africa's economic transformation. The Forum has a primary focus on socio-economic development and a secondary focus on education and health for the benefit of the most vulnerable members of the communities where Evraz Highveld operates.

The management of community issues will be driven by five underpinning principles:

CEO Scott Macdonald: "This Forum is long overdue and we are

- Mutual respect;
- Active partnership;
- Long-term commitment;
- Mutual benefit; and
- Sustainability.

Hearing is a Precious Thing

Precious Mashilangako is a bubbly and very intelligent four year old girl who was first diagnosed with severe hearing loss in both her ears when she was two years old. Her hearing loss was so severe that she would never be able to hear or develop speech without having a cochlear implant.

Her mother Thembi is a cleaner and her father, Sydney, a driver for a local company. Both have been rais-

ing funds for a cochlear implant, with the help of family, friends and the staff and parents at the Stepping Stones Pre-School.

Despite a massive effort, the family was still short of R40 000 required for the operation.

The Steve Biko Academic Hospital Board-Robert Kerr Trust Health Programme approached Evraz Highveld to help Precious and funds were granted as part of the Community Forum's CSI programme.



ready to start putting more back into the community. The Forum's success will depend on how effectively we apply our resources, and we must do this in consultation with the relevant authorities and the community. In order to bring structure to

this we will be driven by the Forum's Managing Committee".

The Managing Committee consists of nine members: two members of the Evraz Highveld Executive Committee; two union representatives; and five members of the community.



Precious Mashilangako

Engineering Services' Bright Idea



August this year saw Engineering Services initiate a CFL exchange programme to create awareness of using 'energy savers' rather than incandescent bulbs. Employees also had an opportunity to exchange incandescent globes for energy savers at the Steelworks.

The energy saving benefits of CFLs and the positive impact on household budgets and the environ-

ment have been published extensively. It is widely known that CFLs last six times longer than traditional bulbs while consuming 80% less electricity.

During the exchange Engineering services exchanged 2616 globes for CFLs.

The plant with the highest exchange was Engineering Services followed by Iron Plant.

Watts it all about?

- **Saving energy means saving money**
- **Saving energy helps to make sure South Africa has enough energy to meet its needs**
- **Saving energy reduces the effects that producing electricity may have on our environment.**

“Transformation is important for the growth of the South African economy. It’s not about spending money to get points; it’s about expanding businesses through collaboration”

Leading the Transformation Drive

We asked newly appointed Transformation and BBEE Manager, Thabisile Mchunu, to tell us more about transformation:

Thabisile, What is a Transformation Manager?

A transformation manager should be someone with an entrepreneurial spirit, and technical and business sensitivity. Someone who is committed to influencing and pro-actively executing diverse programmes aimed at bridging the gap between the old and new cultures. These programmes include Broad Based Black Economic Empowerment (BBBEE), Socio-Economic Development, and Diversity and Inclusion programmes. The transformation manager

communicates on transformation policy development as well as advises and supports company committees, departments and stakeholders on transformation issues and best practices.

Evraz Highveld has a footprint, there is a true reflection of socio-economic upliftment in all possible aspects of human enrichment—skills development, job creation for sustainability, and the development and growth of small businesses.



Thabisile Mchunu

What is Evraz Highveld’s Transformation Policy?

To ensure that wherever

Why is transformation important?

Transformation is important for the growth of the South African economy. It’s not about spending money to get the points, it’s about expanding businesses through collaborative structures and processes. Communities embracing diversity and growing together, will see their contributions playing a meaningful role in taking this country to a bright future.

Stay Alert and Stay Safe This Festive Season

The festive season is around the corner!

Many companies close or employees go on holiday; but unfortunately companies who operate during this exciting time of the year experience a lot of work-related accidents. The most common cause of these accidents is employee fatigue.

What is fatigue?

Fatigue is a fancy word for exhaustion and employee fatigue or exhaustion occurs when employees attempt to work after inadequate sleep, or try to do tasks that are physically or mentally strenuous, or even when family conflicts affect an employee's concentration at work.



