

Fact-finding mission report

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CEE Bankwatch Network's mission is to prevent environmentally and socially harmful impacts of international development finance, and to promote alternative solutions and public participation.

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ArcelorMittal Temirtau

Introduction

In 2007 the European Bank for Reconstruction and Development (EBRD) approved a USD 100 million loan for health and safety improvements in ArcelorMittal's Kazakh coal mines. This followed loans approved in 1997 by the EBRD (USD 54 million) and International Finance Corporation (USD 132.5 million) for environmental improvements at the Temirtau steelmill, which had raised concerns among local environmental organisations due to the lack of clear results and continued serious air pollution from the plant.

Since 2007 CEE Bankwatch Network has supported the Center for the Introduction of New Environmentally Safe Technologies¹ in its campaign for environmental improvements at the ArcelorMittal Temirtau steelmill and to ensure that the health and safety improvements promised by the EBRD loan materialise. Our key concerns have been the continued fatal accidents at the coal mines and the lack of information about the improvements brought by either the health and safety component of the project or the implementation of the Environmental Action Plan. Without the disclosure of this information, stakeholders are unable to assess whether the project is being implemented successfully. ArcelorMittal Temirtau has developed repeated Stakeholder Engagement Plans but none so far has been sufficient enough to ensure that relevant environmental and health and safety information is released. Having reached something of an impasse, we visited Temirtau to try to obtain new information about the company's environmental and health and safety performance.

Meetings held included:

1. ArcelorMittal – a stakeholder meeting chaired by Mr Orman Kamzabaev, Director for social issues, was arranged to coincide with the visit of an EBRD delegation.
2. Around 15 miners from ArcelorMittal's coal mines and Natalia Tomilova of the Miners' Families NGO
3. Mr Gennady Sukhorukov, the Chief environmental expert of the Nura-Sarysu Environmental Department for Karaganda Oblast
4. Mr Yury Krivdanov – of the NGO Blago, which is researching transparency at the coalmines in co-operation with ArcelorMittal
5. Mr Pavel Shumkin – Independent trade union expert

Issues raised

Health and safety in the coal mines

The miners we met, together with Ms Natalia Tomilova of the Miners' Family NGO and Mr Pavel Shumkin, raised several issues relating to dangerous working



practices as well as the availability of working and safety equipment at ArcelorMittal's coalmines in the Karaganda region. A transcript of the miners' statements is available in Annex 1 of this report and a collection of the miners' video testimonies is online².

The main issues raised were:

Lack of mine workers and unsafe organisation of work

It is to be expected that people in former Soviet countries experience a decrease in employees in all kinds of enterprises as a shock, and that their employers see it as a necessary means of increasing efficiency. However miners at the Tentekskaya, Abaiskaya and Lenin mines say that the degree to which the number and type of workers has been reduced is having an impact on safety at the mines. Miners report having to work on tasks for which they are not qualified or that are supposed to be covered by others³. Concern was expressed, for example, about reinforcement work occasionally taking place at the same time as extraction instead of having the mines properly prepared in advance. In the least serious case this results in miners losing their bonus payments because they cannot complete the work that they would otherwise have been doing, and in more serious cases it can mean injury or even death (eg. in two cases of miners working in Abaiskaya on the conveyor in 2008 and 2009 – one died and another was injured).

Lack of equipment

Complaints about the lack of working and safety equipment came from the Abaiskaya, Lenin and Kazakhstanskaya mines⁴. Examples included:

- poor roof reinforcement at the Abaiskaya mine due to not having the proper materials and tools and having to remove reinforcement materials from other places that had already been reinforced
- having to buy one's own work equipment (eg. Abaiskaya, in cases when equipment is broken)
- banning the use of S-shaped links for chains in the Lenin mine but not supplying any alternatives
- repairing and repainting old equipment instead of buying new equipment
- H2S emissions problems and inadequate protection
- insufficient number of lamps and having to keep working even if one's lamp fails (Kazakhstanskaya mine)
- presence of water in some mines because the pumps do not work well, leading to the need for new footwear.

