



Media statement by the Bench Marks Foundation

Small fraction of shareholder value allocated to workers' housing

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FOR IMMEDIATE RELEASE

Amplats' allocation of R1.14 billion for housing projects represents only 2.79% of total dividends paid to shareholders from 2003 to 2008, a new publication by Bench Marks Foundation says.

The allocation is reported in Amplats' 2013 and 2008 sustainable development reports (SDRs), and quoted in a study launched by Bench Marks in Johannesburg today.

Entitled "Critical analysis of Amplats Sustainable Development Reporting (SDR) from 2003 to 2015", the study is the 13th in Bench Marks' Policy Gap series.

Executive Director of Bench Marks, John Capel, says Amplats' housing allocation is "a drop in the ocean" compared to the value paid to shareholders in the "good years" prior to the financial crash of 2008. He added that it seriously calls into question Amplats' commitment to improve the lives of its workers.

"At a meeting in February 2016, I was informed that 700 houses were built between 2008 and 2016 – at best, a modest achievement, given the scope of the need for housing," he said.

Plans to allegedly address the situation included R14.1 million spent on hostel refurbishments in 2004 against a target of zero employees in squatter camps. At the same time, however, a significant share of value (R40.9 billion) created was paid to shareholders from 2003 to 2008. This is offset against 2004 plans for hostel refurbishment which amounted to no more than R190 million from 2005 to 2008.

"During this period, no significant delivery took place. The expenditure on hostel refurbishment is clearly minimal in comparison to returns to shareholders. This means that shareholders are benefitting at the expense of proper accommodation for workers. This shows a lack of commitment by Amplats towards improving the living conditions of workers," the report says.

The report also notes that a memorandum of understanding to establish a partnership between Amplats and the Department of Housing was signed in 2008.

The plan was to provide 20 000 houses for Amplats' employees in Limpopo and North West in the next five to ten years.

Another problem relates to the lack of clear statistics about what has been achieved to date according to initial plans.

"In its reporting, Amplats labels projects 'active' and 'planned' but fails to explain what these terms mean. An 'active' project is not necessarily one which is completed and inhabited. It may be at any stage of development. It is therefore extremely difficult to measure what has been achieved each year. Amplats also states that workers who choose not to live in hostels are given a living-out allowance. Yet, as of 2015, reconverted hostels accommodated only 5 743 workers, leaving workers with little real choice but to accept living-out allowances," the report says.

The Bench Marks report quotes Amplats as saying that hostels accommodated just 5 743 employees at the end of 2015. "The more substantial challenge relates to the more than 26 000 employees in receipt of living-out allowances, many of whom live in informal settlements or back yard accommodation in the villages around the mines... it is known that most employees in receipt of this allowance spend a fraction of this on accommodation, with the balance used to supplement earnings," the study quotes Amplats' 2013 SDR report.

The Bench Marks study asks: "How many of those 26 000 employees receiving living-out allowances still lived in squatter camps at the end of 2015 (12 545 are persons unaccounted for, as the total workforce was 44 288 in 2015)? Is there sufficient accommodation provided by the company? What is the impact of these living-out allowances? What is the money spent on? Do the employees have a real, affordable choice when offered company accommodation? While Amplats says that people have a choice, in fact they don't. Who is actually benefitting now compared to the estimated 120 000 beneficiaries of Amplats' housing plans in 2008? How many houses were built between 2008 and 2015?"

Bench Marks' Policy Gap series consists of evidence-based research. The first Policy Gap on the six big platinum producers in the North West Province Bojanala district, noted by the media as seminal research, was launched in 2007. To date, 12 Policy Gaps have been produced, ranging in subject matter from copper, platinum and diamond mining, to relocated communities, the impact of mining people's health, and the Marikana massacre.

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