

Working together: Changing Extractive Industry to a Sustainable Development Agency

Address to Critical Shareholders Association for the Shareholders Meeting of BASF,
Mannheim, Germany, 30 April 2015

The Rt Rev'd Dr Jo Seoka
Anglican Bishop of Pretoria, South Africa

Honorable Chairperson and the Board members, Respectable shareholders, ladies and gentleman: Greetings to you all from the Miners and workers in Platinum belt!

I would like to begin with an apology that I am not able to address you in your own language but hope to make myself understood in English which is common to most of us here. May I also, please, request that you allow me to briefly introduce myself to you before I speak. I will then immediately hand over to my translator to tell you in German what I have written in my speech for this important Shareholders meeting.

I am the Right Reverend Johannes Seoka, the Anglican Bishop of Pretoria, the capital of South Africa in Gauteng province, sixty kilometers from Johannesburg. Gauteng means place of gold in Setswana. However I must point out that our Diocese covers the whole of the Platinum belt in North West province where more than the half of the worldwide platinum deposits are – at the moment the most precious metal on earth. This is the main reason why I am involved in the Marikana trouble that resulted to a massacre in 2012. However, I am also Chairperson of the Bench Marks Foundation that had just released a damning report two days before the massacre. And the reason for being here to address you is because your Company BASF is one of the major customers of Lonmin, which is the third largest Platinum producer. Germany is the world's second largest importer of platinum and BASF is the world's largest producer of catalytic converters, which underlines the essential need of a safe and stable supply with platinum and other platinum group metals. That is what really connects us here at a concrete level. And this is what I want to speak to you about here and now: our relation for the sake of the future. This, I believe, will strengthen our weak relationship, especially after the Marikana massacre.

Working together we can change the image of an uncaring company that is only interested in profit margin but does not care about development of people and eco-system. At the moment, as result of the Marikana massacre, your company is associated with other extraction companies whose intention is to extract mineral resources without consideration to human consequences and environmental destruction. This image must change if you are to be a socially responsible corporate citizen doing business in a transformative manner that contributes to sustainable development. Money is not everything but a necessity in life. Companies must not only ensure the Shareholders of high returns but Shareholders and together with communities must benefit from God given resources.

Allow me to say that I am one of the three leaders appointed by the Miners to provide leadership in their struggle for justice. Mr. Joseph Mathunjwa, Advocate Dali Mpofo and I were trusted with the responsibilities of ensuring that workers are heard and provided with their demands. So, I am not here talking for myself but I am the voice of those your business partner in South Africa have silenced, the voiceless miners of Lonmin. It is my Christian duty to protect the poorest of the poor and to help them live with dignity and attain a better quality of life. And because of the trust given to us, we will not rest until justice is done on the matter and the widows and families have been compensated for the loss of their bread-winners.

As Shareholders you must have read the chilling reports about what happened in the Platinum mine in which you have interests as business partners. Well, for the sake of repeating the obvious, allow me to remind you that on the 16th August 2012, armed forces from the South African Police confronted over 3000 Rock Drillers and other workers on the hill near Lonmin mine, in Marikana. 34 mine workers were killed, shot down by the police on that day, 70 were injured, and many arrested. BASF, as principal customer of Lonmin, must have reported to you as Shareholders on the massacre of 16th August. Therefore you must be worried how your money is invested, when a primary business partner is accused of being co-responsible for the massacre, therefore violation of human rights.

It was a shocking unprecedented murderous action in the new democratic South Africa. This massacre shook the country and the world because it was not expected from the government of the people, by the people and for the people. In the era of the constitutional democracy with a Bill of Rights which emphasizes respect for human rights it was not expected that workers who were peacefully wanting to negotiate a living wage of R12,500 a month, about 1000 Euros, would be massacred by a highly militarized police force. I don't think BASF want to be accused of collaborating with Lonmin who called the police instead of talking to their workers. We must not overlook the fact that BASF is the principal customer of Lonmin. Notwithstanding, I suggest, we tackle things one by one so that we keep our focus on the real issues that brings us together.

