



Shortlist 2010

Public Eye Global Award

www.publiceye.ch

**Nominated for the Public Eye Global Award 2010
by Groundwork USA:**

Arcelor Mittal

Headquarters:	Luxembourg, with offices in 60 countries
Sector:	Steel
Turnover/Profit:	US \$105.2 billion / US \$19.4 billion (2007)
Owned by:	Publicly-traded in Amsterdam (MT) and Brussels
Employees:	310,000
CEO:	Lakshmi Mittal

In Brief

Indian steel tycoon soils South Africa. Arcelor Mittal is by far the largest steel producer in the world, and its principal owner, Indian Lakshmi Mittal, is the world's eighth richest person. His company took over the South African half-state-owned steel producer Iscor several years ago, but since then it does not seem to care about its social or environmental responsibility. The company even lobbies against stricter state air pollution regulations, and refuses to clean up the heavily contaminated environs of the steelworks, although the contamination was the reason why Arcelor Mittal could buy the plant at a bargain price. People who live near the company landfill talk of deformed newborn animals and of tin cans and metal window frames that rust through with alarming speed. And the community exhibits a much higher than average cancer rate. Arcelor Mittal also laid off a large number of workers and sold their dwellings to a private company. Many of the workers are still unemployed and can no longer pay their rent. Further charges against Arcelor Mittal include illegal toxic waste disposal, price fixing, and market collusion.

Irresponsible Corporate Behavior

Between 2001 and 2004, Lakshmi Mittal, Indian steel tycoon and currently the world's eighth richest person, took over the beleaguered South African half-state-owned steel producer Iscor, which produces more than 90 percent of the country's steel. The worldwide industry leader Arcelor Mittal currently owns 52 percent of the corporation and so far has avoided accepting any responsibility for the environmental pollution caused by its principal Vanderbijpark steelworks, which was one of the reasons why Arcelor Mittal was able to buy the works for far under the market price. The steel company has so far taken no steps to clean up the contaminated environs. The environmental costs are therefore endured by the community. Environmental experts warn that the groundwater in the region is contaminated, leading to illness and birth defects. Arcelor Mittal can expect further litigation in South Africa: it has been accused of price fixing and market collusion. At the same time,

Arcelor Mittal is one of the toughest lobbyists in the country when it comes to delaying long-planned and markedly stricter air pollution regulations. Residents near the steelworks fear the company because it wants to buy up land, including houses, for a bargain price, so that it can enlarge the plant. Those unwilling to sell are often intimidated.

Consequences

People who live near the Vanderbijpark steelworks speak of deformed newborn animals, and of tin cans and metal window frames that rust through with alarming speed. The community also exhibits a high rate of cancer. Arcelor Mittal is one of the three largest polluters in the Vaal Triangle. For the state this means annual healthcare costs of €30 million in this region alone. The South African government launched an investigation because of indications that Arcelor Mittal repeatedly stored toxic waste in landfills, although it was warned on multiple occasions to stop this illegal business practice. In July 2007 a report revealed that both soil and groundwater were heavily polluted with toxic substances. Arcelor Mittal also laid off many workers and sold their dwellings to a private company, without informing the renters. Many of them are still unemployed and cannot pay their rent. Compensation payments and pension fund contributions are both overdue.

Current Status and Demands

Arcelor Mittal must put forward an environmental master plan and accept full responsibility for the polluted areas. In addition, the steel company should treat its workers humanely. Many of them have worked their entire lives at the steelworks, but ended up on the street after the takeover. The steel company must immediately halt its lobbying for the weakening of emissions standards and air pollution regulations, and at long last obey existing laws. Instead of intimidating residents near the steelworks and buying them off with token sums, Arcelor Mittal should use its US \$500 million reserves from South African operations to fairly compensate all those who suffer from the activities of the steelworks.

Further Information

- <http://www.climategreenwash.org/arcelormittal>
- <http://www.globalaction-arcelormittal.org>
- <http://www.bankwatch.org/publications/document.shtml?x=2181974>