Orders to override safety procedures

In addition to the pressures attributed to the lack of miners, cases were identified in Tentekskaya and Kazakhstanskaya where safety procedures are overridden in order to work stoppages⁵. The

oxygen pipes have a specifically-defined air-flow, below which the workers are alarmed to exit the mine but the measuring devices sometimes show less, according to the miners, because of holes in the pipes. When asking superiors what to do about this, miners were allegedly instructed to narrow the oxygen pipe to keep the speed of air flow constant, even though it decreases the flow of oxygen to the mines. This was said to have been the case for many years, but one which is not being solved.

Misclassification of work accidents and threats to miners

Several miners reported that they or their colleagues had suffered accidents that had either been classified as less serious than the miners considered them to be or something that happened at home, not at work. One worker from the Lenin mine even suggested that ninety percent of injuries are classified as home injuries. It seems to be the practice at the mines to assign a percentage of the blame for the accident to the injured miner⁶. It is not clear if this is common practice in other occupations but from our point of view it adds insult to injury.

Two miners also reported that they or colleagues had been pressured to agree with these categorisations. For example a miner from the Tentekskaya mine claims that after having an accident at the coalmine and injuring his leg six months ago he was threatened in the hospital by Ryabtsev the safety officer. Another miner from the Abaiskaya mine, injured in 2008 while cleaning a conveyor belt, said that it took him two years and a court case just to get the appropriate papers from the company and that he has not received any compensation. In court the company allegedly claimed that the miner was instructed but disobeyed the instructions, later producing a signed document to this effect that the miner says is forged. An investigation is now ongoing in this case. A year later, as mentioned above, one miner died under similar circumstances and his family has allegedly received no compensation.

When asked what would be the motivation for ArcelorMittal to misclassify accidents, Ms Tomilova explained that according to labour legislation in Kazakhstan, an accident is investigated according to the findings of medical organisations. If it is a light injury, there is an internal investigation, not involving the national Ministry, which makes life much easier for the company. These medical organisations, according to Tomilova, have their salary paid by ArcelorMittal. Tomilova alleges that sometimes when it appears that the Miners' Family NGO will sue them, they change their conclusions, saying that the earlier versions have been doctored. The public prosecutors' office has so far only stated that it is not clear who was falsifying these documents.

In the case of occupational diseases, Tomilova believes it is less clear, as insurance companies could also play a

role - they have a right to participate in the investigation of the case. They come up with a percentage about how much you have lost your ability to work.

It is important to point out that the Miners' Family NGO has been put under frequent pressure due to its activities. Most seriously, last year the car of Ms Tomilova's assistant Tahir Mukhamedzyanov was blown up while in its garage (remains pictured below). Ms Tomilova states that she is allowed to invite only up to five people to her office at one time, otherwise the Akimat (local government office) considers it to be an illegal meeting and puts pressure on the owner of the building and on the NGO itself. One example was earlier this year when the Miners' Family NGO organised a meeting between the miners and ArcelorMittal. They placed an advertisement on the local TV channel to inform miners about the meeting, but according to Tomilova the Akimat called the TV station and told them to cancel the advertisement, so they then ran advertisements claiming that the meeting had been cancelled.



During the Stakeholder Meeting Mr Kamzabaev stated his willingness to look into these cases and to meet with miners. ArcelorMittal has also opened a public office. According to Tomilova, miners who had been there but later came to Miners' Family felt that they had not received practical help but rather excuses regarding legislation. Understandably many miners are nervous about coming forward individually to the company to resolve the problems, so further efforts are needed to bring the miners and the company staff together to discuss the issues.

Stakeholder engagement

The Stakeholder Engagement Plan and the release of environmental information

There have been two steps forward here: ArcelorMittal Temirtau has added a commitment to the quarterly release of environmental information on emissions and other aspects into its Stakeholder Engagement Plan and for April 2011, it has published average ambient air quality measurements of several substances at the boundary of the

site protection zone, along with the maximum allowed concentrations. Information has also been published on its website about some of the environmental measures implemented.

