



Evraz has been certified as a Best Employer South Africa 2011.

What our research finds:

Introduction

A vertically integrated steel and vanadium slag producer, Evraz Highveld is listed on the JSE Limited in South Africa, but the majority of issued shares are held by Evraz Group S.A. The largest steel company in Russia, the Evraz Group S.A. is also the world's tenth-largest vertically integrated steel and mining business – with operations in Russia, Ukraine, USA, Canada, Italy, Czech Republic and, of course, South Africa.

Critical Business Facts

- Total Number of Staff Employed (full-time): 2 384 (as at end April 2011)
- Annual Turnover in Rands for 2010 (RSA only): R5 161 million for the group, R3 736 million for the company, excluding Hochvanadium (as per annual report)
- Industry Sector: Manufacturing
- Geographic Areas of Operation: eMalahleni, Mpumalanga and Roossenekal, Limpopo in South Africa, Russia, Ukraine, USA, Canada, Italy and Czech Republic
- BBBEE Scorecard Rating (official): Level 5 (preliminary)

Scoring from the Research

Primary Benefits	★ ★ ★ ★ ★
Secondary Benefits and Working Conditions	★ ★ ★ ★ ★
Training and Development	★ ★ ★ ★ ★
Career Development	★ ★ ★ ★ ★
Company Culture	★ ★ ★ ★ ★
Diversity	★ ★ ★ ★ ★

Reasons for Excellence

- The organisation is adaptable, predictable and stable
- Employees have job security
- Company encourages creativity and innovation



Vertically integrated

Highveld mines titaniferous magnetite ore at its Mapochs Mine operation and produces iron and steel products and vanadium-bearing slag at its Steelworks operation. 'Evraz Highveld is the second-largest steel producer in South Africa. We are the primary producer of medium and heavy structural sections and thick plate, and we also make a substantial contribution to the global vanadium feedstock market. Our steel products are marketed locally and globally while our vanadium-bearing slag is marketed locally as well as into the European market,' reveals Jerry Molefe, General Manager of Human Resources.

He says that the business environment has – of late – been extremely challenging. 'The weakness of world economies caused an extremely difficult trading environment, which resulted in negative returns in 2010. Global markets remain uncertain and immediate improvements in demand are not expected. High energy costs and the strong rand remain key challenges,' says Molefe.

But he is optimistic about the future for the company. 'We are maintaining and optimising our plant and we have also instituted productivity improvement initiatives. Yet another advantage

is the fact that we are vertically integrated. This continues to be an advantage and the leadership as well as share of knowledge and skills from the Evraz Group S.A. will sustain our efforts,' he believes.

Continuous development

Evraz Highveld isn't big on complacency; it encourages creativity and innovation – even rewarding employees who come up with meaningful and implementable suggestions. And the company is always striving to be better.

For instance, Evraz Highveld has embarked on a large-scale continuous-improvement initiative. 'We are implementing LEAN practices, which are based on strong teamwork principles. This principle is implemented globally within all Evraz assets under the leadership of Evraz Group S.A.,' says Molefe.

Furthermore, an extensive maintenance optimisation project is underway globally in an effort to improve current maintenance standards. 'This project is already in its advanced stages at Evraz Highveld,' notes Molefe.

A procurement improvement project is also underway. 'We hope to achieve a clear indication of the current state of the procurement division. Then we wish to define an >>

action plan for quick wins towards embedding a sustainable to-be procurement operating model. Finally, we are undertaking gap analysis of the procurement organisation with respect to strategy, people, processes and technology with the aim to develop a road map and prioritised approach as to how the Procurement Division should transform its operating model. Thanks to these initiatives, we hope to reduce the transaction burden and allow more time to be spent on analysing strategic purchasing decisions,' Molefe comments.

In yet another innovative move, the Evraz Highveld eMalahleni community forum was established during July 2010. 'The purpose of the forum is to create a diverse representative forum at which CSR initiatives for the imme-

diated community are discussed, approved and implemented,' Molefe explains.

Attracting and retaining the best

As a company that prioritises the employer brand and the importance of being an 'employer of choice', Evraz Highveld sees talent management as a specified professional responsibility. 'We attract and retain the best people and ensure we offer them exceptional careers by a formalised integration programme, and engaging employees in career-development programmes,' says Molefe.

The professions and roles available in the organisation include engineering (electrical, mechanical and metallurgical), finance (CA and CIMA), legal and human resources (SABPP).



'Growth on both a personal and professional level'

'The company has afforded me the opportunity to grow on both a personal and professional level. The daily challenges I encounter include time management, steering people towards an expected end, being accurate and precise. To thrive at Evraz you need to be driven, disciplined, hardworking and focused. You need to have a sense of pride for your work and seize opportunity.'

Thabile Bhengu, 25, has a BSc (Hons) Metallurgical Engineering and joined Evraz in 2010. Bhengu is based in the quality control division and is part of a team that is responsible for overall steelmaking. She also oversees continuous improvement at the individual plants, and manages the plant maintenance at her section.



