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MEDIA RELEASE

ARCELORMITTAL SOUTH AFRICA UPDATE ON WAGE DISPUTE

Vanderbijlpark, 24 May 2022: ArcelorMittal South Africa did not permit a march by the National Union of Metalworkers (NUMSA) to deliver a memorandum at the company's offices in Vanderbijlpark on Tuesday, 24 May 2022.

This is because the strike action initiated by NUMSA has been marred by numerous acts of violence and intimidation of non-striking employees, despite the strike and picketing rules agreed between the company and the union. The company has indicated its concerns to NUMSA regarding the breach of these rules as well as the unlawful conduct of its members but, to date, there have been no real or tangible efforts by the union to stop these acts.

These unlawful acts include the shooting of an employee, who is currently recovering in hospital, multiple cases of assault or attempted assault of non-striking employees as well as intimidation of employees and their families in the workplace, enroute to work and at their homes, multiple instances of stoning and attempted damage to employees' and contractors' vehicles, and road blockades and other disruptions intended to prevent access to company premises. Cases have been opened with the SAPS for investigation of these incidents and arrests have already been made in some cases.

"Given that NUMSA has thus far not made any reasonable effort to address the unlawful and disruptive conduct of its members and has not demonstrated that it is willing or able to do so, we do not have any confidence that the union will be inclined to or capable of ensuring that the process to hand over a memorandum at our offices will be carried out peacefully," said Kobus Verster, ArcelorMittal South Africa's Chief Executive Officer. "To ensure the safety of our employees and the security of our business premises, we therefore did not permit the handover."

The company did offer to receive the memorandum in writing by email or fax.

The company is providing the necessary support to the employees and their families affected by these illegal acts and is taking determined steps to ensure the safety of all employees who are coming to work. This included an application for an urgent interdict prohibiting these acts of violence and intimidation, which was granted by the Labour Court on Friday, 20 May 2022.

Among other things, this interdict:

- prohibits the respondents from committing, enticing or encouraging all forms of acts of misconduct in support of their strike action
- Requires the respondents to comply with the picketing rules

- Requires the respondents to provide the court, within 48 hours and in writing, a plan of action to ensure compliance with picketing rules and to ensure that non-striking employees will not be attacked or intimidated
- Orders the respondents to issue a written statement to its members condemning the violence and intimidation.

“The company respects the rights of employees to embark on industrial action, but this must be in compliance with the law and having regard for the rights of others,” says Verster. “It is extremely disappointing that employees who have been participating in the strike do not have any regard for the law.”

The Labour Court initially granted an interim interdict that prohibited ArcelorMittal South Africa employees working at the blast furnaces, coke batteries and steelmaking in Vanderbijlpark and Newcastle from embarking on strike action. This was based on the argument that these areas of operation are considered essential services and was pending final judgment. However, on 19 May 2022, the Labour Court provided judgement in this matter and did not grant the final interdict. Among other reasons, this was because the Labour Court did not want to pre-empt the decision of the Essential Services Committee on this matter and the company will now pursue this further with the Essential Services Committee.

In the spirit of conciliation, and based on ongoing discussions with NUMSA and Solidarity, ArcelorMittal South Africa tabled two improved, alternative final offers, subject to certain conditions, for union consideration on Friday, 20 May 2022:

- A 6% increase on all remuneration elements, including allowances, standby and medical aid, plus a R5 000 once off ex-gratia payment, or
- A 6.5% increase on all remuneration elements, including allowances, standby and medical aid, without any cash payment.

Unfortunately, both NUMSA and Solidarity have indicated they would not move from their previously held demands of a 7% increase with a R5 000 once-off cash payment.

“We believe the offers we have tabled in an effort to put an end to the wage dispute are fair and more than competitive when compared to recent agreements in similar sectors,” said Verster. “The current strike action is unfortunate and not in the best interest of any stakeholders or the business.”

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