



Media Statement by Bench Marks Foundation No housing, no hostels after ten years

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For immediate release

The rapid growth in the platinum mining industry over the past 15 years has resulted in an influx of contract workers in areas surrounding the mines, causing strain on the existing communities and its various resources, says John Capel, Executive Director for the Bench Marks Foundation at the launch of 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.

Capel says that the study has found that Lonmin has failed to achieve any meaningful improvement in the standards of housing and living conditions for its mineworkers, although it has committed to a five year plan for housing.

"Going through the company's reports over the past 10 years, we note changes in the company's commitments with regard to the provision of housing for its employees as well as to its proposed conversion of hostels from single sex hostel living to family or bachelor units.

"From committing, in 2006, to build 6,000 houses for its employees by 2011 the figure has dropped to building 5,500 houses by 2014.

"And," says Seoka, "this figure includes the 1,149 houses that were built by the company in 1999".

In addition, the organisation's research shows that Lonmin made a commitment to convert all its hostels by 2011. This has not been met and is repeated in 2012, to be met by 2014.

"Only 79 hostel blocks out of 128 (this figure has changed in the reports over the past 10 years) have been converted to date, according to the information received.

"The company says that the aim of the hostel conversions is to address the housing shortage, but research shows that the majority of the workers would not be accommodated and would then need to find accommodation themselves.

"Local sources tell us that an estimated five to six workers out of every eight, will be sent to the "squatter camps" when the hostels are eventually converted.

"Displaced workers are already building shacks in Nkaneng and other informal settlements, with Lonmin trying to fulfil its obligation to convert all hostels.

"The hostel conversion is, in our opinion, a defunct, unfair and unsustainable process.

"Lonmin and other mining houses need to deal with what happens to the five or six workers who have to move out of the hostel after conversion. They end up living in informal shacks that lack basic

amenities such as access to running water or proper sewage systems. Lonmin should commit to improving the living conditions of these workers,” says Seoka.

Capel says that the reporting by the company regarding where its employees live is unclear.

“We have reason to believe that the overwhelming majority of Lonmin’s 28,230 established employees (figures from 2012’s report), stay in informal settlements or in township shacks.

“As for the additional 8,300 contract workers - for which Lonmin takes no responsibility, although 30% of its workforce is contract workers – their residence in informal settlements is almost a given fact.

“Our research shows that Lonmin only provides an estimated 5,000 out of 28,000 established employees, accommodation”.

Through the years, the company decided to sell houses to its employees. The only problem is that the employees cannot or do not want to buy them.

In what Bench Marks calls a surprise admission by the company, Lonmin reports that only 242 of the 1,149 homes built by the company have been sold (the figure 1,149 is also a surprise as in its 2011 SDR, it reported that 1,728 houses had been built. This means that 579 houses have miraculously vanished from the company’s accounts).

“For the period 1999 to 2010, only 41 title deeds were transferred,” says Capel.

“We can therefore deduct that the results from Lonmin’s survey in 2008 were not truthfully reported in the 2008 SDR, which claimed “it is the intention of the majority of employees to buy a house as opposed to renting a house”.

The research report also says that discursive slippages occur throughout the SDRs. The reporter, editor or copy writer of the document wants to show that Lonmin is following the regulations willingly, from conviction. The slippage can appear as a movement from “commitments under the Mining Charter” to “our goals” or “targets”.

“It is interesting to note that Lonmin’s mining licence has not been withdrawn as a result of its failure to deliver on its house building commitments.

“Furthermore, there are no reports in the SDRs of any less serious sanctions or penalties issued by the controlling authorities. It is also not clear if Lonmin’s mining licence can be withdrawn. There is also no mention of any other possible sanctions.

“This clearly shows us that there are no consequences for those companies that do not fulfil their commitments or obey the laws.

“The Department of Mineral Resources must start enforcing the powers it has from the Mining Charter. In addition it should insist on clear reporting from the mines. This is the only way that the living conditions of miners will be improved.

We are pretty sure that Lonmin is not the only company not fulfilling its commitments or obeying the law.

“It is important to note that one of the many reasons behind the Marikana Massacre that occurred last year was due to the miners’ unhappiness regarding their living conditions.

“Their unhappiness was reported in our report, *Policy Gap 6, A Review of Platinum Mining in the Bojanella District of the North West Province*, released a few days before the massacre.

“It’s unacceptable that we are still talking about these issues. We need less talk and more action by mining houses now.”

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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