During the festive season, ineffective management of shift work by the employee and inadequate sleep (both the duration and the quality of sleep) are the most common causes of employee fatigue. Physical fatigue affects the employee's muscles to the degree that one's fitness to do a task becomes unsafe. Muscle weakness

means that a person can not exert the necessary force required to do the work.

Mental fatigue affects the employee's level of consciousness and decreases one's attention or concentration, which can be dangerous when performing tasks that require constant concentration.

Sleep is important

Even during the festive season, the importance of sleep cannot be over-emphasised, both the quantity of sleep and quality of sleep. To get the best sleep possible, try to control temperature changes, lighting conditions, and noise levels.

Make sure you drink 6 to 8 glasses of water each day as this will help increase your concentration at work and keep your body temperature in check which will help you sleep.

Workload, workplace conditions, and number of hours worked are work-related factors which contribute about 35% to employee fatigue. Non work-related factors are by far the major contributors to employee fatigue and these include the inability to cope with work conditions or shift work, the disruption of natural sleep rhythms in shift workers, sleep disorders, family conflicts, and ineffective management of shift work by the employee.

Changes to Leave Policy

The following changes to the Leave Policy came into effect on 1 November 2010, as per Brief 688 from Human Resources.

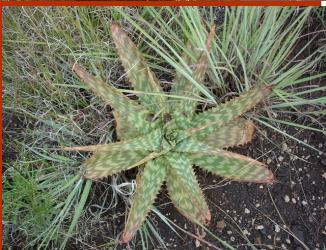
An employee's leave only becomes available after 12 months of service with the Corporation have been completed. However, to avoid employees taking unpaid leave before the completion of 12 months service, employees may apply for:

- Non-accumulative leave portion of the annual leave before the completion of 12 months

- Accumulative and service leave before the completion of 12 months

This leave is also subject to management approval and the normal leave application process. Leave days may not exceed the accrued balance and such leave may not be cashed out.





Mapochs Mine

Local and Economic Development of the Community

The Mapochs Mine has committed to design and implement Local and Economic Development (LED) projects for the upliftment and socio-economic development of the surrounding community, which is in line with the Mineral and Petroleum Resource Development Act, Act 28 of 2002 (MPRDA).

The global credit crisis experienced during 2008 and 2009 had a significant effect on the Corporation, which also negatively affected the implementation of the LED projects.

These LED projects will be looked at more seriously especially since there has been a gradual recovery in the economy.



Mapochs: Identified Projects

Evraz Highveld, Mapochs, EMLM and the community of Roossenekal embarked on a consultative process to identify areas of concern relating to the Social and Labour Plan.

The following projects were identified:

- **Integrated Town Planning Project**
- **Clinic and Ambulance Facilities and Service Project**
- **Horticulture and Agricultural Livelihoods Project (Hydroponics)**

This project will have an appropriate community development component and the appropriate training and implementation models will be designed for both commercial and household application.



- **Chicken Broiler and Abattoir Project**
- **Roads Upgrade and Maintenance Project**
- **Project Restore**

This project involves the development of an indigenous nursery on land owned by Mpochs Mine.

It will be beneficial to both Mapochs Mine and the community as it involves rehabilitation of mined areas and the employment of local community members.

This project also has significant sustainability and empowerment potential that will continue long after the mine's reserves have been depleted.

How are we doing on Health and Safety?



Although Health and Safety should be embedded within each task that is performed, it is highly apparent that a lot of ground still needs to be covered.

Lots of incidents occur within Evraz Highveld that are more people oriented than condition oriented. We have to ask ourselves, are we missing a particular ingredient to this person-environment task formula?

Each of us has a responsibility to be aware of what the hazards are, what the sources, actions and situations are that can bring harm to us as we carry out our tasks. **Each employee has a duty** to take care of their own

safety, and that of their fellow employees.

