



ArcelorMittal

news release

ArcelorMittal South Africa responds to the Bench Marks Foundation report

Vanderbijlpark, 28 November 2013: ArcelorMittal South Africa is currently assessing the content of the Bench Marks Foundation report. However, after a cursory reading of the report ArcelorMittal South Africa wishes to respond to certain statements.

Salient features:

- ArcelorMittal South Africa's has not recorded a fatality in more than two years and injuries are at a historic low.
- More than R1 billion has been spent in the past five years on environmental improvements at our facilities.
- Minimum dust emissions at Vereeniging Works since installation of R230 million dust extraction system in 2010.
- A list of ex-employees was submitted by VEJA to ArcelorMittal South Africa for medical assessment and feedback has been given to the organisation.
- ArcelorMittal South Africa's operations are driven by a need to comply with relevant environmental legislation.
- ArcelorMittal South Africa's CSR spend has delivered amongst others four schools, three science centres and a wellness clinic for thousands of residents in areas surrounding our operations.

Background on Interaction with VEJA

It is important to note that issues raised by the Bench Marks Foundation report are not new and were previously dealt with by VEJA and Groundwork, starting as far back as 2008. Progress in addressing these issues has been communicated to VEJA through meetings or correspondence since then.

In March 2009, VEJA submitted a list with names of ex-employees who had reported health problems. As agreed with VEJA after several engagements, these



ArcelorMittal

individuals were tested by an independent doctor who found very limited cases of occupational related diseases, and these were referred to the compensation commissioner. This process is on-going and feedback has been shared with VEJA. In 2010, VEJA submitted a batch of CVs for potential employment or learnership opportunities. A number of candidates with the requisite pass rates in Grade 12 with Mathematics and Science were requested to furnish additional information for further assessment. We are confident that a number of these candidates were absorbed by the company.

In the past four years, formal feedback and communication has been shared with VEJA on a number of “community issues” the organisation raised with the company such as local employment opportunities, ceasing the use of labour brokers by ArcelorMittal South Africa and learnerships.

Pollution under control

ArcelorMittal South Africa continues to work closely with local, provincial and national departments to ensure strict adherence to the relevant environmental legislation.

During the past five years we incurred expenditure in excess of R1-billion on environmental improvements at our various facilities. A significant portion of this amount was spent on rehabilitation and remediation projects at Vanderbijlpark Works with the objective of neutralising potential sources of groundwater pollution in old disposal sites and effluent storage facilities.

ArcelorMittal South Africa has constructed a sinter baghouse at Vanderbijlpark Works to reduce emissions from its most significant point source. This facility has enabled the company to reduce particulate emissions from this source by more than 80%. The company also built a R230 million dust extraction facility at Vereeniging Works, which has reduced the uncontrolled roof emissions that were previously emitted into the atmosphere. Plans have been in place to construct a similar facility at Vanderbijlpark Works, but due to financial constraints this project could not be implemented and the operations were stopped as a result to limit any harmful environmental impacts.

Safety is our priority

ArcelorMittal South Africa’s safety record has been steadily improving in the past few years. The company has not recorded a fatal accident in more than two years and incidences of injuries have dropped significantly. As a company we take



special care to ensure that our employees work in an environment that is safe and injury free.

ArcelorMittal South Africa prides itself on a no-nonsense approach to health and safety and initiatives to raise awareness and track performance on this discipline continues unabated.

Bursaries

ArcelorMittal South Africa has one of the most comprehensive bursary schemes. Each year the company spends R40 million on bursaries for students at universities and technikons. In 2012, we offered 20 learners from our Sebokeng Science Centre bursaries to study engineering and related fields. Our selection process for bursary candidates leans towards previously disadvantaged learners, who form the majority of our bursary holders.

Today we are proud to say that we have 16 former students already in our workforce pipeline from the local science centre and expect more in January/February 2014. About 40% of this pipeline comprises of young women encouraged to become engineers in the steel industry.

Community involvement and projects ArcelorMittal South Africa has a comprehensive Corporate Social Responsibility programme with education, health and social development as its three pillars. Our CSR strategy is centred on community engagement as we allow local communities to identify priorities in their area, and work with them to implement these projects. The company has spent in excess of R30 million rand replacing the roofs of some 3 000 houses in Bophelong and Boipatong in the past four years. This project has significant positive health impacts in that exposure to harmful asbestos fibres is eliminated.

In collaboration with Habitat for Humanity, we have built 44 houses in Orange Farm for families who previously lived in shacks.

On 1 November 2013, we donated a R13 million wellness centre to the Sebokeng Hospital which will assist in dealing with out-patients suffering from chronic conditions.

The company has also donated two schools, in Mamelodi and Mthatha, each costing in excess of R45-million to the Department of Basic Education in the past



three years. Under the Iscor banner, a primary school was built in Sebokeng in 1997 and another in Pretoria.

Stakeholder Engagement

It is important for ArcelorMittal South Africa to engage with stakeholders on a continuous basis so as to identify issues and the impact we have on our regions, understand the local environment and define appropriate plans to deal with these issues for the sustainability of our business. In the past few months, we have engaged with local communities through local councillors in Bophelong, Boipatong, Sharpeville and Sebokeng. Through these engagements, we have managed to share matters of common interest and challenges requiring interventions. The engagements also ensure that we continue contributing to the social and economic development of strong and sustainable local communities.

Conclusion

ArcelorMittal South Africa is a law abiding corporate citizen and respects employment, labour or criminal laws of this country. Therefore the company would not withhold pension or provident fund payout or surplus funds that are due to ex-employees, retrench or fire sick employees, and not report fatalities on its sites. Each fatality incident is reported and investigated by the department of labour.

ArcelorMittal South Africa produces a comprehensive integrated Annual Report and Sustainability Report, and both reports are freely available to be scrutinised by the general public.

-ends-

Contact person:

Themba Hlengani: 0834400158
ArcelorMittal South Africa