

Study: Amplats workers and communities still losing out

Amplats workers and communities benefitted far less than its shareholders during the fat years prior to the global financial crash of 2008.



Photo: Amplats

After that Amplats' situation changed dramatically... but not for the better. "Though annual dividends were significantly lower for the period 2008 to 2015, compared to 2007 and 2008, so too was the total workforce with contractors made progressively redundant," said John Capel, executive director of Bench Marks at the launch of its report, [*Coping with Unsustainability \(2\): A critical analysis of Anglo American Platinum Corporation \(Amplats\) Sustainable Development Reporting \(SDR\) from 2003 to 2015*](#).

"Amplats did not fairly share the value created from platinum group metals (PGM) mining with all its stakeholders. As annual gross revenue increased from R16.5bn in 2003 to R51.1bn in 2008 (a significant increase of 209.7%), annual dividend payments increased by a massive 406.7% from R2.7bn in 2003 to R15.2bn in 2008.

"At the same time, however, annual overall distributions to workers increased by only 101% from R4,974m in 2003 (when there were 44,217 full-time employees) to R8,847m in 2008 (when 58,103 people were employed full-time), whereas annual community spending in 2008 (R21m) was only 91% of its level in 2003 (R23.1m) - a 9% decrease," the report says. However, from 2011 to 2015, this amount increases, and in 2015 was R547m. But one can argue that shareholders had already cashed in."

Quality of life

Capel adds that this skewed distribution of wealth and economic benefits extended to Amplats' workforce including the quality of life and working conditions of its workers. Housing only represents 2.7% of dividend paid out to shareholders between 2003 and 2008.

"This occurred in the face of a lack of any clear evidence that the quality of life and working conditions of the remaining workforce had significantly improved. For example, there was no disclosure of minimum wage per employee category and gender, no clear statistics on the gaps between promises made on staff housing

and actual delivery, and no health statistics such as on HIV/Aids and tuberculosis, for staff members, their families, or local communities.

“At the date of publication of Amplats’ 2015 SDR, the housing crisis facing workers remained unresolved. There were 5,743 employees housed in hostels, and 2, 000 employees were still in receipt of living-out allowances, which, as acknowledged by the company, are often used for other purposes. This left 12,545 persons unaccounted for (4,288 total workforce disclosed in 2015 SDR2). The 26,000 workers receiving living out allowance largely live in informal shanty towns or in backyard shacks, largely in dismal conditions, Capel says.

Environmental impact

Turning to environmental issues, the Bench Marks study says that, while Amplats focused much of its attention on environmental management during the period 2003 to 2013, its detailed statistics on water use sources and discharges do not explain their impact on people and nature, in time and space, and how Amplats effectively implemented the impact mitigation hierarchy.

“Furthermore, there is a complete lack of meaningful information on the impact on biodiversity and the ecosystem services used by surrounding communities. Reports on efforts to reduce annual air emissions tend to obscure the accumulated impacts of such emissions on climate.

“Amplats’ contribution to GHG emissions accumulated in the atmosphere had risen from under 10,000 kilotons in 2003 to 72,059 GHG kilotons by 2015, thus putting into perspective the company’s efforts at monitoring, managing and reducing both its Scope 1 (internally generated emissions) and Scope 2 (emissions due to purchased electricity) GHG emissions. Carbon neutrality for 2003-2013, at least for all Scope 1 emissions, should have been reached several years ago through carbon offset projects with social and biodiversity co-benefits,” according to the report, which is the 13th publication in Bench Marks’ Policy Gap series of evidence-based research.

In the case of sulphur dioxide, Amplats’ emissions remained constant between 2003 and 2013, showing a real decline, except for the slight decline in 2013, that perhaps has more to do with the worldwide slowdown in demand for platinum than any meaningful effort to reduce SO₂.

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