



Media Statement by Bench Marks Foundation Lonmin's environmental issues

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For immediate release

Mining impacts have winners and losers. The winners are shareholders and executive management and the losers are surrounding communities and workers, whose water, air, health and livelihoods are negatively affected, says Bench Marks Foundation in its latest research report, Policy Gap 7.

The report, an in-depth study of Lonmin Plc's Corporate Social Development Reports (SDR) for the period 2003 to 2012, was launched during the Corporate Social Responsibility monitor's conference on mining in Kempton Park from 14 to 15 October.

John Capel, Executive Director for Bench Marks says that the study has found that Lonmin grew by nearly 40% during 2004 to 2012, causing an immense impact on the surrounding communities, on the environment and to society at large.

"In 2004, the company embarked on what they say was the first ever community survey of key stakeholders of their operations and company in South Africa.

"It developed a measurement tool that assesses the perception of the neighbouring communities in terms of Lonmin's citizenship.

"This found that the businesses that sell their goods and services to Lonmin, were "generally quite happy" with Lonmin in 2004, but the local mining communities where the workers and their families stay, were not.

Bench Marks Foundation's report reveals that Lonmin's first Sustainable Development Report in 2004 stated that:

"...the groups that are most negative about us are the local communities around our operations. Community leaders and opinion leaders see us as distant, not engaged and not keeping our promises. When asked the general question: "do you think your community is better off for having Lonmin operations as a neighbour?" Most responded negatively. This tells us we have a lot of work to do in better engaging with our local communities."

"The community perception study was repeated until 2008, when it was abandoned. It is interesting to note that the 2007 SDR does not report on that year's community perception research in as much detail as before.

"It is our understanding that the perception study was halted in 2009 as there was no improvement in the perceptions of the communities.

"Lonmin's critique of the 2012 Bench Marks Foundation research report, Policy Gap 6, alleged, amongst other things, that it was guilty of confusing what the community thinks about their environment with accounting for actual conditions".

Says Capel: "Going through the company's reports over the past 10 years, and using Lonmin's own data as opposed to the approach used by Bench Marks when investigating the same issue, we come to the same conclusion as in our report: the communities perception of the company has not improved since 2005 and is no different to what we reported".

According to the Bench Marks study, the SDRs report intensified monitoring of the problems by the company and the damage caused by Lonmin's huge operations. It then presents solutions to the challenges encountered.

"A single report, read in isolation, can give the impression that Lonmin is seriously committed to sustainability, human goodness and truth.

"In 2004's SDR, Lonmin says it is "committed to doing no permanent environmental damage", but that impression is belied by the enormity of the problems which remain in 2011 and 2012.

"The real course of political and social events culminating in the 16 August Marikana catastrophe bears awful testimony of this.

"A close and comparative reading of the SDRs over the 10 year period reveals that many of the goals set out in earlier reports are abandoned, not reached and eventually not talked about or not referred to in the same terms," says Capel.

Bench Marks report shows that although the company committed to meet air quality permit requirements, it hasn't. It has exceeded both residential and industrial dust pollution limits and has exceeded the sulphur dioxide limits for most of the years reported on.

It also shows that the company has had unplanned discharges into rivers each year and the unintended consequence of the scrubbing plant used to reduce its sulphur dioxide emissions is generating calcium sulphite as a waste produce which is affecting groundwater, surface water and soil.

"Lonmin Plc has won awards for its environmental and socio-economic performance. We used the company as a way to highlight how one of the "better" companies performs when it comes to sustainable development.

"If Lonmin is "best in class", as it says it is then South Africa has an environmental, social and political problem as this company is not running a sustainable project.

"Despite all its promises, Lonmin has made little or no progress with its commitments to its workers and surrounding communities.

"We recommend that the company take stock and revisit their commitments. In addition, it should reinstate its community perception survey. How else will they effectively address the negative perceptions of those within and around its mines.

"I must note though that we were only able to do this study due to Lonmin's localised reporting which is fairly rare in this sector. This should serve as an example to other mining companies".

To access the reports 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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