



ArcelorMittal

ArcelorMittal South Africa Limited
(Incorporated in the Republic of South Africa) (Registration Number 1989/002164/06)
Share Code: ACL
ISIN: ZAE000134961
(ArcelorMittal South Africa or “the Company”)

ArcelorMittal South Africa annual wage negotiations break down

Shareholders are advised that the National Union of Metalworkers of South Africa (NUMSA) had, on 9 May 2022, issued the Company with a strike notice, giving notice of its intention to embark on a strike on 11 May 2022, following a breakdown in the 2022 annual wage negotiations with NUMSA. The Company also notes that a recent media statement issued by NUMSA contained numerous factual inaccuracies.

It was hoped that this action could be averted but this has not been possible. The Company has also applied for an interdict to prevent certain employees from striking on the basis that they are involved in providing a maintenance service as contemplated in the Labour Relations Act.

In the most recent engagement on Thursday, 5 May, which was conciliated by the Centre for Dispute Resolution, the Company tabled a significantly improved final offer of 7%, comprising of a 5% increase across the board on all remuneration elements as well as a 2% cash equivalent based on all remuneration elements, to be paid monthly and in acknowledgement of the immediate term cost of living squeeze.

The offer is higher in both percentage terms and absolute rand terms than what has been implemented in the steel sector (5.5% average) and elsewhere in the recent past, which is indicative of the substantially higher salary scales at ArcelorMittal South Africa compared to the rest of the industry and other sectors. NUMSA disputes this fact but has to date not presented any factual evidence to the contrary.

The Company is of the firm view that its offer is fair and considers both the current economic conditions and the future sustainability of the business.

In the union’s strike notice, NUMSA has reverted to its original 15% increase demand, having tabled a revised 10% increase demand at last week’s conciliated engagement.

“The Company is concerned that unsustainable increases in base pay will lead to cost pressures which will weaken our competitiveness,” said CEO Kobus Verster. “Our industry remains very cost sensitive, challenging and volatile. To survive and be sustainable, we need to ensure that our cost base remains competitive so that we can manage through the downturns.”

Communication channels between the parties remain open in the interest of speedily reaching agreement in the negotiation process.

The impact and duration of the strike cannot be predicted but the Company has in place plans to mitigate the impact thereof, and to protect its people and assets, and service its customers insofar as is possible.

11 May 2022
Vanderbijlpark Works

For further information please contact:

Mr Tami Didiza
Group Manager: Stakeholder Engagement and Communications
Tel: (016) 889 2352

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