



Media statement by the Bench Marks Foundation

Steel at any cost

28 November 2013

Global steel giant ArcelorMittal is having a negative impact on the environment, its employees and the communities in and around Vanderbijlpark, according to a research report by the Bench Marks Foundation.

The report, titled “Steel at any Cost – a community voice perspective on the impacts of ArcelorMittal’s operations in Vanderbijlpark, was launched in Johannesburg, today.

Despite the company’s vision to produce safe, sustainable steel, to pursue operational excellence in all business processes, to care for the environment and communities in which they operate and to become an employer of choice, the research undertaken by Bench Marks, shows a totally different picture.

Through interviews with community members, employees and ex-employees and research using the company’s own policies, a picture of persistent exploitation, flouting of environment laws and a poor record of resolving grievances became clear.

These issues topped the list of injustices that has boosted the company’s success at an astonishing cost to the community.

A key part of the study’s methodology was the use of the participatory method in what they called community voices. The rationale behind this approach was to benchmark the steel company through the lenses of the community.

Researchers found that the steel giant’s corporate social responsibility, health and safety and environmental policies appear as high priorities on paper, but are almost entirely absent from its operations on the ground.

Furthermore, it prioritises productivity over the environment, communities and fair labour practices.

The report highlights concerns raised from the surrounding community about the abnormally high risk of injury to workers with insufficient compensation.

“Through our research, we found that a shocking 49% of residents and workers surveyed are suffering from respiratory problems,” says John Capel Executive Director for the Bench Marks Foundation.

“Many workers and ex-workers also suffer from a loss of eyesight and hearing, but what is very worrying is the fatalities that occur within the mine.

“Some staff who wished to remain anonymous due to fear of intimidation, told researchers that deaths in the company are higher than what is recorded, but that the company does what it can to prevent the information from reaching the media or anyone else,” he said.

But according to ArcelorMittal’s Safety, Health and Environment (SHE), Policy, these areas are company priorities:

“The wellbeing of our workforce and contractors is our number one priority. A strong health and safety culture is instilled at every level of the company and is supported by a robust set of safety standards. The company is committed to continuous safety improvement to reach its goal of zero fatalities and injuries.”

In addition, ArcelorMittal have, in the SHE Policy, committed itself

- To Occupational health and hygiene;
- To having a SHE Committee of the Board oversee all issues relating to occupational health and hygiene;
- To legal and moral responsibility that protects the health of its workers,
- To identify, manage and eliminate any undesirable impacts its operations may have on the health of employees, contractors and any other stakeholders on its premises;
- To have a holistic approach to HIV/Aids;
- To manage its environmental impact. It recognises that its steel-making processes have many potentially harmful effects including CO₂ gasses, SO₂ emissions the disposal of slags and other waste, high water consumption, pollution and wastage and high energy consumption; and
- To compliance with current environmental legislation in South Africa which is viewed as non-negotiable.

Capel said that ArcelorMittal needs to seriously re-visit its policies and urgently address the shortfalls. It can’t just say that it will manage CO₂ footprint where technically and economically viable. It needs to, with haste, improve working conditions within the company so as to reduce the fatalities and injuries experienced and drastically cut down on its carbon footprint even if this comes at a cost to the business

He also said that the company needs to properly compensate the many ill and injured workers as well as establish a health trust for members of the community who are impacted upon by the company’s operations.

These actions will start to bridge the gap formed between what was promised and what was actioned.

“I have a problem with its commitment regarding identifying, managing and eliminating undesirable impacts,” said Capel “it states ‘on our premises’. This means that they have limited their responsibility to within their premises.

“What about the communities surrounding the company? What about the undesirable impacts they are subjected to due to the hazardous waste and by-products produced by the steelmaking process?”

The researchers of the report found evidence that the steel giant disposes of large amounts of polluted water incorrectly which pollutes underground water and negatively impacts agricultural activities in the area.

“Steel production is naturally a polluting industry,” says Capel, “however, precautions can and should be taken to minimise its destruction to the environment.

“The company needs to take responsibility for the negative impacts of its operations and ensure that it actually follows the relevant environmental laws and regulations”.

According to the report, ArcelorMittal has a “rusty” track record regarding environmental issues; having in the past defended themselves by saying that the pollution is not only coming from them but rather from many companies in the area that deal with hazardous substances.

The study also indicates that the company declined to provide any information for this report despite many attempts by the researchers and the Foundation to acquire their response.

“In addition to the recommendations given to ArcelorMittal,” says Capel, “we also recommend that government take a leading role to bring the company to book over its corporate and labour practices and must enforce, at all spheres (local, national and provincial), the laws governing environmental protection.

“Government must take a proactive role to ensure that the company complies with the laws.

Capel said that the research on the company and the area will not end at this report.

“We need to expand this research to include people who are not living in the area and have returned home after being laid off due to illness so that we can get a clearer picture of the extent of the problem.

“We also need to investigate the operations of the other companies in the area as we believe that ArcelorMittal is not the only culprit in polluting the environment.

“What’s more,” says Capel, “we want to explore the ways in which ArcelorMittal operates in other parts of the world so that we can see if there are common patterns to their behaviour toward employees and communities. However, reports show it is a dismal performance wherever it operates.

“Further investigations should also be made into what health and safety schemes were used in favour of employees in the past and if good, the company should be forced to implement them now for its current employees.

“It is our hope that this study will form the basis of an advocacy campaign designed to improve conditions for both workers and the communities in and around Vanderbijlpark. It must be used as a benchmark in which to hold the company accountable”.

The basis for the analysis applied in the report is premised on the Bench Marks Principles. A set of principles aimed to promote positive corporate social responsibility consistent with the responsibility to sustain the human community and all creation.

“We cannot be blind to the plight of the poor who live at the mercy of large corporations such as ArcelorMittal, our report highlights the voices of the affected people and provides valuable information to all stakeholders so that they can hold the company accountable going forward”.

ArcelorMittal was founded as government-owned Iscor in 1928 and through various mergers became known as ArcelorMittal in 2007. It is the largest steel producer on the African continent.

It produces 7.8 million tonnes of liquid steel per annum and employs 9000 people in its Vaal operations, most of whom are semi-skilled or unskilled and reside in the surrounding areas of Bophelong, KwaMasiza, Joko Tea and Sebokeng.

Globally, it owns steel mills in 14 countries and CEO Lakshmi Mittal, is among the top ten richest people in the world.

ENDS

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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