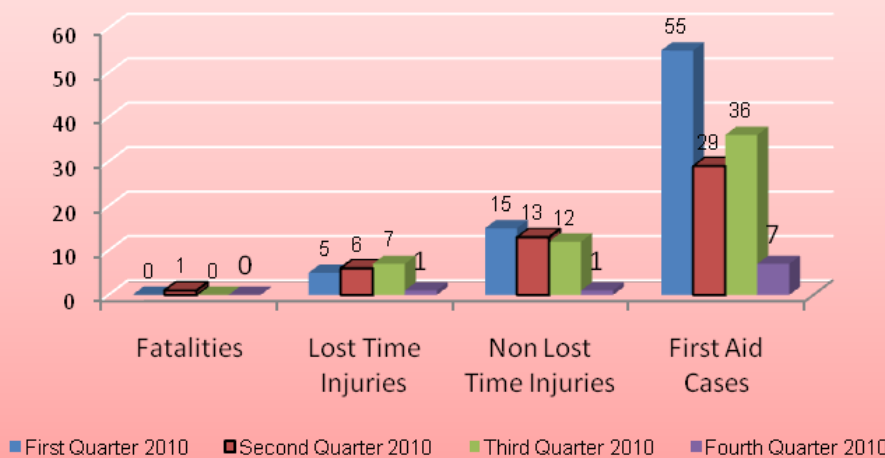
A brief glance at Evraz Highveld, including Mapochs Mine, safety statistics per quarter of 2010 show:

The top 3 types of injuries sustained up to 4 October 2010:

- Burns - 7
- Amputations - 5 (including partial amputations)
- Fractures - 4

Remember:
Never take short cuts, no matter how convenient they may seem to be.
Your life is determine by your actions.
Stay Safe!

Incident per Quarter 2010



With one fatality at the Mine this year, 19 lost time injuries, 41 non-lost time injuries and 127 first aid cases for Evraz Highveld as a whole (to 4 October), it is imperative that:

- Supervisors and employees jointly ensure that risk assessments are conducted and discussed proactively.
- Any unclear instructions are sorted out before a task is executed - how open is the line of communication?
- Observing and reporting any unsafe conditions is crucial for the safety of the person doing the job.
- Proper tools and the correct frame of mind are in place. Being aware of what you are doing plays a vital role in executing a task safely. Is it safe to answer your cellphone whilst doing fault finding on a live electrical panel?
- New employees must be oriented in their respective environments to ensure proper and safe work.
- Employees must know who their SHE representatives are, and how they can be of assistance on Health and Safety issues.



Not the best place to take a lunch break!

Evraz Highveld Helps eMalahleni Water

Did you know?

All raw water supplied to the city of eMalahleni and surrounding communities and industry is pumped from Witbank dam pump station. The pump station has capacity for six pumps, of which four are commissioned.

The four pumps in operation are KSB WKN 350/2 two stage pumps capable of delivering approximately 450 litres per second at a pressure of 17 bar.

When all four pumps are in operation simultaneously a total quantity of 1 300 litres per second can be pumped.

The pumps are driven by two 200V, 1045 kW electric motors. Each pump weighs approximately three tons.

On 12 November 2010, Mr Ndlovu, acting Head of Department Water and Sanitation from the eMalahleni

local municipal council requested Evraz Highveld to assist with the installation of a water pump which had been repaired.

After the necessary planning and preparation work, the pump was installed by Evraz Highveld employees on Wednesday, 17 November.

The following work was completed on pump No. 2 at the Witbank dam pump station:

- Old coupling removed from motor shaft.
- New coupling supplied, machined in Evraz Highveld's central workshops and fitted to the motor and pump shafts.
- The pump was installed into its position and the pump and motor was

aligned by Evraz Highveld technicians using laser alignment equipment.



- The delivery and discharge water pipes were reinstalled.

- New bearing cooling water pipes were assembled and installed.

On Thursday, 18 November the pump was started by a municipal employee, the person responsible for the Witbank dam pump station, in the presence of the Evraz Highveld foreman, Hennie Naude, the person responsible for the pump installation.



Recommissioning of the pump was successful and it was returned to service by the municipal employee.



Suretha hits the right notes

Suretha Burger has been employed at Evraz Highveld since February 2007, operating the company's switchboard through Braille and the Jaws System, both aids for people with visual impairment.

Suretha's visual impairment means she can only distinguish between light and dark.

