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No changes to NAP

..."there will be no changes to NAP"... - declared Minister of Environment, Mr Marcin Korolec on Tuesday (29.11.2011) when opening a meeting with representatives of the industries such as cement, heating, non-ferrous metals, petrochemical, steel and glass industry. The steel sector was represented by Mr R. Talarek, the President saying that such a decision meets the expectations of the steel industry and has been received with a relief and satisfaction. Mr R. Talarek asked about the procedure and form in which this decision would be made public. In response, Ms Joanna Mackowiak - Pandera, Deputy Minister explained "the consultation process has shown that introduction of the Draft Regulation of the Cabinet amending the regulation on adoption of NAP for CO₂ emission in 2008 -2012 in its version as of 26 October 2011, would bring more harm than advantages then, simply one will not adopt it!"

It is a pity that the way leading to the truth discovered by the Ministry of Environment regarding the value of the Draft Regulation must have been so stressful and costly for the industry.

Regional Commission for Social Dialogue

28 November 2011, the Voivodship Office in Katowice hosted a plenary meeting of the Regional Commission for Social Dialogue (WKDS) and WKDS Permanent Working Team for Employment in which we participated. An invitation to the WKDS meeting was also addressed to the Ministry of Economy and Ministry of State Treasury; however, the Ministry of Economy was not present. The meeting continued the debates, which was stopped on 08.11.2011, on the situation in the steel industry in the view of the decision by ArcelorMittal Poland S.A. on possible putting out of blast furnace in D browa Górnicza and the related social

consequences.

The Chamber's task was to inform the members of WKDS about the situation on the steel market.

5 years of REACH

On 23-24 November 2011 a conference "On the REACH road" was held in Warsaw. The event was organised upon initiative of the Ministry of Economy in collaboration with the Bureau for Chemical Substances and the Polish Chamber of Chemical Industry.

The conference summarized the activities undertaken before 2007, after 2007 and presently.

Currently, there are around 30,000 substances recognizable as to their properties and harmfulness to human health. Treatment of the existing and newly entered substances under REACH system had been successfully standardized. Till today, 5,200 substances have been registered the industry and major enterprises fulfilled their obligations on time. In 2012, REACH will be reviewed. The registry documentation needs to be corrected.

According to ECHA and EC DG Environment, the cost of REACH is estimated at EUR 2.8-5.2 billion while the benefits are valued at around EUR 50 billion.

In respect of the fees for enterprises we have been told that their role is to secure the Agency's (ECHA's) self-financing. We have been informed that the fees will not increase unreasonably their amount and structure will be assessed and made public by PricewaterhouseCoopers.

Substance registration dates, mainly for small and medium-sized companies are envisaged for 2013 and 2018. There are still around 25,000 substances remaining for registration in 2012 and 2020.

The Conference honoured the International Year of Chemistry celebrated this year and 100th Anniversary of the Nobel Prize awarded to Maria Skłodowska Curie in the area of Chemistry.

Energy - mix for Poland

On 17 November 2011, the Ministry of Economy hosted presentation of the report: "Energy-mix for Poland" dealing with overall energy and electrical energy. The Association had been invited to the debate on this matter and represented by the President of the Board, Mr R. Talarek. The discussion was divided into the following two sessions:

1. Energy mix for Poland - what options and what is our capacity?
2. Optimum energy-mix for Poland what Poland and what mix?

The conclusion from the discussion was that the energy mix shall be considered against the necessary:

- GHG emission reduction with respect to meeting the international requirements,
- Diversification with respect to energy security and uncertainty ex-ante as to the future competitiveness of particular technologies.

During the discussion, government administration as well as the circles close to energy tried to demonstrate that without the public aid for transformation of the energy structure, we would still depend on coal and fossil fuels in 20 and 40 years.

The industry maintains that Poland cannot afford to continue its growth model based on fossil fuels. In order to effectively develop the economy, one shall shift to the model based on clean energy. Only with innovativeness and competitive energy sector, the economic development can be sustainable. Consensus seems possible with regards to the need and profitability of improvement of the energy efficiency.

Seminar on "Customs Union of Russia, Belarus and Kazakhstan"

On 22 November 2011 in Warsaw we took part in a seminar addressing the issue of "Access of Polish goods and services to the market of Customs Union and Common Economic Area of Russia, Belarus and Kazakhstan".

The meeting presented the formal and legal aspects of the operations of the

Customs Union (CU), current principles in trade with countries under the Union as well as the solutions planned in this respect in future.

Participants also discussed the export potential and possibilities of conducting business activity on the CU markets, in particular on the Russian market in connection with the country's accession to WTO in 2012. According to the Ministry of Economy, establishment of CU shall not have a negative impact on the level of Polish exports to Russia while introduction of common legislation, procedure, documents and customs requirements creates an opportunity to simplify exports and speed up the procedures of customs clearance. Share of CU countries in Polish trade in steel products amounted to 3.3% after 9 months of 2011.

Eurofer's Board and General Assembly

A meeting of the Council and the Management Board of Eurofer took place on 7 December 2011, this time in Dusseldorf. Main points of the agenda were as follows:

1. Summary of the year 2011.
2. Budget assumptions for 2012.
3. Election of the President and Deputy President of the Council for the years 2012-2014.
4. Resolutions on adopting the 2010 balance and granting the vote of acceptance.
5. Resolution on 2012 budget.
6. Appointment of the members of the Council according to the recently adopted amendment to Eurofer's statute.

The discussion also concerned the tasks of Eurofer's activeness in 2011 and 2012 in relation to:

- steel trade,
- challenges of the climate and energy policy.

The meeting was attended by HIPH's President, Mr R. Talarek.

20th Anniversary of HIPH

On 16 November 2011, on the occasion of 20th Anniversary of the Polish Steel Association, Katowice hosted an official evening which gathered member

companies, the cooperating entities and friends of HIPH. The ceremony was decorated by the concert of the Silesian Quartet.

The Management Board thanks the event's Partners and Member entities who contributed to hosting this ceremony in the place underlining the importance of the Jubilee as well as all participants who attended the evening for their kindness and congratulations extended.

Training at Severstallat Silesia

On 21-22.11.2011, HIPH's Management Board in collaboration with experts from the Silesian University of Technology and the Steel Sector of the Polish Committee for Standardisation organised a training in Severstallat Silesia Sp. z o.o on physics of steel, standardisation and documents valid for an inspection of steel products. The training was addressed to trade and production employees of the Company.

Presidium of KIG

On 29 November 2011, a meeting of the Presidium of the National Chamber of Commerce was organised on the Chamber's premises in Warsaw. President of HIPH is a member of this Committee.

Christmas and New Year Wishes

Let us wish Merry Christmas and a Happy New Year
To all Steelworkers and our Friends.
May this special time be spent in peace and happiness
and may the New Year fulfil the wishes and hopes for the year 2012
completing the festive joy.

The Management Board
and the Council

Polish Steel Association