What is still needed:

- The company should publish point source emissions data quarterly, along with the information on ambient air quality measurements at the boundary of the site protection zone. At the Stakeholder Meeting Mr Kamzabaev stated that the company will install equipment for continuous monitoring and that the sintering workshop is the main source. The company will begin to release data in a year or two.
- Measurement of a wider range of substances is needed, such as heavy metals and Polycyclic Aromatic Hydrocarbons. These may not be required by Kazakh legislation but have important potential health impacts.
- It is not clear whether the air quality data published are the maximum values for the whole month, or the average maximum daily values. If the latter, more detailed data needs to be published to show daily variations.
- If ArcelorMittal has similar data for previous periods it needs to publish it in order to show the improvements it claims have taken place since it took over the steelmill.

Release of health and safety data and plans

In April 2011 ArcelorMittal released health and safety data that included an overview of injuries and deaths for the last 16 years, broken down between the steelworks, coal mines and iron ore mines, as well as information about what the company is doing to improve health and safety. This kind of data showing progress over time is what we would also like to see for the environmental data. It demonstrates that the number of injuries for the whole company decreased from a high of 1475 in 1996 to 76 in 2010. The trajectory of the number of deaths is less clear, peaking in 2004 (36 deaths), 2006 (53 deaths) and 2008 (45 deaths). In 2009 there were 10 deaths; in 2010, 9 deaths.

The injury data may be somewhat undermined by the statements from miners cited above that some occupational injuries are misclassified as home injuries. A definitive conclusion about the extent of this problem is unclear, considering that the miners also reported pressure to accept the classification assigned to their injury.

As for the company's plans for improving health and safety, there are an impressive number of initiatives planned. Nevertheless the activities may not address adequately some of the issues we have heard raised by the miners. While training is important, we have heard that safety measures that the miners already know and understand are anyway overridden, either

due to a lack of alternative means to do the same task or because of management orders. We are concerned that the company plan's to improve health and safety conditions do not include measures to supply coal miners with personal tools and equipment. According to our discussions with miners, the lack of personal tools, protective means and equipment at some of the coal mines is problematic. Neither do the plans appear to show how the company plans to incentivise safe behaviour. Current practices appear to encourage workers to continue work even when conditions are inadequate, such as an adequate number of working lamps or when there is inadequate air flow to the mines through the air pipes. An assessment also needs to be made on whether adequate numbers of properly trained miners are employed at the mines for the correct tasks, in order to avoid ad-hoc arrangements that may compromise safety.

Transparency within the company

The company's health and safety cannot be adequately improved without an improvement in transparency and the ability of the company to adequately address complaints. As we have seen above, some miners report having been threatened in relation to injury classifications, whereas others report that they tried to raise the issues with either managers or the dedicated public office but were told to muddle through somehow.

The Blago NGO, headed by Mr Yury Krivdanov, is undertaking research at the mines on the topic of health and safety but with the aim of assessing the transparency of the communications in different departments at the coalmines. The results so far (from the Kostenko mine) show interesting variations, with RVU the most closed section and 'B' and 'TB' the most open. 605 questionnaires identified 615 problems, with the most common groups of issues being similar to those reported by the miners we spoke to:

- equipment, materials and tools
- organisational problems – workload, number of workers, threats etc
- conditions for work – clothes, washing facilities etc

Once the research is completed it is largely up to the company to follow up on the issues raised by the miners related to transparency and health and safety. This data will be a useful resource but the company needs to make the most of it and ensure that an environment is developed in which miners do not feel afraid to speak out and are confident that their complaints will be resolved adequately.

Conclusions and recommendations

For ArcelorMittal

Health and safety and miners' freedom of expression

ArcelorMittal needs to:

- investigate allegations that its staff have been implicated in miscategorising accidents and pressuring miners to accept these miscategorisations. There must be both disciplinary consequences for any staff found to have undertaken such activities and corrective actions for the miners concerned. In order to start this process a collective meeting with the Miners' Family NGO and interested miners would be useful. It is not useful to organise the meeting through the official trade union if the miners prefer to deal with it through the Miners' Family NGO.
- investigate claims that miners override safety measures because of insufficient equipment or orders from superiors and take corrective action as necessary.
- look into the allegations that there are insufficient, properly-trained miners for certain tasks at some mines and take any necessary corrective action.