Evraz Highveld's musical maestro

recently won Gold in the Eisteddfod music competition held in Middelburg, and added this achievement to her trophy won in New York for the Pop Division when she represented South Africa in the international competition, where she also received a special award for the Broadway category.

This follows gold medals in the Pop and Broadway categories in the Talent for Africa national competition.

Furnace 7 Conversion to Open Slag Bath

Evraz Highveld recently approved the rebuild of Furnace 7 to Open Slag Bath (OSB) operation.

This project forms part of the company's strategy to increase steel output, but more importantly vanadium production.

Furnace 7 has reached the end of its refractory campaign life and resulted in some run-outs in the past 12 months, causing significant damage to the plant and suffering large losses in liquid metal output.

It was decided to convert the furnace from Submerged Arc Furnace (SAF) to OSB operation, while it will be switched off for the refractory reline. The first Open Slag Bath furnace was commissioned in July 2005, the second in December 2006 and the latest in December 2007. Since the first furnace was commissioned, the OSB operation has proved itself to increase vanadium output as well as liquid iron production. It also reduces operational costs due to reduced electrode paste consumption and a reduced labour intensive tapping practice.

One of the most significant savings that the OSB configuration provides is the ability to utilise a cheaper coal. This proved to be a valuable attribute, since coal in South Africa will only increase in price as the demand for high quality coal increases.

Reduced power consumption

also forms part of the major arguments for complete conversion to OSB operation at the Iron Plant.

Project approval was given on 10 September 2010, and the project design phase started in October 2010. The complete furnace design and procurement process is aimed to be finished in February 2011, whereafter Furnace 7 will be switched out early March 2011.

The construction phase is currently estimated to be 4.5 months, stretching from March 2011 until end July 2011. The total cost of the project will be in excess of R175 million with an approximate payback of 29 months.

The project team is considered to be well balanced for such a large and strategic project. All the operational and engineering personnel were intimately involved in all three previous conversions and therefore very familiar with the project scope and typical risks. It is for this reason that Evraz Highveld decided to manage the project from within its own resources.

The design of the furnace is however contracted to Hatch, who has designed all three previous OSB furnaces.



Hatch has expertise in all engineering fields and is also very familiar with the unique OSB operation due to its involvement with New Zealand Steel and Evraz Highveld, who are the only two companies that utilise the OSB configuration to produce pig iron.

Furnace 7 is expected to reach full production in August 2011 and to be the pinnacle of the furnace operations at Evraz Highveld



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Evraz Highveld Steel and Vanadium Limited is a vertically integrated steel and vanadium slag producer. Evraz Highveld obtains iron ore from its own Mapochs mine.

The Corporation strives to create superior value and benefits on a sustainable basis across economic cycles for all stakeholders, by developing the business into a low cost steel and vanadium slag producer.

The Corporation has implemented an integrated SHEQ management system in line with the relevant standards and specifications.

Evraz New Leaders Programme

Seven Evraz Highveld future leaders will be participating in the Evraz Executive Education Programme next year from March to August. This is the first team from Evraz Highveld to take part, with more teams expected to participate in the future.

The programme is designed to develop a new generation of leaders to ensure continuity of management for the company, and to go some way in addressing the shortage of efficient managers in production and technical fields in the steel industry in general.

The key objective is to identify high-potential employees and help them grow to be successful managers who understand and share the company's strategy and values, and who possess the necessary knowledge and skills to contribute to Evraz's growth.

Participants work on projects that they could be appointed to manage upon completion of the programme.

Launched two years ago, over 100 employees have since graduated. Our team will have the opportunity to meet people from Evraz globally and share best practices with them; broaden personal experience, gain new knowledge and develop strategic planning, leadership, project management and presentation skills; attend lectures by and discussions panels with the best internationally-recognised business trainers and experts; study at an internationally recognised business school; and present their ideas and establish open communication with Evraz Group top executives; and ultimately boost their career prospects.

Roger Ferreira,
Kefilwe Mothupi,
Pavel Tatyandin,
Dikeledi Tshweleng,
Jacqueline Botha,
Monita Bohmer,
and Scott MacDonald.
Yolandi Bezuidenhout and Jaco Pienaar seated.