'We attract and retain the best people and ensure that we offer them exceptional careers through a formalised integration programme.'

Jerry Molefe, General Manager of Human Resources

The company focuses on targeted recruitment (focusing on identifying critical roles and to source the most suitable candidates to fill those roles). Retention is managed by incentive schemes, career growth and development, and recognition initiatives. The company will typically recruit around 350 people each year, including apprentices, bursars and experiential learners. There is an annual graduate intake of 15.

A career-development framework allows for the identification of strengths and development areas, measured against a competency model and supported by targeted development plans, mentorship and regular feedback on performance as well as addressing individual aspirations. 'As from 2011 we introduced an Integrated Career and Performance Management Programme, ensuring adequate supply for promotions and effective succession for roles across all functions,' reveals Molefe.

Staff members are promoted on the basis of high potential and exceptional performance. 'This allows for ambitious individuals to stretch themselves beyond current job roles in order to progress quickly through the company,' Molefe explains.

Training and development needs are identified and delivered by means of pre-defined training matrices/programmes. Training is delivered either through in-house training programmes or external training programmes.

Global mobility and inter-company opportunities play an important part in ensuring continuous individual career growth.

Package of benefits

The corporation's remuneration policy states that it aims to remunerate good performers at the median of the market. The remuneration of scarce occupations and critical employees is at the 75th percentile of the market. The corporation's salary structure is not based on cost to company but rather add-on benefit. Performance bonuses vary from 16 to 50% of basic pay. 'The measurable factors include EBITDA, safety, production, personal objectives and KPIs and depends on the level of the employee,' explains Molefe.

Bonuses are conditional of achieving the target EBITDA or better. There is no share option or employee shareholding scheme in place at company level. Interim increases are based on personal performance. Annual general increases are given to unionised employees as per a negotiated agreement. Interim increases for this category are as per training matrices. Annual increases for non-unionised employees are based on company, divisional and personal performance. Interim increases are based on performance. Secondary benefits that impact the company's employees include attraction and retention awards, safety awards, study- »



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aid scheme, development and career management, special leave arrangements, canteen facility and long-service awards.

Committed to BBBEE

Evraz Highveld doesn't just talk about Broad-Based Black Economic Empowerment (BBBEE); it is going all out to improve its rating – in leaps and bounds. 'We are extremely proud of our achievements in this regard,' notes Molefe. 'In 2010, we identified transformation as a key priority for the business. At the time we were a Level 8 Contributor. We have made a massive effort in this regard (including the appointment of a transformation manager), and I firmly believe that we will attain Level 5 status this year.'

A fully fledged transformation division is now being established to focus on the implementation of BBBEE and the New Mining Charter. 'A revised transformation strategy and implementation roadmap with systems to monitor performance against targets will also be developed. The Transformation Committee (now the Social and Ethics Committee) will continue to ensure that programmes are developed and implemented to effect transformation,' says Molefe.

The company believes that transformation and social responsibility policies are intrinsically linked. As such, Evraz Highveld's social responsibility programme is co-ordinated by

the company secretary and the transformation manager. The programme encompasses corporate social initiatives – in the form of donations and charitable contributions, socio-economic development – in line with BBBEE requirements, and various community development initiatives in its mining communities.

Projects include monthly donations of R50 000 to the White Rose Hospice; payments to the Maths Centre for Professional Teachers; and donations to local communities, focusing on the areas of education, charitable health and welfare projects; and upgrading the Roossenekal Clinic. Mapochs Mine helps with the funding of the services provided by the clinic, which is situated on property owned by Mapochs Mine and rented to the Mpumalanga Department of Health.

CEO insight

'We want to create a company where everyone is treated with dignity and respect, understands the value of their work, has input into how their job is performed, and is recognised and rewarded for doing their work well. Our outlook is bright as we position ourselves to become a leading producer of vanadium and steel products in South Africa. We recognise that people are central to our business. Each of our employees contributes to the group's success and our human-resource and remuneration policies reward the highest levels of performance, allowing everyone to

share in our success and sustain our competitive advantage,' says CEO, Mike Garcia.

Respected employer

Evraz Highveld is not just one of the largest employers in the eMalahleni area, and a company which has employed many generations within families; it is a place that many staff members call home. In fact, when staff members leave, they almost certainly return – because they miss the homely environment. While the organisation is adaptable, the company is also predictable and stable; staff members know that they have job security.



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EVRAZ



'The opportunity to apply my engineering skills and knowledge'

'I love engineering and the company affords me the opportunity to apply my engineering skills and knowledge. Evraz Highveld is a big company with extensive rules and procedures to be followed. Change is frequently happening in the company and adapting to these poses a challenge. Those who thrive here are dedicated individuals who are results orientated: people who can work in a multicultural environment and at multiple levels.'

Ian Le Grange, 35, is Engineering Manager. He has a MEng, MBA and joined the organisation in 2000. Le Grange is responsible for mechanical services, providing services to individual plants and the centralised engineering workshops.