It is now two years since the appointment of the Farlam Commission and the people of South Africa wait with anxiety on its outcome. The narratives by the Police and that of others affected stakeholders are in contradiction. There is therefore suspicion that the truth will never be known. The widows and families of the 34 deceased miners will never know who actually gave the order to the Police to shoot with live ammunition – killing innocent defenseless working people. Most of these miners were shot with their hands up and some on their back, which means they were not fighting but surrendering and running away from the attacking forces. This is the biggest massacre since Sharpeville Massacre in 1960 in a protest against Apartheid laws. This happens in in our democratic era when we had thought never again will such monstrous acts of violence ever be part of our present history. Where on earth have you ever heard that people get killed for protecting their human dignity? They were not fighting but asking for a living wage, safe working conditions and respectable living conditions and houses.

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I was on the hill that fateful day of August 16th 2012. I met with the striking workers. The Rock Drillers me asked on the afternoon of the Massacre to go and find their CEO, Mr. Ian Farmer and request him to accompany me back to the hill where the miners had gathered in order to discuss their grievances. They really wanted to talk to him as their employer and for him to address their grievances. Lonmin denied them this request and instead called the armed police who did not negotiate but opened live fire, which killed 34 human beings. Was it really too much what the workers were asking for? Just to talk and reason with their employer? I don't think so. Your trusted supplier, Lonmin failed their workers and contributed to their killing by the police. I don't believe that this is what you want your investment to do.

Now as I described in the countermotion: In two and a half years the state appointed Commission of Inquiry has furnished more than sufficient proof that your supplier has joint guilt in this horrible act. Here and now, it is not the space and not the time to go into details in this matter, but allow me to give you an example; the evidence leaders of the Marikana Commission of Inquiry accused Lonmin that it has often and repeatedly ignored and broken its legal obligations towards the workers and the local community. In 2006 for instance, Lonmin promised to build another 5500 new houses by 2011 and this did not materialize. Indeed, merely three show houses were built for more than a decade.

I think it is important for you to know that the majority of the people, who dig out the world's most precious metal which BASF is processing to catalysts, work and live under inhuman conditions; they live in shack-slums without running water, electricity and no access to proper municipal services. Over years they were confronted with empty promises of Lonmin.

That's just one of several serious misconducts of your trading partner – one of gross transgressions and human rights violations, which are recorded in detail now in hundreds of pages in reports of the evidence leaders for the Farlam Commission.

The basic questions I want to raise as I move towards conclusion and of which I will be grateful if the Board members gave us an answered so that we can take a message of hope back to the workers.

1. What is your reaction facing the news, that one of your most important platinum supplier is co-responsible for murder, violation of Human Right and inhuman living conditions of its workers?
2. What do you say about this and what are you prepared to do to improve the lives of those who contribute towards your wealth?
3. Will you remain silent even now that you know what happened in the name of your investment?

4. What lessons and conclusions can you draw from this unfortunate event?

I know and I appreciate that BASF is committed to a very high standard along the value chain; We all know and support you especially in the year of your 150th anniversary and I believe that you would like to stay with this image which you worked hard for. Now, the news from South Africa is obviously a high reputation risk for BASF. I think we all agree, that it is not affordable for BASF to face such escalation of violence strongly connected to one of your supplier just to remain silent. It cannot be sustainable for BASF not to help to improve the inhuman working and living conditions of the people who dig its platinum out of the rocks.

5. How do you think, you can be fair to your own commitments in the case of Lonmin and the massacre?

We think it would damage your reputation if you do not take decisive actions, visible to and for the community. I think this is the time to act and talk less.

I invite you to come and see for yourself the living, working and environmental conditions. The Bench Marks Foundation has such organized tours for people who wish to see and have first hand experience of where they invest their money. We can as Foundation, working with the Trade Union support you in being a role model of a responsible investor and good policy of transnational enterprises.

6. Will you follow the demand in the counter motion that I have presented and to provide the described fund for reparations payments for the victims?

Now that we know, that for BASF high planning security is at least equally important than the price of platinum group metals, we therefore encourage you to consider the so called investment risks like strikes, wage demands, community protest, which bring in volatility. This rather minimizes the planning security. Therefore to increase the planning security, I suggest that you invest continuously in structures, not in a charity logic, but in social justice logic and in the principle of equally shared profits.

Please allow me to conclude by firstly ask you

7. to freely and willingly contribute additional 10% of the price of each platinum ounce you buy from Lonmin as a planning security contribution for the communities of the workers?

8. And secondly, I ask you to consider my invitation to visit the Marikana Community.

I thank you for the opportunity you accorded me and may Almighty God bless you.