

# Report questions steel firm's social responsibility

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THE operations of global steel producer ArcelorMittal — listed on stock exchanges in six countries including on the JSE — are having a negative effect on the people, animals and natural environment around Vanderbijlpark, south of Johannesburg.

This is according to SA's Bench Marks Foundation, which concluded that its findings give the lie to ArcelorMittal's claims to be a socially and environmentally responsible company committed to, in its own words, "pursuing operational excellence in all business processes" and "caring for the environment and communities" where it works.

Bench Marks' report, released yesterday, comes after the government found the company to be a major source of illegally high emissions, especially of particulate matter, in the Vaal Triangle, which the Department of Environmental Affairs declared an Air-shed Priority Area in 2009 because of its poor air quality.

It comes in the wake of a similar

study of Lonmin's operations in the Rustenburg area.

However, ArcelorMittal SA spokesman Themba Hlengani said yesterday the company was a law-abiding citizen that respected SA's employment, labour and criminal laws and produced "comprehensive" annual and sustainability reports. It had since then taken various pollution-reducing actions.

Bench Marks' "community perspective" report on ArcelorMittal's Vanderbijlpark plant — described by the company as one of the largest inland steel works in the world — is seen as a proxy for all its operations worldwide. This comprised plants in 14 countries, on "almost every continent", said Bench Marks executive director John Capel.

"We had hoped to find positive things, but we failed," said Bench Marks chairman Bishop Jo Seoka.

He said many of the problems faced by communities in the Vaal Triangle affected by ArcelorMittal's operations harked back to before the 1996 takeover of the former Iscor. ArcelorMittal repeatedly refused, or attempted to wriggle out of, respon-



**STUDY:** Bench Marks Foundation executive director John Capel speaks at the release of a report on ArcelorMittal yesterday. Picture: ARNOLD PRONTO

sibility for worker and community health problems it caused, sometimes leaving former workers to die of occupational diseases uncompensated, said the report. Often workers

who tried to gain compensation were retrenched or fired.

The company also refused to acknowledge responsibility for pollution-related illnesses, including

cancer, tuberculosis and asthma, related to its emissions.

The research comprised interviews with 140 people, 33% of whom were former ArcelorMittal employees, 9% current employees and 42% community members.

Mr Hlengani said ArcelorMittal SA had spent more than R1bn over the past five years on environmental improvements at its facilities, including 2010's R230m on a dust extraction system that had reduced "the uncontrolled roof emissions that were previously emitted into the atmosphere".

But Mr Capel said ArcelorMittal SA earned R30bn in revenue in 2010, yet spent R40m on corporate social responsibility projects, mainly in areas that made it look good but did not address its negative effect on health and the environment.

Mr Hlengani said ArcelorMittal had given the community four schools, three science centres, a wellness clinic and had spent R40m on "comprehensive bursary schemes". It had hired 16 former bursary recipients, 40% of whom were women.

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