

Annual Report and Annual Financial Statements for Financial Year Ended 28 February 2022

At the AGM held on 15 November 2022

(Full Report and AFS available at
www.asbestostrust.co.za)



Establishment of the KRT

- Formed in February 2006 following voluntary agreement (not a class action settlement) between:
 - South African activist attorney, Richard Spoor, and
 - Swiss-based Becon, the daughter company of Eternit, which had interests in South African asbestos mines between 1952-1981
 - Founder's donation: R151 million
- Main aim:
 - To compensate claimants who have a designated ARD because of exposure to asbestos (either environmentally or occupationally);
 - At or near operations owned by or associated with Kuruman Cape Blue Asbestos (KCBA) and Danielskuil Cape Blue Asbestos (DCBA)
 - From 1952-1981



Establishment (continued)

- Governed by a Deed of Trust approved by the Master of the High Court
 - Outsourced day-to-day claims administration to the Asbestos Relief Trust (ART), which was established in 2003:
 - Well- established medical surveillance and claims management resources
 - Many claimants worked at or lived near mines covered by both trusts (so-called “dual claimants”).
 - The trusts collaborate on community outreach and social projects in the Northern Cape and North West Provinces
 - KRT is scheduled to close in 2026 when remaining assets must be donated to a “*charitable organisation promoting the welfare of communities detrimentally affected by asbestos mining or milling in the geographic areas in which the founder operated.*”
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Key establishment tasks

- Outreach (targeted greater Kuruman area, Eastern Cape, Botswana, eSwatini and Lesotho)
 - radio advertising
 - community meetings facilitated by the local authorities
 - village visits
 - liaison with local community-based organisations
 - site-visits with portable health surveillance services
- Data collection:
 - Recovery of extensive work and medical records from the mines covered by the ART and KRT
 - Digitised in searchable format, electronic database since 2007

Achievements since inception

- The ART and KRT jointly processed enquiries from 18 991 prospective claimants, of whom 16 623 registered claims against one or both trusts
- Approximately 36.5% of claimants were diagnosed with a compensable asbestos related disease (ARD) after a medical examination paid for by the trusts
- KRT :
 - Has paid 1 520 qualifying claimants benefits of R114 971 035
 - 84% were occupationally exposed and 16% environmentally exposed to asbestos at or near qualifying mines
 - ~ 64% of payments were to claimants with “dual” exposure and benefits paid were apportioned between the two trusts
 - Invested R10 771 456 in social projects

Claim Statistics for FYE 2022

- 10 claims were ARD4 (mesothelioma) payments (15 in the previous year)
- 4 ARD4 claims paid for environmental exposure and 6 due to occupational exposure.
- ARD4 claims = 56% of the claimants and 70% of the benefits paid
- 83% of the claims paid by the KRT were “dual” claims.

Compensation Category	Number of Claims Paid	R-amount paid
ARD1	2	R26 200
ARD2	1	R28 077
ARD3	5	R650 539
ARD4	10	R1 661 172
	18	R2 365 988



Claims Evolution

Previous Medical Certification	New Medical Certification	Number of Claims	R-amount paid
No ARD	ARD1	2	R26 200
No ARD	ARD2	1	R28 077
No ARD	ARD3	1	R335 040
		4	R389 317

Of the 18 claimants compensated during the financial year, four had previously lodged a claim with the KRT that had not been accepted as there was no indication at the time of a qualifying medical condition. Their medical certification changed on receipt of new information.

Social Projects FYE 2022

- KRT invested a further R1 032 459 on social projects, some in collaboration with the ART.
 - **The Asbestos Interest Group (AIG)**, which does important outreach in the greater Kuruman area and claims handling work for the trust
 - **The Kuruman Palliative Care Project**, where full time trust employees offer a compassionate and effective service to cancer sufferers
 - **The Cancer Charity Workers (CCW)** in Kuruman, which has an active education and support programme for all cancer sufferers
 - **Medical Support for ARD2/3/4 Sufferers** - extra health check-ups (consisting of a medical exam, chest x-ray and lung function test) and supportive or palliative treatment for ARD2/3/4 sufferers
 - **Continuing Professional Education Workshops** in the greater Kuruman area aimed at improving the ARD diagnostic ability of medical health professional

Financial FYE 2022 (audited)

- Trust income on cash balances and on investments for the year = R3 483 583
- 10% decline on investment income from the R3 871 594 the previous year was attributable to the direct and indirect impact of the Covid-19 pandemic
- Operating expenditure, including expenses related to claims management, Increased by 10% to R1 864 090 (R1 692 486 in 2021 and R1 821 807 in 2020)
- R2 365 988 paid to 18 claimants, and payments pending of R1,5 million
- Funds available for administration, payment of future claims and social projects = R49 926 160.

Concluding remarks

- Given that a significant number of former asbestos mine workers covered by the KRT have already been followed up, and that the estimated current average age of the prospective claimants is in the late seventies, the trustees anticipate a continued slowing in the number of occupational claims
- We anticipate, however, an increase in the number of environmental claims for mesothelioma (from both “vicinity” and “domestic” exposure)
- The trustees are, however, satisfied that there will be sufficient funds available to administer claims and compensate the ~ 50 claims that are anticipated over the next four years.

Concluding remarks

- The trustees have appreciated increased collaboration in the recent past with the National Health Department, MBOD and CCOD - and with the representatives of other “settlement trusts” - on strengthening the overall compensation regime in South Africa
- The trust’s cooperation with public and private sector actors extends to information sharing on claimant data bases, community outreach programmes and cross-referral of potential claim applications
- The trustees are committed to ensure that KRT claimants receive all the compensation they are entitled to, and that their families and communities are supported to the extent allowed by the Trust Deed

Thank you

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