

Nominated for the eyesore



of the year 2012

ANDRITZ AG

in the Belo Monte dam project in Brazil

On the Xingu River, the Brazilian government is building the third largest hydroelectric plant in the world with an output capacity of 11,233 megawatts. The plans for the mammoth project date from the period of the Brazilian military dictatorship. Due to the massive protests by the affected peoples of the Xingu - more than 28 indigenous groups live in the region – in 1989 the World Bank retired from

the project, so the project could not be realised – at this time. But the project has been reopened and is now threatening the existence of tens of thousands of people, who live there. In addition, the project will destroy the unique natural and cultural landscapes. The financial, environmental and social costs of the Belo Monte – dam project are enormous:

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- ⇒ In 2009, a scientific expert commission published a report on the environmental assessments of the environmental agency IBAMA, which pointed out many unaccounted problems.
 - ⇒ In 2010, the Brazilian Human Rights platform Dhesca reports „massive violations of human rights“ in the course of the authorization process for the Belo Monte dam project.
 - ⇒ In 2011 the Inter-American Commission on Human Rights (IACHR) of the Organization of American States (OAS) called for a construction freeze, because of the disregard of the rights of the indigenous peoples in the region.
 - ⇒ In April 2012, the IACHR renewed requests for the Belo Monte dam project to the Brazilian government.
 - ⇒ In March 2012, the International Labour Organization (ILO) published, that the Brazilian government had ignored the rights of the indigenous people by not conducting public hearings in accordance with ILO Convention 169.
 - ⇒ In Brazil, a number of lawsuits is pending against the approval of Belo Monte dam project and the non-fulfillment of conditions during the authorization process.
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Nevertheless: despite all protests and critical reports on the Belo Monte dam project, the ANDRITZ AG acquired the contract and still remains committed to the project. "The construction work continues, there is a broad consensus in Brazil that it is to be built," says Dr. Wolfgang Leitner in the Austrian journal "Kleine Zeitung". On request of the Network Social Responsibility, the company has given no opinion on social responsibility issues related to the participation of the company in the Belo Monte dam project.

The proportionate volume of Andritz AG on the two contracts totaled to around 300 million Euros and is the largest single order in the history of the company's division Hydro. The chief executive estimates the Andritz share of the Belo Monte dam project to be approximately 5 to 10 percent of the overall project. The dam will go into operation "in a few years", around 2015. The company division "Andritz Hydro" produces hydraulic machines, water turbines, pumps and secondary technologies for power stations.

With regard to the environmental and social impacts of the Belo Monte project Dr. Wolfgang Leitner is confident: "There are impairments of the residents, that will be resolved," he told the Kleine Zeitung.

At the same time, the ANDRITZ HYDRO GmbH is member of the "austrian business for sustainable development – respACT". Following the CSR-guidelines "success with responsibility" ANDRITZ HYDRO is committed to conserve nature and the livelihood of the people: "Responsible economies goes further than application of environmental laws...".

Eva Glawischnig, chairwoman of the Green Party Austria stated: "The participation of an Austrian company in a project that is neither respecting human rights nor compliant with European law on environmental issues, is an "eyesore".

NeSoVe has the opinion, that it is socially irresponsible to participate in such a project, that expels thousands of people from their country and has incalculable eco-social consequences. NeSoVe calls on the ANDRITZ AG to withdraw the order concernig the Belo Monte dam project. NeSoVe calls on the business-platform respACT to ensure that ANDRITZ HYDRO GmbH gets out of the Belo Monte dam project. NeSoVe urges national legislators as well as the European Union to establish rules that ensure corporate accountability abroad. It is unacceptable that Austrian companies do profit by projects, which exile people from their living place and destroy the environment.