Access to environmental information

There have been some reporting improvements regarding the environmental performance of ArcelorMittal Temirtau and the number of injuries and deaths. What is still needed:

- The company's point source emissions data needs to be published on the basis of continuous monitoring. ArcelorMittal is working on this.
- Measuring a wider range of pollutants is needed, such as heavy metals and Polycyclic Aromatic Hydrocarbons.
- It is not clear whether the air quality data published are the maximum values for the whole month or the average maximum daily values. If the latter, more detailed data needs to be published to show daily variations.
- If ArcelorMittal has similar data for previous periods it needs to publish it in order to show the improvements it claims have taken place since it took over the steelmill.

For the EBRD

The EBRD needs to:

- monitor ArcelorMittal's efforts to resolve the issues raised by the miners.
- ensure that in future projects environmental and health and safety data are published earlier than has been the case in this project and that there

are enforceable penalties for non-compliant clients.

For the Akimat

- Investigate the claims of pressure being put on the Miners' Family NGO and ensure that any staff involved face disciplinary action

End notes

- Formerly part of Karaganda Ecological Museum
- See <http://bit.ly/pLQisa>
- See <http://youtu.be/im8WDj4G0c8?t=5m38s>
- See for example <http://youtu.be/im8WDj4G0c8?t=10m2s>
- The miners' accounts at <http://youtu.be/im8WDj4G0c8?t=12m35s>
- For instance <http://youtu.be/im8WDj4G0c8?t=2s11>

Annex 1 Shakhtinsk miners' testimonies 23 May 2011

The meeting brought together miners from the Lenin, Tentekskaya, Kazakhstanska, Abayskaya and Shakhtinskaya coal mines. The other mines are further away from Shakhtinsk and it was difficult to bring the people to Shakhtinsk.

A. Chumakov I am from Tentekskaya coalmine and I was injured 6 months ago. There is a lack of workers – where there should be six people working there are really only 4. There is old equipment. Some coal fell on my leg. The company decided it was 70 percent the fault of the company and 30 percent my fault. They classified it as a 'not serious' accident and pressured other people who witnessed the accident not to talk about it. There are many cases where they say that the injuries happen at home, and are calling and threatening to force people to agree with this conclusion.

Who is threatening?

I was threatened in the hospital by Riabtsev.

Alexei There should be water available, ventilation and so on before the miners start work in a new area. A minimum of six to eight people should prepare the area before the miners go there, but at the moment there are only two or three so they call other people to help do this. Then take away their bonuses because they are not able to fulfill their coal extraction targets. We told the chief at Tentekskaya about this and he shrugged and said, "What can I do?"

Gazizov Renat I worked at the Abayskaya mine for ten years. I was injured in 2008 by the glasses that the company provided – they only cost 100 KZT

and were made of glass, so I got an eye injury. The medical centre was trying to solve the problem of how to portray the injury as less serious. The glasses that injured me were made of glass and the company decided that it was 20 percent my fault. I was fined and blamed for having bad glasses even though it was the company that had provided them. There is big pressure from the management.

Which part of the management is applying pressure?

It depends on the circumstances, but they will put pressure anyway.

Only in October 2008 after the case of my injury the company started to provide miners with proper glasses.

When preparing the new equipment they just repaired and repainted old equipment. They hurry people to finish the work but they have only 20 people instead of 40.

Last month they collected 10 percent of the bonus payments from all the workers at the Kuzembaeva mine. The mine's management explains that the money taken from the bonus payments is used to improve equipment, infrastructure and other stuff at the coal mine. Any miner from the Kuzembayeva coal mine can show you the receipt where this money was taken from his bonus salary.

