

## **PRESS RELEASE**

### **Dead workers, stinking pollution and forced evictions: New report highlights ArcelorMittal's global trail of destruction**

**Luxembourg, 13 May 2008**

A newly-formed coalition of environmental and community groups [1] - Global Action on ArcelorMittal - today released a report showing how local residents and workers around the world pay the price of ArcelorMittal's success.

The report - "In the wake of ArcelorMittal - the global steel giant's local impacts" [2] - was launched at a press conference in Luxembourg to coincide with the company's annual shareholder meeting. It contains nine case studies detailing ArcelorMittal's legacy of pollution, environmental damage, health impacts and poor worker safety.

In the report the coalition demands that:

- ArcelorMittal implements environmental and health action plans in consultation with residents adjacent to the plants and plant workers in a democratic manner;
- Governments should not give ArcelorMittal perverse tax breaks or allow it to dispossess people from their land; and
- Public financial institutions should not support polluting industry such as ArcelorMittal, which has extensive resources of its own. [3]

The success of the company has coincided with the exploitation of weaker national laws and political wrangling, and the pollution and health and safety problems experienced by neighbours and workers at ArcelorMittal plants are more than occasional blips. Rather, they represent the logical conclusion of the company's strategy of buying old, heavily polluting steel mills in places like Kazakhstan, the Czech Republic, Ukraine, South Africa and the USA, and implementing large production and cost-cutting targets.

Samson Mokoena, who lived adjacent to the ArcelorMittal plant in South Africa, represents the Vaal Environmental Justice Alliance, a coalition of community, religious and labour groups calling on ArcelorMittal to clean up its water and air pollution in South Africa. He said: "Buying cheap apartheid created state industry and making huge profits from it does not absolve one from dealing with its historic pollution, which led to the relocation of people in a democratic South Africa."

Jan Srytr, of GARDE - Environmental Law Service, a Czech NGO, said: "In the Czech Republic the level of arsenic, dust and polycyclic aromatic hydrocarbons near the ArcelorMittal steelmill is seven times higher than allowed by Czech legislation, making the region's air among the most heavily polluted in the EU.. We sued the company last month on behalf of local residents and are planning to launch more suits."

In India, ArcelorMittal is planning to build two giant plants on indigenous lands, destroying the livelihoods of local communities who are already poor and have no political voice to defend themselves.

Even though ArcelorMittal's CEO and largest shareholder, Lakshmi Mittal, is the fourth richest person in the world, worth an estimated USD 45 billion, the company has been supported with no less than ten public loans from the European Bank for Reconstruction and Development and the International Finance Corporation in the last ten years. Together these public loans have totalled around USD 692 million.

Dana Sadykova, of Eco Museum, Kazakhstan, said: "Public money is meant to ensure that society collectively benefits from development projects and investment, but investing in ArcelorMittal just condones the activities of a company that has been responsible for over 100 miners dying in accidents during the last five years in Kazakhstan. The investments are supposed to bring environmental and health and safety improvements, but the results on the ground just aren't good enough. It is vitally important that senior international management take responsibility for improving the local conditions."

Members of Global Action on ArcelorMittal will present this set of demands to their governments, the international financial institutions and ArcelorMittal, and step up their efforts to hold the company accountable on the local level.

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Notes for editors:

1. The report was compiled by CEE Bankwatch Network, Ecological Society Green Salvation (Kazakhstan), the GARDE programme of the Ecological Law Service (Czech Republic), groundWork - Friends of the Earth South Africa, groundWork USA, Friends of the Earth Europe, Friends of the Earth International, Karaganda Ecological Museum (Kazakhstan), Mouvement Ecologique - Friends of the Earth Luxembourg, National Ecological Center of Ukraine, Ohio Citizen Action (USA), Vaal Environmental Justice Alliance (South Africa).

2. The report "In the wake of ArcelorMittal - the global steel giant's local impacts" can be downloaded at: [http://bankwatch.org/documents/mittal\\_local\\_impacts.pdf](http://bankwatch.org/documents/mittal_local_impacts.pdf)

3. The full demands listed in the report are:

To ArcelorMittal's management and shareholders:

- As a first step, where this has not already been done, the senior management of ArcelorMittal needs to meet with all stakeholders to listen to their concerns and to develop action plans for stakeholder engagement.
- Where they have been made, environmental action plans need to be released to the public, and where they have not been made they need to be developed.
- Environmental action plans must be developed in consultation with community people living adjacent to ArcelorMittal's plants and incorporated into government licences to operate.
- The company needs to review its working arrangements to ensure that its managers do not have to make trade-offs between environmental/health and safety protection on the one hand and production targets on the other.

To local and national authorities in locations where ArcelorMittal is operating:

- ArcelorMittal should not be given any tax or environmental exemptions.
- ArcelorMittal's status as a major employer in some areas does not mean that it should be treated leniently with regards to pollution, health and safety and labour issues. Where ArcelorMittal's operations do not comply with the law, the company should be sanctioned as any other company.
- ArcelorMittal should not be allowed to displace poor and indigenous communities when their livelihood depends on the very land where the company plans to build its plants.

To the European Bank for Reconstruction and Development and International Finance Corporation:

- ArcelorMittal should not receive further low-interest public loans. A company of such a size should easily be able to finance projects from other sources.
- For those projects that are still ongoing, the EBRD and IFC need to intensify their monitoring of the environmental, labour and health and safety aspects of the projects, as well as stakeholder engagement.