



Media statement by the Bench Marks Foundation

ArcelorMittal's actions seriously questioned by monitoring organisation

28 November 2013

The Bench Marks Foundation has questioned steel giant, ArcelorMittal's actions toward its past and present employees and to the communities surrounding its operations in a report released today.

The report, titled "Steel at any cost – a community voice perspective on the impacts of ArcelorMittal's operations in Vanderbijlpark", was done in collaboration with the Vaal Environmental Justice Alliance (VEJA).

VEJA is an alliance consisting of environmental organisations, various groups, institutions, agencies and individuals operating in the Vaal Triangle.

"The story of ArcelorMittal and its reputation of putting profits before everything else is not a new one," said Bishop Jo Seoka, chairperson of the Bench Marks Foundation.

"But due to a lack of a proper benchmarking, the company has managed to get away with many transgressions.

"We therefore decided to conduct research in order to provide a benchmark for the future, something that can be used to hold the company accountable for its actions.

"Through our research, a number of important issues have been raised which require urgent attention by ArcelorMittal, relevant authorities and other responsible organisations.

These issues are

- risky working conditions for workers inside the plant;
- high levels of illnesses, injuries and deaths;
- workers not being treated with dignity and respect;
- lack of compensation for ill and injured workers;
- excessive air, water and sound pollution contributing to pollution and environmental degradation; and
- threatened community sustainability issues through the poor environmental and labour practices of the company.

"We strongly recommend that ArcelorMittal accepts responsibility for the bulk of the impact on the workers and the environment of Vanderbijlpark due to the length of time the company has operated in the area," said Bishop Seoka.

"It must also focus its intervention on real issues that the people are facing such as ensuring that a clear and implementable health plan for workers and ex-workers is put in place and establishing a health trust for members of the community that are impacted upon by the company's operations".

The Bishop also said that ex-employees of the company are also calling for shorter time periods in which allegations pertaining to health, are investigated. He said that they told researchers that they are scared that they might die before they are compensated.

“The company must urgently abide by the working conditions set by the International Labour Organisation so as to reduce the level of injuries and fatalities as well as those laws and regulations pertaining to the environment”.

The analysis of the voices of the community and exposure of what is actually going on within the company and the surrounding communities was used to benchmark ArcelorMittal against the set of principles and criteria laid out in the Bench Marks Principles.

According to the report the company consistently scores badly in all the major indicators selected and used in the analysis.

The report says that ArcelorMittal claims to aspire to the highest standards of corporate social responsibility and takes seriously its duty to ensure that the steel production processes take place in a safe and sustainable manner.

However, anecdotal evidence seems to be pointing to the fact that this aspiration is not realised in practice. The report shows that the steel operations have had a negative impact on the physical environment, employees, and communities in and around the area.

“This raises questions,” said Bishop Seoka, “about the extent to which ArcelorMittal is committed to adhering to its CSR principles and the claims upheld.

Bishop Seoka said that the company’s lack of transparency with regard to injuries and fatalities as well as the impacts on the environment needs to be drastically improved.

“Despite the company committing, in its annual reports, to respect the law, the company has ignored a court order to hand over its environmental master plan as well as details pertaining to its Vaal disposal site situated in Vereeniging, where it illegally dumped hazardous waste in 2007.

The judgement was handed down on 10 September 2013 and the company was given two weeks to hand over all the requested documentation. VEJA has confirmed that to date, the company has still not done so and is contesting the court order.

“This brings me to what government needs to do which is to enforce the laws governing environmental protection as well as taking a proactive role in ensuring that ArcelorMittal complies with the law,” said Bishop Seoka.

Amongst the recommendations made in the report for government, is that it must call in agencies such as the Green Scorpions to investigate and deal with pollution issues, the Department of Health to deal with the negative health impacts on surrounding communities, workers and ex-workers, and the South African Human Rights Commission to investigate human rights issues.

The report also shows that youth groups in particular are unhappy with the pollution levels, lack of service delivery and the lack of clean educational facilities. They too are urging the company to address these issues.

They also commented on the company’s Learnership programme and raised a number of issues which discredits the way in which the company is implementing the programme.

Issues such as Learnership candidates being paid very low wages, yet the extent of the work they do is equivalent to a fully qualified person and sometimes the work is unsupervised, the learners do not have any benefits that go with the risky work involved such as medical aid, this is an important issue as they are exposed to dangerous conditions at an early age and may not be fit to be fully employed when they complete their Learnership due to illnesses. Some have even lost their lives.

One of the learners said “I have worked under the Learnership Programme but I do not know if ArcelorMittal will employ me permanently. It is very risky work and we do not have medical aid. Two young workers passed away while with the Learnership Programme. Another problem is that when you get sick they let you go without anything and as a young man, no other company will employ me if I am ill”.

“The future of the learner employees is threatened even before they are qualified,” says Bishop Seoka. “This is in direct violation of Bench Marks Principle 2.1.P.6.”

The report shows that the company is continuously in direct contradiction to several criterions of the Bench Marks Principles which was used as the basis for the research and which calls for a sustainable system of production, preservation of the broader social environment for present and future generations, a more equitable system for the distribution of economic benefits, stakeholder participation, especially those most affected and exploited by the company’s operations and the promotion of life and freedom for all humanity.

The communities told researchers that they are calling on Chapter 9 institutions, especially the South African Human Rights Commission, Public Protector and Department of Health to investigate the high pollution levels in the area and to investigate ArcelorMittal and the other companies operating in Vanderbijlpark.

One of the community members interviewed said “Pollution from ArcelorMittal is visible and they cannot deny it. Government must enforce the law. They say that they have done something, but we do not see any improvement”.

Another said “Air pollution is affecting many people in the community and we are not happy about the chemicals coming out of the company. People are getting sick and children are dying because of water pollution. ArcelorMittal must be forced to pay people”.

Says Bishop Seoka: “The people have had enough of companies claiming that they are not responsible for the dire conditions in the area. They have had enough of the greed that pervades our culture.

“They are also tired of piecemeal solutions that do not adequately address the real issues affecting ordinary people. The company is doing things in the communities, but they seem to be misdirected and are not contributing to the improvement of life, particularly on the pollution side for the people.

“What good is painting the community hall when people are living in houses with roofs made of asbestos, or are inhaling toxic dust and drinking polluted water, or living without basic necessities such as toilets, water and lights?”

“I hope that this study provides valuable information to all stakeholders in Vaal and contributes towards holding the steel giant accountable to workers, ex-workers and the surrounding communities.

“It’s time that ArcelorMittal and other such companies right the past injustices against its former and current workers and works hard at changing its behaviour so that communities start to benefit from its operations rather than suffer the way they currently are”.

To access the report mentioned as well as Bench Marks Foundation's other research documents, go to www.bench-marks.org.za or contact the organisation on 011 832 1743.

Notes to editors:

Bench Marks Foundation is an independent non-governmental organisation mandated by churches to monitor the practices of multi-national corporations to

- ensure they respect human rights;
- protect the environment;
- ensure that profit-making is not done at the expense of other interest groups; and
- ensure that those most negatively impacted upon are heard, protected and accommodated within the business plans of the corporations.

Archbishop Desmond Tutu launched the Foundation in 2001 and the Rt Rev Dr Jo Seoka chairs the organisation.

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