They say that they buy new equipment, and they do really buy some things but just these huge conveyor belts to transport more coal. It's only an example from one production unit. They want to increase the coal production, but there is nothing to support the work of these new highly productive machines: no hammers, no hand cable winches, no tools and most important no workers.

The conclusion is that they do everything to increase coal extraction, but all other equipment is very old. As for our tools, we bring them from home.

Miner from the Abaiskaya coal mine I was also injured in 2008. I have a class 2 disability. I spent two years suing the company just to get the papers.

The commission from the department for social safety said according to Article 322 I was doing work that wasn't connected to the interest of the company when the accident happened. I was on the cleaning service for the conveyor, but I wasn't supposed to be. I was caught between the rollers and conveyors. They put unqualified people in dangerous jobs because of a lack of people. There are lots of posters about health and safety but that's it. There is a lack of equipment. There are no gloves, no soap, no boots, and you only get the

boiler suits later.

After two years of suing them I finally managed to get the NI act and they recognised that it was an industrial injury. But they said the accident was 60 percent the company's fault and 40 percent my fault, but I believe that it was not my fault. After another year Plotnikov Yura, the foreman and my tutor had the same kind of accident, and he died. The company put the full fault on him and his family didn't get any compensation.

It's the third year in a row now, and the management of the coal mine hasn't paid me anything. In court they've said that I was informed and that they even gave me the safety instructions. But I've never seen them. They don't inform people about the dangers because then they would simply never do the work. They falsified my signature in the journal to say that I'd been instructed, and the experts in Karaganda say it was my signature. We filed an appeal to Astana and the new evaluation is in its second month.

Dima I'm from Lenin mine. I can tell you about one situation: since 2009 there is a written order everywhere in the coalmine. We have so called 's' sections of round chains that are used to link the chains with together, and this creates great tension when tons of weight are hoisted. It is prohibited to use them but everybody still does it.

The order has been in place for two years already but people still use them. If one of the chiefs is coming, we hide them. The management knows that it is not allowed to use them, but this practice is still in place. There is nothing else to use instead.

Most of the cases of industrial injuries – I would even say almost 100 percent of them – are caused by bad labour management and the lack of tools. Of course there are some tools and equipment, but it is not enough. It's also a big problem to have the tools on time. For example you need something today, but it will only arrive in two or three days, but in these couple days anything could happen. They don't care much about labour management, as long as the work is done –nothing else matter.

Thank god I haven't been injured yet. I can say that from ten cases of industrial injury, nine or even all ten cases are changed to 'off-the-job' injuries. This is how they reduce the injury rate.

Alexander from the Lenin mine When preparing a new part of the coal mine, sometimes we have to bring the extremely heavy machinery ourselves.

Miner from Kazakhstanskaya mine I was hired in 2002, and at the time our director was Mironov Michail Petrovich. When I came to his office, he asked "Do you have tools?" (This was director himself who asked this). He asked if I like sports,

and of course I said that I will find tools and that I like sports so that I could get the job.

For the last five years I was working in the coal extraction unit. When we pass the long wall face, we have to reinforce the junction, but we don't have clamps, screws and spanners – everything that we need for the job. We had to go to the long wall face that had already been worked and take away one of the two clamps that was used there for reinforcement. This is prohibited by safety measures but we had to do it because we didn't have any materials for reinforcement. When four people are doing this job, it is more or less enough. But in recent times there have only been two workers working in such cases.

At the long wall face where I used to work, hydrogen sulfide is forming. People who work there didn't get any additional protective equipment or compensations. At the same time the company punishes us. At our coal mine – and maybe at the others as – there are so-called 'progress' groups as well. The young people come and ask the miners how to improve the situation but there is no choice but to write right things down. Four to five times per year we have safety exams, but the problem is not with us.

How are you made to write the right thing?

There are only multiple-choice questions with predefined answers.

Dmitri Krynin I'm from the Kazakhstanskaya mine. I was also injured in 2008 because of an equipment problem. I don't know how they report the money they spent and loans that they receive, but I cannot say that they bought a lot of new equipment or tools, so that people would have something to work with and not just their hands. My injury is an example of this – my eye was injured because I had the wrong equipment. The reinforcement gun had been repaired by hand in the wrong way so it wasn't safe. After my injury they finally bought a new one, but now my right eye sees nothing and my left eye sees only a little.

The lamps are bad and have weak batteries so that towards the end of the shifts they do not work. Sometimes there is only one for two people to use. The self-rescue equipment is only functional for two hours, except for the higher-level staff who get four hours of protection. According to the safety rules if a lamp doesn't work, another person must lead the miner out, but in reality we have to keep working. Sometimes the engineers give their lamp to us and stop working themselves.

Monitoring visits are known in advance so everything is cleared up.

Who visits?

About the monitoring visits, we usually don't know who it is but we have to go out of the mine.

In Kazakhstanskaya last month, only a small number of miners got the normal salary with bonus, and most got no bonus.

We used to have really old buses but now we've got new Chinese ones that are extremely cold. After showering in the winter you can easily catch a cold.

Sergei Sorokin from Tentekskaya In Area #2 they are doing the preparation, extraction and reinforcement work at the same time to try and save money. Really dangerous work is not being paid at special rates but is nevertheless being done.

(The following interventions come from different miners present during the meeting and it is designated when a new intervention is made)

Miner from Tentekskaya mine In Tentekskaya the oxygen pipe to the mine should be 1.2 metres in diameter. There is equipment to monitor the airflow, and it should show a constant airflow. But in order to have the measurement constant the air pipe is narrowed to around 80 cm so the miners in the mine have less oxygen than they should. It has always been like this and they are not improving it.

Miner In the Kazakhstanskaya coal mine old oxygen pipes are used, and sometimes there are holes in them, sometimes one pipe is narrower in diameter than the other and when you put them together there is a loss of air. So the detector shows less airflow and then a problems occur. I called my chief and asked what to do and he said, "Narrow the pipe." What can I do? They don't have new pipes nor materials, so I'm forced to narrow the pipes. This is dangerous because the gas concentration can get too high.

There is water in the mines, for example a puddle ten meters long. The pumps are broken and do not function because spare parts are missing or are just left there for appearance's sake. So our shoes only last about three or four shifts.

Miner There are cases for example when they give us an order to get through 100 metres of coal in one month. We worked as hard as we could and only got through 95 meters. They put this remaining five meters as our debt so as not take away our bonus payment. The next month the target was again 100 metres plus the five metre debt. Then they increased it to 120 and 130 metres to avoid paying the bonus part of the salary, because they can say we didn't fulfill the order.

How is this possible? Why do they increase the

targets if we can't even achieve the smaller amounts? We've explained this, since they expect us to go through 100 metres anyway. They just want to avoid paying the bonus part of the salary and we will be unable to meet the target. At least 50 workers will get less salary.

And we buy tools with our own money.

Miner from the Abaiskaya mine At the Abaiskaya coal mine, the head of division says "If you bring in a hand winch, you will get one day off."

Miner The conveyor is has been repaired in about 50 places. People are constantly losing their bonuses because of having to spend their time fiddling with it.

Sergei from the Tentekskaya mine We work with hand winches and sledge hummers. When mine broke I came and said that I need another sledge hummer. They told me "Bring it to the tack room and it will be repaired". If I go to take it tomorrow, nobody will give it back to me, because the tack room does not work on Saturdays and Sundays, but I still have to do my job. I went there and asked "How should I do it?" I can somehow work with it, but it is in a dangerous condition and I work in dangerous zone. The answer is "Do it somehow", and anyway it's not like they would give me a new tool.

Miner They bought new machines and wide conveyors to get out as much coal as possible, but they don't care about the other equipment.

Miner The system here works like this – our chief just calls and says "two people should go there, two people should go there. There is no full shift. Many times we came here to Natalia Vladimirovna to try and organize a meeting with our employee, but they do not want to communicate with us.

The only place where we can improve our health is at the Zhartas sanatoria. We don't have the money to stay on holiday for the full time so we have to come back early and our health doesn't improve.